

**The Accord of 20 November 2003 of the Spanish Securities & Exchange Commission approved the "Code of Conduct concerning temporary investments by not-for-profit organizations".**

At the ordinary meeting of 27 April 2004 the Board of Trustees approved a Code of Conduct. Since then the Board has been informed, at each of its meetings, about compliance with this Code and has been provided with the relevant documentation concerning the investments made during the financial year.

Similarly, the current General Accounting Plan enables the accurate identification and classification of financial investments, thereby making it possible to predetermine the selection of financial assets that are the property of the Foundation, and the Foundation's intentions for them.

Over recent years, as a result of a number of inheritances and legacies, the Foundation's financial assets have been supplemented through the incorporation of securities portfolios subject to quotation on the stock exchange.

With the aim of bringing the Code of Conduct up to date with this new situation it is proposed to modify it in the following terms:

- 1) The current Code of Conduct refers to temporary financial investments, such investments being understood as those undertaken with assets with a maturity of no longer than one year and also those undertaken with a maturity greater than one year that are acquired or maintained with the aim of obtaining a return in the short term derived from fluctuations in their price.
- 2) In general, the Foundation invests exclusively in bank deposits and assets issued in euros by public issuers, preferably national debt, or by private issuers considered to be of the highest standing by independent assessors of recognized professional solvency. These investments are defined as "investments held until maturity" in Valuation Standard 9a, section 2.2 of the Valuation Standards of the General Accounting Plan (Royal Decree 1514/2007 of 16 November, BOE 20 November 2007).
- 3) The portfolio must keep a balance between profitability, security and diversification. It must be possible to trade all the financial securities and instruments on secondary markets in order to ensure liquidity.
- 4) Securities portfolios consisting of equity instruments in companies quoted on the stock exchange that the Foundation has received as a result of inheritance and legacies shall be kept under the category "Financial assets available for sale" in accordance with the description given in Valuation Standard 9a, section 2.6 of the General Accounting Plan and with the same composition as they were received. Nevertheless, the Foundation's Treasurer is authorized to take whatever decisions as might be necessary to protect the Foundation from any possible deterioration of the securities included in the foregoing section.
- 5) The Foundation shall not engage in operations of a speculative nature, such operations being understood as the sale of securities acquired on loan, day trading, operations on the futures and options markets, except those undertaken with the aim of coverage, or any other operation of a similar nature.
- 6) The Foundation's General Agents are authorized to carry out such operations as may be necessary to implement this Code of Conduct.
- 7) The Board shall analyze and approve, if deemed appropriate, an annual report concerning the degree of compliance with this Code of Conduct.
- 8) This Code of Conduct shall be applied from the date of its approval.