

TELEFONICA S A  
Form 6-K  
June 26, 2008

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**FORM 6-K**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**  
**Report of Foreign Private Issuer**  
**Pursuant to Rule 13a-16 or 15d-16**  
**of the Securities Exchange Act of 1934**  
**For the month of June, 2008**  
**Commission File Number: 001-09531**  
**Telefónica, S.A.**  
(Translation of registrant's name into English)  
**Distrito C, Ronda de la Comunicación, s/n**  
**28050 Madrid, Spain**  
**3491-482 85 48**  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes

No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes

No

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes

No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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<u>1. Telefonica- Annual Report on Corporate Governance</u>	1

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As provided in article 82 of the Spanish Stock Market Act (*Ley del Mercado de Valores*), TELEFÓNICA, S.A. hereby reports the following

**SIGNIFICANT EVENT**

Following the indications of the Spanish Securities Exchange Commission, (*Comisión Nacional del Mercado de Valores*) the Board of Directors of TELEFÓNICA, S.A., has approved a new version of the Annual Report on Corporate Governance of the company corresponding to financial year 2007, which affects recommendations 12 and 15 of the Unified Code on Good Governance. The new version of the Report is attached to the present notification. In section F, points 12 and 15 thereof, explanations are given on the degree of compliance with the aforementioned recommendations.

Madrid, June 25<sup>th</sup>, 2008

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**APPENDIX I  
ANNUAL REPORT ON CORPORATE GOVERNANCE  
LISTED COMPANIES**

ISSUER S IDENTIFICATION DETAILS DATE OF FINANCIAL YEAR END 31-12-2007

TAX ID CODE:

A28015865

Company Name: TELEFÓNICA, S.A.

**Table of Contents****MODEL OF ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES**

For a full understanding of this model and the subsequent drafting of the report, please read the instructions for its completion provided at the end of this report. The CIF, NIF or other Tax ID Code column, which shall not be public, should be completed in all cases in which it is necessary to complete the details of natural or legal persons.

**A SHAREHOLDING STRUCTURE****A.1 Fill in the following table regarding the company's share capital:**

Date of latest change	Share Capital ( )	Number of shares	Number of voting rights
07-06-2007	4,773,496,485	4,773,496,485	4,773,496,485
Please state whether there are different classes of shares, with different associated rights:			
	Yes o	No p	

Class	Number of shares	Nominal unit value	Voting rights unit	Different rights
All the shares are the same class	4,773,496,485	1.00	1	

**A.2 Please list the direct and indirect holders of significant shareholdings in your organisation at financial year end, excluding members of its Board of Directors:**

Name or company name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
Caja de Ahorros y Pensiones de Barcelona, la Caixa	102,233	261,644,332	5.483
Banco Bilbao Vizcaya Argentaria, S.A.	298,699,855	17,146	6.258

(\*) Through:

Name or company name of direct shareholder	Number of direct voting rights	% of total voting rights
Criteria CaixaCorp, S.A.	261,644,332	5.481
BBVA Seguros, S.A. de Seguros y Reaseguros	17,146	0.000

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Please state the most significant movements in the shareholding structure during the financial year:

**Name or company name**

<b>Name or company name of shareholder</b>	<b>Date of transaction</b>	<b>Description of transaction</b>
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**A.3 Please fill in the following tables regarding members of the Board of Directors of the company who hold voting rights on company shares:**

**Name or company**

<b>name of Company Director</b>	<b>Number of direct voting rights</b>	<b>Number of indirect voting rights (*)</b>	<b>% of total voting rights</b>
Mr. César Alierta Izuel	3,770,333	78,000	0.081
Mr. Isidro Fainé Casas	203,066		0.004
Mr. Vitalino Manuel Nafría Aznar	11,300		0.000
Mr. Julio Linares López	86,456	1,840	0.002
Mr. José María Abril Pérez	300	18,360	0.000
Mr. Fernando de Almansa Moreno-Barreda	19,349		0.000
Mr. José María Álvarez-Pallete López	67,815	1,036	0.001
Mr. David Arculus	10,500		0.000
Mr. Carlos Colomer Casellas	564	34,620	0.001
Mr. Peter Erskine	500		0.000
Mr. Alfonso Ferrari Herrero	569,563	20,800	0.012
Mr. Gonzalo Hinojosa Fernández de Angulo	39,476	390,000	0.009
Mr. Pablo Isla Álvarez de Tejera	401		0.000
Mr. Antonio Massanell Lavilla	2,274		0.000
Mr. Francisco Javier de Paz Mancho	1,000		0.000
Mr. Manuel Pizarro Moreno	1,000		0.000
Mr. Antonio Viana-Baptista	184,549		0.004

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<b>Name or company name of direct shareholder</b>	<b>Number of direct voting rights</b>	<b>% of total voting rights</b>
Grupo Arce de Inversiones, S.A. SICAV	78,000	0.002
Judbem de Inversiones, S.A. SICAV	1,700	0.000
Ms. María Jesús Romaña Pescador	140	0.000
Ms. María Teresa Arandia Urigüen	18,360	0.000
Mr. José María Álvarez-Pallete Samaniego	432	0.000
Mr. Alvaro Álvarez-Pallete Samaniego	302	0.000
Ms. Purificación Samaniego Linares	302	0.000
Ahorro Bursátil, S.A. SICAV	34,620	0.001
Inversiones Singladura, S.A. SICAV	20,800	0.000
Eletres, S.L.	390,000	0.008
<b>Total % of voting rights held by the Board of Directors</b>		0.1152

Please fill in the following tables regarding members of the Board of Directors of the company holding company share options:

<b>Name or company name of Company</b>	<b>Number of direct share option rights</b>	<b>Number of indirect share option rights</b>	<b>Equivalent number of shares</b>	<b>% of total voting rights</b>
<b>Director</b>				
Mr. César Alierta Izuel	245,422		245,422	0.005
Mr. César Alierta Izuel	8,200,000		Not applicable	Not applicable
Mr. José María Álvarez-Pallete López	115,558		115,558	0.002
Mr. Peter Erskine	333,625		333,625	0.006
Mr. Julio Linares López	122,909		122,909	0.002
Mr. Antonio Viana-Baptista	115,558		115,558	0.002
Mr. Alfonso Ferrari Herrero	485,000		Not applicable	Not applicable

**A.4 Where applicable, please state any family, commercial, contractual or corporate relationships between owners of significant shareholdings, as far as the Company is aware, unless of little relevance or ensuing from ordinary trading or exchange:**

<b>Name or company name of related party</b>	<b>Type of relationship</b>	<b>Brief Description</b>
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**A.5 Where applicable, please state any commercial, contractual or corporate relationships between owners of significant shareholdings and the company and/or its group, unless of little relevance or ensuing from ordinary trading or exchange:**

<b>Name or company name of related party</b>	<b>Type of relationship</b>	<b>Brief description</b>
Banco Bilbao Vizcaya Argentaria, S.A.	Corporate	Joint shareholding with Telefónica Móviles España, S.A.U. in Mobipay España, S.A. and with Telefónica, S.A. in Mobipay Internacional, S.A.
Banco Bilbao Vizcaya Argentaria, S.A.	Corporate	Joint shareholding with Telefónica de Contenidos, S.A.U. in the company Hispasat, S.A.

**A.6 Please indicate any paracorporate agreements reported to the company subject to article 112 of the Securities Market Law. Where applicable, please provide a brief description of the agreement and list the shareholders involved:**

Yes  No

<b>Parties to paracorporate agreement</b>	<b>% of share capital affected</b>	<b>Brief description of the agreement</b>
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Please indicate any concerted actions among company shareholders of which the company is aware. If any, please provide a brief description:

Yes  No

<b>Parties to concerted actions</b>	<b>% of share capital affected</b>	<b>Brief description of the concerted action</b>
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Please state explicitly any change in or break-up of said concerted actions or agreements that has taken place during the financial year:

**A.7 Please state whether there is any person or organisation that exercises or may exercise control over the company pursuant to Article 4 of the Securities Market Law. If so, please specify:**

Yes  No

**Name or Company Name**

**Comments**

**Table of Contents****A.8 Please fill in the following tables regarding the company's treasury stock:**

At financial year end:

<b>Number of shares held</b>	<b>Number of shares held indirectly</b>	<b>Total % of share capital</b>
<b>directly</b>	(*)	
64,471,368	0	1.351

(\*) **Through:**

<b>Name or company name of direct shareholder</b>	<b>Number of shares held directly</b>
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Total:

Please list any significant variations that may have occurred during the financial year, in accordance with Royal Decree 1362/2007:

<b>Date of notification</b>	<b>Total number of direct shares acquired</b>	<b>Total number of indirect shares acquired</b>	<b>Total % of share capital</b>
22-01-2007	54,976,664	0	1.117
03-04-2007	49,374,394	0	1.003
23-07-2007	54,591,568	0	1.144

**Gain / (Loss) from sale of treasury stock during the period** 22,697,307.31

**A.9. Please detail the conditions and effective term of any authorisation(s) conferred by the General Shareholder's Meeting to the Board of Directors to purchase and/or transfer treasury stock.**

The Ordinary General Shareholders' Meeting of Telefónica, at its session held on May 10, 2007, resolved to renew the authorisation granted by the GSM of June 21, 2006, for the derivative acquisition of treasury stock, either directly or through Group companies, in the terms literally transcribed below:

To authorise, as set forth in Articles 75 and following, and in the additional provision one, section 2, of the current Spanish Corporations Law (Ley de Sociedades Anónimas), the acquisition, at any moment and as many times as considered necessary by Telefónica, S.A. either directly or through any of the subsidiary companies of which it is the controlling company of fully paid treasury stock, through a purchase-sale transaction or for any other legal valuable consideration.

The minimum acquisition price or compensation will be equivalent to the nominal value of the treasury stock acquired and the maximum acquisition price or compensation will be equal to the market value of the treasury stock on an official secondary market at the time of the acquisition.

Said authorisation is granted for a period of 18 months, as from the date of the current Annual General Shareholders Meeting, and is expressly subject to the limitation that, at any time, the nominal value of the treasury stock acquired under this authorisation, added to that already held by Telefónica, S.A. and any of the controlled subsidiary companies, may exceed 5 percent of the share capital at the time of the acquisition, respecting the limitations set for the acquisition of treasury stock as imposed by the regulatory authorities of the markets on which Telefónica, S.A. shares are listed.

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It is expressly noted that the authorisation granted for the acquisition of treasury stock can be used wholly or partially for the acquisition of shares of Telefónica, S.A. which the Company must deliver or transfer to its directors or employees, or to those of the companies in its Group, directly or as a consequence of them having exercised their option rights, within the framework of the remuneration systems linked to the market value of the company shares, duly approved.

To empower the Board of Directors, in the broadest possible terms, to exercise the authorization derived from this resolution and to execute the remaining items included herein, enabling the Board of Directors to delegate in the Executive Committee, the Executive Chairman of the Board or any other person expressly empowered by the Board to this effect.

The unexecuted part of the resolution adopted by the Company's Annual General Shareholders Meeting of June 21st, 2006, in relation to point V of the Agenda of this same Meeting, shall remain null and void.

**A.10 Please indicate any restrictions under law or the company bylaws regarding the exercise of voting rights and any legal restrictions regarding the acquisition and/or transfer of company stock.**

Indicate any legal restrictions on exercising voting rights:

Yes  No

**Maximum percentage of voting rights a shareholder may exercise by legal restriction**

Please state whether there are any restrictions in the company bylaws with regard to the exercise of voting rights:

Yes  No

**Maximum percentage of voting rights a shareholder may exercise, according to restrictions established in the Company's bylaws**

10%

**Description of legal and company bylaws restrictions regarding the exercise of voting rights**

In accordance with Article 21 of the Company Bylaws, no shareholder shall be allowed to cast a number of votes representing more than 10 per 100 of the overall share capital with voting rights existing at any time, regardless of the number of shares he/she actually holds. In ascertaining the maximum number of votes which each shareholder may cast, only those shares owned by each shareholder shall be taken into account, and the shares belonging to other shareholders who have appointed such shareholder as their proxy shall not be included, without prejudice to the aforementioned ten percent limit, which shall apply equally to every represented shareholder.

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The limit established in the above paragraph shall likewise apply to the maximum number of votes that may be cast either jointly or individually - by two or more shareholding companies belonging to the same group of companies, and to the maximum number of votes which may be cast by a natural or legal person holding shares, or the company or companies, also holding shares in the Company directly or indirectly controlled by said natural or legal person.

Please state whether there are any legal restrictions regarding the acquisition or transfer of company stock:

Yes  No

**Description of legal restrictions regarding the acquisition or transfer of company stock**

**A.11 Please state whether the General Shareholders Meeting has agreed to adopt measures to neutralise a public purchase offer by virtue of Law 6/2007.**

Yes  No

If so, please explain the measures approved and the terms of inefficiency of the restrictions:

**B STRUCTURE OF CORPORATE ADMINISTRATION**

**B.1 Board of Directors**

**B.1.1 Detail the maximum and minimum number of directorships established under the bylaws**

<b>Maximum number of directors</b>	20
<b>Minimum number of directors</b>	5

**Table of Contents****B.1.2 Complete the following table with the Board members:**

<b>Name or company name of Director</b>	<b>Represented by</b>	<b>Position the Board</b>	<b>Date of first appointment</b>	<b>Date of last appointment</b>	<b>Election procedure</b>
Mr. César Alierta Izuel		Chairman	29-01-1997	10-05-2007	Cooptation with subsequent ratification by the General Shareholders Meeting
Mr. Isidro Fainé Casas		Vice Chairman	26-01-1994	21-06-2006	Cooptation with subsequent ratification by the General Shareholders Meeting
Mr. Vitalino Manuel Nafría Aznar		Vice Chairman	21-12-2005	21-06-2006	Cooptation with subsequent ratification by the General Shareholders Meeting
Mr. Julio Linares López		Chief Executive	21-12-2005	21-06-2006	Cooptation with subsequent ratification by the General Shareholders Meeting
Mr. José María Abril Pérez		Director	25-07-2007	25-07-2007	Cooptation
Mr. Fernando de Almansa Moreno-Barreda		Director	26-02-2003	11-04-2003	Cooptation with subsequent ratification by the General Shareholders Meeting
Mr. José María Álvarez-Pallete López		Director	26-07-2006	10-05-2007	Cooptation with subsequent ratification by the General Shareholders Meeting
Mr. David Arculus		Director	25-01-2006	21-06-2006	Cooptation with subsequent ratification by the General Shareholders Meeting

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Mr. Carlos Colomer  
Casellas

Director

28-03-2001

21-06-2006

Cooption with  
subsequent  
ratification by the  
General  
Shareholders  
Meeting

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<b>Name or company name of Director</b>	<b>Represented by</b>	<b>Position the Board</b>	<b>Date of first appointment</b>	<b>Date of last appointment</b>	<b>Election procedure</b>
Mr. Peter Erskine		Director	25-01-2006	21-06-2006	Cooption with subsequent ratification by the General Shareholders Meeting
Mr. Alfonso Ferrari Herrero		Director	28-03-2001	21-06-2006	Cooption with subsequent ratification by the General Shareholders Meeting
Mr. Gonzalo Hinojosa Fernández de Angulo		Director	12-04-2002	10-05-2007	General Shareholders Meeting
Mr. Pablo Isla Álvarez de Tejera		Director	12-04-2002	10-05-2007	General Shareholders Meeting
Mr. Antonio Massanell Lavilla		Director	21-04-1995	21-06-2006	General Shareholders Meeting
Mr. Francisco Javier de Paz Mancho		Director	19-12-2007	19-12-2007	Cooption
Mr. Manuel Pizarro Moreno		Director	19-12-2007	19-12-2007	Cooption
Mr. Antonio Viana-Baptista		Director	12-01-2000	31-05-2005	Cooption with subsequent ratification by the General Shareholders Meeting

**Total Number of Directors**

17

Please indicate any members who have left the Board during this period:

<b>Name or company name of director</b>	<b>Type of directorship at time of leaving</b>	<b>Date of leaving</b>
Mr. Gregorio Villalabeitia Galarraga	Proprietary Director	25-07-2007
Mr. Maximino Carpio García	Independent Director	19-12-2007
Mr. Enrique Used Aznar	Independent Director	19-12-2007



**Table of Contents****B.1.3 Fill in the following tables regarding the Board members and their different directorships:  
EXECUTIVE DIRECTORS**

<b>Name or company name of Director</b>	<b>Committee proposing appointment</b>	<b>Post within the company organisation</b>
Mr. César Alierta Izuel	Nominating, Compensation and Corporate Governance Committee	Executive Chairman
Mr. José María Álvarez-Pallete López	Nominating, Compensation and Corporate Governance Committee	General Manager of Telefónica Latinoamérica
Mr. Peter Erskine	Nominating, Compensation and Corporate Governance Committee	General Manager of Telefónica O2 Europa
Mr. Julio Linares López	Nominating, Compensation and Corporate Governance Committee	Chief Operating Officer
Mr. Antonio Viana-Baptista	Nominating, Compensation and Corporate Governance Committee	General Manager Telefónica España
<b>Total number of executive directors</b>		5
<b>% of total number of Board members</b>		29.4

**EXTERNAL PROPRIETARY DIRECTORS**

<b>Name or company name of director</b>	<b>Committee proposing appointment</b>	<b>Name or company name of significant shareholder represented or who proposed the appointment</b>
Mr. Isidro Fainé Casas	Nominating, Compensation and Corporate Governance Committee	Caja de Ahorros y Pensiones de Barcelona, la Caixa
Mr. Antonio Massanell Lavilla	Nominating, Compensation and Corporate Governance Committee	
Mr. José María Abril Pérez	Nominating, Compensation and Corporate Governance Committee	Banco Bilbao Vizcaya Argentaria, S.A.
Mr. Vitalino Manuel Nafría Aznar		

Nominating,  
Compensation and  
Corporate Governance  
Committee

<b>Total number of proprietary directors</b>	4
<b>% of total number of members of Board</b>	23.5

**Table of Contents****EXTERNAL INDEPENDENT DIRECTORS**

<b>Name or company name of director</b>	<b>Profile</b>
Mr. David Arculus	Graduate in Engineering and Economics. Board Member of Telefónica O2 Europe, Plc., Vice Chairman of CBI and member of the Finance Committee of Oxford University Press.
Mr. Carlos Colomer Casellas	Graduate in Economics. Chairman of the Colomer Group.
Mr. Alfonso Ferrari Herrero	Industrial Engineer. Formerly Executive Chairman of Beta Capital, S.A. and senior manager at Banco Urquijo.
Mr. Gonzalo Hinojosa Fernández de Angulo	Industrial Engineer. Formerly Chairman and CEO of Cortefiel Group.
Mr. Pablo Isla Álvarez de Tejera	Law Graduate. Government Attorney. First Vice Chairman and CEO of Inditex, S.A.
Mr. Manuel Pizarro Moreno	Graduate in Law. Government Attorney. Formerly Chairman of Endesa, S.A.
Mr. Francisco Javier de Paz Mancho	Graduate in Information and Advertising. Law Studies. IESE Business Management Programme. Formerly Chairman of the State-owned company MERCASA.
<b>Total number of independent directors</b>	7
<b>% of total number of members of Board</b>	41.2

**OTHER EXTERNAL DIRECTORS**

<b>Name or company name of director</b>	<b>Commission proposing appointment</b>
Mr. Fernando de Almansa Moreno-Barreda	Nominating, Compensation and Corporate Governance Committee
<b>Total number of other external directors</b>	1
<b>% total number of Board members</b>	5.9

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List the reasons why they cannot be considered proprietary or independent and their relationship with the company, Board members or shareholders:

Name or company name of director	Reasons	Company, director or shareholder with whom relationship is held
Mr. Fernando de Almansa Moreno-Barreda	Mr. de Almansa was appointed a Member of the Board of Directors of Telefónica, S.A. with the qualification of independent Director, on February 26 <sup>th</sup> 2003, following a favourable report from the Nominating, Compensation and Corporate Governance Committee.	Alternate Director of BBVA Bancomer México, S.A. de C.V.  CEO of the Mexican company Servicios Externos de Apoyo Empresarial, S.A. de C.V.

He is an Alternate Director (independent and non-proprietary) of BBVA Bancomer México, S.A. de C.V., and has never had an executive role.

He is the CEO of the Mexican company Servicios Externos de Apoyo Empresarial, S.A. de C.V., of Group BBVA.

Please indicate any variations that have occurred in the type of directorship held by each director during the period:

Name or company name of director	Date of change	Previous type	Current type
Mr. Fernando de Almansa Moreno-Barreda	Annual Report on Corporate Governance 2007	Independent Director	Other external Directors

**B.1.4 Please explain, if applicable, the reasons why proprietary directors have been appointed at the request of shareholders whose stake is less than 5% of the share capital:**

Name or company name of shareholder	Reason
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**Please indicate whether any formal requests for inclusion in the Board from other shareholders with a stake the same or larger than the others at whose requests proprietary directors have been appointed, have been dismissed. If so, please explain the reasons why the requests have been dismissed:**

Yes  No

<b>Name or company name of shareholder</b>	<b>Explanation</b>
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**B.1.5 Please indicate whether any director has left his/her position on the board before the end of his/her mandate, whether he/she explained their reasons to the Board, and by which means, and in the case that the explanation was provided in writing to all the Board, please explain below, at least the reasons given by the director:**

<b>Name of director</b>	<b>Reason for leaving</b>
Mr. Gregorio Villalabeitia Galarraga	Handed in voluntary resignation verbally to the Chairman of the Board of Directors, for personal reasons.
Mr. Maximino Carpio García	Handed in voluntary resignation verbally to the Chairman of the Board of Directors, for personal reasons.
Mr. Enrique Used Aznar	Handed in voluntary resignation verbally to the Chairman of the Board of Directors, for personal reasons.

**B.1.6 Indicate, if applicable, any powers delegated to the Managing Director(s):**  
**Mr. César Alierta Izuel Executive Chairman (Chief Executive Officer):**

The Chairman of the Company, as the Chief Executive Officer, has been expressly delegated all the powers of the Board of Directors, except those that cannot be delegated by Law, by the Company Bylaws, or by the Regulations of the Board of Directors which establishes, in article 5.4, the competencies that the Board of Directors reserves itself, and may not delegate. Specifically, the Board of Directors has exclusive competence over, among other matters, the following: (i) the general policies and strategies of the Company; (ii) the evaluation of the Board, its Committees and its Chairman; (iii) the appointment of Senior Managers, as well as the remuneration of Directors and Senior Managers; and (iv) strategic investments.

**Mr. Julio Linares López Chief Operating Officer:**

The Chief Operating Officer has been delegated those powers of the Board of Directors related with the management of the business and the performance of the highest executive functions over all the Company's business areas, except those which cannot be delegated by Law, by the Company Bylaws or by the Regulations of the Board of Directors.

**Table of Contents****B.1.7 Identify any board members in senior management or directive posts in other companies forming part of the listed company:**

<b>Name or company name of director</b>	<b>Corporate name of the group company</b>	<b>Post</b>
Mr. César Alierta Izuel	Telefónica O2 Europe, Plc.	Director
Mr. Julio Linares López	Telefónica de España, S.A.U.	Director
	Telefónica DataCorp, S.A.U.	Director
	Telefónica O2 Europe, Plc.	Director
	Telefónica O2 Czech Republic a.s.	First Vice Chairman of Supervisory Board
Mr. Fernando de Almansa Moreno-Barreda	Telefónica Internacional, S.A.U.	Director
	Telefónica del Perú, S.A.A.	Director
	Telefónica de Argentina, S.A.	Director
	Telecomunicações de Sao Paulo, S.A.	Director
	Telefónica Móviles México, S.A. de C.V.	Director
Mr. José María Álvarez-Pallete López	Telefónica Internacional, S.A.U.	Executive Chairman
	Telefónica Móviles España, S.A.U.	Director
	Telefónica de España, S.A.U.	Director
	Telefónica DataCorp, S.A.U.	Director
	Telefónica O2 Europe, Plc.	Director
	Telefónica de Argentina, S.A.	Vice Chairman of the Board
	Telecomunicações de Sao Paulo, S.A.	Vice Chairman of the Board
	Compañía de Telecomunicaciones de Chile, S.A.	Alternate Director
	Telefónica Móviles México, S.A. de C.V.	Vice Chairman of the Board
	Colombia Telecomunicaciones, S.A. ESP	Director
	Telefónica del Perú, S.A.A.	Alternate Director
	Brasilcel, N.V.	Chairman of the Supervisory Board
	Telefónica Móviles Colombia, S.A.	Director
Mr. David Arculus	Telefónica O2 Europe, Plc.	Director
Mr. Peter Erskine	Telefónica O2 Europe, Plc.	Executive Chairman
	Telefónica O2 Czech Republic, a.s.	Chairman of Supervisory Board

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<b>Name or company name of director</b>	<b>Corporate name of the group company</b>	<b>Post</b>
Mr. Alfonso Ferrari Herrero	Compañía de Telecomunicaciones de Chile, S.A.	Director
	Telefónica del Perú, S.A.A.	Director
	Telefónica Móviles Chile, S.A.	Director
Mr. Antonio Viana-Baptista	Telefónica O2 Europe, Plc.	Director

**B.1.8 List any company board members who are also members of the board(s) of directors in other companies listed on official securities markets in Spain, other than your own group, that have been reported to the company:**

<b>Name or company name of director</b>	<b>Company name of listed company</b>	<b>Post</b>
Mr. César Alierta Izuel	Altadis, S.A.	Director
Mr. Isidro Fainé Casas	Abertis Infraestructuras, S.A.	Chairman
	Criteria CaixaCorp, S.A.	Director
	Repsol YPF, S.A.	2nd Vice Chairman
Mr. Carlos Colomer Casellas	Altadis, S.A.	Director
	Indo Internacional, S.A.	Vice Chairman
	Ahorro Bursátil, S.A. SICAV	Chairman
	Inversiones Mobiliarias Urquiola S.A. SICAV	Chairman
Mr. Gonzalo Hinojosa Fernández de Angulo	Altadis, S.A.	Director
	Dinamia Capital Privado, S.A., SCR	Director
Mr. Pablo Isla Alvarez de Tejera	Inditex, S.A.	First Vice Chairman and CEO
Mr. Julio Linares López	Sogecable, S.A.	Director
Mr. Manuel Pizarro Moreno	Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.	Vice Chairman

**Table of Contents****B.1.9 Please indicate whether, and if so, explain, the company has established rules regarding the number of Boards its directors can belong to:**Yes  No **Explanation of rules**

The Nominating, Compensation and Corporate Governance Committee establishes as one of the obligations of the Directors (article 29 of the Board Regulations) that they should devote the necessary time and effort to their work, and to these effects, that they should inform said Committee of their other professional obligations in case they could interfere with their duties as Directors.

In addition (article 32.g of the Board Regulations), the Board of Directors, at the proposal of the Nominating, Compensation and Corporate Governance Committee, may forbid Directors to hold the post of relevant positions at competitors companies of Telefónica or of any of the Group companies.

**B.1.10 In accordance with recommendation number 8 of the Unified Code, please indicate the general policies and strategies of the company which must be approved by the Board in full:**

	Yes	No
<b>The investment and financing policy</b>	<b>X</b>	
<b>The definition of the structure of the group of companies</b>	<b>X</b>	
<b>The corporate governance policy</b>	<b>X</b>	
<b>The corporate social responsibility policy</b>	<b>X</b>	
<b>The strategic or business Plan, as well as the management aims and annual budgets</b>	<b>X</b>	
<b>The remuneration policy and performance assessment of senior management</b>	<b>X</b>	
<b>The policy of risk management and control, as well as the periodic monitoring of the internal information and control systems</b>	<b>X</b>	
<b>The dividend policy, as well as the treasury stock policy and, especially, any applicable limits.</b>	<b>X</b>	



**Table of Contents****B.1.11 Please fill in the following tables regarding the accrued aggregate remuneration of Directors during the financial year:****a) In the company subject of this report:**

<b>Remuneration item</b>	<b>Thousand euros</b>
Fixed remuneration	7,983.24
Variable remuneration	4,102.12
Allowances	211.25
Token Payments	0
Stock options and/or other financial instruments	0
Other	33.89
<b>TOTAL:</b>	<b>12,330.51</b>

<b>Other Benefits</b>	<b>Thousand euros</b>
Advances	0
Loans granted	0
Pension Plans and Funds: Contributions	25.44
Pension Plans and Funds: Commitments	0
Life Insurance premiums	78.61
Guarantees constituted by the company in favour of directors	

**b) For belonging to other Boards of Directors and/or senior management of group companies:**

<b>Remuneration item</b>	<b>Thousand euros</b>
Fixed remuneration	3,422.14
Variable remuneration	5,424.11
Allowances	0
Token Payments	0
Stock options and/or other financial instruments	0
Other	2.75
<b>TOTAL:</b>	<b>8,849.01</b>

<b>Other Benefits</b>	<b>Thousand euros</b>
Advances	0
Loans granted	0
Pension Plans and Funds: Contributions	7.57
Pension Plans and Funds: Commitments	0
Life Insurance premiums	11.04
Guarantees constituted by the company in favour of directors	0

**Table of Contents****c) Total remuneration by type of directorship:**

<b>Type of director</b>	<b>By company</b>	<b>By group</b>
Executives	9,387.76	8,510.59
External proprietary	1,095.42	0
External independent	1,631.08	198.44
Other external	216.25	139.98
<b>Total</b>	<b>12,330.51</b>	<b>8,849.01</b>

**d) With regard to the profit attributed to the controlling company:**

<b>Total directors remuneration (thousand euros)</b>	12,330.51
<b>Total directors remuneration/benefits attributed to the controlling company (in %)</b>	0.186

**B.1.12 Please identify the members of senior management who are not also executive directors and indicate total remuneration accruing to them during the year:**

<b>Name or company name</b>	<b>Post</b>
Mr. Luis Abril Pérez	Manager of the Chairman's Technical Office
Mr. Santiago Fernández Valbuena	General Manager of Finance and Corporate Development
Mr. Calixto Ríos Pérez	Internal Auditing Manager
Mr. Ramiro Sánchez de Lerín García-Ovies	General Legal Secretary and of the Board of Directors

<b>Total remuneration of senior management (thousand euros)</b>	4,813.28
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**B.1.13 Identify in aggregate terms any guarantees or golden parachute clauses in case of dismissal or changes in control benefiting senior managers (including executive directors) of the company or its group. Indicate whether these contracts must be reported to and/or approved by the governing bodies of the company or its group:**

<b>Number of beneficiaries</b>	9				
<b>Body authorising the clauses</b>	<table> <thead> <tr> <th><b>Board of Directors</b></th> <th><b>General Shareholders Meeting</b></th> </tr> </thead> <tbody> <tr> <td>X</td> <td></td> </tr> </tbody> </table>	<b>Board of Directors</b>	<b>General Shareholders Meeting</b>	X	
<b>Board of Directors</b>	<b>General Shareholders Meeting</b>				
X					
<b>Is the General Shareholders Meeting informed of these clauses?</b>	<table> <thead> <tr> <th><b>YES</b></th> <th><b>NO</b></th> </tr> </thead> <tbody> <tr> <td>X</td> <td></td> </tr> </tbody> </table>	<b>YES</b>	<b>NO</b>	X	
<b>YES</b>	<b>NO</b>				
X					

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**B.1.14 Indicate the process for establishing board members remuneration and any relevant clauses in the Bylaws.**

**Process for establishing board members remuneration and any relevant clauses in the Bylaws**

In accordance with Article 28 of the Bylaws, Directors remuneration shall be comprised of a fixed monthly allowance plus expenses for attending meetings of the Board of Directors and its executives or consultative Committees. The amount corresponding to the remuneration the Company may pay its Directors collectively for both items shall be that established for said purpose by the General Shareholders Meeting, and shall remain in force until this body resolves that it be changed. To this effect, the General Shareholders Meeting held on April 11th 2003 fixed the maximum gross annual sum for remuneration to the Board of Directors at 6 million euros.

The Board of Directors shall determine the exact amount to be paid within that limit and how it is divided amongst the Directors.

In accordance with article 35 of the Regulations of the Board of Directors, Directors have the right to obtain the remuneration established by the Board of Directors in accordance with the bylaws, and subsequent to a report from the Nominating, Compensation and Corporate Governance Committee.

In accordance with article 5 of this same regulatory text, the Board of Directors expressly reserves the duty to approve both the Directors remunerations policy and the decisions related to their remuneration.

The Nominating, Compensation and Corporate Governance Committee has the following competencies (article 22 of the Regulations of the Board of Directors):

Proposing to the Board of Directors the remuneration of the Board of Directors and revising it regularly in order to ensure it is in accordance with the work carried out by them.

Proposing to the Board of Directors the extent and amount of the remunerations, rights and financial compensation, of the President and the executive Directors, including the basic conditions of their contracts for their inclusion in the corresponding contracts.

Drawing up and proposing to the Board of Directors for its approval an annual report on the remuneration policy of Directors.

Additionally, apart from such remuneration as is provided for under the previous section, other remuneration systems may be established that may either be indexed to the market value of the shares, or consist of stock or of stock options for the Directors. The application of said remuneration systems must be authorised by the General Shareholders Meeting, which shall fix the share value that is to be taken as the term of reference thereof, the number of shares to be given to each Director, the exercise price of the stock options, the term of such remuneration system and such other terms and conditions as deemed appropriate.

The remuneration systems set out in the preceding paragraphs, arising from membership of the Board of Directors, shall be deemed compatible with any and all other professional or work-based compensations to which the Directors may be entitled in consideration for whatever executive or advisory services they may provide for the Company other than such supervisory and decision-making duties as may pertain to their posts as Directors, which shall be subject to the applicable legal provisions.

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Please state whether the Board in full has reserved the right to approve the following decisions:

	Yes	No
<b>At the proposal of the first executive of the company, the appointment and possible termination of senior managers, as well as their compensation clauses.</b>	X	
<b>The remuneration of directors, as well as, in the case of executive directors, the additional remuneration for his/her executive duties and other conditions their contracts must respect.</b>	X	
<b>B.1.15 Please state whether the Board of Directors approves a detailed remuneration policy and specify the matters on which it issues an opinion:</b>		
Yes <input type="checkbox"/>		No <input type="checkbox"/>
	Yes	No
<b>Amount of fixed remuneration items, with breakdown, if applicable of allowances for belonging to the Board and its Committees and an estimate of the resulting fixed annual remuneration</b>	X	
<b>Variable remuneration items</b>	X	
<b>Main characteristics of the benefits system, with an estimate of their amount or equivalent annual cost.</b>	X	
<b>Conditions that must be respected in contracts of those who exercise senior management functions as executive directors</b>	X	

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**B.1.16 Please state whether the Board puts to vote at the General Shareholders Meeting, as a separate point in the order of the day, and for consultation purposes, a report on the board member remuneration policies. If applicable, explain the aspects of the report with regard to the remuneration policy approved by the Board for future years, the most significant changes of said policies with regard to that applied during this financial year and a global summary of how the remuneration policy was applied during the financial year. Please provide details of the role played by the Compensation Committee and, if external advice was sought, the identity of the external consultants who provided said advice:**

Yes  No

**Issues covered by the report on remuneration policy**

Aims of remuneration policy

Detailed structure of remuneration.

Scope of application and reference parameters for variable remuneration.

Relative importance of variable remuneration with regard to fixed remuneration.

Basic conditions of contracts of Executive Directors.

Evolution of remuneration.

Design process of remuneration policy.

**Role played by Compensation Committee**

To report to the Board of Directors on issues regarding remuneration policy.

	Yes	No
<b>Was external advice sought?</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Identify the external consultants</b>	Towers Perrin	

**B.1.17 Indicate the identity of any board members who sit on board(s) of directors or hold senior management posts in companies having significant shareholdings in the listed company and/or its group companies:**

Name of company name of director	Company name of significant shareholder	Post
Mr. Fernando de Almansa Moreno-Barreda	Banco Bilbao Vizcaya Argentaria, S.A.	CEO of the Mexican company Servicios Externos de Apoyo Empresarial, S.A. de C.V.
	Banco Bilbao Vizcaya Argentaria, S.A.	Alternate Director of BBVA Bancomer México, S.A. de C.V.
Mr. Isidro Fainé Casas	Caja de Ahorros y Pensiones de Barcelona, la Caixa	Director of Criteria CaixaCorp, S.A. Chairman of Caja de Ahorros y Pensiones de Barcelona, la Caixa Director of Caifor, S.A.



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<b>Name of company name of director</b>	<b>Company name of significant shareholder</b>	<b>Post</b>
Mr. Antonio Massanell Lavilla	Caja de Ahorros y Pensiones de Barcelona, la Caixa	Executive Deputy General Manager of Caja de Ahorros y Pensiones de Barcelona, la Caixa Executive Chairman of Serveis Informàtics la Caixa, S.A. Director of e-la Caixa 1, S.A. Director of Caixa Capital Desarrollo, S.C.R., S.A. Director of Caixa Capital Risc, S.G.E.C.R., S.A. Director of Espacio Pyme, S.A. Director of Bousorama, S.A. Chairman of Fundació Barcelona Digital Director of Port Aventura, S.A.

Please detail, if applicable, any relevant relationships other than those mentioned in the previous paragraph, of the members of the Board of Directors whereby they are related with significant shareholders and/or companies of the group:

<b>Name or company name of director with relationship</b>	<b>Name or company name of significant shareholder with relationship</b>	<b>Description of relationship</b>
Mr. Vitalino Manuel Nafría Aznar	Banco Bilbao Vizcaya Argentaria, S.A.	Early retirement. Formerly Retail Banking Manager for Spain and Portugal.
Mr. José María Abril Pérez	Banco Bilbao Vizcaya Argentaria, S.A.	Early retirement. Formerly Wholesale and Investment Banking Manager.

**B.1.18 Please indicate whether there have been any changes to the Board regulations during the financial year:**

Yes  No

**Description of changes**

The Board of Directors of Telefónica, S.A., after the publication by the Comisión Nacional del Mercado de Valores (CNMV- Spanish Securities Exchange Commission-) of the Unified Code of Good Governance, at its meeting held on November 28, 2007, agreed to modify certain articles of its Regulations. Said modifications were notified to the CNMV and inscribed in the Mercantile Register of Madrid on January 4, 2008.

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The main reasons justifying the aforementioned modifications of the Regulations of the Board of Directors were the following:

- (i) To include those recommendations established in the Unified Code of Good Governance that were deemed convenient.
- (ii) To make technical improvements to the contents and systemation of the Regulations, completing and clarifying the regulation of certain issues.
- (iii) To adapt the Regulations to some of the modifications entered in the Company Bylaws and in the Regulations of the Company's General Shareholders' Meeting, approved by the past General Shareholders' Meeting of May 10, 2007.

Below we detail the contents of the main modifications introduced in the Regulations of the Board of Directors of the Company, as well as the basis and justification of each of them.

**Modifications regarding the competencies of the Board of Directors.**

The Regulations establish that the Board of Directors reserves certain competencies, which it cannot delegate, regarding:

- i) Policies: Strategic plans; Definition of the structure of the Group of Companies; Corporate Governance and Corporate Responsibility; Dividends and Treasury Stock; Risks; and Remuneration of Directors and Senior Managers.
- ii) Decisions: Assessment of the Board, its Committees and its Chairman; Appointment of Senior Managers and basic contract conditions; Remuneration of the Directors and Senior Managers; Strategic Investment; Creation or acquisition of interests in special-purpose entities or entities domiciled in countries considered to be tax havens; and Public Financial Information.

**Modifications regarding the composition of the Board of Directors.**

Explicit inclusion of the proportion of 1/3 of independent Directors; definition of the different categories of Directors, in accordance for the most part with the Unified Code of Good Governance; as well as the category of other external Directors.

**Modifications regarding the remuneration of Directors and Senior Managers.**

It is established that an annual report on the policy of remuneration Directors must be approved, with an explanation of its criteria and basis, and that the Board must establish the remuneration of Directors and Senior Managers (those who report directly to the Chairman).

**Modifications regarding the appointment of Directors.**

Independent Directors must be appointed at the proposal of the Nominating, Compensation and Corporate Governance Committee, and the remaining Directors, on the basis of a report from said Committee.



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**Modifications regarding the duration of the post.**

Given that there are no recommendations regarding this in the Unified Code of Good Governance or in any other international recommendation, the limits established both for the duration of the post as Director (70 years of age), and for executive posts (65 years of age) are eliminated.

**Modifications regarding the Audit and Control Committee.**

A greater breakdown of the duties assigned to this Committee is included with regard to the Internal Auditor, the External Auditor, the Internal Control Systems, and the Financial Information. In addition, the incident reporting channel is included expressly in the Regulations.

**Modifications regarding the Nominating, Compensation and Corporate Governance Committee.**

It is established expressly that this Committee should be comprised by a majority of independent Directors, and in any case the Chairman of the Committee should be an independent Director. In addition, an improvement is introduced in the drafting and systemation of the duties of this Committee, specifying and clarifying its regulation in certain aspects.

**Modifications regarding the change of name of the Nominating and Compensation and Corporate Governance Committee and the Human Resources and Corporate Reputation Committee.**

The name of these Committees is modified to Nominating, Compensation and Corporate Governance Committee (improvement of a merely technical nature) and Human Resources, Reputation and Corporate Responsibility Committee (with the aim of adapting the name to the current functions and duties of this Committee).

**B.1.19 Indicate any procedures for appointment, re-election, assessment and removal of Directors. List the competent bodies, the steps to be followed and the criteria to be applied in each of the procedures.**

**Appointment**

Telefónica's Company Bylaws establish that the Board of Directors shall be composed of a minimum of five and a maximum of twenty members, who shall be appointed by the General Shareholders Meeting. The Board of Directors may, in accordance with the provisions set out in the Spanish Corporations Law and in the Company Bylaws, fill vacant positions temporarily by cooption.

To this effect, it is important to note that the appointment of Board members in Telefónica is, as a general rule, submitted for approval by the General Shareholders Meeting. It is only on certain occasions, when such a measure is essential due to vacancies on the Board arising after the last GSM, that the Board appoints members by cooption, in keeping with the provisions of the Corporations Law (Ley de Sociedades Anónimas), subject to later ratification by the first subsequent GSM held.

In all other cases, the proposed appointments must follow the procedure set out in the Regulations of the Board of Directors, and must be preceded by the relevant favourable report from the Nominating, Compensation and Corporate Governance Committee, and in the case of independent Directors, by the corresponding proposal.



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Thus, in accordance with the duties assigned to the Nominating, Compensation and Corporate Governance Committee, it should report, with objectivity and in line with social interests, the proposals for nominating, re-electing and removal of Company Directors, assessing the necessary competencies, knowledge and experience of the candidates to cover the vacancies.

In line with the provisions of the Regulations, when exercising its rights of cooption and proposal of appointments to the General Shareholders Meeting, the Board of Directors shall endeavour to ensure that external or non-executive Directors are in a clear majority over executive Directors. Similarly, the Board shall endeavour to ensure that the independent Directors comprise at least a third of the total number of Board members.

Likewise, the type of directorship of each Director will be explained by the Board of Directors before the General Shareholders Meeting that must carry out or ratify their appointment. The type of directorship will be revised on an annual basis by the Board, subsequent to the verification by the Nominating, Compensation and Corporate Governance Committee, providing information of this in the Annual Report on Corporate Governance.

In any case, and in the event of re-election or ratification of Directors by the General Shareholders Meeting, the report of the Nominating, Compensation and Corporate Governance Committee, or, in the case of independent Directors, the proposal of said Committee, will contain an assessment of the work and effective time devoted to the post during the last period in which it was held by the proposed Director.

Lastly, both the Board of Directors and the Nominating, Compensation and Corporate Governance Committee will ensure, within the scope of their competencies, that the election of whoever has been proposed for the post of Director corresponds to people of recognised solvency, competence and experience, who are willing to devote the time and effort necessary to carrying out their functions, it being essential to be rigorous in the election of those people called to cover the posts of independent Directors.

**Re-election**

Directors are appointed for a term of five years and may be re-elected one or more times for periods of the same duration.

Like with proposals for appointment, proposals for re-election of Directors must be preceded by the relevant favourable report issued by the Nominating, Compensation and Corporate Governance Committee, and, in the case of independent Directors, by the corresponding proposal.

**Assessment**

In accordance with the Regulations of the Board of Directors, the latter reserves expressly the duty to approve on a regular basis its functioning and the functioning of its Committees, it being the duty of the Nominating, Compensation and Corporate Governance Committee to organise and coordinate, together with the Chairman of the Board of Directors, the regular assessment of said Body.

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**Removal**

Directors shall cease to hold office when the term for which they were appointed elapses, or when such removal is resolved by the General Shareholders Meeting, in the exercise of the powers granted to this body by law.

**B.1.20 Indicate under what circumstances directors are obliged to resign.**

In accordance with Article 12 of the Regulations of the Board, Directors must place their offices at the disposal of the Board of Directors and formalise the relevant resignation in the following cases:

- a) When they cease to hold the executive positions to which their appointment as Directors is linked, or when the reasons for which they were appointed disappear.
- b) When they incur in any of the cases of incompatibility or barring envisaged by law.
- c) When severely admonished by the Nominating, Compensation and Corporate Governance Committee for having failed to fulfil any of their obligations as Directors.
- d) When their continued presence on the Board may affect the credibility or reputation of the Company in the market, or places the Company's interests at risk in any other way.

The Board of Directors will not propose the removal of any independent Director before the established period for which they were nominated has been completed, save in cases of fair cause, as judged by the Board subsequent to a report by the Nominating, Compensation and Corporate Governance Committee. In particular, it will be deemed that there is fair cause when the Director has failed to comply with the duties inherent to their post.

It will also be possible to propose the removal of independent Directors as a result of Public Tender Offers, mergers or other similar company transactions that require a change in the structure of the capital of the company.

**B.1.21 Explain whether the duties of the chief executive officer fall upon the Chairman of the Board. If so, indicate the measures taken to limit the risk of the accumulation of powers in a single person:**

Yes  No

**Measures to limit risks**

Pursuant to the provisions of the Regulations of the Board of Directors, the actions of the Chairman must follow the criteria established by the General Shareholders Meeting, the Board of Directors and the Board Committees at all times.

Likewise, all agreements or decisions of particular significance for the Company must be previously submitted for the approval of the Board of Directors or the relevant Board Committee, as the case may be.

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In addition, reports and proposals from the different Board Committees are required for the adoption of certain resolutions.

It is important to emphasise that the Chairman does not hold the casting vote within the Board of Directors.

The Board of Directors of the Company, at its meeting held on December 19, 2007, agreed to appoint Mr. Julio Linares López Chief Operating Officer of Telefónica, S.A., reporting directly to the Chairman and with responsibility over all of Telefónica Group's Business Units.

Please indicate and, if applicable, explain, whether regulations have been established enabling one of the independent directors to request that a Board Meeting be called or to include new points in the order of the day, to coordinate and reflect the concerns of external directors and direct the assessment by the Board of Directors

Yes  No   
**Explanation of rules**

Even though there is no express empowerment in favour of an independent Director to the indicated effects, the Company considers that this recommendation can be deemed as fulfilled due to the following reasons:

In accordance with article 29 of the Regulations of the Board, all the Company's Directors, including, therefore, independent Directors, may call a meeting of the Board of Directors when they deem it pertinent, or may request the inclusion in the Order of the Day of any aspects or issues they wish.

Likewise, in accordance with article 13.3 of the aforementioned Regulations, it is the responsibility of the Chairman of the Nominating, Compensation and Corporate Governance Committee a post which will in any case be held by an independent Director (article 22 of the Regulations)-, together with the Chairman of the Board of Directors, to organise and coordinate the regular assessment of the Board.

**B.1.22 Are super-majorities other than those established by law required for certain decisions?**

Yes  No

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Indicate how the Board of Directors adopts resolutions, including at least the minimum quorum of attendees and the types of majorities required to pass resolutions:

**Adoption of resolutions**

<b>Description of resolution</b>	<b>Quorum</b>	<b>Type of Majority</b>
All resolutions	Personal or proxy attendance of one half plus one of all Directors.	Resolutions are adopted by the majority of votes of Directors present or represented at the session, except in those cases where the law requires the favourable vote of a higher number of Directors for specific resolutions and in particular for (i) the appointment of Directors not holding a minimum of shares representing a nominal value of 3000 euros, (article 25 of the Company Bylaws) and (ii) for the appointment of Chairman, Vice Chairman, CEO or member of the Executive Committee, in accordance with the requirements explained in the following section.

**B.1.23 Explain whether there are other requirements, other than those for Directors, for being appointed Chairman.**

Yes  No

**Description of requirements**

In order for a Director to be appointed Chairman, he/she must have been a member of the Board for at least three years prior to such appointment. However, the aforementioned seniority is not required when the appointment is effected with the favourable vote of at least 85 percent of the members of the Board of Directors.

**B.1.24 Indicate whether the Chairman has the casting vote:**

Yes  No

**Matters for which there is a casting vote**

**B.1.25 Please indicate whether the Company Bylaws or the Board regulations establish an age limit for Directors:**

Yes  No

Age limit for Chairman

Age limit for CEO  Age limit for Directors

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**B.1.26 Please indicate whether the Company Bylaws or the Board Regulations establish a limit on the term of office of independent Directors:**

Yes  No