



**REGULATIONS OF THE BOARD OF DIRECTORS OF
COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A. (“CEPSA”)**

CONTENTS

| Article | Page |
|---|-------------|
| 1. Preamble | 3 |
| 2. Role and Mission of the Board of Directors | 4 |
| 3. Composition of the Board of Directors | 6 |
| 4. Structure of the Board of Directors | 9 |
| 5. Working Procedures and Operating Principles of the Board of Directors..... | 10 |
| 6. Directors' Rights to Information..... | 12 |
| 7. Remuneration of the Members of the Board of Directors | 13 |
| 8. Delegated Bodies of the Board of Directors and Standing-Committees | 13 |
| 9. Effective Date | 14 |
| | |
| Schedule | |
| 1. Definitions | 15 |
| 2. Shareholder Reserved Matters | 20 |
| 3. Board Reserved Matters | 23 |

1. PREAMBLE

1.1 Definitions

For the purposes of these regulations (the **Regulations**), terms defined in **Schedule 1** will have the meanings assigned therein. Other terms may be defined elsewhere in these Regulations.

1.2 Purpose and Applicability

The purpose of these Regulations is to establish the governance principles of the Board of Directors of Compañía Española de Petróleos, S.A. (“CEPSA”) (the **Company**), as well as the basic rules of its organisation and operation, in addition to the rules of conduct of its members.

These Regulations will be applicable:

- (a) to the Board of Directors, including each of its Directors individually;
- (b) to the Board of Directors’ delegated bodies (multi-membered or single membered) and internal committees and commissions; and
- (c) to the individual representatives of Directors who are legal persons (*personas jurídicas*).

In addition, the rules of conduct set out in these Regulations for Directors will be applicable, insofar as they are compatible with the specific nature of their relationship with the Company, to the Company’s Executives. For the purposes of these Regulations, **Executives** will refer to the members of CEPSA’s Management Committee and the person in charge of the internal auditing of the Company.

Accordingly, the members of the Board of Directors and, insofar as applicable, the Executives of the Company shall be familiar with the provisions of these Regulations, and comply and ensure compliance with the provisions thereof. For such purposes, the Secretary of the Board of Directors shall provide a copy of these Regulations to the relevant persons at the time of accepting their respective appointments.

These Regulations shall remain effective indefinitely, as amended from time to time in accordance with section 1.4 below.

1.3 Interpretation

These Regulations: (i) complete the body of rules and regulations applicable to the Board of Directors as set forth in prevailing laws and the Articles of Association; and (ii) reflect, and shall at all times be interpreted consistently with, the shareholders agreement entered into by the Company and its two current shareholders, Cepsa Holding LLC and Matador Bidco S.à R.L. (the **Shareholders**) on 15 October 2019 (the **Shareholders Agreement**).

The Board of Directors shall have the power and authority to resolve any doubts that may arise in the interpretation or application of these Regulations. In the event of any doubts with regard to the composition, duties or powers of any of the committees of the Board of Directors (the **Board Committees**), a prior report shall be requested from the relevant Board Committee.

If any provision of these Regulations at any time conflicts or is inconsistent with the provisions of the Shareholders Agreement or the Articles of Association: (i) the provisions of the Shareholders Agreement or Articles of Association, as applicable, are to prevail to the extent of the conflict or inconsistency; (ii) these Regulations will be taken to be read and interpreted accordingly; and (iii) these Regulations must be amended to the extent necessary in accordance with section 1.4 below.

1.4 Approval and Amendment

These Regulations are approved by the Board of Directors as a Board Reserved Matter (as defined below) and shall be valid and binding with effect as of 15 October 2019.

Any amendment of these Regulations shall be approved by the Board of Directors as a Board Reserved Matter.

Any Director may propose amendments to these Regulations to be considered by the Board of Directors when circumstances arise which, in their opinion, render such amendments appropriate or necessary, in which case they must include in their proposal a memorandum justifying the grounds and scope of the amendment proposed. In any event, the text of the proposal and the supporting memorandum must be attached to the convening notice of the Board of Directors' meeting that is to deliberate on it. If the proposed amendment affects any Board Committee, a report from the corresponding Committee will be requested beforehand.

Amendments to these Regulations will be effective from the date of their approval, unless the Board of Directors approves a different procedure upon passing the corresponding resolution, and will be reported to the Shareholders and circulated in the same manner as the original version.

These Regulations shall be updated and amended as required, in order to adapt their contents to applicable laws and regulations and to any amendments which may be agreed in the future to the Articles of Association and the Shareholders Agreement.

2. ROLE AND MISSION OF THE BOARD OF DIRECTORS

2.1 Powers of the Board of Directors

The Board of Directors has the legal authority, within the corporate purpose defined in the Articles of Association, to carry out any acts and adopt any business decisions required to ensure that the Company achieves its business and organizational objectives, with the exception of:

- (a) those matters reserved to the General Shareholders Meeting mandatorily by law; and
- (b) those matters reserved to the approval of the Company's Shareholders by the Shareholders Agreement, which are listed in **Schedule 2** (the **Shareholders Reserved Matters**).

To the extent Spanish corporate law mandatorily requires a resolution taken by the Board of Directors to make effective any Shareholders Reserved Matters, the Board shall only deal with, and vote on, such resolution after the relevant Shareholders resolution has been passed, and consistently therewith.

2.2 Matters requiring Shareholder approval

In addition, certain matters set out below, which would generally fall within the remit and responsibilities of the Board of Directors, will require authorization by the Shareholders of the Company through their prior unanimous endorsement, in advance of the matter being voted on or approved by the Board of Directors:

- (a) Appointment of any financial advisors for the purposes of selling, transferring, merging or ceasing to carry on all or a substantial part of the Business whether by way of sale of shares, sale of assets, farm-out, farm-down or some other arrangement and whether by a single transaction or series of transactions.
- (b) Issue any Securities by the Group Companies (other than the Company).

- (c) Purchase, redeem or otherwise reorganise the share capital of any Group Company, including by way of reduction of capital, buy-back or redemption of securities, conversion of securities from one class to another or consolidation and subdivision of shares in a manner that would affect the rights of any Shareholder. Any application by way of capitalisation of any sum in or towards paying up any shares in any Group Company or of any other security or of any amount standing to the credit of the share premium account or capital redemption reserve for any purpose, affecting any of the Group Companies (other than the Company).
- (d) Change in the auditor of the Group Companies (other than the Company).
- (e) Appoint any administrator, liquidator, provisional liquidator, receiver, receiver and manager or equivalent officer to the relevant Group Company or take any step to dissolve or wind up the relevant Group Company (other than where the board of the relevant Group Company resolves that such a step should be taken in circumstances where the directors (having taken appropriate professional advice) hold a bona fide belief that the relevant Group Company is insolvent), affecting any of the Group Companies (other than the Company).
- (f) Approval or amendment of Management Incentive Plans or any bonus/incentive scheme which require a commitment in excess of €2M above the amount determined in the Budget for employee bonuses.
- (g) Acquisitions or disposals in excess of €35M or disposals relating to any Material Company (unless such acquisition or disposal involves an essential asset of the Company, as defined in the Spanish Companies Act, in which case formal authorization from the General Shareholders Meeting is required) or appoint financial advisors for the purpose of the foregoing.
- (h) Sale or cessation of the Business (unless such sale involves an essential asset of the Company, as defined in the Spanish Companies Act, in which case formal authorization from the General Shareholders Meeting is required).
- (i) Alterations to the Business (unless the relevant alteration implies a change in the corporate purpose of the Company, in which case formal authorization from the General Shareholders Meeting is required).
- (j) Authorization, agreement or negotiations with any person concerning any of the matters referred to in this section 2.2 or any Shareholders Reserved Matter.
- (k) Declaration or distribution of interim dividends.
- (l) Reduction of the reserves of the Group Companies (other than the Company).
- (m) Approval or amendment of Dividend or Financing Policies of any Group Company.
- (n) Approval or material amendment of corporate Compliance Policies or facilitate any business or activity with a Sanctioned Person.
- (o) The making of charitable donations in excess of €25,000 per charity.
- (p) Approval (i) to enter into any transaction (other than transaction involving borrowing or lending) with any Shareholder or any of its Affiliates or vary, waive or amend any agreement with any Shareholder or any of its Affiliates which in each case is: (a) outside the ordinary and usual course of business; or (b) within the ordinary and usual course of business but has a value of more than EUR10 million (and any ordinary course transaction with a value below such amount shall be discussed at a meeting of the Board in any event); or (c) not on

commercial arm's length terms; or (d) is a fee arrangement with a Shareholder or any of its Affiliates, and/or (ii) to enter into, vary or waive any transaction involving borrowing or lending with any Shareholder or any of its Affiliates. For the purposes of this paragraph (p) only, a Portfolio Company Controlled by an investment fund advised or managed by any member of the Carlyle Group shall be treated as an Affiliate of Carlyle.

(q) Any other matters as may be determined by the Shareholders.

Each, together with any other matter as may be determined from time to time jointly by the Shareholders, the **Written Shareholder Approval Matters** and each a **Written Shareholder Approval Matter**.

Any of the Written Shareholder Approval Matters to be resolved by the Board shall, prior to such resolutions being voted on or passed by the Board, be notified to each Shareholder in writing (including copies of the supporting documentation to be furnished to the Directors and a resolution proposal).

Each Shareholder shall be requested to confirm its agreement to a Written Shareholder Approval Matter and the corresponding resolution proposal by the signature of a representative authorized by each Shareholder (as applicable) for such purpose.

No Written Shareholder Approval Matter will be voted on or passed by the Board, unless the Secretary and the Chairman (or their Deputies, when applicable) have received the written confirmation referred to in the paragraph above from each Shareholder and so confirm to the Board.

A Written Shareholder Approval Matter can be discussed by the Board exclusively as an information item in any case.

2.3 Board Reserved Matters

In addition to any matters which, by law, shall be reserved to the authority of the Board of Directors and are therefore not susceptible of delegation, the matters listed in **Schedule 3** to these Regulations, and any other matters which these Regulations determine to be reserved to the Board will be considered **Board Reserved Matters** and shall accordingly be dealt with by the Board of Directors in accordance with the Shareholders Agreement and section 5.2 of these Regulations.

2.4 Disclosure of information

A Nominated Director is entitled to pass information concerning any Group Company to the Shareholder which appointed him or her, or any of such Shareholder's Affiliates or Associated Persons who need to know that information for the purposes of any internal or external reporting or audit requirements or the proper performance of their duties, so long as each recipient keeps that information confidential in accordance with clause 24 of the Shareholders' Agreement.

3. COMPOSITION OF THE BOARD OF DIRECTORS

The composition of the Board of Directors, and the rules governing the appointment (or re-appointment) and dismissal (or resignation) of the members of the Board by the General Shareholders Meeting will follow the rules established in the Shareholders Agreement, reproduced below.

3.1 Composition

The Board of Directors shall be composed of eleven (11) members.

3.2 Appointment and Reappointment of Directors

- (a) Directors shall be appointed by the General Shareholders Meeting, in accordance with the relevant provisions of the Shareholders Agreement, applicable laws and the Articles of Association.

The Nomination and Compensation Committee (the “NCC”) shall oversee the process for selecting the most suitable candidates who best meet the Board’s required and desired criteria. In conducting this evaluation process and screening potential candidates, the NCC shall endeavour to ensure that the Board has a diversity of gender, experience, backgrounds and perspectives and a sufficient range of leadership attributes, expertise and skills, in particular financial analytical skills and relevant familiarity with, and expertise in, sectors and industries that the Company is engaged in, to enable the Board to provide sound and judicious decision-making, guidance and oversight with respect to the Company’s business interests and operations and effectively carry out its duties and responsibilities.

- (b) In accordance with the Shareholders Agreement, each Shareholder may from time to time appoint and remove such number of Directors as is set out in the second column in the table below against the percentage in the first column of the table below that then corresponds to that Shareholder’s Equity Proportion:

| Equity Proportion | Number of Directors |
|---------------------------------|---------------------|
| Less than 10% | None |
| 10% to 20% | One (1) |
| More than 20% and less than 30% | Two (2) |
| 30% to 50% | Three (3) |
| More than 50% | Five (5) |

Taking into account the current shareholding structure and the provisions of the Shareholders Agreement, the Board shall be composed of: (i) five (5) Directors appointed by Mubadala; (ii) three (3) Directors appointed by Carlyle; (iii) one (1) non-executive Director independent of the Shareholders (the **Independent Director**); (iv) one (1) external non-executive Director (**the External Non-Executive Director**); and (v) one (1) Chief Executive Officer (*Consejero Delegado*).

- (c) In accordance with the Shareholders Agreement:
- (i) the Independent Director shall be appointed as a Board Reserved Matter. The General Shareholders Meeting will pass a resolution to appoint the Independent Director following such Board Approval;
 - (ii) the External Non-Executive Director shall be appointed as a Shareholder Reserved Matter; and
 - (iii) the Chief Executive Officer of the Company shall be appointed as a Board Reserved Matter, following a proposal from the Nomination and Compensation Board Committee.

- (d) Alternate directors (*consejeros suplentes*) may be appointed in accordance with section 216 of the Spanish Companies Act.

3.3 Term of Office

Directors shall hold office for a term of six (6) years and may be reappointed at the end of each term for subsequent six-year terms.

Directors shall vacate their seat on the Board whenever, upon completion of their term of office, they are not re-elected by the first General Shareholders Meeting held thereafter, as applicable, or the legal period for holding the General Meeting to approve the financial statements of the previous year has elapsed.

3.4 Resignation or Removal

- (a) Directors shall step down when their term of office expires or whenever the Shareholders so decide, using the powers granted to them by law, the Articles of Association and the Shareholders Agreement.
- (b) A person will be removed as a Director if the person is, or becomes, ineligible to be a Director under any applicable law. The Shareholders will pass a resolution to remove such Director from his or her position in such event.
- (c) A Director will be removed from his or her position if the Director's appointer (and its Permitted Transferees, if any) ceases to hold any Shares or no longer holds the requisite Equity Proportion as set out in section 3.2(b) of these Regulations, which reflect the Shareholders Agreement (on a last in first out basis). The Shareholders will pass a resolution to remove such Director from his or her position in such event.
- (d) Subject to paragraphs (b) and (c) above;
 - (i) only Mubadala may remove a Director appointed by it;
 - (ii) only Carlyle may remove a Director appointed by it;
 - (iii) an Independent Director may only be removed as a Board Reserved Matter;
 - (iv) the Chief Executive Officer may only be removed if he or she ceases to be employed by the Company as Chief Executive Officer; and
 - (v) the External Non-Executive Director may only be removed following Shareholder Approval.

3.5 Directors' Duties

A director's main and overriding duty is to act in the best interests of the Company, serving in good faith, using reasonable diligence in his or her attention to the affairs of the Company and exercising discretion and care.

As part of their fiduciary duties and obligations, Directors are expected to take into account the consequences and impacts of their business decisions, especially those that may have an adverse impact on the environment or the communities where the Company operates. Directors will pay special attention to sustainability matters, including human rights, climate change and the environment. In this respect and once the relevant legislation comes into force, Directors shall be responsible for overseeing

and ensuring that the Company has effective due diligence processes in place to identify and address actual and potential human rights, climate and environmental risks and impacts associated with its operations, products and services and those of its value chains.

3.6 Conflicts of Interest and Related-Party Transactions

Subject always to clause 7 of the Shareholders Agreement, Directors must report to the Board of Directors the existence of any conflicts of interest, whether direct or indirect, that they or persons related to them may have with the Company, as well as refrain from participating in any transaction related to the conflict, with the exceptions established by applicable Law. Conflicts of interest involving Directors will be disclosed, where required, in the annual Financial Statements.

Any transactions between the Company and its Directors, in accordance with applicable Law, will be subject to authorisation from the Board of Directors, upon a prior report from the Audit, Compliance, Ethics & Risk Board Committee, and ratified by the Shareholders.

4. STRUCTURE OF THE BOARD OF DIRECTORS

4.1 The Chairperson

According to the Shareholders Agreement, Mubadala is entitled to propose the appointment and removal of one (1) of the Directors appointed by it as non-executive Chairperson of the Board of Directors, who then must be appointed (or removed) by the Board of Directors by means of a Board resolution.

The Chairperson shall have authority to call and preside over Board meetings, draft the meeting agendas; preside over the General Shareholder Meetings, where applicable; ensure that all the Board members have sufficient information ahead of the meetings to enable them to give full and proper consideration to the items on the agenda; lead and guide discussions; and encourage members to actively take part in the deliberations.

Furthermore, as the person responsible for ensuring that the Board of Directors runs smoothly and effectively, the Chairperson will:

- (a) prepare and submit to the Board of Directors a calendar of meetings and matters to be discussed;
- (b) organise and co-ordinate the periodic evaluation of the Board of Directors;
- (c) provide guidance and leadership of the Board of Directors and ensure that it operates effectively;
- (d) ensure that sufficient time is devoted to the discussion of strategic matters; and
- (e) approve and review continuing education programmes for each Director, as required.

4.2 Deputy Chairperson

According to the Shareholders Agreement, Carlyle is entitled to propose the appointment and removal of one (1) of the Directors appointed by it as Deputy Chairperson of the Board of Directors, who then must be appointed (or removed) by the Board of Directors by means of a Board resolution.

The Deputy Chairperson will replace the Chairperson in the event of vacancy or absence.

4.3 Secretary

The Board of Directors shall appoint a Secretary either from among the Board members or from outside the Board who shall be appropriately qualified to discharge the duties of this office. In the event that the Secretary is not a Director, he or she shall have a say, but not a vote, on matters coming before the Board.

The Secretary shall be tasked with: assisting the Chairperson as needed to guarantee the smooth and proper functioning of the Board and the conduct of its meetings, taking particular care to provide Directors with the necessary advice and information and ensuring that Directors receive all the relevant information and materials in a timely manner and appropriate format to be able to effectively discharge their duties; drafting the minutes of the meetings so as to accurately reflect the discussions therein and circulating them on a timely basis to the Board members, along with the rest of the documents and supporting materials; safeguarding all such documents and materials and certifying any decisions or resolutions adopted.

The Secretary will take special care to ensure that the actions and decisions of the Board of Directors: (i) comply with applicable laws and regulations; and (ii) are in accordance with the Articles of Association, the Regulations of the Board of Directors and, when applicable, the Shareholders Agreement.

4.4 Deputy Secretary

The Board of Directors may appoint a Deputy Secretary, who need not be a Director, to assist the Secretary of the Board of Directors or substitute him or her as needed, in the performance of his or her duties or any other duties or internal offices held by the Secretary of the Board, including on any standing Board Committees or internal committees.

Unless otherwise resolved by the Board of Directors, the Deputy Secretary may attend Board meetings to assist the Secretary in drafting the meeting minutes and in any other advisory duties as set out in these Regulations.

5. WORKING PROCEDURES AND OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS

5.1 Board Meetings

The Board of Directors shall meet as frequently as needed to fulfill its duties and responsibilities and to best serve the interests of the Company, and as a general rule, at least six (6) times per year, following the established schedule of meetings and agendas. In this regard, the Board of Directors will prepare, prior to the start of each fiscal year, a calendar of ordinary meetings that shall be approved and, if necessary, modified by resolution of the Board of Directors as a Board Reserved Matter.

In particular, in the maximum period of three months from the end of the financial year, the Board of Directors will prepare and sign, in accordance with the legislation in force, the annual accounts, the management report, and the proposal for distribution of earnings, and, if applicable, the consolidated annual accounts and management report.

The Board of Directors will meet when requested by one Director. In any event, the Directors' right to directly call the meeting in the terms established by law is maintained.

The Chairperson shall have authority to call Board meetings. In the event of his or her death, absence, incapacity or inability to attend, the Deputy Chairperson may carry out such actions, provided it is considered necessary or advisable.

The notices to the meetings shall be sent by the Chairperson (or in the Chairperson's absence, by the Deputy Chairperson), the Secretary or Deputy Secretary (following the instructions of the Chairperson (or Deputy Chairperson) or any Director to all the Board members via email or by any legally valid means that proves the date of dispatch thereof, at least five (5) Business Days in advance of the day of the meeting, except in the case of an emergency (in which case the notice convening the meeting must indicate the nature of, and the reasons for, the emergency).

The date and place of the meeting shall be clearly stated in the notice, accompanied by the agenda of items to be discussed. Relevant documents and supporting materials shall be forwarded to all the Board members sufficiently ahead of each meeting, so that all the Directors have enough time to carefully read or request the information required to make informed decisions.

Any Director may propose a matter for the agenda in advance of a Board of Directors meeting and such matter shall be raised at the meeting. Any matter not on the agenda may not be raised at a meeting unless all the Directors agree.

Notwithstanding the above, the Board of Directors shall be understood to be validly convened, without prior notice, whenever all of its members, either in person or by proxy, unanimously agree to hold a meeting and to discuss the items contained on the agenda. Likewise, provided that none of the Directors expresses any objections in writing, the Board of Directors may adopt resolutions without holding a face-to-face meeting. In such cases, the Directors shall cast their vote by email or in writing, as long as his or her identity can be substantiated.

Each meeting of the Board must be held at the place set out in the notice of meeting, which will be at the Company's registered office, or in any other place in Spain or abroad as indicated in the convening notice.

Directors may attend meetings from different locations connected by systems that enable the recognition and identification of the attendees, the ongoing communication among such attendees regardless of their location, as well as their participation in the meeting or casting of their votes, all in real time. Subject to the foregoing, Board meetings may be held by conference call, video conference, or any similar system. Those attending at any of the venues will be considered, for all purposes relating to the Board of Directors, as attendees of one same meeting. The meeting will be considered to have been held, and resolutions will be regarded as having been passed, in the registered office or in any location in Spain or abroad from which the Chairperson attends or at such other place, where at least one Director is physically present for the duration of the meeting, as the Chairperson may decide. If a technological link fails, the Board meeting will be adjourned until the failure is rectified.

5.2 Conduct of Meetings and Resolutions

The Board of Directors shall have a valid quorum to discuss and resolve on any matter when a majority of the Directors is present or duly represented, of whom at least two (2) Nominated Directors of Mubadala and at least one (1) Nominated Director of Carlyle are in attendance in person or by proxy. If a quorum is not present at a Board meeting within 60 minutes of the time appointed for the start of the meeting, the meeting will be adjourned to the same time and place on the same day in the following week. If a quorum is not present at the reconvened meeting within 60 minutes of the time appointed for the start of the meeting, the meeting will be adjourned (for a second time) to the same time and place on the same day in the following week. The quorum at such adjourned meeting is the presence, either in person or duly represented, of the absolute majority (more than half) of the Directors.

Board members shall use reasonable endeavours to attend Board meetings in person and whenever for unavoidable reasons they are unable to do so and wherever practicable, they shall authorize another attending member by e-mail or any other written means to act as their proxy, with voting instructions specifically for each meeting and addressed to the Chairperson.

The Chairperson shall guide and steer discussions at Board meeting, encouraging all the Directors to actively take part and ensuring that they are free to voice their positions and opinions.

Board of Directors resolutions will be passed by an absolute majority (more than half) of Board members who attend the meeting in person or through a representative, unless a higher majority is required by law or these Regulations.

In case of an odd number of attending Directors, the required majority will be determined by rounding upwards (e.g. a majority of five Directors will be required if there are nine Directors in attendance, a majority of four Directors will be required if there are seven Directors in attendance, etc.). The same rounding rule will apply whenever these Regulations refer to “thirds” of Board members for any purposes.

The following reinforced majorities will be applicable:

- (a) According to the Shareholders Agreement, the Board Reserved Matters require, to be approved, the affirmative vote of at least one (1) Director appointed by Mubadala and one (1) Director appointed by Carlyle.
- (b) In accordance with sections 249.2 and 249.3 of the Spanish Companies Act, the appointment, removal, and severance conditions of Chief Executive Officers (*Consejeros Delegados*) as well as the prior approval of any contracts to be entered into between the Company and the Directors assigned executive duties shall require the affirmative vote of at least two-thirds of the members of the Board of Directors, with the abstention of the Director involved.

To the extent a Board Reserved Matter resolution may be validly passed, from a corporate perspective, without meeting the requirement set out in (a) above, the Directors shall exercise (or refrain from exercising) their voting rights in order to prevent that such resolution is passed.

The Secretary shall record in writing all resolutions of the Board, together with details of any dissenting voting. Such minutes shall be approved either during the meeting itself or in the following meeting. Once approved and duly signed by the Secretary or Deputy Secretary, as applicable, and countersigned by the Chairperson or Deputy Chairperson, as applicable, the minutes shall be included in the corresponding Minutes Book (*Libro de Actas*) of the Company.

6. DIRECTORS' RIGHTS TO INFORMATION

6.1 Directors' Powers with respect to information

Directors have the duty to be diligently informed about the Company's progress. To this end, Directors are vested with the broadest powers to be informed about any aspect of the Company, subsidiaries, and investees, whenever feasible.

In order not to impair the ordinary course of the Company's business, requests for information shall be channeled through the Secretary of the Board, who shall address such requests from the Directors, directly providing them with such information and facilitating contacts with the appropriate persons at the pertinent organizational level, or arranging the necessary measures to enable Directors to conduct examinations *in situ*, wherever possible.

The Secretary will advise the Directors of the confidential nature of the information requested and received, and of their duty of confidentiality in accordance with law.

6.2 Expert Advice

In furtherance of their duties, all Directors shall be entitled to request any information they require from the Company and under special circumstances, this may include in-house or independent counsel or expert advice deemed necessary to effectively fulfill their responsibilities.

The retention of expert advice or outside counsel shall be restricted to very specific and complex matters that may arise in the discharge of Directors' duties. The decision to hire outside services, at the Company's expense, shall be reported to the Chairperson of the Board of Directors, and the Board of Directors may decline to provide authorization to retain such services when it considers:

- (a) their cost is disproportionate to the magnitude of the problem and the assets and income of the Company; or
- (b) the technical assistance requested may be adequately provided by internal technical experts of the Company.

7. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

7.1 Remuneration of Directors

In accordance with Article 19 of the Articles of Association, the office of Director will be paid. Directors shall receive a specific and annual fixed sum as remuneration, which shall be approved by the General Shareholders' Meeting in accordance with the Directors' Remuneration Policy in force at any given time, and applicable law. The General Shareholders' Meeting shall approve the distribution of any remuneration among the Directors.

In addition to the above, the Company shall also reimburse the Directors in respect of all expenses reasonably incurred by them in connection with the proper performance of their duties as a Director.

8. DELEGATED BODIES OF THE BOARD OF DIRECTORS AND STANDING-COMMITTEES

8.1 Chief Executive Officer

Notwithstanding the powers granted to any person, the Board of Directors may (as a Board Reserved Matter) establish permanent *ad hoc* committees to support the Board of Directors in making decisions on certain matters (composed of a number of Directors to be determined), and/or appoint one or more Chief Executive Officers, delegating to them, totally or partially, temporarily or permanently, all the powers that by law or the Shareholders Agreement may be delegated.

According to the Spanish Companies Act the scope of authority delegated and the identity of the members of the Board of Directors who will hold office as Chief Executive Officer shall require for their validity the affirmative vote of two-thirds of the members of the Board of Directors, and will not take effect until the registration thereof in the Commercial Registry. In addition to the foregoing, the Shareholders Agreement provides that the appointment of a Chief Executive Officer shall be decided by the Nomination and Compensation Committee and the appointment of such nominees shall be approved by a Board Reserved Matter.

8.2 Standing Committees of the Board of Directors

The Board of Directors will set up and organize an Audit, Compliance, Ethics and Risk Board Committee and a Nomination and Compensation Board Committee, whose composition, working procedures, duties and responsibilities will be governed by the provisions of their internal Regulations.

According to the Shareholders Agreement, unless otherwise agreed by Board Approval, each Board Committee shall comprise two (2) Directors appointed at the proposal of Mubadala and one (1) Director appointed at the proposal of Carlyle, and shall be chaired by a Director appointed at the proposal of Mubadala. If a Committee shall comprise more than three members, such Committee shall comprise Directors proportionate to each Shareholder's respective Equity Proportion from time to time (rounded to the nearest whole number if necessary), provided always that Directors appointed by proposition of Mubadala shall form a majority.

Likewise, the Board of Directors may establish other advisory Committees (as a Board Reserved Matter). The Chairperson, the Secretary, and the other members of such Committees will be appointed by the Board of Directors.

Any Committees that the Board of Directors may decide to set up shall be governed by what is established in these Regulations and, where applicable, by their respective internal regulations.

All Committees shall be advisory in nature and all decisions made at Committee level shall be subject to approval by the Board before coming into effect.

9. EFFECTIVE DATE

These Regulations were approved by the Board of Directors on 6 November 2019 (albeit valid and binding with effect as from October 15, 2019) and amended by resolution of the Board on 23 April 2020 and 8 November 2022, respectively.

SCHEDULE 1

DEFINITIONS

2019 Budget has the meaning as given in the Share Purchase Agreement;

2020 Budget means the budget for the Financial Year ending 31 December 2020;

Affiliate means:

- (a) in respect of Carlyle only, the members of the Carlyle Group (excluding (a) any Portfolio Company; (b) Carlyle's Investment Solutions vehicles and Global Credit investment funds and hedge funds; (c) any fund advised by Riverstone Holdings L.L.C., NGP Energy Capital Management L.L.C. or any of their affiliates; and (d) any fund associated with AlpInvest Holdings N.V);
- (b) in respect to Mubadala only, Mubadala Investment Company PJSC and any entity under the Control of Mubadala Investment Company PJSC;
- (c) in respect of any entity other than Mubadala or Carlyle, a second entity that:
 - (i) Controls the first entity;
 - (ii) is under the Control of the first entity; or
 - (iii) is under the Control of a third entity that Controls the first entity;
- (d) in respect of any individual:
 - (i) any Relative of that individual;
 - (ii) any entity Controlled by that individual or one or more Relatives of that individual;
 - (iii) the executor of that individual's estate; or
 - (iv) any trust for the benefit of that individual or one or more Relatives of that individual;
- (e) in respect of a Director:
 - (i) any Affiliate within the meaning of paragraph (d) above; and
 - (ii) the Director's appointer or any of its Affiliates within the meaning of paragraph (a) or (b) or (c) above, each as applicable;
- (f) in respect of any body corporate other than Mubadala and Carlyle:
 - (i) any Affiliate within the meaning of paragraph (c) above; and
 - (ii) any shareholder or director of that body corporate; and

Associated Person means, in relation to a body corporate, a person (including an employee, agent or Subsidiary of that body corporate) who performs services for or on behalf of that body corporate;

Board Approval means the approval of the Board, which must include the approval of at least one Nominated Director of Mubadala and one Nominated Director of Carlyle;

Board Committees shall have the meaning ascribed to it in section 1.3 above;

Board Reserved Matter means a matter requiring the approval of the Board, which must include at least one Director appointed by Mubadala and one Director appointed by Carlyle;

Budget means the budget for the Group for a Financial Year;

Business means the business of the Company as described in the Initial Business Plan or Business Plan (as applicable);

Business Days means a day other than a Friday, Saturday, Sunday or public holiday on which banks are generally open in Abu Dhabi, London, New York and Madrid for normal business.

Business Plan means the Initial Business Plan or the business plan of the Group for a Financial Year;

Capital Structure Objectives means the capital structure objectives of the Company dated 7 April 2019 as agreed by the Shareholders and which constitute the basis for the Financing Policy;

Carlyle means MATADOR BIDCO S.À R.L., a *société à responsabilité limitée* incorporated under the laws of Luxembourg with registered office at 2, Avenue Charles de Gaulle, 4th Floor L-1653 Luxembourg;

Carlyle Group means the entities doing business as 'The Carlyle Group', including Atlas N.V.;

Company means **COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A.**, a *sociedad anónima* incorporated under the laws of Spain, with registered office at Paseo de la Castellana, 259 A, Madrid, Spain.

Compliance Matter means any matter relating to an actual or potential breach of applicable law or Company policy;

Compliance Policy means the compliance policy or set of compliance documents setting the compliance policy principles of the Company, as amended from time to time;

Control means:

- (a) owning or controlling (directly or indirectly) more than 50% of the voting share capital of the relevant undertaking; or
- (b) being able to direct the casting of more than 50% of the votes exercisable at general meetings of the relevant undertaking on all, or substantially all, matters; or
- (c) having the right to appoint or remove directors of the relevant undertaking holding a majority of the voting rights at meetings of the board on all, or substantially all, matters; or
- (d) having the power to determine the conduct of business affairs of an undertaking (whether through ownership of equity interest or partnership or other ownership interests, by contract or otherwise).

and **Controlled** shall have a corresponding meaning;

Director means a director of the Company;

Dividend means any dividend, bonus issue or other distribution in kind or in cash;

Effective Date means 6 November 2019;

Equity Proportion means, in relation to a Shareholder, the total number of Shares held by that Shareholder divided by the total number of Shares in issue adjusted to exclude any Shares issued through the Management Incentive Plan, expressed as a percentage;

Executives shall have the meaning ascribed to it in section 1.2 above;

Financial Year means a period starting on 1 January of any year and ending on 31 December of the same year;

Financing Policy means the financing policy of the Company which shall be based on the Capital Structure Objectives and which shall include, amongst other matters, the Company's rules with regards to financing rates, borrowing currency, maturity, covenants, fx hedging, interest rates hedging, etc.;

General Shareholders Meeting means the general shareholders meeting (*junta general de accionistas*) of the Company;

Government Agency means any government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, regulatory, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity;

Governmental Investigation means any actual or threatened investigation by any Government Agency of any member of the Group (or any of its present or former directors, advisers, shareholders, officers or employees) in connection with any Compliance Matter;

Group means the Company and its Subsidiaries from time to time and **Group Company** means any of them;

Hedging Policies means the hedging policies of the Group as agreed between Carlyle and Mubadala from time to time, (including, but not limited to, in respect of foreign exchange, crude oil prices, refining margins and petrochemicals margins);

Initial Budget means:

- (a) the 2019 Budget; or
- (b) if adopted by the board of directors of the Company in accordance with the terms of the Share Purchase Agreement prior to 15 October 2019, the 2020 Budget;

Initial Business Plan means the initial four year business plan of the Group;

Management Incentive Plan means the management incentive plan relating to the management of the Company agreed between Carlyle and Mubadala or any management incentive plan the adoption of which has received Shareholder Approval;

Material Company means the Company, CEPESA Comercial Petróleo, S.A.U., CEPESA Química, S.A., CEPESA Chemical (Shanghai) Co. Ltd., CEPESA Trading, S.A.U., CEPESA Colombia, S.A., CEPESA ENERGY COMPANY INTERNATIONAL, S.L.U. (formerly CEC International, Ltd.), and CEPESA Abu Dhabi, S.L.U., and any other entity agreed by the Company and its Shareholders from time to time;

Mubadala means CEPESA HOLDING LLC, a limited liability company incorporated under the laws of the Emirate of Abu Dhabi, with registered office at P.O. Box 45005, Al Mamoura Building A, Abu Dhabi, United Arab Emirates;

Nominated Director means a Director appointed under clause 5.1(a) of the Shareholders Agreement (and includes any alternate of that Director);

Permitted Transferee means in relation to a Shareholder, a Related Body Corporate of that Shareholder (other than a Portfolio Company) provided that, in the case of Mubadala, Permitted Transferee shall also include any body corporate Controlled by the Government of Abu Dhabi;

Portfolio Company means a direct or indirect portfolio company of an investment fund advised or managed by any member of the Carlyle Group;

Regulations means these Board of Directors Regulations;

Related Body Corporate means, in relation to a body corporate, any other body corporate that is an Affiliate within the meaning of paragraph (a), (b) or (c) of the definition of Affiliate;

Relative means, in relation to an individual:

- (a) the spouse, parent, son, daughter, brother or sister (whether by blood or adoption) of that individual; or
- (b) any person married to any of the persons specified in paragraph (a) above;

Securities means

- (a) Shares, any other class of shares in the Company or a Group Company or any other equity securities in the Company or a Group Company; and
- (b) options, warrants, notes, bonds or other securities or debt (i) convertible into, or exchangeable for, Shares or any other class of shares or any other equity securities in the Company or a Group Company or (ii) containing equity features or containing profit participation features;

Share means an ordinary share in the capital of the Company;

Shareholders Agreement means the shareholders agreement dated 15 October 2019 executed by and between Mubadala, Carlyle and the Company, incorporated into a public deed on 15 October 2019 before the Spanish Notary, Mr Federico Garayalde Niño, under number 2,187 of his official records;

Shareholder Approval means the passing of a resolution at a General Shareholders' Meeting which requires the favourable vote of Mubadala and Carlyle;

Share Purchase Agreement means the share purchase agreement dated 7 April 2019 entered into Mubadala and Carlyle as amended from time to time, which catered for, *inter alia*, the transfer by Mubadala of certain of its Shares in the Company to Carlyle, incorporated into a public deed on 15 October 2019 before the Spanish Notary, Mr Federico Garayalde Niño, under number 2,185 of his official records;

Shareholder means a registered holder of Shares; and

Spanish Companies Act means *Real Decreto Legislativo 1/2010, de 2 de julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*;

A company is a **Subsidiary** of another company, its **Holding Company**, if that other company:

- (i) holds a majority of the voting rights in it; or
- (ii) is a member of it and has the right to appoint or remove a majority of its board of directors; or
- (iii) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it,

or if it is a Subsidiary of a company that is itself a Subsidiary of that other company.

SCHEDULE 2

SHAREHOLDER RESERVED MATTERS

| | |
|---|---|
| 1. Constitution | Amend or repeal its Constitution or adopt a new constitution in each case in a manner that would affect the rights of any Shareholder. |
| 2. Change of name | Change the Company's registered name or any business name under which the Company trades. |
| 3. Variation of class rights | Vary any rights attaching to any class of its Securities that would affect the rights of any Shareholder. |
| 4. Accounts | The adoption of the annual accounts of the Company. |
| 5. Issue of Securities | Issue any Securities, grant any person any option or rights to subscribe for or to convert any instrument into such shares or securities or to be issued any Securities or vary or exercise any discretion in relation to the terms of issue of any Securities of any Group Company (other than an issue of Shares under clause 10.6 of the Shareholders Agreement or an issue of Securities by one wholly owned Group Company to another or in connection with the Management Incentive Plan). |
| 6. Changes to capital structure | Purchase, redeem or otherwise reorganise the share capital of the Company or any Group Company, including by way of reduction of capital, buy-back or redemption of securities, conversion of securities from one class to another or consolidation and subdivision of shares in a manner that would affect the rights of any Shareholder. Any application by way of capitalisation of any sum in or towards paying up any Shares or shares in any Group Company or of any other security or of any amount standing to the credit of the share premium account or capital redemption reserve for any purpose. |
| 7. Auditors | Change its auditors (other than a change to another member of the big four accountancy firms). |
| 8. Insolvency or winding-up | Appoint any administrator, liquidator, provisional liquidator, receiver, receiver and manager or equivalent officer to the relevant Group Company or take any step to dissolve or wind up the relevant Group Company (other than where the board of the relevant Group Company resolves that such a step should be taken in circumstances where the directors (having taken appropriate professional advice) hold a bona fide belief that the relevant Group Company is insolvent). |
| 9. Sale or cessation of the Business | Sell, transfer, merge or cease to carry on all or a substantial part of the Business whether by way of sale of shares, sale of assets, farm-out, farm-down or some other arrangement and whether by a single transaction or series of transactions, related or not or appoint financial advisors for the purposes of the foregoing. |
| 10. Disposals | Sell, transfer or merge any part of the Business, whether by way of sale of shares, sale of assets or some other arrangement and whether by a single transaction or series of transactions, where such part of the Business has a fair market value in excess of EUR35 million or appoint financial advisors for the purposes of the foregoing. |

| | |
|---|--|
| 11. Acquisitions | <p>Acquire any shares or other securities in any body corporate, trust or other entity, or acquire any interest in any business, in each case other than from another Group Company for consideration in excess of EUR35 million or appoint financial advisors for the purposes of the foregoing.</p> |
| 12. Alteration to the Business | <p>Cease or make any material alteration to the general nature, geographical area or scope of the Business (including the legal status, tax structure, domiciliation or corporate structure of the Company or any Group Company) or the carrying on of any business other than the Business by the Company or any Group Company.</p> |
| 13. Authorisation, agreement or negotiation | <p>Authorise or agree to do, or enter into negotiations with any person concerning, any of the matters referred to in Part 1 of Schedule 3 of the Shareholders Agreement.</p> |
| 14. Compliance Policies | <p>Make any material amendment to the Compliance Policies or engage in or facilitate any business or activity with a Sanctioned Person.</p> |
| 15. Donations | <p>The making of any political contributions. The making of charitable contributions in excess of EUR25,000 in aggregate per charity.</p> |
| 16. Related party transactions | <p>For the purposes of this paragraph 16 only, a Portfolio Company Controlled by an investment fund advised or managed by any member of the Carlyle Group shall be treated as an Affiliate of Carlyle.</p> <p>Enter into any transaction (other than transaction involving borrowing or lending) with any Shareholder or any of its Affiliates or vary, waive or amend any agreement with any Shareholder or any of its Affiliates which in each case is: (a) outside the ordinary and usual course of business; or (b) within the ordinary and usual course of business but has a value of more than EUR10 million (and any ordinary course transaction with a value below such amount shall be discussed at a meeting of the Board in any event); or (c) not on commercial arm's length terms; or (d) is a fee arrangement with a Shareholder or any of its Affiliates.</p> <p>Enter into, vary or waive any transaction involving borrowing or lending with any Shareholder or any of its Affiliates.</p> |
| 17. Management Incentive Plan | <p>Adopt and make any amendments to the Management Incentive Plan. Establish any superannuation, profit sharing, bonus or incentive scheme for employees of the Group or vary the terms of such a scheme, in each case, which requires a commitment in excess of EUR2 million above the amount budgeted for in the Financial Year for employee bonuses (excluding allocations under the Management Incentive Plan).</p> |
| 18. Dividends distributions and Financing Policy | <p>Declare, determine to pay or distribute any Dividend (other than the pre-agreed Dividend under clause 8.3), reduce any other reserve of any member of the Group or amend the Dividend Policy or Financing Policy of the Company or any Group Company in accordance with clause 8.3 and 8.4 of the Shareholders Agreement.</p> |

| | |
|--|--|
| 19. Director Remuneration | The setting of, or amendment to, the terms of the remuneration or compensation of the Directors or the drafting of, or amendment to, any policy in respect thereof |
| 20. External Non-Executive Director | Appoint or remove the External Non-Executive Director. |

SCHEDULE 3

BOARD RESERVED MATTERS

| | | |
|-----------|-------------------------------|---|
| 1. | Accounting issues | Change the Financial Year end or (except insofar as is necessary to comply with the Accounting Standards or applicable law) the accounting policies or practices of any Group Company. |
| 2. | Senior managers | Appointment or dismissal of the CEO, Chief Financial Officer, Chief Operating Officer, Chief Compliance Officer or General Counsel, and the setting or amendment to the terms of their remuneration or compensation. |
| 3. | Board meetings | Vary the procedures for holding and conducting any meeting of the Board. |
| 4. | Budget | Adopt any Budget (other than the Initial Budget) or amend any Budget (including the Initial Budget). |
| 5. | Business Plan | Adopt any Business Plan (other than the Initial Business Plan) or amend any Business Plan (including the Initial Business Plan). |
| 6. | Capital Commitments | Enter into, amend or vary the terms of, or terminate any capital commitments (which for this purpose include capital expenditure, hire purchase, leasing, factoring and invoice discounting commitments) exceeding an aggregate of EUR35 million in any one Financial Year. |
| 7. | Joint Ventures | Any entry by the Company or any Group Company into any joint venture, partnership, profit sharing agreement, consolidation, amalgamation, collaboration or major project where the expenditure would exceed EUR35 million (exclusive of VAT) per transaction, or the variation or termination of the same. |
| 8. | Material Contracts | Enter into, amend or vary the terms of, or terminate any contract, commitment or arrangement (excluding any feed stock contracts which do not exceed EUR100 million in value): (i) with an annual or aggregate value in excess of EUR35 million; or (ii) which may incur costs of EUR35 million or more per year or in total; or (iii) with any unusual or onerous terms; or (iv) which would result in any restriction on the Company or any Group Company carrying on or being engaged in the Business; or (v) that it outside the ordinary and usual course of business. |
| 9. | Borrowings and Payment | <p>Enter into any new borrowing facility, guarantee or indemnity, or issue any loan note, bond or similar debt instrument (Obligations) unless the aggregate amount borrowed, guaranteed or issued without Board Approval is less than EUR30 million in aggregate or the Obligations are between Group Companies.</p> <p>Waive, terminate or vary the terms of any such Obligations or repay or prepay any such Obligations before the due date for such repayment or redemption and/or obtain third party finance which gives the lender the right to participate in the share capital of the Company or any Group Company.</p> |

| | |
|--|---|
| 10. Authorisation, agreement or negotiation | Authorise or agree to do, or enter into negotiations with any person concerning, any of the matters referred to in Part 2 of Schedule 3 of the Shareholders Agreement. |
| 11. Management Incentive Plan | Determine any allocations and/or awards under the Management Incentive Plan. |
| 12. Hedging | The modification and implementation of the Hedging Policies of the Company or any Group Company and any amendment to or termination of such Hedging Policies or the entry by any member of the Group into any derivative transaction (which is not provided for in the Hedging Policies) or settlement of such transaction. |
| 13. Loans | The making of any loan or advance of over EUR30 million in aggregate to any person, firm, body corporate or other business, other than to a Group Company and other than in the normal course of business and on an arm's length basis, or the variation or termination of such loan. |
| 14. Security | The creation of any charge or other security over any assets or property of the Group except for the purpose of securing borrowings (or indebtedness in the nature of borrowings) from bankers and hedging counterparties in the ordinary course of business of amounts not exceeding in the aggregate EUR30 million. |
| 15. Committees | The establishment and composition of any committee of the Board (other than the Nomination and Compensation Committee and the Audit, Compliance, Ethics and Risk Committee), and the drafting of or amendment to any of their terms of reference. |
| 16. Delegation | The granting of any power of attorney or other delegation of powers by the Directors or the directors of the Company other than in accordance with the Delegation of Authority, or any amendment to the Delegation of Authority. |
| 17. Insurance | Amendment and implementation of the insurance policies and arrangements of the Company or any Group Company or termination of such insurance policies or settling any claim in excess of EUR35 million, provided that in the absence of approval, the insurance coverage of any Group Company shall never be lower than the previous year. |
| 18. Litigation | Commence, withdraw or settle any litigation, arbitration or mediation proceedings or dispute resolution procedure with a value in excess of EUR35 million. |
| 19. Tax | The taking of any decisions or actions in relation to any dispute with a tax authority in excess of EUR35 million, claiming a tax deduction in respect of any Thai branch of any Group Company or any other material decision or action relating to the taxation of the Company or any Group Company. Any change in the tax residence of a Group Company. |
| 20. Investigations | The taking of any ultimate decisions or actions in relation to any Governmental Investigation including ceasing to defend any Governmental Investigation or making any admission of liability, agreement or compromise in relation to any Governmental Investigation (other than an Excluded Governmental Investigation). |

