

APPENDIX I

ANNUAL CORPORATE GOVERNANCE REPORT

LISTED COMPANIES

ISSUER IDENTIFICATION INFORMATION

YEAR END DATE: 31/12/2008

TAX ID No. A81862724

Name:

DINAMIA CAPITAL PRIVADO, S.A., S.C.R.

**MODEL FORM OF ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED COMPANIES**

Read the instructions for completion at the end of this report for a better understanding of the model form and assistance for completion.

**A OWNERSHIP STRUCTURE**

A.1 Complete the following table on the company's capital:

| Date of latest modification | Share capital (€) | Number of shares | Number of voting rights |
|-----------------------------|-------------------|------------------|-------------------------|
| 14/09/2005                  | 35,910,000.00     | 11,970,000       | 11,970,000              |

State whether there are different classes of shares with different associated rights:

NO

A.2 Give details on the direct and indirect holders of significant interest in your company at the year-end, excluding Directors:

| Name of shareholder             | Number of direct voting rights | Number of indirect voting rights (*) | % total voting rights |
|---------------------------------|--------------------------------|--------------------------------------|-----------------------|
| MR RICARDO PORTABELLA PERALTA   | 0                              | 1,802,848                            | 15.061                |
| ELECTRA PARTNERS LLP            | 0                              | 1,249,920                            | 10.442                |
| PACTIO GESTION, SGIIC, S.A.     | 0                              | 669,270                              | 5.591                 |
| ENTUR-99, S.L.                  | 603,400                        | 0                                    | 5.041                 |
| MR EMILIO DE CARVAJAL Y PEREZ   | 0                              | 600,000                              | 5.013                 |
| ELETRES, S.L.                   | 598,500                        | 0                                    | 5.000                 |
| KEEPER INVERSIONES, SICAV, S.A. | 597,303                        | 0                                    | 4.990                 |

| Name of the indirect shareholder | Through: Name of direct holder of the stake | Number of direct voting rights | % total voting rights |
|----------------------------------|---|--------------------------------|-----------------------|
| MR RICARDO PORTABELLA PERALTA    | VENTOS, S.A.                                | 1,802,848                      | 15.061                |
| ELECTRA PARTNERS LLP             | ELECTRA PRIVATE EQUITY PARTNERS 1995        | 1,249,920                      | 10.442                |
| MR EMILIO DE CARVAJAL Y PEREZ    | SODECAR, S.A.                               | 600,000                        | 5.013                 |

Indicate the principal movements in the shareholding structure during the year:

| Name of shareholder | Date of the transaction | Description of the transaction |
|---------------------|-------------------------|--------------------------------|
| VENTOS,S.A.         | 10/10/2008              | Exceeded 15% of share capital  |

A.3 Complete the following tables on Directors' shareholding interests in the company:

| Name of the Director   | Number of direct voting rights | Number of indirect voting rights (*) | % total voting rights |
|--|--------------------------------|--------------------------------------|-----------------------|
| MR SANTIAGO BERGARECHE BUSQUET   | 3,325                          | 3,478                                | 0.057                 |
| MR JOSE FERNANDO SANCHEZ-JUNCO MANS                                      | 3,301                          | 0                                    | 0.028                 |
| AGRUPACIO MUTUA DEL COMERC I LA INDUSTRIA, MUTUA D ASSEGUANC ES I R.P.F. | 1,199,755                      | 0                                    | 10.023                |
| MR GONZALO HINOJOSA FERNANDEZ DE ANGULO                                  | 0                              | 598,500                              | 5.000                 |

| Name of the indirect shareholder        | Through: Name of direct holder of the stake | Number of direct voting rights | % total voting rights |
|---|---|--------------------------------|-----------------------|
| MR SANTIAGO BERGARECHE BUSQUET          | KARENZA INVERSIONES SICAV, S.A.             | 3,478                          | 0.029                 |
| MR GONZALO HINOJOSA FERNANDEZ DE ANGULO | ELETRES, S.L.                               | 598,500                        | 5.000                 |

|   |        |
|---|--------|
| % total of voting rights held by the Board of Directors | 15.107 |
|---|--------|

Complete the following tables on Directors with stock options in the Company:

- A.4 Indicate family, commercial, contractual or corporate relationships among significant shareholders known to the company, if any, except any that are insignificant and those deriving from ordinary commercial business:
- A.5 Indicate commercial, contractual or corporate relationships between significant shareholders and the company and/or its group, if any, except any that are insignificant and those deriving from ordinary commercial business:
- A.6 Indicate any shareholders' agreements of which the Company has been notified in pursuance of Article 112 of the Stock Market Act. Describe briefly, if any, indicating the shareholders bound by the agreement:

NO

Indicate any concerted actions among Company shareholders of which the Company is aware. Describe briefly, if any:

NO

Expressly indicate any change or break-up of those agreements or concerted actions, if any, that have taken place during the year:

A.7 Indicate any individuals or entities that exercise or may exercise control over the Company in pursuance of Article 4 of the Stock Market Act: Identify any that exist:

NO

A.8 Complete the following tables on the Company's treasury stock:

At the year-end:

| Number of direct shares | Number of indirect shares (*) | % total of share capital |
|-------------------------|-------------------------------|--------------------------|
| 0                       | 0                             | 0.000                    |

(\*) Through:

Total 0

Give details on any significant variations during the year, according to the provisions of Royal Decree 1362/2007:

|   |   |
|---|---|
| Gains/(Losses) obtained during the year on trading treasury shares (Thousand euros) | 0 |
|---|---|

A.9. Indicate the terms and conditions of the authorization granted by the General Meeting to the Board to buy or sell treasury shares.

On 5 June 2008, Shareholders at a General Meeting adopted a Resolution to authorize the Board of Directors so that Dinamia Capital Privado, S.C.R., S.A. or subsidiaries may acquire treasury shares, respecting the limits and requirements established by law, under the following conditions:

1. Types: Through purchase, swap, donation, adjudication or dation in payment and, in general, through any other means for consideration, of outstanding, fully paid, shares.
2. The maximum number of shares to be acquired: Up to 5% of share capital.
3. Maximum and minimum prices: The price will not be higher than 5% of the listed stock market price at the time of acquisition and will not be lower than the par value of the shares.

4. Duration of the authorization: 18 months as from the date on which this Resolution is adopted.

Shares acquired in this manner will not carry any rights, not even voting rights and the financial rights will be attributed on a proportional basis in accordance with the provisions of Article 79 of the Spanish Companies Act. The scope of the authorization granted expressly includes the derivative acquisition of treasury shares in order to give them directly to employees or Company directors, or as a result of the exercising of stock options they hold. This authorization replaces and voids, to the extent it was not used, the Resolution adopted by Shareholders at the General Meeting held on 28 June 2007.

- A.10 Indicate any constraints established in law or the Articles of Association on the exercise of voting rights and legal restrictions on the acquisition and disposal of shares in the capital. Indicate whether there are any legal constraints on the exercise of voting rights:

NO

|   |   |
|---|---|
| Maximum percentage of voting rights that a shareholder may exercise due to legal restrictions | 0 |
|---|---|

Indicate whether the Articles of Association establish any constraints on the exercise of voting rights:

NO

|   |   |
|---|---|
| Maximum percentage of voting rights that a shareholder may exercise due to restrictions established by the Articles of Association. | 0 |
|---|---|

Indicate whether there are any legal restrictions on the acquisition and disposal of shares in capital:

NO

- A.11 Indicate whether the General Shareholders' Meeting has resulted in measures to neutralize a takeover bid under Law 6/2007.

NO

If so, explain the measures approved and the terms under which the constraints would become ineffective.

## B MANAGEMENT STRUCTURE OF THE COMPANY

- B.1 Board of Directors

- B.1.1 State the maximum and minimum numbers of Directors stipulated in the Articles of Association:

|                              |    |
|------------------------------|----|
| Maximum number of Directors: | 10 |
|------------------------------|----|

|                              |   |
|------------------------------|---|
| Minimum number of Directors: | 3 |
|------------------------------|---|

B.1.2 Complete the following table with details of the members of the Board:

| Name of the Director   | Representative      | Position      | Date first appointed | Date last appointed | Election procedure |
|--|---------------------|---------------|----------------------|---------------------|--------------------|
| MR SANTIAGO BERGARECHE BUSQUET   |                     | CHAIRMAN      | 11/12/2002           | 05/06/2008          | SHAREHOLDER VOTE   |
| MR JOSE FERNANDO SANCHEZ-JUNCO MANS                                      |                     | VICE CHAIRMAN | 11/12/2002           | 05/06/2008          | SHAREHOLDER VOTE   |
| AGRUPACIO MUTUA DEL COMERC I LA INDUSTRIA, MUTUA D ASSEGURANCE S I R.P.F | FELIX MILLET TUSELL | DIRECTOR      | 06/11/2008           | 06/11/2008          | COOPTATION         |
| MR ALFRED MERTON VINTON  |                     | DIRECTOR      | 17/12/2003           | 29/06/2004          | SHAREHOLDER VOTE   |
| MR EMILIO DE CARVAJAL Y BALLESTER  |                     | DIRECTOR      | 28/06/2007           | 28/06/2007          | SHAREHOLDER VOTE   |
| MR GONZALO HINOJOSA FERNANDEZ DE ANGULO                                  |                     | DIRECTOR      | 29/06/2006           | 29/06/2006          | SHAREHOLDER VOTE   |
| MR JUAN ARENA DE LA MORA   |                     | DIRECTOR      | 28/06/2007           | 28/06/2007          | SHAREHOLDER VOTE   |
| MR JUAN DOMINGO ORTEGA MARTINEZ  |                     | DIRECTOR      | 11/12/2002           | 05/06/2008          | SHAREHOLDER VOTE   |

|                           |   |
|---------------------------|---|
| Total Number of Directors | 8 |
|---------------------------|---|

Indicate any exits from the Board of Directors during the year:

| Name of the Director         | Status of the Director at the time of exit | Date of exit |
|------------------------------|--|--------------|
| MR JUAN JOSE SANCHEZ CANOVAS | INDEPENDENT                                | 05/06/2008   |
| MR JORDI CONEJOS SANCHO      | INSTITUTIONAL                              | 21/07/2008   |

B.1.3 Complete the following tables on the types of Board Members:

EXECUTIVE DIRECTORS

INSTITUTIONAL OUTSIDE DIRECTORS

| Name of the Director  | Nominating Committee                   | Name of the significant shareholder represented or that proposed the appointment |
|---|--|--|
| AGRUPACIO MUTUA DEL COMERC I LA INDUSTRIA, MUTUA D ASSEGUANCES I R.P.F. | NOMINATIONS AND COMPENSATION COMMITTEE | AGRUPACIO MUTUA DEL COMERC I LA INDUSTRIA, MUTUA D ASSEGUANCES I R.P.F.          |
| MR EMILIO DE CARVAJAL Y BALLESTER                                       | --                                     | SODECAR, S.A.  |
| MR GONZALO HINOJOSA FERNANDEZ DE ANGULO                                 | --                                     | ELETRES, S.L.  |

|   |       |
|---|-------|
| Total number of Institutional Directors | 3     |
| Total percent of the Board              | 37.5% |

#### INDEPENDENT OUTSIDE DIRECTORS

| Name of the Director                | Profile   |
|-------------------------------------|---|
| MR SANTIAGO BERGARECHE BUSQUET      | DEGREE IN ECONOMICS AND LAW. CURRENTLY THE VICE-CHAIRMAN OF FERROVIAL GROUP. HE JOINED THAT GROUP AS THE CHAIRMAN OF AGOMÁN. IN 1999 HE WAS APPOINTED CEO OF FERROVIAL GROUP, A POSITION HE HELD UNTIL JANUARY 2002, AT WHICH TIME HE WAS APPOINTED VICE CHAIRMAN. MR. BERGARECHE IS ALSO A MEMBER OF THE EXECUTIVE AND NOMINATIONS AND COMPENSATION COMMITTEES AT THAT GROUP. IN ADDITION, MR. BERGARECHE IS CHAIRMAN OF CEPESA AND A REPRESENTATIVE OF BYCOMELS PRENSA, SL, WHICH IS A DIRECTOR AND MEMBER OF THE DELEGATE COMMITTEE AT VOCENTO. MR. BERGARECHE IS ALSO A DIRECTOR OF GAMESA CORPORACIÓN TECNOLÓGICA, S.A. PREVIOUSLY HE WAS THE CEO AND MEMBER OF THE MANAGEMENT COMMITTEE AT BANCO BILBAO VIZCAYA |
| MR JOSE FERNANDO SANCHEZ-JUNCO MANS | INDUSTRIAL ENGINEER AND ISMP DIPLOMA FROM HARVARD BUSINESS SCHOOL. CURRENTLY HE IS THE CHAIRMAN AND CEO OF MAXAM GROUP (FORMERLY UNIÓN ESPAÑOLA DE EXPLOSIVOS) HE IS ALSO AN INDEPENDENT OUTSIDE DIRECTOR AND CHAIRMAN OF THE AUDIT COMMITTEE AT CINTRA CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE, S.A. PREVIOUSLY HE WAS THE CEO OF INDUSTRIAS SIDEROMETALÚRGICAS Y NAVALES AND GENERAL DIRECTOR FOR INDUSTRY AT THE MINISTRY OF INDUSTRY AND ENERGY.  |
| MR JUAN ARENA DE LA MORA            | HOLDS A DOCTORATE IN ELECTROMECHANICAL ENGINEERING FROM ICAI, BA DEGREE FROM ICADE, DIPLOMA IN TAX STUDIES, DIPLOMA IN INFANT DEVELOPMENT PSYCHOLOGY AND A DIPLOMA IN AMP FROM HARVARD BUSINESS SCHOOL. HE WAS CEO AND CHAIRMAN OF BANKINTER, DIRECTOR AT FERROVIAL GROUP, LABORATORIOS ALMIRALL, S.A., AND EVERIS (CHAIRMAN OF THE NOMINATIONS AND COMPENSATION COMMITTEES AND MEMBER OF THE AUDIT COMMITTEE AT EVERIS), CHAIRMAN OF LA FUNDACIÓN EMPRESA Y SOCIEDAD, CHAIRMAN OF THE PROFESSIONAL COUNCIL AT ESADE, MEMBER OF THE EXECUTIVE BOARD OF THE HARVARD CLUB IN SPAIN AND MEMBER OF THE HARVARD BUSINESS SCHOOL EUROPEAN ADVISORY BOARD.   |
| MR JUAN DOMINGO ORTEGA MARTINEZ     | CHAIRMAN AND CEO OF FORLASA GROUP SINCE 1983. FORLASA GROUP OPERATES IN SEVERAL SECTORS SUCH AS ENERGY AND RENEWABLE ENERGY, FOOD AND REAL ESTATE. DIRECTOR OF EBRO PULEVA, S.A.  |

|                                       |   |
|---------------------------------------|---|
| Total number of independent Directors | 4 |
|---------------------------------------|---|

|                            |        |
|----------------------------|--------|
| Total percent of the Board | 50.00% |
|----------------------------|--------|

OTHER OUTSIDE DIRECTORS

| Name of the Director    | Nominating Committee |
|-------------------------|----------------------|
| MR ALFRED MERTON VINTON |                      |

|   |       |
|---|-------|
| Total number of other outside Directors | 1     |
| Total percent of the Board              | 12.5% |

State the reasons why they cannot be considered institutional or independent directors and their association with either the Company, executives or shareholders:

| Name of the Director    | Reason   |
|-------------------------|--|
| MR ALFRED MERTON VINTON | PREVIOUSLY MR. VINTON WAS AN INSTITUTIONAL DIRECTOR AT DINAMIA REPRESENTING ELECTRA PARTNERS, A SIGNIFICANT SHAREHOLDER OF DINAMIA, WITH WHICH MR. VINTON NO LONGER MAINTAINS A PROFESSIONAL RELATIONSHIP. |

Indicate any variations during the year in the type of each Director:

- B.1.4 Explain why institutional directors have been appointed at the proposal of shareholders with less than 5% interest in the Company, if appropriate:

Indicate whether any formal requests for a presence on the Board have not been met from shareholders with an interest equal to or greater than that of others at whose request institutional directors have been appointed. If so, explain why such requests have not been met:

NO

- B.1.5 Indicate whether any director has left the position before the end of his/her term, whether he/she explained the reasons for leaving the Board and how. If done in a letter addressed to the entire Board, explain at least the reasons stated therein:

YES

| Name of the Director    | Reason for exit   |
|-------------------------|---|
| MR JORDI CONEJOS SANCHO | MR. JORDI CONEJOS LEFT HIS POST ON 21 JULY 2008 WHILE HIS TERM OF APPOINTMENT ENDED ON 17 DECEMBER 2008. HE SENT A LETTER TO THE BOARD STATING HIS DESIRE TO LEAVE DUE TO PERSONAL REASONS. |

- B.1.6 Indicate the powers delegated to the CEO, if any:

- B.1.7 Name the Board members, if any, who are also directors or executives of other companies in the same group as the listed company:

B.1.8 Name company directors, if any, on the Boards of non-group companies listed on Spanish stock exchanges, insofar as the company has been notified:

| Name of the Director   | Name of the listed company                                 | Position      |
|--|--|---------------|
| MR SANTIAGO BERGARECHE BUSQUET   | GAMESA CORPORACION TECNOLÓGICA. S.A.                       | DIRECTOR      |
| MR SANTIAGO BERGARECHE BUSQUET   | COMPANÍA ESPAÑOLA DE PETRÓLEOS. S.A.                       | CHAIRMAN      |
| MR SANTIAGO BERGARECHE BUSQUET   | GRUPO FERROVIAL. S.A.                                      | VICE CHAIRMAN |
| MR JOSE FERNANDO SANCHEZ-JUNCO MANS                                      | CINTRA CONCESIONES DE INFRAESTRUCTURAS DE TRANSPORTE. S.A. | DIRECTOR      |
| AGRUPACIO MUTUA DEL COMERC I LA INDUSTRIA, MUTUA D ASSEGURANCES I R.P.F. | AMCI HABITAT. S.A.   | CHAIRMAN      |
| MR GONZALO HINOJOSA FERNANDEZ DE ANGULO                                  | TELEFONICA. S.A.   | DIRECTOR      |
| MR JUAN ARENA DE LA MORA   | LABORATORIOS ALMIRALL. S.A.                                | DIRECTOR      |
| MR JUAN ARENA DE LA MORA   | GRUPO FERROVIAL. S.A.                                      | DIRECTOR      |
| MR JUAN DOMINGO ORTEGA MARTINEZ  | EBRO PULEVA. S.A.  | DIRECTOR      |

B.1.9 Indicate and, if appropriate, explain whether the company has established rules on the number of boards on which its Directors may sit:

NO

B.1.10 With regard to recommendation number 8 of the Unified Code, indicate the general policies and strategies of the company reserved for approval by the full Board:

|  |     |
|--|-----|
| Investment and financing policy  | YES |
| Definition of the structure of the group of companies  |     |
| Corporate governance policy  | YES |
| Corporate social responsibility policy   | YES |
| Strategic or business plan, management objectives and annual budget                                    | YES |
| Compensation policy and senior executive performance evaluation  |     |
| Risk management and control policy, and regular monitoring of internal information and control systems | YES |

|  |     |
|--|-----|
| Dividend policy, treasury stock policy, especially limits. | YES |
|--|-----|

B.1.11 Complete the following tables on the aggregate directors' compensation accrued during the year:

a) At the reporting company:

| Compensation                                     | Thousand euros |
|--|----------------|
| Fixed compensation                               | 0              |
| Variable compensation                            | 0              |
| Per diems  | 0              |
| Statutory compensation                           | 220            |
| Stock options and/or other financial instruments | 0              |
| Other  | 0              |
| <b>TOTAL:</b>                                    | <b>220</b>     |

| Other Benefits                                   | Thousand euros |
|--|----------------|
| Pre-payments                                     | 0              |
| Loans granted                                    | 0              |
| Pension Plans and Funds: Contributions           | 0              |
| Pension Plans and Funds: Contractual obligations | 0              |
| Life insurance premiums                          | 0              |
| Guarantees provided by the Company for Directors | 0              |

b) For company Directors who are on other Boards and/or in senior management of group companies:

| Compensation                                     | Thousand euros |
|--|----------------|
| Fixed compensation                               | 0              |
| Variable compensation                            | 0              |
| Per diems  | 0              |
| Statutory compensation                           | 0              |
| Stock options and/or other financial instruments | 0              |
| Other  | 0              |
| <b>TOTAL:</b>                                    | <b>0</b>       |

| Other Benefits                                   | Thousand euros |
|--|----------------|
| Pre-payments                                     | 0              |
| Loans granted                                    | 0              |
| Pension Plans and Funds: Contributions           | 0              |
| Pension Plans and Funds: Contractual obligations | 0              |
| Life insurance premiums                          | 0              |
| Guarantees provided by the Company for Directors | 0              |

c) Total compensation by type of Director:

| Type of directors               | By company | By group |
|---------------------------------|------------|----------|
| Executives                      | 0          | 0        |
| Institutional outside directors | 60         | 0        |
| Independent outside directors   | 139        | 0        |
| Other outside directors         | 21         | 0        |
| Total                           | 220        | 0        |

d) Regarding profits attributed to the parent company:

|   |      |
|---|------|
| Total director compensation (thousand euros)  | 220  |
| Total compensation for directors/profit attributed to the parent company (expressed in %) | 0.0% |

B.1.12 Identify the members of senior management who are not Executive Directors and indicate the aggregate compensation accrued to them during the year:

B.1.13 Indicate overall whether any golden parachute clauses have been established for senior management, including Executive Directors, at the Company or its group in the event of dismissal or change of ownership. State whether these contracts have to be reported to and/or approved by the governing bodies at the Company or its group:

|                         |   |
|-------------------------|---|
| Number of beneficiaries | 0 |
|-------------------------|---|

|                              | Board of Directors | General Meeting |
|------------------------------|--------------------|-----------------|
| Body authorizing the clauses | NO                 | NO              |

|   | YES | NO |
|---|-----|----|
| Is the General Meeting informed of the clauses? |     | X  |

B.1.14 Explain the process for establishing the compensation for Board Members and the relevant Articles of Association:

|  |
|--|
| Processes for establishing the compensation for Board Members and the relevant Articles of Association |
|--|

Directors' compensation consists of the annual payment established in the Company's Articles of Association and the Board Regulations. In this connection, in accordance with Articles 23 of the Articles of Association and 22 of the Board Regulations, a distinction must be made between the compensation received for holding the position of Director and the additional compensation received by the members of the Audit and Nominations Committee. Furthermore, Company Director compensation, which is different for the Chairman of the Board, will consist of a fixed payment that will be based on attendance at Board meetings. In the event that Directors attend Board meetings they will receive the amount of €3,500, with the exception of the Chairman who will receive the amount of €5,250 per meeting. In the event that the Directors do not attend the Board of Directors meetings, the Directors will receive half of the above-mentioned amounts.

Compensation for the members of the Audit and Nominations Committee will consist of a fixed amount equal to 50% of the amount paid to Directors in each case. The amounts to be received by the Directors and members of the Audit and Nominations Committee will be revised on an annual basis in accordance with the Consumer Price Index increase published by the National Statistics Institute.

Finally, the Articles of Association establish a maximum limit for Directors' compensation and for the members of the Audit and Nominations Committee totaling €350,000, which is also revised each year based on any increase in the Consumer Price Index published by the National Statistics Institute.

Furthermore, Article 22 of the Board Regulations establishes that the compensation received by each Director, including any compensation paid to the members of the Audit and Nominations Committee will be stated in the Notes to the Annual Accounts on an individual basis.

Indicate whether approvals of the following decisions are reserved for the full Board:

|  |     |
|--|-----|
| Upon recommendation by the CEO, the appointment and possible removal of senior management and any indemnity clauses.                                   | NO  |
| Directors' compensation and, in the case of Executive Directors, additional compensation for their management duties and other contractual conditions. | YES |

B.1.15 Indicate whether the Board of Directors approves a detailed compensation policy and specify the issues it regulates:

YES

|   |     |
|---|-----|
| Amount of fixed compensation, including the details of per diems for Board and Committee Meetings and an estimate of the fixed annual compensation. | YES |
| Variable compensation   | NO  |
| Principal features of retirement systems, estimating the annual cost or equivalent amount.  | NO  |
| Conditions to be respected in the contracts of those fulfilling senior management duties and Executive Directors                                    | NO  |

B.1.16 Indicate whether the Board submits a report on Director compensation policy to voting at the General Meeting, as a separate item on the Agenda and with an advisory nature. If so, explain the aspects of the report on the compensation policy approved by the Board for future years, the most significant changes in those policies in respect of the policy applied during the year and an overall summary of how the compensation policy was applied during the period. Describe the role played by the Compensation Committee and whether external consultants have been used, and if so, the identity of the external consultants:

NO

|  |
|--|
| Issues addressed by the Compensation policy report   |
| Dinamia's Board of Directors has approved a report regarding Director compensation policies that concerns, among other things, the breakdown of the compensation received by Directors for their participation on the Board and the Audit and Nominations Committee, an estimation of the annual fixed compensation, the most significant changes in the policy compared with the policy applied last year (although in 2008 there were no |

changes) and an overall summary of how the compensation policy was applied during the year.

|                                      |     |    |
|--------------------------------------|-----|----|
|                                      | Yes | No |
| Were external consultants used?      |     |    |
| Identity of the external consultants |     |    |

B.1.17 Name any Board Members who are also directors or executives of companies holding significant interest in the listed company and/or companies pertaining to its Group:

| Name of the Director                    | Name of the significant shareholder | Position   |
|---|-------------------------------------|--|
| MR EMILIO DE CARVAJAL Y BALLESTER       | SODECAR, S.A.                       | DIRECTOR   |
| MR GONZALO HINOJOSA FERNANDEZ DE ANGULO | ELETRES, S.L.                       | JOINT AND SEVERAL ADMINISTRATOR AND LEGAL REPRESENTATIVE |

Describe any significant relationships other than those contemplated in the previous section between Board Members and significant shareholders and/or companies pertaining to their Group:

B.1.18 Indicate whether any modifications have been made during the year to the Board Regulations:

NO

B.1.19 Describe the procedures for appointment, re-election, evaluation and removal of Directors. Indicate the competent bodies, the formalities and the criteria to be followed in each of these procedures.

Directors will be designated by the General Meeting or the Board of Directors in accordance with the provisions of the Spanish Companies Act and after receiving a report or proposal from the Audit and Nominations Committee. The Board of Directors, and the Audit and Nominations Committee, will ensure that the candidates selected are of recognized prestige, competency and experience. The Board of Directors will indicate the nature of each Director to the General Meeting that must appoint or ratify the appointment.

The Board of Directors may not nominate or appoint any person to hold an Independent Outside Directorship if that person does not meet the binding independence criteria.

Directors will hold their position for the term established in this respect by the General Meeting, which may not exceed five years, at the end of which they may be reelected for equal or lesser terms.

The Directors appointed through co-optation will hold their post until the date of the next General Meeting.

Any Director that ends their term or ceases to hold their post for any other reason may not render services to another venture capital firm or venture capital management company for two years. If deemed appropriate, the Board of Directors may release a Director from this obligation or shorten the prohibition period.

The Board of Directors must regularly evaluate the quality and efficiency of its activities and performance during the year.

In this respect, the Board has evaluated its organization and operation in 2008, in accordance with the criteria established in the Articles of Association, the Board Regulations and Corporate Good Governance

Recommendations.

In particular, and with respect to its composition, the Board complies with independence and qualification criteria established for its members. With respect to the evaluation of its operations and its meetings, the Board has verified that they have been carried out properly and efficiently during 2008, holding regular meetings for which proper notice and information was provided. In addition, the attendance, dedication and active participation of all Directors have also been evaluated.

Furthermore, the Board has examined the operation of the Audit and Nominations Committee in 2008, based the report that was prepared and sent by this Committee in advance.

The Directors must cease to hold their positions when their term expires and when so decided by the General Meeting.

In addition to the above, Directors must tender their resignation to the Board of Directors in the cases indicated in section B.1.20 below.

The Board of Directors may only propose the dismissal of an Independent Director before the end of the term of appointment when there is just cause, as determined by the Board. In particular, it will be understood that just cause exists in the following cases: (i) any failure to comply with the duties inherent to the position or (ii) when there is clear evidence of a circumstance that impedes the Director from being classified as Independent. Any such dismissal may also be proposed as a result of any public stock offers, mergers or other similar corporate transactions that give rise to a significant change in the structure of the Company's capital.

Directors affected by proposals for appointment, reelection or dismissal will abstain from intervening in the deliberations and votes concerning these issues. In addition, all votes taken by the Board of Directors that involve the appointment, reelection or dismissal of Directors will be done by secret ballot.

B.1.20 Indicate the cases in which Directors are required to resign.

In accordance with the provisions of Article 18 of the Board of Directors Regulations, Directors must tender their resignation to the Board of Directors and formalize, if the Board deems advisable, their resignation in the following cases:

- a) When they are involved in any case of incompatibility or prohibition established by law or by the Articles of Association.
- b) If a Director receives a serious reprimand from the Board of Directors, after receiving a report from the Audit and Nominations Committee, relating to any failure to comply with Directors' obligations.
- c) When remaining on the board could endanger the Company's interests.
- d) When the shareholder represented by a Institutional Director fully sells the shareholding or, the number of Institutional Directors will be reduced as appropriate when that shareholder reduces their shareholding to a level that requires reduction of the number of Institutional Directors.

The Board of Directors may only propose the dismissal of an Independent Director before the end of the term of appointment when there is just cause, as determined by the Board. In particular, it will be understood that just cause exists in the following cases: (i) any failure to comply with the duties inherent to the position or (ii) when there is clear evidence of a circumstance that impedes the Director from being classified as Independent. Any such dismissal may also be proposed as a result of any public stock offers, mergers or other similar corporate transactions that give rise to a significant change in the structure of the Company's capital.

B.1.21 Explain whether the Chairman of the Board is the Chief Executive Officer of the Company. If so, state what measures have been adopted to limit the risks of one single person accumulating powers:

NO

Indicate and, if appropriate, explain whether rules have been established to enable one of the independent directors to request the calling of the Board for the inclusion of new items on the agenda, to coordinate and echo the concerns of outside Directors and to direct evaluation by the Board of Directors.

NO

B.1.22 Are special majorities differing from those stipulated by Log required for any type of decision?:

NO

Explain how Resolutions are adopted out by the Board, indicating at least the quorum and the majorities required for adopting Resolutions:

Description of the Resolution: ANY TYPE

| Quorum   | %     |
|--|-------|
| The Board will be validly called to order when at least 50% plus one of the Directors are present or represented (Article 18 of the Company's Articles of Association)                                 | 50.01 |
| Type of majority   | %     |
| Unless the Law or the Articles of Association stipulate other voting quorums, Resolutions must be approved by an absolute majority of Directors (Article 18 of the Company's Articles of Association). | 50.01 |

Description of the Resolution

PERMANENT DELEGATION OF AUTHORITY

| Quorum   | %     |
|--|-------|
| The Board will be validly called to order when at least 50% plus one of the Directors are present or represented (Article 18 of the Company's Articles of Association) | 50.01 |
| Type of majority   | %     |
| The permanent delegation of authority will require a two-thirds favorable vote by the members of the Board (Article 22 of the Articles of Association).                | 66.66 |

B.1.23 Explain whether or not there are any specific requirements, other than those established for Directors, to be appointed Chairman:

NO

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

NO

B.1.25 Indicate whether the Articles of Association or the Board Regulations establish any age limit for Directors:

NO

| Age limit for the Chairman | Age limit for the CEO | Age limit for Directors |
|----------------------------|-----------------------|-------------------------|
| 0                          |                       | 0                       |

B.1.26 Indicate whether the Articles of Association or the Board Regulations establish any limit on the term of office for Independent Directors:

NO

|                      |   |
|----------------------|---|
| Maximum term (years) | 0 |
|----------------------|---|

B.1.27 If there are few or no female Directors, explain why and what actions have been taken to remedy this situation.

| Explain reasons and initiatives  |
|--|
| <p>As regards the composition of the governing body, Article 8 of the Board Regulations establishes that the Board, when making candidate proposals to Directors, and therefore the Audit and Nominations Committee when making its proposals to the Board, will ensure that within the majority group of external Directors there is a reasonable balance between outside institutional Directors and outside independent directors.</p> <p>The selection of candidate Directors for the Company will be based on the merit of the candidates. In this connection, Article 16 of the Board Regulations stipulates that the Board of Directors and the Audit and Nominations Committee, within their areas of authority, will ensure that the selection of candidates involves persons of recognized prestige, competency and experience.</p> <p>There is no implicit barrier to women joining the Company's Board of Directors.</p> |

In particular, state whether the Nominations and Compensation Committee has established procedures to ensure that the selection procedures are not affected by implicit bias that could hamper the selection of female Directors and that women with the required profile are deliberately included among the candidates:

NO

|                              |
|------------------------------|
| Indicate the main procedures |
|                              |

B.1.28 Indicate whether there are any formal processes for proxy voting in the Board of Directors. Describe briefly, if any:

Article 23 of the Board Regulations stipulates that Directors will make all efforts to attend Board Meetings and the meetings held by the bodies to which they pertain, and actively participate in deliberations so that their opinions will effectively contribute to the taking of decisions. In addition, Article 15 of the Board Regulations stipulates that when Directors cannot attend Board meetings, they will issue a proxy to another member of the Board, including any relevant instructions and report the issue of said proxy to the Chairman of the Board of Directors.

B.1.29 State the number of meetings held by the Board of Directors during the year. In addition, indicate, if appropriate, how many times the Board has met without the Chairman:

|  |   |
|--|---|
| Number of Board meetings                           | 6 |
| Number of Board meetings held without the Chairman | 0 |

n

Indicate the number of meetings held during the year by the various Board Committees:

|   |   |
|---|---|
| Number of meetings held by the Executive or Delegate Committee        | 0 |
| Number of meetings held by the Audit Committee                        | 4 |
| Number of meetings held by the Nominations and Compensation Committee | 2 |
| Number of meetings held by the Nominations Committee                  | 0 |
| Number of meetings held by the Compensation Committee                 | 0 |

B.1.30 State the number of meetings held by the Board of Directors during the year without all members being in attendance.

Non-attendance is deemed to include any proxies made without specific instructions.

|   |        |
|---|--------|
| Number of Director absences during the year                             | 4      |
| % Number of absences compared with the total votes cast during the year | 12.240 |

B.1.31 Indicate whether the individual and consolidated annual accounts presented to the Board for approval were previously certified:

YES

If appropriate, name the person(s) who certify the Company's individual or consolidated annual accounts before they are approved by the Board:

| Name | Position |
|------|----------|
|------|----------|

|                            |                                     |
|----------------------------|-------------------------------------|
| MR DAVID MOLINA DIAZ       | CFO OF DINAMIA'S MANAGEMENT COMPANY |
| MR FEDERICO PASTOR ARNAUDA | CEO OF DINAMIA'S MANAGEMENT COMPANY |

B.1.32 Explain the mechanisms, if any, established by the Board to avoid a qualified audit report on the individual and consolidated annual accounts from being presented to shareholders at a General Meeting.

Article 35 of the Board Regulations stipulates that the Board may definitively prepare the accounts such that the auditor will not include any qualifications. However, when the Board considers that its criteria must be maintained, a public explanation will be provided of the content and scope of the discrepancy.

In order to prevent the individual and consolidated annual accounts prepared by the Board of Directors from being presented to the General Meeting with qualifications in the Audit Report, Article 13 of the Board Regulations stipulates that before preparing this report the Audit and Nominations Committee must, among other things:

- Revise the Company's annual accounts and the Company's financial information, ensuring compliance with all legal provisions and the proper application of accounting principles generally accepted in Spain.
- Supervise the process of preparing the accounts and the integrity of the financial information that must be provided by the Board to markets and to the regulatory bodies supervising the Company, reviewing compliance with all legislative requirements, adequate establishment of the scope of consolidation and the proper application of accounting policies.

The Audit and Nominations Committee will inform the Board, before it adopts any resolutions regarding the financial information which, due to the fact that the company is listed, must be made public on a regular basis. The Committee must ensure that the interim accounts are prepared using the same accounting policies as those applied to the annual accounts and, in this connection, take into consideration the appropriateness of a limited review by the external auditor.

- Supervise the process of preparing the annual accounts and the integrity of financial information, internal control systems and risk management policies applied by the Company and verify that they are adequate and their integrity is ensured.
- In addition, the management agreement concluded with the Management Company stipulates that the Management Company is required to provide the Company with, among other things, the following administrative services regarding its activities and business:
  - Keep the Company's accounting records and any additional accounts that are generated with respect to the measurement of assets, adequately separating these accounts from its own accounts.
  - Cooperate with auditors and the Company's Board of Directors during the process through which the annual accounts are verified and, in particular, when measuring its assets, with respect to both the half yearly review carried out by the Company's auditors or other independent experts that the Management Company proposes and the Board of Directors designates, as well as any procedures carried out by the Company's auditors on an annual basis when performing the audit of its annual accounts.

It is noted that the Audit Reports regarding the annual accounts for Dinamia Capital Privado, S.C.R., S.A. have not contained qualifications.

B.1.33 Is the Secretary to the Board a Director?

NO

B.1.34 Explain the procedures for appointing and removing the Secretary to the Board, indicating whether or not a report is issued by the Nominations Committee and whether or not the person is approved by the full Board.

|   |
|---|
| Procedure for appointment and removal   |
| In accordance with the provisions of Article 18 of the Articles of Association and Article 11 of the Board Regulations, the Board will appoint and dismiss a Secretary and, if appropriate, a Vice Secretary after receiving a report from the Audit and Nominations Committee. In order to be appointed Secretary or Vice Secretary of the Board of Directors the position of Director does not have to be held. |
| The Resolutions regarding the appointment and dismissal of the Secretary of the Board of Directors must be adopted by a majority vote at a Board Meeting validly called to order. The board is validly called to order when 50% plus one of its members are present or represented at the meeting.  |
| The current Secretary of the Board of Directors was appointed by Board Resolution at the meeting held on 19 February 2003.  |
| The Audit and Nominations Committee assumed the duty of Appointments and Compensation in accordance with a Resolution adopted by the Board of Directors on 28 June 2007.  |

|   |     |
|---|-----|
| Does the Nominations Committee report the nomination? | YES |
| Does the Nominations Committee report resignations?   | YES |
| Does the full Board approve the nomination?           | YES |
| Does the full Board approve the resignation?          | YES |

Does the Secretary to the Board have the responsibility of specifically monitoring Good Governance recommendations?

YES

|   |
|---|
| Observations  |
| Article 11.3 of the Board Regulations stipulates that the Secretary will be responsible for the formal and material legality of the Board's actions, and will verify compliance with the Articles of Association, compliance with regulatory rules and will ensure that the Company observes corporate good governance recommendations and Board regulations. |

B.1.35 Describe any mechanisms established by the Company to preserve the independence of the auditor, financial analysts, investment banks and rating agencies.

Articles 13 and 35 of the Board Regulations stipulate that the Board's relationship with the Company's external auditors will be channeled through the Audit and Nominations Committee. This Committee will abstain from proposing to the Board of Directors, which, in turn, will abstain from submitting to shareholders, the nomination of an auditor when the audit firm is involved with any situation causing incompatibility in accordance with audit legislation, as well as those for which the fees expected to be paid by the Company for all purposes exceeds 5% of its total revenues during the past year.

The Board of Directors will provide public information regarding the total fees paid to the Audit Firm for both audit services and for other services. In particular, the audit firm PRICEWATERHOUSECOOPERS invoiced €45k in 2008 for audit services, excluding VAT. The fees paid to the audit firm or other associated companies for other projects totaled €5.7k in 2008, excluding VAT.

The Audit and Nominations Committee is, therefore, responsible for the relationship with the Company's external auditors, and receives information regarding the matters that may place the firm's independence into question and any other issues relating to the audit plan, the result of the execution of that plan and the process for carrying out the audit of the accounts, as well as any other communications established in accordance with Audit legislation and technical audit rules, and will verify that the Management Company takes into account their recommendations (Article 22.piece of the Articles of Association and Article 13 of the Board Regulations).

Furthermore, Article 34 of the Board Regulations governs the Company's relationships with markets in general, including financial analysts and investment banks with whom Dinamia's relationship is based on the principles of transparency and non-discrimination. The Management Company will coordinate the relationship with them, managing both their requests for information as well as those made by institutional or individual investors. As regards rating agencies, the Company is not subject to credit ratings.

- B.1.36 Indicate whether or not the Company has changed its external auditor during the year. If so, name the outgoing and incoming auditor:

NO

| Outgoing auditor | Incoming auditor |
|------------------|------------------|
|                  |                  |

If the Company had any disagreements with the outgoing auditor, indicate their contents:

NO

- B.1.37 State whether or not the audit firm does any work for the Company and/or its Group other than standard audit work and, if so, indicate the amount of the fees received for such work and the percentage it represents of the total fees invoiced to the Company and/or its group:

YES

|  | Company | Group  | Total  |
|--|---------|--------|--------|
| Amount of work other than standard audit work (thousand euros)                               | 6       | 0      | 6      |
| Amount of work other than standard audit work/Total amount invoiced by the audit firm (in %) | 11.240  | 0.000% | 11.240 |

- B.1.38 State whether or not the audit report on the Annual Accounts for the previous year contains any qualifications or reservations. If so, indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of those qualifications or reservations.

NO

- B.1.39 State the number of years in succession that the current audit firm has audited the Company's annual accounts and/or its group. In addition, indicate the ratio of the number of years audited by the current auditors to the total number of years that the annual accounts have been audited:

|                                      | Company | Group |
|--------------------------------------|---------|-------|
| Number of years without interruption | 2       |       |

|  | Company | Group |
|--|---------|-------|
| Number of years audited by the current audit firm/Number of years that the company has been audited (in %) | 16.0    | 0.0   |

B.1.40 Indicate the stake held by Members of the Company's Board of Directors in the capital of companies that carry out the same, similar or supplementary activities as those constituting the Company and Group's corporate purpose and which have been reported to the Company. Indicate their positions or duties at those companies:

| Name of the Director                    | Name of the reported company  | % stake | Position or duties                   |
|---|---|---------|--------------------------------------|
| MR ALFRED MERTON VINTON                 | GP INVESTMENTS, LTD   | 0.000   | DIRECTOR                             |
| MR ALFRED MERTON VINTON                 | NMAS1 PRIVATE EQUITY INTERNATIONAL, LTD                                 | 0.000   | DIRECTOR                             |
| MR GONZALO HINOJOSA FERNANDEZ DE ANGULO | DAREL INICIATIVA SOCIEDAD DE CAPITAL RIESGO DE REGIMEN SIMPLIFICADO, SA | 50.000  | CHAIRMAN, REPRESENTING ELETRES, S.L. |
| MR JUAN DOMINGO ORTEGA MARTINEZ         | ORTEMAR CAPITAL SCR DE REGIMEN SIMPLIFICADO SA                          | 70.000  | CHAIRMAN                             |

B.1.41 Indicate, and provide details, if there is an established procedure for Directors to receive external advice:

YES

| Procedure details  |
|--|
| <p>Chapter VII of the Board Regulations (Articles 20 and 21) regulates Director's information. By virtue of Article 20, a Director may request information regarding any aspect of the Company that is the responsibility of the Board and examine its books, ledgers, documents and other documentation, including all information that, by virtue of the Management Agreement, has been prepared by, or is in the possession of, the Management Company. This right to information extends to all investee companies, provided that this is possible.</p> <p>A request for information must be addressed to the Chairman of the Board, who will forward it to the appropriate person within the Company or the Management Company.</p> <p>The Chairman will advise the Director on a confidential basis of the information requested and received and of the duty to maintain confidentiality in accordance with the provisions of the Board Regulations.</p> <p>The Chairman may deny access to information if it is considered: (i) that it is not necessary for the proper performance of the duties of the Director or (ii) that the cost of obtaining the information is not reasonable in light of the importance of the problem or the Company's assets and revenues. New Directors may request, when they deem it necessary, an orientation program that will allow them to quickly and sufficiently gain knowledge of the Company. Furthermore, the Company may establish, when advisable due to the circumstances, programs to update Directors' knowledge.</p> <p>Furthermore, Article 21 of the Board Regulations stipulates that, in order to obtain assistance with the performance of their duties, external directors may request the company hire legal, accounting, financial or other advisors. The request must necessarily concern a specific issue of certain relevance and complexity that arises during the fulfillment of the Director's duties. The request for such hiring action must be reported to the Company's Chairman and approved by the Board of Directors, who may deny the request if it is considered that:</p> <p>a) It is not necessary for the proper performance of the external directors' duties.<br/> b) The cost is not reasonable in light of the importance of the problem and the Company's assets and revenues.<br/> c) The technical assistance required may be adequately provided by experts at the Company or the Management Company.</p> |

B.1.42 Indicate, providing details as necessary, if there is an established procedure for Directors to obtain any information they may need to prepare for the Meetings of the governing bodies sufficiently in advance:

YES

| Procedure details  |
|--|
| Article 14 of the Board Regulations stipulates that the calling of this body will be made at least seven days in advance and the notice of the meeting will always include the agenda and be accompanied by relevant information that has been duly summarized and prepared. |

B.1.43 Indicate, providing details if appropriate, if the Company has established rules requiring Directors to report and, if necessary, resigned in any cases that could be detrimental to the Company's reputation:

YES

| Explain the rules  |
|--|
| By virtue of Article 30.2 the Board Regulations, a Director must inform the Company of any events or situations that could be relevant to their position as a Director, or if it could interfere with the required dedication. Furthermore, the Director must tender his resignation to the Board and formalize that resignation, if the Board deems this to be advisable, in the following cases as established by Article 18.2 of the Board Regulations: |
| a) When they are involved in any case of incompatibility or prohibition established by law or by the Articles of Association.  |
| b) If a Director receives a serious reprimand from the Board of Directors, after receiving a report from the Audit and Nominations Committee, relating to any failure to comply with Directors' obligations.   |
| c) When remaining on the board could endanger the Company's interests.   |
| d) When the shareholder represented by a Institutional Director fully sells the shareholding or, the number of Institutional Directors will be reduced as appropriate when that shareholder reduces their shareholding to a level that requires reduction of the number of Institutional Directors.  |

B.1.44 Indicate whether the Company has been notified by any Board Member that he/she has been charged with, or is being tried for, any of the crimes contemplated under Article 124 of the Spanish Companies Act:

NO

Indicate whether or not the Board of Directors has analyzed the case. If so, give a reasoned explanation of the decision made as to whether or not the Director in question should remain in office.

NO

| Decision taken | Reasoned explanation |
|----------------|----------------------|
|                |                      |

B.2. Board of Directors' Committees

B.2.1 List all the Board of Directors' Committees and their Members:

AUDIT COMMITTEE

| Name                                | Position | Type        |
|-------------------------------------|----------|-------------|
| MR JUAN DOMINGO ORTEGA MARTINEZ     | CHAIRMAN | INDEPENDENT |
| MR JOSE FERNANDO SANCHEZ-JUNCO MANS | MEMBER   | INDEPENDENT |

|                          |        |             |
|--------------------------|--------|-------------|
| MR JUAN ARENA DE LA MORA | MEMBER | INDEPENDENT |
|--------------------------|--------|-------------|

B.2.2 Indicate whether or not the following duties correspond to the Audit Committee:

|   |     |
|---|-----|
| Supervise the integrity and process of preparing the financial information regarding the Company and its Group, ensuring compliance with all requirements, adequate definition of the consolidated group and the correct application of accounting principles.  | YES |
| Regularly check the internal control and risk management systems, ensuring that the principal risks are identified, handled and reported adequately.  | YES |
| Guarantee the independence and efficiency of the internal audit department, propose the selection, appointment, re-election and removal of the Chief Audit Officer, propose the budget for this department, receive regular information regarding its activities and check that senior management takes into account the conclusions and recommendations made in its reports. | NO  |
| Establish and oversee a mechanism whereby employees may report confidentially and, if appropriate, anonymously, any potentially important irregularities, particularly those relating to financial and accounting areas that they may detect within the Company.  | NO  |
| Submit proposals to the Board for the election, appointment, re-election and replacement of the external auditors and the terms and conditions of their engagement.   | YES |
| Regularly receive information from the external auditors on the audit plan and results of their work, and check that senior management takes their recommendations into account.  | YES |
| Ensure the independence of the external auditors  | YES |
| In the case of groups, encourage the Group's auditors to audit the group companies  | NO  |

B.2.3 Describe the rules of organization and procedure, and responsibilities attributed to each Committee.

Name of the Committee

AUDIT COMMITTEE

Brief description

AUDIT AND NOMINATIONS COMMITTEE

The company's only Committee assumes duties relating to audit and nominations and compensation. With respect to the new duties assigned to the Committee with respect to the nomination and compensation for Directors, the Company's Board of Directors considered that given the particular needs of Dinamia, which has delegated its management to a Management Company for venture capital entities and, therefore, does not have an executive team, and in order to simplify and rationalize the operation of the Board of Directors, the creation of an Nominations and Compensation Committee was not advisable but rather it was more advisable to combine the two Committees into a single body reporting to the Board and which would carry out the duties falling to both Committees. In particular, it was considered advisable for this single Committee, in addition to the audit duties already established by the Company's internal regulations, to report to the Board of Directors regarding nominations, ratifications and dismissals/resignations of Members of the Board of Directors, as well as their compensation and the requirements that are necessary to best perform their duties.

The rules governing the organization and operation of the Audit and Nominations Committee are those listed below, which are established under Articles 22.bis of the Articles of Association and 13 of the Board

Regulations:

i. Composition.

The Articles of Association and the Board Regulations stipulate that the Audit and Nominations Committee will be formed by at least three outside non-executive Directors appointed by the Board of Directors for terms of three years or, if appropriate, until the position of Director is abandoned. Members may be reelected for one or more equal terms. Currently, the Audit Committee is formed by the following three independent outside Directors: Mr. Juan Domingo Ortega (Chairman in 2008), Mr. José Fernando Sanchez-Junco Mans and Mr. Juan Arena de la Mora (Chairman in 2009).

In 2008 the number of the members of the Audit and Nominations Committee was reduced by one due to the end of the term of Mr. Juan José Sanchez Cánovas, who expressed his desire to not be reelected as a Director.

The Chairman of the Committee is selected from among the independent Directors. The chair of the Audit and Nominations Committee is rotated among its members who will hold the post for one-year periods. In 2003 the Audit and Nominations Committee established the rotation order for the chair among the members of the Committee. In this connection, the Chairman of the Committee in 2008 was Mr. Juan Domingo Ortega.

The Secretary and Vice Secretary will not be members of the Audit and Nominations Committee and will be the Secretary and Vice Secretary, respectively, to the Board of Directors. For these purposes, in 2008 the position of Secretary to the Audit and Nominations Committee was held by Mr. Luis de Carlos Bertrán, the current Secretary to the Board of Directors. Furthermore, the position of Vice Secretary to the Audit and Nominations Committee was held by Mr. Fernando Calbacho Losada, the Vice Secretary to the Board in 2008.

ii. Operations.

The Audit and Nominations Committee will hold ordinary meetings on a quarterly basis in order to review the periodic financial information that must be sent to the stock market authorities, as well as the information that the Board of Directors must approve and include in the annual public documentation. Furthermore, it will meet any time called by the Chairman, who must do so when the Board or the Chairman of the Board requests a report or the submission of proposals and, in any event, when deemed advisable for the proper development of its duties.

In 2008 the Committee met on four occasions and, among other things, it reviewed the periodic financial information that the Company must send to the CNMV. It also reviewed the measurement reports issued by the Management Company and the proposed amendments to internal regulations. A representative of the Management Company was present at all meetings and the Company's auditors also attended some meetings. No significant incidents were discussed at any of the meetings.

In accordance with Articles 22.bis of the Articles of Association and 13 of the Board regulations the Audit and Nominations Committee will prepare an annual report regarding its operations noting the main incidents that have arisen with respect to its duties, if any. Furthermore, when the Committee considers it advisable, it will include proposals in that report to improve the Company's governance rules and will make them available to shareholders and investors on the Company's website.

The members of the executive team or employees and those of the Management Company are required to attend Committee meetings and provide all assistance and information available to them when requested by the Committee. The Committee may also require the attendance of the Company's auditors at its meetings.

In addition, the Audit and Nominations Committee may obtain advisory services from outside experts when deemed necessary to adequately comply with its duties.

iii. Duties

In accordance with Articles 22.bis of the Articles of Association and 13 of the Board regulations the Audit and Nominations Committee will have the following duties, notwithstanding any others that may be assigned at any given moment by the Board of Directors:

- a) Inform Shareholders at a General Meeting of any issues raised by shareholders involving their area of competency.
- b) Send to the Board of Directors, to be submitted to shareholders at a General Meeting, the nomination of external auditors to verify the annual accounts, as well as the contract conditions for those auditors, the scope of their professional mandate and, if appropriate, their dismissal or non-renewal.
- c) Inform the Board of Directors regarding nominations, ratifications and dismissals/resignations of members of the Board of Directors, as well as regarding their compensation and the requirements that are necessary for the proper performance of their duties. This Committee will also inform of the appointment and dismissal/resignations of the Secretary or Vice Secretary.
- d) Review the annual accounts and the Company's periodic financial information, ensuring compliance with legal requirements and the proper application of accounting principles generally accepted in Spain.
- e) Handle relationships with the external auditors to regularly receive information regarding the audit plan and a result of the execution of that plan, as well as any issues that could place the independence of the auditors into question and any other issues relating to the audit process, as well as any other communications established by audit legislation or technical audit rules and verify that the Management Company takes into account their recommendations.
- f) Supervise the process of preparing the accounts and the integrity of the financial information that must be provided by the Board to markets and to the regulatory bodies supervising the Company, reviewing compliance with all legislative requirements, adequate establishment of the scope of consolidation and the proper application of accounting policies. The Audit and Nominations Committee will inform the Board, before it adopts any resolutions regarding the financial information which, due to the fact that the company is listed, must be made public on a regular basis. The Committee must ensure that the interim accounts are prepared using the same accounting policies as those applied to the annual accounts and, in this connection, take into consideration the appropriateness of a limited review by the external auditor.
- g) Supervise the process of preparing the annual accounts and the integrity of financial information, internal control systems and risk management policies applied by the Company and verify that they are adequate and their integrity is ensured.
- h) Supervise compliance with the audit contract, ensuring that the opinion of the annual accounts and the main content of the audit report is written clearly and precisely, as well as evaluate the results of each audit.
- i) Inform the Board of any significant agreements and events that take place during its meetings.
- j) Inform the Board of Directors, before it takes any decisions, of any associated transactions.
- k) Supervise compliance with internal codes of conduct and corporate governance rules.

Name of the Committee

AUDIT COMMITTEE

Brief description

Article 14 of the Company's Stock Market Internal Code of Conduct stipulates that the Audit and Nominations Committee is responsible for supervising effective compliance with the obligations

established by that Code of Conduct, for which the following authority is granted:

- a) Comply and enforce compliance with the rules of conduct for stock markets and the rules of this Code of Conduct, its procedures and other supplementary regulations, now or in the future.
- b) Develop, if appropriate, enabling procedures and rules that are deemed necessary to apply the Code of Conduct.
- c) Promote knowledge of the Code of Conduct and the other rules of conduct pertaining to stock markets and concerning qualifying personnel.
- d) Interpret the rules established in the Code of Conduct and resolve any doubts or questions that are raised by persons that are subject to these regulations.
- e) Process any disciplinary proceedings against qualifying personnel due to any failure to comply with the regulations.
- f) The Audit and Nominations Committee will also have all authority that is necessary to comply with its duties, and is particularly authorized to, among other things:

Request any data or information from qualifying personnel that it deems necessary.

Establish requirements concerning information, control rules and any other measures it deems appropriate.

Finally, the Audit and Nominations Committee will issue an annual report, as well as when deemed necessary or requested to do so, to the Board of Directors covering the measures adopted to ensure compliance with the provisions of the Internal Conduct Regulations, the extent of compliance, any incidents that have taken place and any disciplinary action that has taken place during that period.

B.2.4 Indicate, where appropriate, the advisory, consultation and delegation authority held by each of the Committees:

Name of the Committee

AUDIT COMMITTEE

Brief description

Articles 22.bis of the Articles of Association and 13 of the Board Regulations attribute the duties established under Section B.2.3 above to the Audit and Nominations Committee.

B.2.5 Indicate the existence, if appropriate, of Board Committee Regulations, where they are available for consultation and any modifications made during the year. State whether or not an annual report has been issued voluntarily on the activities of each Committee.

Name of the Committee

AUDIT COMMITTEE

Brief description

The rules for organizing and operating the Audit and Nominations Committee are established in the Board Regulations (see Section B.2.3), which is available for consultation at the Company's website ([www.dinamia.es](http://www.dinamia.es)). These rules have not been amended in 2008.

The audit and Nominations Committee prepares an annual report regarding its operations, noting the main incidents that have arisen, if any, with respect to its duties. In addition, when the Audit and Nominations Committee considers it advisable, it will include proposals for improving the Company's rules of governance in that report. The report issued by the Audit and Nominations Committee is available to shareholders and investors through the Company's website.

- B.2.6 Indicate whether or not the composition of the Executive Committee reflects the participation on the Board of different types of Directors:

NO

If no, explain the composition of the Executive Committee.

Dinamia's Board of Directors has not created an Executive Committee and therefore this section does not apply to the Company.

## C RELATED PARTY TRANSACTIONS

- C.1 Indicate whether or not the full Board has reserved the approval, subject to a favorable report by the Audit Committee or any other Committee assigned this task, of any transactions that the Company may enter into with Directors, significant shareholders or shareholders represented on the Board, or with persons related to them:

YES

- C.2 List any significant transactions involving a transfer of resources or obligations between the Company and/or Companies in its group and significant Company shareholders:

- C.3 List any significant transactions involving a transfer of resources or obligations between the Company and/or Companies in its group and Company administrators or executives:

- C.4 List any significant transactions with other companies in the group that are not eliminated in the consolidated financial statements and which do not, by virtue of their object or terms, relate to the Company's normal business:

- C.5 Indicate whether or not the Company's Directors have been involved with any conflict of interest during the year, in accordance with Article 127 ter of the Spanish Companies Act.

NO

- C.6 Explain the mechanisms established to detect and resolve possible conflicts of interest between the Company and/or its Group and its Directors, senior management or significant shareholders.

In accordance with Article 26 of the Board Regulations, the Board must report the existence of conflicts of interest affecting the Board of Directors and abstain from attending or intervening in the deliberations that relate to matters which personally interest the Director. A personal interest is also deemed to exist on the part of the Director when the issue affects associated persons, which are deemed to be the following:

- I) In the case of an individual Director:

- a) the Director's spouse or person with a similar relationship.
- b) Ascendants, descendants and siblings of the Director or the spouse of the Director.
- c) The Companies for which the Director, on his/her own behalf or through an intermediary, is in any of the situations established under Article 4 of Law 24/19 88 (28 July) on the Stock Market.

II) In the case of corporate Directors, associated persons will be understood to be the following:

Shareholders who are, with respect to the individual Director, in any of the situations established under Article 4 of Law 24/1988 (28 July) on the Stock Market.

Directors, whether de facto or in law, liquidators and legal representatives with general power-of-attorney from a corporate Director.

Companies that form part of the same group, as is defined by Article 4 of Law 24/1988 (28 July) on the Stock Market and their shareholders.

Persons who, with respect to the representative or Corporate Director, are considered to be a party associated with the Directors.

The Director may not directly or indirectly carry out professional or commercial transactions with the Company unless the conflict of interest is reported in advance and the Board approves the transaction after having received a report from the Audit and Nominations Committee. When concerning transactions that fall within the ordinary course of the Company's business and are habitual or recurring in nature, a general authorization of the type of operation and the conditions for execution will be sufficient.

The Director may not make use of the Company's assets or use his/her position at the Company to obtain financial advantages, unless adequate consideration has been paid.

Directors must observe rules of conduct established by Stock Market legislation and, in particular, those established in the Internal Stock Market Conduct Regulations established by the Company with respect to the handling of privileged and reserved information.

Article 12 of the Internal Conduct Regulations adopted by Dinamia Capital Privado, S.C.R., S.A., establishes the main lines of action that must be observed by persons subject to these regulations (as is defined by the term "Qualifying personnel" under Article 1.3 of those Regulations) that are in a conflict of interest situation, as follows:

- a) Independence. Qualifying Personnel must, at all times, act with freedom of judgment, remain loyal to Dinamia and its shareholders regardless of personal or outside interests. As a result, Directors will abstain from placing a higher priority on their own interests to the detriment of the Company's interests or the interests of certain investors to the detriment of others.
- b) Abstention. Directors must abstain from intervening or influencing the taking of decisions relating to transactions that could involve persons or companies with which a conflict exists and from accessing confidential information that could affect that conflict.
- c) Communications. Qualifying Personnel must inform the Secretary or Vice Secretary regarding potential conflicts of interests that could derive from their activities outside of Dinamia, their family relationships, personal finances or any other reason involving:

- Dinamia.

- Significant suppliers or customers of Dinamia.
- Companies that engage in the same type of business or are competitors of Dinamia.
- The Management Company.

The qualifying Personnel affected by the conflict of interest must provide a written report indicating whether or not the conflict is personal or arises through a person with which there is a close relationship, in which case any such person must be identified. Furthermore, information regarding the situation giving rise to the conflict must be provided and details given concerning the purpose and the main conditions of the transaction or projected decision, the amount concerned or an approximate financial estimate, as well as the Department or the Person at the Company or the Management Company with whom the relevant contact initiated.

Any doubts regarding the potential existence of a conflict of interest must be submitted to the Secretariat for Vice Secretary and a final decision will be made by the Audit and Nominations Committee.

A conflict of interest is deemed to exist when the Qualifying Personnel meets any of the following conditions with respect to the companies referred to under paragraph c) above:

- The person is an administrator or senior executive.
- Owns a significant shareholding (understood to be, in the case of companies listed on any official Spanish or foreign stock market, those referred to by Article 53 of Law 24/1988 (28 July) on the Stock Market and enabling regulations, and in the case of Spanish or foreign companies that are not listed on a stock market, any direct or indirect shareholding exceeding 20% of share capital).
- Any family association up to the second degree of affinity or consanguinity with administrators, owners of significant shareholdings in capital or senior executives.
- Relevant, direct or indirect contractual relationships.

Any transaction in which a conflict of interest exists will be submitted, in any event, for the authorization of the Company's Board of Directors, after receiving a favorable report from the Audit and Nominations Committee. The Board of Directors will ensure, through the Audit and Nominations Committee, that these transactions are carried out under market conditions and respecting the principle of treatment legality when concerning shareholders.

C.7 Are more than one of the Group's companies listed in Spain?

NO

Identify the subsidiaries listed in Spain:

|   |                      |
|---|----------------------|
| D | RISK CONTROL SYSTEMS |
|---|----------------------|

- D.1 General description of the Company's risk policy and/or its Group, including detailed and an evaluation of the risks covered by the system, together with information supporting those systems' adaptation to the profile of each type of risk.

By virtue of the provisions of Law 25/2005 (24 November), which regulates venture capital companies and their Management Companies, venture capital companies must have good administrative and accounting organizations, as well as the human and technical resources that are adequate to the characteristics and volume of their activity. However, this Law establishes the possibility that these companies may delegate their management to a venture capital management Company (or, if appropriate, group investment institutions authorized to manage venture capital companies), in which case it will be sufficient for the administrative and accounting organization and human and technical resources be in the possession of that management company and not the venture capital company.

In this connection, and by virtue of Article 20 of the Articles of Association, Dinamia has delegated the management of its assets to the Company Nmas1 Capital Privado S.G.E.C.R., S.A., with which the relevant management agreement was concluded on 29 June 2000.

By virtue of that agreement, the Company's Board of Directors has the following duties, among others:

- Establish the general policy for the Company's investments.
- Defend, in general, the interests of shareholders and to this end, control and supervise the Management Company's performance of its tasks in accordance with the aforementioned agreement.
- Take action regarding any disputes that may arise with the Management Company with respect to compliance with, and execution of, the agreement, including those that derive from any possible conflicts of interest arising between the Company and the Management Company.

Apart from the above general duties regarding the control of Dinamia's Board of Directors, the management agreement establishes the Management Company's obligation to act at all times in the Company's interests and to take all action that is necessary to best manage its assets. Furthermore, a series of specific obligations are established for the Management Company, which concern the administration and management of the Company's assets. In particular, and merely for informational purposes, the Management Company must:

- Identify, evaluate and select investments and monitor those investments.
- Advise the Company regarding the financing methods available to make investments and to agree to and execute financing agreements that are necessary to make the investments agreed.
- Participate, either directly or through individuals designated by the Management Company, in the governing bodies of the companies that form part of the Company's portfolio.
- Exercise all the rights inherent to the investments and shares that form part of the Company's assets to the exclusive benefit of the Company.
- Monitor the Company's investments and, in this respect, request and receive all necessary information from investee companies.
- Inform the Company regarding investments and divestments that take place, proposals for investments and divestments, transactions in progress and, in general, information regarding the business activity carried out by the Management Company.
- Inform the Company of economic and financial developments affecting investee companies.
- Inform the Company regarding the most significant or relevant events that take place with respect to the investee companies.

- Inform the Company regarding the relationships maintained with co-investors in transactions that have already taken place and with any other possible investor with respect to transactions that have not yet taken place.

- Provide the Company's Board of Directors with timely information of relevance received with respect to the company's assets and investments.

Notwithstanding the above, the agreement stipulates that the investments and divestments to be made by the Company will be analyzed, approved and executed in accordance with the procedure established below:

a) The Management Company will form a body called "Investment Committee" which will coordinate activities relating to investments and divestments to be carried out by the Company and will perform the analysis and study of investment and divestment projects that are most beneficial for the Company.

b) The Management Company's Board of Directors will be responsible for proposing or deciding on the execution of investment or divestment projects that are most beneficial for the Company, in accordance with the criteria established in the management agreement.

In accordance with the provisions of the management agreement, the Management Company will perform its management duties regarding the Company's assets and will provide administrative services to the Company with the diligence of an expert.

In practice, the Management Company has the financial and human resources that are sufficient to comply with the terms agreed in accordance with the management agreement and will supervise the development of Dinamia's investee companies through (i) its presence and participation in the Boards of Directors of these companies, (ii) the analysis of the periodic information received from those companies, (iii) the consequent identification of risks affecting these companies and (iv) the performance of due diligence processes both with respect to investment projects and investments that have already been made, when such action is deemed advisable.

With respect to the control of the risks of investments in unlisted companies, this will take place fundamentally through the diversification of investments and the continuous monitoring of the main economic variables that affect the companies making up the unlisted companies portfolio. However, controls will be performed before making investments in unlisted companies, such as obtaining audit reports and reports from independent experts regarding companies that may be involved in possible investments, as well as their environment. Given the Company's activity, the use of investment portfolio financial instruments relating to listed shares is limited to the temporary subscription of government bonds, adjusting the objectives and management policies for price risk, credit risk, liquidity risk and cash flow risk in accordance, fundamentally, with the limits and ratios established by current legislation.

Independent of the above, the Board of Directors of Dinamia has approved a control and risk management policy and an investment policy, as well as a corporate social responsibility policy.

D.2 Indicate whether any of the risks (operating, technological, financial, legal, reputational, tax, etc.) affecting the Company and/or its Group have actually arisen during the year:

NO

If so, indicate the underlying circumstances and whether or not the established control systems work adequately.

D.3 Is there a Committee or other governing body responsible for establishing and supervising the control systems?

YES

If so, state its duties.

Name of the Committee or body

AUDIT AND NOMINATIONS COMMITTEE

Description of duties

There is no specific Committee or Body for this purpose. The Audit and Nominations Committee is the body that is responsible for establishing and supervising control measures and verifying their adequacy and integrity. Its duties are listed in detail in Articles 22.bis of the Articles of Association and 13 of the Board Regulations.

D.4 Identification and description of processes for complying with the various regulations affecting the Company and/or its Group.

As the Company is a venture capital company and listed on a stock market, it is subject to (i) the specific regulations relating to venture capital companies and, in particular, Law 25/2005 (24 November) which regulates venture capital companies and their management companies and the relevant enabling legislation, (ii) general regulations applicable to public limited liability companies and, in particular, the Spanish Companies Act and enabling regulations and, (iii) as a listed company, legislation regarding the stock market and the legislation applicable to listed companies that is in force at any given moment.

The management agreement concluded between Dinamia and the Management Company on 29 June 2000 stipulates that, with respect to the rendering of services to Dinamia, the Management Company is required, among other things, to carry out the following:

- a) Ensure the Company's compliance with periodic reporting requirements and the reporting of relevant events and, if appropriate, significant shareholdings in accordance with the provisions of up market legislation in force at any given moment.
- b) Handle and request any authorization, communications and records required by the Company to develop its activities in full compliance with applicable legislation.

|                   |
|-------------------|
| E GENERAL MEETING |
|-------------------|

E.1 Indicate whether there are any differences between the quorums for General Meetings and the minimums stipulated in the Spanish Companies Act and, if appropriate, explain.

NO

|                                | % Quorum different as required by Art. 102 LSA for general cases | % Quorum different as required by Art. 103 LSA for special cases |
|--------------------------------|--|--|
| Quorum required on first call  | 0  | 0  |
| Quorum required on second call | 0  | 0  |

E.2 Indicate and explain, if appropriate, if there are any differences between the system used for adopting corporate resolutions in the system stipulated in the Spanish Companies Act:

NO

Describe how it differs from the system contemplated in the Spanish Companies Act.

None.

E.3 Describe any shareholders' rights with regard to General Meetings that differ from those established by the Spanish Companies Act.

Shareholder rights relating to General Meetings are those stipulated by the Spanish Companies Act, which are also detailed in the Company's General Meeting Regulations, the full text of which is available to the public on the Company's website ([www.dinamia.es](http://www.dinamia.es)).

In particular, it should be noted that the General Meeting Regulations establish the following rights for shareholders:

i.- Shareholder rights to information:

As from the date on which the calling of a General Meeting is published, the Company will publish on its website all the information deemed advisable to facilitate the attendance of shareholders and their participation, including, for example, the following:

a) The full text of the calling.

b) The text of all proposed Resolutions prepared by the Board of Directors with respect to the point included in the Agenda.

c) The documents or information which, in accordance with the law, must be made available to shareholders regarding the issues covered by the Agenda as from the date of the calling of the meeting.

d) The means for remote communications which, in accordance with the Law and the Articles of Association, may be used by shareholders to effectively exercise their right to vote and attend, if appropriate, as well as the requirements, deadlines and procedures established for their use.

Furthermore, as from the time the General Meeting is called and until the seven days prior to the date of the meeting, inclusive, shareholders may request written information or clarification or submit written questions they deem pertinent regarding the points covered by the Agenda and they may request information or clarification or

submit written questions regarding public information provided by the Company to the National Stock Market Committee since the date on which the immediately preceding Meeting was held.

The Regulations provide details as to the manner of making such requests for information, including the possibility that the Management Company will respond to certain requests.

By virtue of the Management Agreement concluded with the Management Company, the Company may instruct the former to attend to requests for information.

The Board of Directors may authorize any of its members, its Secretary and/or Vice Secretary, the Management Company, the person responsible for institutional relations and the Person responsible for the Department or Departments to which the requested information relates to respond to the requests for information submitted by shareholders, on behalf of and representing the Board.

ii.- Right to representation and remote voting:

These rights are regulated in accordance with the terms of the Transparency Law, and shareholders are recognized as having the right to attend and vote, as well as the possibility of delegating their representation to another person (even if not a Company shareholder) and to issue their votes relating to proposals included in the Agenda using written postal mail or through other remote electronic communications and the rules relating to the delegation and the issue of remote voting is covered by Articles 8 and 16 of the General Meeting Regulations. In addition, the Board of Directors is authorized to extend, based on technical advances, the remote means through which shareholders may exercise their rights, which currently consists solely of electronic signatures as it is the only means which duly guarantees the attributed representation and the identity of the represented party.

iii.- Corporate website:

The corporate website [www.dinamia.es](http://www.dinamia.es) is largely an information instrument for shareholders and a means of communication between shareholders and the Company.

Article 32 of the Board Regulations governs the information regarding the Company that must be on the website and continuously updated.

E.4 Describe the measures adopted, if any, to encourage the participation of shareholders at General Meetings.

According to article 33 of the Board Regulations, the Management Company will establish adequate mechanisms for exchanging regular information with investors, although under no circumstances may such means translate into the delivery to investors of any information that could provide them with an advantage.

The Board of Directors will promote the informed participation of shareholders at General Meetings and will adopt all the measures that are advisable to facilitate the General Meeting from effectively exercising the duties falling to it in accordance with the Law and the Articles of Association.

Shareholders have all necessary documentation available to debate the issues set out in the Agenda for General Meetings sufficiently in advance. These documents are published on the Company's website and on the CNMV website. Similarly, shareholders may delegate their representation and their vote to another person, even if not a shareholder, if the shareholder cannot personally attend the General Meeting.

Apart from the preceding measures that are established in the Articles of Association and the Board Regulations and the right to information, assistance and representation as well as remote voting listed in the preceding section, the Company applies a policy of encouraging shareholder participation in the General Meeting through the following measures:

Publication of the announcement of the calling of the meeting in the media, meeting all legal and statutory requirements, in order to guarantee the communication of the meeting.

Shareholders are told in the announcement that the meeting will foreseeably not take place on the first call, and shareholders are told to attend on the second call.

Shareholders may delegate their vote regarding proposed resolutions submitted to the General Meeting using remote means of communication (written postal mail or other written means, within the terms established by the General Meeting Regulations, and electronic means of communication that involve digital signatures for the delegated person), provided that such delegation is received by the Company at least 24 hours before the date on which the meeting is held.

Shareholders are entitled to issue their vote regarding proposals relating to the points of the Agenda for any General Meeting through remote means of communication (written postal mail or other written means, in the terms established by the General Meeting Regulations and through electronic means of communication which include a digital signature for the person exercising the voting right), provided that these votes are received by the Company at least 24 hours before the date on which the Meeting is to be held.

The General Meeting is held at premises that have the best conditions for holding and following the meeting, with adequate seating and located in the center of the municipality in which the registered domicile is located. Assistance and personal orientation is provided for shareholders that wish to intervene through a personal presence at the Meeting.

E.5 Indicate if the Chairman of the Board chairs the General Meeting. List any measures adopted to ensure the independence and correct operation of the General Meeting:

YES

| Details regarding the measures  |
|---|
| <p>Article 10.2 of the Company's General Meeting Regulations stipulates that the General Meeting will be presided by the Chairman of the Board of Directors and, if absent, by the Vice Chairman or, in the absence of both, by the shareholder or the shareholder representative chosen at each time by the shareholders attending the meeting. In the event of a calling made by a court, the Judge will determine who chairs the meeting.</p> <p>In addition, the Chairman may require the attendance, if desired, of any expert deemed advisable.</p> <p>The chairman of the Meeting, as the person responsible for supervising the Meeting, will in general have the broadest authority that is necessary to best carry out the General Meeting, among which are the following:</p> <ul style="list-style-type: none"><li>a) Call to order and adjourn the Meeting.</li><li>b) Verify the valid calling to order of the Meeting and, if appropriate, declare it validly called to order.</li><li>c) Note, if appropriate, the requirement issued by the Board of Directors, requesting the presence of a Notary Public to certify the Minutes to the Meeting.</li><li>d) Resolve, together with the Secretary to the Meeting, any doubts, clarifications or claims arising with respect to the list of attendees and delegates or representatives.</li><li>e) Direct interventions such that deliberations take place in accordance with the Agenda.</li><li>f) Direct deliberations by granting the floor to shareholders requesting recognition, withdrawing such recognition or not granting such recognition when it is deemed that an issue is sufficiently debated, not on the Agenda or</li></ul> |

makes the development of the meeting difficult.

g) Accept or reject new proposals relating to issues covered by the Agenda.

h) Indicate the moments at which votes are to take place.

i) Organize votes and, with the assistance of the Secretary, count ballots.

j) Report the results of votes.

k) Temporarily suspend the Meeting.

l) Adjourn the meeting.

m) Resolve any doubts or disputes that arise with respect to the Meeting involving the application or interpretation of the General Meeting Regulations, notwithstanding subsequent consideration by the Board of Directors which will propose to the General Meeting, if appropriate, any amendments that are deemed pertinent with respect to the text of the Regulations and which, in any event, must be approved by the General Meeting.

n) In general, exercise all authority that is necessary to best carry out the Meeting, including the interpretation of the provisions of the Meeting Regulations.

Furthermore, the Meeting Regulations containing, among other things, guidelines relating to the preparation of the list of attendees, the development of the Meeting and voting on proposed Resolutions, which will guarantee the proper operation of the General Meetings.

Directors may require the presence of the Notary Public to certify the Minutes to the Meeting, and they will be required to do so provided that at least five days in advance of the date of the Meeting shareholders representing at least 1% of share capital make a request in this connection. The notary's Certification will be considered to be the minutes to the Meeting and the notary fees will be paid by the Company.

In turn, notwithstanding the registering all appropriate Resolutions with the Mercantile Registry and the legal provisions concerning the public reporting of Resolutions adopted by the Company, the text of the Resolutions approved by the Meeting will be sent by the Company to the National Stock Market Committee the same day on which the meeting is held or the immediately following business day and the Minutes will be posted on the Company's website.

Furthermore, at the request of any shareholder or any representative at the General Meeting, the Secretary to the Board of Directors will issue a certificate of Resolutions or the minutes. At its own initiative the Board of Directors traditionally requires the presence of a Notary Public at the General Meeting to issue a certification of the minutes to the Meeting (Article 10.3 of the General Meeting Regulations). As a result, the Chairman and the Secretary to the General Meeting do not intervene in the preparation of the minutes and the Notary Public is responsible for this issue, thereby providing a guarantee of neutrality for Shareholders.

E.6 Indicate any modifications made during the year to the Regulations governing the General Shareholders' meeting.

No modifications have been made to the Regulations governing the General Shareholders' Meeting in 2008.

E.7 Provide details of attendance records at General Meetings held during the year to which this report refers:

| Date of the General Meeting | Attendance information |                        |                   |       | Total |
|-----------------------------|------------------------|------------------------|-------------------|-------|-------|
|                             | % physically present   | % represented by proxy | % remote voting   |       |       |
|                             |                        |                        | Electronic voting | Other |       |
| 5 June 2008                 | 10.980%                | 48.530%                | 0.00              | 0.00  | 59.51 |

E.8 Briefly indicate the Resolutions adopted at the General Meetings held during the year to which this report refers and the percentage of votes with which each Resolution was adopted.

All of the proposals that the Board of Directors submitted for the approval of the General Meeting held on 5 June 2008 were unanimously approved and the voting for each Resolution was as follows:

Resolution 1: "Examination and approval, if appropriate, of the Annual Accounts (Balance sheet, Income statement and Notes to the Annual Accounts) and the Directors' Report for "Dinamia Capital Privado, SCR, S.A." for 2007, as well as the approval of the management duties carried out by the Board of Directors in 2007."

This resolution was unanimously approved by all shareholders that were present or represented.

Resolution 2: "Examination and approval, if appropriate, of the proposal to apply the profit obtained by "Dinamia Capital Privado, SCR, S.A." for 2007 and the distribution of a dividend totaling €0.70 per share, charged against the share premium reserve."

This resolution was unanimously approved by all shareholders that were present or represented.

Resolution 3: "Reelection of members of the Board of Directors."

3.1. Proposal to reelect Mr. Santiago Bergareche Busquet.

This Resolution was unanimously approved by all shareholders that were present or represented.

3.2 Proposal to reelect Mr. José Fernando Sánchez-Junco Mans.

This Resolution was unanimously approved by all shareholders that were present or represented.

3.3 Proposal to reelect Mr. Juan Domingo Ortega Martinez.

This Resolution was unanimously approved by all shareholders that were present or represented.

Resolution 4: "Authorization for the Board of Directors to acquire treasury shares within the limits and in accordance with the requirements established by the Spanish Companies Act, to take place within a maximum of 18 months as from the date the Resolution is adopted by the General Meeting."

This Resolution was unanimously approved by all shareholders that were present or represented.

Resolution 5: "Delegation of authority to formalize and register the Resolutions adopted by the General Meeting and to carry out the necessary filing of the annual accounts."

This Resolution was unanimously adopted by all shareholders that were present or represented.

E.9 State whether any restrictions are established in the Articles of Association requiring a minimum number of shares to attend General Meetings:

NO

Number of shares necessary to attend the General Meeting.

E.10 Describe and justify the Company's policies regarding proxy votes at General Meetings.

Article 14 of the Articles of Association stipulates that all shareholders that are entitled to attend may be

represented at the General Meeting by another person, even if that person is not a shareholder. Representation may be granted in writing or through remote means of communication, whether consisting of postal mail, e-mail or any other means, provided that the identity of the person exercising the right of representation can be duly verified. Representation authority is always revocable. The personal attendance of the represented shareholder at the General Meeting would revoke the representation authority granted.

Furthermore, the Articles of Association authorize the Chairman and the Secretary to the General Meeting, as broadly as the Law allows, to resolve any doubts, clarifications or claims that arise with respect to the list of attendees and delegated authority or representation.

Article 8 of the General Meeting Regulations, which governs proxy votes at the General Meeting states the following:

- Shareholders entitled to attend may delegate representation authority to another person, even if that person is not a Company shareholder, when they meet the requirements and formalities established by Law and the Articles of Association.

- No representation authority will be valid or efficient if it is granted to a person that cannot hold said authority in accordance with the Law.

- Notwithstanding the provisions of Article 108 of the Spanish Companies Act, representation authority, which must be granted for each specific Meeting, must be granted in writing. When it is granted through remote means of communication, only the following will be valid:

- a) Through postal mail, sending the Company the attendance card issued by the Company or companies in charge of keeping the appropriate records, duly signed and completed by the shareholder or other written means which, in the opinion of the Board of Directors allows for the proper verification of the identity of the shareholder granting the representation authority and the person to which this authority has been delegated.

- b) Through electronic means of communication that duly guarantees the representation authority granted and the identity of the person to which the authority is delegated. Representation authority granted through these means will be allowed when the electronic document through which the authority is granted includes a recognized electronic signature used by the represented shareholder or any other type of signature which the Board of Directors, through a Resolution adopted previously, considers to provide adequate guarantees regarding its authenticity and the identification of the shareholder granting the representation authority.

In order to be valid the representation authority granted using any of the remote means of communication must be received by the Company by midnight the day prior to the date on which the Meeting will be held on the first call. The Board of Directors may establish a shorter deadline in accordance with the Articles of Association.

The Chairman and the Secretary to the General Meeting will have the broadest authority allowed by law to resolve any doubts, clarifications or claims arising with respect to the list of attendees and the delegation of proxies and, as a result, may admit or reject the validity of the document or means through which the proxy is accredited.

In the case of a public request of representation authority, the provisions of Article 107 of the current Spanish Companies Act will be followed together with, if appropriate, the provisions of Article 114 of Law 24/1988 (28 July) on the Stock Market. In particular, the document, whether in paper or electronic format, in which the power-of-attorney is stated must contain or be accompanied by the Agenda, as well as a request for instructions regarding the exercising of the voting rights and an indication of the manner in which the representative will vote in the event that precise instructions are not given.

If the proxy has been validly granted in accordance with the law and the Meeting Regulations, but no instructions have been included with respect to the exercising of the voting rights or if there are any doubts regarding the recipient or the scope of the proxy, it will be understood that: (I) The proxy is made to the Chairman of the Board of Directors, (II) it refers to all proposals form part of the Agenda for the General Meeting, (III) the vote will be in favor of those proposals (IV) it will also cover any points that may arise outside of the Agenda with respect to which the representative the representative will exercise the vote in the manner understood to be most favorable to the interests of the represented party.

Unless indicated by the represented party, in the event that the representative is involved in any conflict of interest it will be understood that the represented party has also designated, as a joint and several successive proxy, the Chairman of the General Meeting and if the Chairman is also in a conflict of interest situation, the Secretary to the General Meeting.

Individual shareholders who do not fully enjoy their civil rights and corporate shareholders may be represented by their legal representative that has been duly accredited. In both of these cases, as well as in the case that a shareholder delegates his/her right to attend, no more than one representative may be present at the General Meeting.

Representation authority is always revocable. The attendance of the shareholder at the Meeting will revoke any proxy, regardless of the date granted. Furthermore, proxies granted after the issue of a remote vote will be considered to be null and void.

E.11 Indicate whether the company is aware of the policies of institutional investors regarding their participation or not in company decisions:

NO

E.12 Indicate the address and access to the corporate governance contents on the company's website.

The Company's website is [www.dinamia.es](http://www.dinamia.es). To access corporate governance information click on the upper tab named "Shareholders and Investors" and then on the tab "Corporate Governance".

|   |  |
|---|--|
| F | EXTENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE RECOMMENDATIONS |
|---|--|

Indicate the degree of compliance by the company with the recommendations of the Unified Good Governance Code.

In the event of non-compliance with any recommendations, explain the recommendations, standards, practices or principles applied by the company.

1. The bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

See sections: A.9, B.1.22, B.1.23 and E.1, E.2.

Comply

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

a) The type of activity they engage in and any business dealings between them, as well as between the subsidiary and other group companies;

b) The mechanisms in place to resolve possible conflicts of interest.

See sections: C.4 and C.7

Not applicable

3. Even when not expressly required under company law, any decisions involving a fundamental corporate change should be submitted to the General Shareholders' Meeting for approval or ratification. In particular:
  - a) The transformation of listed companies into holding companies through the process of subsidiarization, i.e., reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former;
  - b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;
  - c) Operations that effectively add up to the company's liquidation.

Explain

In accordance with its corporate purpose, the Company's activity consists of the acquisition of temporary shareholdings in non-financial and non-real estate companies which, at the time the acquisition takes place, are not listed on the stock market or any other equivalent regulated market in the European Union or the OECD. In order to fulfill its primary corporate purpose, the Company may provide participating loans as well as other means of financing. In this connection, operations such as the transformation of listed companies into holding companies through the process of subsidiarization, i.e., reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former, do not take place and have not been submitted to the General Meeting for approval due to the Company's own activity and structure which is a holding company. Article 20 of the Articles of Association stipulate that the Company's assets must be managed by a Venture Capital Management Company. Given the structure and nature of Dinamia, the Company does not have essential operational assets, with the exception of equity and outside financial resources that will be used by the Management Company for investments in selected companies and the shareholdings or shares in companies in which it already participates. The acquisition or disposal of operational assets would not require any change to the Company's corporate purpose since, in essence, the Company's activity consists of the acquisition and disposal of shareholdings in other companies.

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information stated in Recommendation 28, should be made available at the same time as the publication of the Meeting notice.

Comply

5. Separate votes should be taken at the General Shareholders' Meeting on materially separate items, so shareholders can express their preferences in each case. This rule shall apply in particular to:
  - a) The appointment or ratification of directors, with separate voting on each candidate;
  - b) Amendments to the bylaws, with votes taken on all articles or groups of articles that are materially different.

See section: E.8

Comply

6. Companies should allow split votes, so financial intermediaries acting as nominees on behalf of different clients can issue their votes according to instructions.

See section: E.4

Comply

7. The Board of Directors should perform its duties with unity of purpose and independent judgment, according all shareholders the same treatment. It should be guided at all times by the company's best interest and, as such, strive to maximize its value over time.

It should likewise ensure that the company abides by the laws and regulations in its dealings with stakeholders; fulfills its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Comply

8. The Board should see as core components of its mission: to approve the company's strategy and authorize the organizational resources to carry it forward, and to ensure that management meets the objectives set while pursuing the company's interests and corporate purpose. As such, the Board in full should reserve the right to approve:

- a) The company's general policies and strategies, and in particular:

- i) The strategic or business plan, management targets and annual budgets;
- ii) Investment and financing policy;
- iii) Design of the structure of the corporate group;
- iv) Corporate governance policy;
- v) Corporate social responsibility policy;
- vi) Compensation and evaluation of senior officers;
- vii) Risk control and management, and periodic monitoring of internal information and control systems;
- viii) Dividend policy, treasury stock policy, especially limits.

See sections: B.1.10, B.1.13, B.1.14 and D.3

- b) The following decisions:

- i) Upon recommendation by the CEO, the appointment and possible removal of senior management and any indemnity clauses.

See section: B.1.14.

- ii) Directors' compensation and, in the case of Executive Directors, additional compensation for their management duties and other contractual conditions.

See section: B.1.14.

- iii) The financial information listed companies must periodically disclose.

- iv) Investments or operations considered strategic by virtue of their amount or special characteristics, unless their approval corresponds to the General Shareholders' Meeting;
  - v) The creation or acquisition of shares in special purpose entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.
- c) Transactions which the company conducts with directors, significant shareholders, shareholders with board representation or other persons related thereto ("related-party transactions").

However, Board authorization need not be required for related-party transactions that simultaneously meet the following three conditions:

1. They are governed by standard form agreements applied on an across-the-board basis to a large number of clients;
2. They go through at market rates, generally set by the person supplying the goods or services;
3. Their amount is no more than 1% of the company's annual revenues.

It is advisable that related-party transactions should only be approved on the basis of a favorable report from the Audit Committee or committee handling the same function; and that the directors involved should neither exercise nor delegate their votes, and should withdraw from the meeting room while the Board deliberates and votes.

Ideally, the above powers should not be delegated with the exception of those mentioned in b) and c), which may be adopted by the Delegate Committee in urgent cases and later ratified by the full Board.

See sections: C.1 and C.6

#### Partial compliance

The full Board has reserved the right to approve the majority of the issues indicated in the recommendation that are applicable to the Company, bearing in mind the Company's activity and the fact that there are no Executive Directors or Senior Management since, in accordance with the provisions of Article 20 of the Articles of Association, the Company's Assets are managed by a Venture Capital Management Company.

9. In the interests of maximum effectiveness and participation, the Board of Directors should ideally comprise no fewer than five and no more than fifteen members.

See section: B.1.1

#### Comply

10. External directors, proprietary and independent, should occupy an ample majority of Board places, while the number of executive directors should be the minimum practical, bearing in mind the complexity of the corporate group and the ownership interests they control.

See sections: A.2, A.3, B.1.3 and B.1.14.

#### Comply

11. In the event that some external director can be deemed neither proprietary nor independent, the company should disclose this circumstance and the links that person maintains with the company or its senior officers, or its shareholders.

See section: B.1.3

Comply

12. That among external directors, the relation between proprietary members and independents should match the proportion between the capital represented on the Board by institutional directors and the remainder of the company's capital.

This proportional criterion can be relaxed so the weight of institutional directors is greater than would strictly correspond to the total percentage of capital they represent:

1. In large-cap companies where few or no equity stakes attain the legal threshold for significant shareholdings, despite the considerable sums actually invested.
2. In companies with a plurality of shareholders represented on the Board but not otherwise related.

See sections: B.1.3, A.2 and A.3

Comply

13. The number of independent directors should represent at least one third of all Board members.

See section: B.1.3

Comply

14. Such determination should subsequently be explained by the Board to the General Meeting and be confirmed or reviewed in each year's Annual Corporate Governance Report, after verification by the Nomination Committee. The said Report should also disclose the reasons for the appointment of institutional directors at the urging of shareholders controlling less than 5% of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a institutional directorship.

See sections: B.1.3 and B.1.4

Comply

15. When women directors are few or non-existent, the Board should state the reasons for this situation and the measures taken to correct it; in particular, the Nomination Committee should take steps to ensure that:

- a) The process of filling Board vacancies has no implicit bias against women candidates;
- b) The company makes a conscious effort to include women with the target profile among the candidates for Board places.

See sections: B.1.2, B.1.27 and B.2.3.

Explain

There is no implicit barrier to the selection of female Directors. Article 16 of the Board Regulations stipulates that the Board of Directors and the Audit and Nominations Committee within its area of authority, will ensure that the selection of candidates involves persons of recognized prestige,

competency and experience. Although not expressly stated in the internal regulations at Dinamia, in practice the Audit and Nominations Committee will ensure that whenever there are vacancies on the Board of Directors, the selection procedures will not involve any implicit barriers to the selection of female Directors.

16. The Chairman, as the person responsible for the proper operation of the Board of Directors, should ensure that directors are supplied with sufficient information in advance of Board meetings, and work to procure a good level of debate and active involvement of all members, safeguarding their rights to freely express and adopt positions; he or she should organize and coordinate regular evaluations of the Board and, where appropriate, the company's chief executive, along with the chairmen of the relevant Board committees.

See section: B.1.42

Comply

17. When a company's Chairman is also its chief executive, an independent director should be empowered to request the calling of Board meetings or the inclusion of new business on the agenda; to coordinate and give voice to the concerns of external directors; and to lead the Board's evaluation of the Chairman.

See section: B.1.21

Not applicable

18. The Secretary should take care to ensure that the Board's actions:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- b) Comply with the company bylaws and the regulations of the General Shareholders' Meeting, the Board of Directors and others;
- c) Are informed by those good governance recommendations of the Unified Code that the company has subscribed to.

In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Nomination Committee and approved by a full Board meeting, the relevant appointment and removal procedures being spelled out in the Board's regulations.

See section: B.1.34

Comply

19. The Board should meet with the necessary frequency to properly perform its functions, in accordance with a calendar and agendas set at the beginning of the year, to which each director may propose the addition of other items.

See section: B.1.29

Comply

20. Director absences should be kept to the bare minimum and quantified in the Annual Corporate Governance Report. When directors have no choice but to delegate their vote, they should do so with instructions.

See sections: B.1.28 and B.1.30

Comply

21. When directors or the Secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Not applicable

22. The Board in full should evaluate the following points on a yearly basis:

- a) The quality and efficiency of the Board's operation;
- b) Starting from a report submitted by the Nomination Committee, how well the Chairman and chief executive have carried out their duties;
- c) The performance of its committees on the basis of the reports furnished by the same.

See section: B.1.19

Comply

23. All directors should be able to exercise their right to receive any additional information they require on matters within the Board's competence. Unless the bylaws or Board regulations indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See section: B.1.42

Comply

24. All directors should be entitled to call on the company for the advice and guidance they need to carry out their duties. The company should provide suitable channels for the exercise of this right, extending in special circumstances to external assistance at the company's expense.

See section: B.1.41

Comply

25. Companies should organize induction programmes for new directors to acquaint them rapidly with the workings of the company and its corporate governance rules. Directors should also be offered refresher programmes when circumstances so advise.

Comply

26. Companies should require their directors to devote sufficient time and effort to perform their duties effectively, and, as such:

- a) Directors should apprise the Nomination Committee of any other professional obligations, in case they might detract from the necessary dedication;
- b) Companies should lay down rules about the number of directorships their Board members can hold.

See sections: B.1.8, B.1.9 and B.1.17

Partial compliance

Board Regulations have not established any rule regarding the number of boards to which Directors may pertain. However, the Regulations do stipulate that Directors must report any positions held on other Boards of listed companies and any events or situations that could be relevant with respect to their duties as Directors, in the event that this could interfere with the dedication levels required. Furthermore, the Board Regulations stipulate that a Director may not render professional services to other venture capital companies or their management companies.

27. The proposal for the appointment or renewal of directors that the Board submits to the General Shareholders' Meeting, as well as provisional appointments by the method of co-option, should be approved by the Board:

a) On the proposal of the Nomination Committee, in the case of independent directors.

b) Subject to a report from the Nomination Committee in all other cases.

See section: B.1.2

Comply

28. Companies should post the following directorship particulars on their websites and keep them permanently updated:

a) Professional experience and background;

b) Directorships held in other companies, listed or otherwise;

c) An indication of the director's classification as appropriate, stating, in the case of institutional directors, the shareholder they represent or are associated with.

d) The date of their first and subsequent appointments as a company director, and;

e) Shares held in the company and any options on the same.

Comply

29. Independent directors should not stay on as such for a continuous period of more than 12 years.

See section: B.1.2

Comply

30. Institutional directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to institutional directors, the latter's number should be reduced accordingly.

See sections: A.2, A.3 and B.1.2

Comply

31. The Board of Directors should not propose the removal of independent directors before the expiry of their tenure as mandated by the bylaws, except where just cause is found by the Board, based on a proposal from the Nomination Committee. In particular, just cause will be presumed when a director is in breach of his or her fiduciary duties or comes under one of the disqualifying grounds enumerated in section III.5 (Definitions) of this Code.

The removal of independents may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure, in order to meet the proportionality criterion set out in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Comply

32. Companies should establish rules obliging directors to inform the Board of any circumstance that might harm the organization's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a director is indicted or tried for any of the crimes stated in article 124 of the Public Limited Companies Law, the Board should examine the matter and, in view of the particular circumstances and potential harm to the company's name and reputation, decide whether or not he or she should be called on to resign. The Board should also disclose all such determinations in the Annual Corporate Governance Report.

See sections: B.1.43, B.1.44

Partial compliance

Regulations require Directors to report any event or situation that could interfere with the dedication levels required with respect to performance of their duties. This general obligation is understood to include the obligation to report any criminal proceedings in which a Director may be involved. Furthermore, the Company regularly asks Directors to provide information regarding any criminal proceedings in which they may be involved and, in particular, all Directors have reported that they have not been charged with any crime or involved in any criminal proceedings in 2008.

33. All directors should express clear opposition when they feel a proposal submitted for the Board's approval might damage the corporate interest. In particular, independents and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking Board representation.

When the Board makes material or reiterated decisions about which a director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation should also apply to the Secretary to the Board, Director or otherwise.

Not applicable

34. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

See section: B.1.5

Comply

35. The company's compensation policy, as approved by its Board of Directors, should specify at least the following points:

- a) The amount of the fixed components, itemized where necessary, of Board and Board Committee attendance fees, with an estimate of the fixed annual payment they give rise to;
- b) Variable components, in particular:
  - i) The types of directors they apply to, with an explanation of the relative weight of variable to fixed compensation items;
  - ii) Performance evaluation criteria used to calculate entitlement to the award of shares or share options or any performance-related compensation;
  - iii) The main parameters and grounds for any system of annual bonuses or other, non cash benefits; and
  - iv) An estimate of the sum total of variable payments arising from the compensation policy proposed, as a function of degree of compliance with pre-set targets or benchmarks.
- c) The main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), with an estimate of their amount or annual equivalent cost.
- d) The conditions to apply to the contracts of executive directors exercising senior management functions. Among them:
  - i) Duration;
  - ii) Notice periods; and
  - iii) Any other clauses covering hiring bonuses, as well as indemnities or 'golden parachutes' in the event of early termination of the contractual relation between company and executive director.

See section: B.1.15

#### Partial compliance

Dinamia's compensation policy approved by the Board covers the matters set out in the recommendation that are applicable to the Company, bearing in mind that there are no Executive Directors or Senior Management since, as is established by Article 20 of the Articles of Association, a Venture Capital Management Company is responsible for managing the Company's assets.

36. Compensation comprising the delivery of shares in the company or other companies in the group, share options or other share-based instruments, payments linked to the company's performance or membership of pension schemes should be confined to executive directors.

The delivery of shares is excluded from this limitation when directors are obliged to retain them until the end of their tenure.

See sections: A.3, B.1.3

#### Explain

The Company does not have Executive Directors. Directors' compensation is exclusively in cash and no shares, stock options or instruments indexed to the value of shares, variable compensation or retirement benefits are provided to Directors.

37. External directors' compensation should sufficiently compensate them for the dedication, abilities and responsibilities that the post entails, but should not be so high as to compromise their independence.

Comply

38. In the case of compensation linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Not applicable

39. In the case of variable awards, compensation policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

Not applicable

40. The Board should submit a report on the directors' compensation policy to the advisory vote of the General Shareholders' Meeting, as a separate point on the agenda. This report can be supplied to shareholders separately or in the manner each company sees fit.

The report will focus on the compensation policy the Board has approved for the current year with reference, as the case may be, to the policy planned for future years. It will address all the points referred to in Recommendation 34, except those potentially entailing the disclosure of commercially sensitive information. It will emphasize the most significant changes to those policies compared with the policy referring to the General Meeting applied last year. It will also include an overall summary of how the compensation policy was applied last year.

The role of the Compensation Committee in designing the policy should be reported to the Meeting, along with the identity of any external advisors engaged.

See section: B.1.16

Explain

Directors' compensation is expressly defined in Article 23 of the Articles of Association approved by the General Meeting. In addition the Board of Directors has approved a compensation policy, which substantially includes the provisions established in the Articles of Association in this respect and which stipulates that the Board of Directors must approve, after receiving a report from the Audit and Nominations Committee, compensation for Directors.

41. The notes to the annual accounts should list individual directors' compensation in the year, including:
- a) A breakdown of the compensation obtained by each company director, to include where appropriate:
    - i. Participation and attendance fees and other fixed director payments;
    - ii. Additional compensation for acting as chairman or member of a Board Committee
    - iii. Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;
    - iv. Contributions on the director's behalf to defined-contribution pension plans, or any increase in the director's vested rights in the case of contributions to defined-benefit schemes;

- v. Any severance packages agreed or paid;
  - vi. Any compensation they receive as directors of other companies in the group;
  - vii. The compensation executive directors receive in respect of their senior management posts;
  - viii. Any kind of compensation other than those listed above, of whatever nature and provenance within the group, especially when it may be accounted as a related-party transaction or when its omission would detract from a true and fair view of the total compensation received by the director.
- b) An individual breakdown of deliveries to directors of shares, share options or other share-based instruments, itemized by:
- i) Number of shares or options awarded in the year, and the terms set for their execution;
  - ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
  - iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
  - iv) Any change over the year in the exercise terms of previously-awarded options.
- c) Information on the relation in the year between the compensation obtained by executive directors and the company's profits, or some other measure of enterprise results.

Comply

42. When the company has a Delegate Committee, the breakdown of its members by director category should be similar to that of the Board itself. The Secretary of the Board should also act as secretary to the Delegate Committee.

See sections: B.2.1 and B.2.6

Not applicable

43. The Board should be kept fully informed of the business transacted and decisions made by the Delegate Committee. To this end, all Board members should receive a copy of the Committee's minutes.

Not applicable

44. In addition to the Audit Committee mandatory under the Securities Market Law, the Board of Directors should form a committee, or two separate committees, of Nomination and Compensation.

The rules governing the make-up and operation of the Audit Committee and the committee or committees of Nomination and Compensation should be set forth in the Board regulations, and include the following:

- a) The Board of Directors should appoint the members of such committees with regard to the knowledge, aptitudes and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be responsible for overseeing and evaluating their work, which should be reported to the first Board plenary following each meeting;

- b) These committees should be formed exclusively of external directors and have a minimum of three members. Executive directors or senior officers may also attend meetings, for information purposes, at the Committees' invitation.
- c) Committees should be chaired by an independent director.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meeting proceedings should be minuted and a copy sent to all Board members.

See sections: B.2.1 and B.2.3

#### Explain

Given the structure of the Company (which delegated its management to a Management Company and it does not have employees or executives) the Board of Directors has created a single Audit and Nominations Committee, which has assumed the duties attributed to the Audit Committee and the Nominations Committee in accordance with Corporate Governance recommendations that are applicable to the Company.

The rules governing the composition and operation of this Committee are stated in the Board Regulations and they comply with those established under this recommendation (44 paragraphs a) through e)).

- 45. The job of supervising compliance with internal codes of conduct and corporate governance rules should be entrusted to the Audit Committee, the Nomination Committee or, as the case may be, separate Compliance or Corporate Governance committees.

#### Comply

- 46. All members of the Audit Committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management matters.

#### Comply

- 47. Listed companies should have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal reporting and control systems.

#### Explain

The management of the Company's assets has been delegated to a Venture Capital Management Company that ensures the proper operation of information and internal control systems.

- 48. The head of internal audit should present an annual work program to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each year.

#### Explain

Internal audit does not exist due to the reasons explained in the answer to recommendation 47 above.

- 49. Control and risk management policy should specify at least:

- a) The different types of risk (operational, technological, financial, legal, reputational...) the company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;
- b) The determination of the risk level the company sees as acceptable;
- c) Measures in place to mitigate the impact of risk events should they occur;
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

See section: D

#### Explain

In compliance with the provisions of Article 20 of the Articles of Association, the Company has delegated the management of its assets to a Venture Capital Management Company. The Management Company has prepared, at the request of the Audit and Nominations Committee, a report regarding the risks that affect the Company as well as its investees. This report will be sent to the Audit and Nominations Committee during the first half of the year. Furthermore, the Board has approved a risk control and management policy and controls and supervises the performance of the Management Company within the framework of the Management agreement and must authorize, in the cases established in the Board Regulations and the Management Agreement concluded with the Management Company, the specific operations carried out with the Management Company.

50. The Audit Committee's role should be:

1. With respect to internal control and reporting systems:

- a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
- b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.
- c) Monitor the independence and efficacy of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the department's budget; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- d) Establish and supervise a mechanism whereby staff can report confidentially and, if necessary, anonymously, any irregularities they detect in the course of their duties, in particular financial or accounting irregularities, with potentially serious implications for the firm.

2. With respect to the external auditor:

- a) Make recommendations to the Board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of the engagement.

b) Receive regular information from the external auditor on the progress and findings of the audit program, and check that senior management are acting on its recommendations.

c) Monitor the independence of the external auditor, to which end:

i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.

ii) The company should ensure that the company and the auditor respect rules in force regarding the rendering of services other than audit services, business concentration limits affecting the auditor and, in general, all of the rules established to ensure the independence of auditors;

iii) The Committee should investigate the issues giving rise to the resignation of any external auditor.

d) In the case of groups, encourage the Group's auditors to audit the group companies

See sections: B.1.35, B.2.2, B.2.3 and D.3

#### Partial compliance

The management of the Company's assets is carried out by a Venture Capital Management Company, in accordance with the provisions of Article 20 of the Articles of Association and therefore the Management Company ensures the operation of internal audit and internal control. The Audit and Nominations Committee is responsible for supervising the risk management policy prepared by the Management Company. In addition, the Company does not have employees and therefore it has not been necessary to establish channels of communication between the Board and employees.

51. The Audit Committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

#### Explain

Not applicable since the Company does not have employees or executives.

52. The Audit Committee should prepare information on the following points from Recommendation 8 for input to Board decision-making:

a) The financial information listed companies must periodically disclose. The Committee should ensure that interim statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.

b) The creation or acquisition of shares in special purpose entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.

c) Related-party transactions, except where their scrutiny has been entrusted to some other supervision and control committee.

See sections: B.2.2 and B.2.3

#### Comply

53. The Board of Directors should seek to present the annual accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist,

both the Chairman of the Audit Committee and the auditors should give a clear account to shareholders of their scope and content.

See section: B.1.38

Comply

54. The majority of Nomination Committee members – or Nomination and Compensation Committee members as the case may be – should be independent directors.

See section: B.2.1

Comply

55. The Nomination Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Evaluate the balance of skills, knowledge and experience on the Board, define the roles and capabilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organize, in appropriate form, the succession of the chairman and the chief executive, making recommendations to the Board so the handover proceeds in a planned and orderly manner.
- c) Report on the senior officer appointments and removals which the chief executive proposes to the Board.
- d) Report to the Board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: B.2.3

Comply

56. The Nomination Committee should consult with the company's Chairman and chief executive, especially on matters relating to executive directors.

Any Board member may suggest directorship candidates to the Nomination Committee for its consideration.

Explain

The first part of the recommendation does not apply to Dinamia since it does not have any Executive Directors.

The second part of the recommendation is met by the Company given that any Director may request the Audit and Nominations Committee to take potential candidates into consideration to cover vacancies on the Board.

57. The Compensation Committee should have the following functions in addition to those stated in earlier recommendations:

- a) Make proposals to the Board of Directors regarding:
  - i. The compensation policy for directors and senior management;
  - ii. The individual compensation and other contractual conditions of executive directors.
  - iii. The standard conditions for senior management employment contracts.

b) Oversee compliance with the compensation policy set by the company.

See sections: B.1.14, B.2.3

Comply

58. The Compensation Committee should consult with the Chairman and chief executive, especially on matters relating to executive directors and senior officers.

Comply

## G OTHER INFORMATION OF INTEREST

If you consider there to be an important principle or aspects regarding the corporate governance practices applied by your Company that have not been mentioned in this report, indicate them below and explain their contents.

### SECTION A.2

The information set out in this section relates to the information extracted from the direct shareholder records at 31 December 2008 provided by the Madrid Stock Market and the information contained in the official records of significant shareholdings at the National Stock Market Committee (CNMV). The Company does not have any knowledge that there have been any additional significant movements in the shareholder structure in 2008 other than those indicated in this section.

There are some differences between the information contained in the CNMV's records and the information provided to the Madrid Stock Market through IBERCLEAR. This is partially explained by the fact that there is no obligation to report the acquisition of shares to the Spanish stock market authorities unless the acquisition exceeds or falls below the threshold established for this purpose by current legislation, which means that at times the information provided by the Stock Market (which is stated in the Company's registered share records) is somewhat more up to date and the number of shares owned by some significant shareholders varies with respect to what is in the official records on the CNMV website.

In particular, the following should be noted:

In the declaration of significant shareholdings made in the CNMV records, Mr. Ricardo Portabella Peralta was the indirect owner (through the Company VENTOS, S.A., which he controls), of 1,802,848 shares in Dinamia at 10 October 2008, which represents 15.061% of voting rights. However, in the information contained in the Company's registered share ledger regarding direct shareholders provided by the Madrid Stock Market, it is stated that VENTOS, S.A. was the owner of 1,936,909 shares at 31 December 2008, i.e. a shareholding representing 16.181% of Dinamia's voting rights.

In the declaration of significant shareholdings made to the CNMV, Entur-99, S.L. was the direct owner of 428,160 shares in Dinamia at 8 November 1999 (date on which the report was made) representing 5.003% of voting rights. However, in the information regarding the Company's

registered shares indicating the direct shareholders provided by the Madrid Stock Market, it is stated that Entur-99, S.L. was the owner of 603,400 shares at 31 December 2008, i.e. a shareholding representing 5.041% of Dinamia's Voting Rights).

The CNMV's records indicate that PACTIO GESTION, SGIIC, S.A. was a significant shareholder, (indirect shareholder), and does not appear on the list of direct shareholders provided by the Madrid Stock Market given that these records do not provide any information regarding indirect shareholdings. The Company does not have any information regarding the direct owner of the shareholding, and it does not appear on the CNMV's website.

### SECTION A.3

Mr. Juan José Sánchez Canovas, who owns 3641 shares in Dinamia (0.03% of voting rights), was a Company Director up until 5 June 2008 the date on which the latest Shareholder Meeting was held and at which Mr. Sanchez, expressed his desire to not be reelected as Director at the end of his term on 23 June.

Furthermore, Mr. Jordi Conejo Sancho, who owns 100 shares in Dinamia, formed part of the Board of Directors up until 21 July 2008, at which time he presented his letter of resignation due to personal reasons.

It should be noted that the voting rights in the possession of the Board of Directors indicated in the table set out in this section (15.107%) represents the sum of voting rights percentages held by members of the Board appearing in the preceding table. However, the percentage of voting rights in the possession of the Board must take into account the percentages held by significant shareholders represented on the Board by Institutional Directors (even though they are not the final direct owners of the voting rights). Therefore, the total percentage in the possession of Dinamia's Board of Directors is 20.12%, since the shareholding held by Sodecar, S.A. amounting to 5.013% and represented on the Board by the Director Mr. Emilio de Carvajal y Ballester must be taken into consideration and added to the total. The latter is a Director of Sodecar, S.A. and the son of Mr. Emilio de Carvajal y Perez, who controls company Sodecar, S.A.

### SECTION B.1.2

Mr. Juan Jose Sánchez Canovas was a Company Director up until 5 June 2008, the date of the last General Meeting at which MR. Sánchez expressed his desire to not be reelected to the position at the end of his term on 23 June.

In addition, Mr. Jordi Conejos Sancho formed part of the Company's Board of Directors until 21 July 2008, the date on which he presented his letter of resignation due to personal reasons.

Agrupació Mutua del Comerc i la Industria, M.A.I.R.P.F., one of the Company's significant shareholders owning 10.023% of voting rights, was appointed through co-optation by Dinamia's Board of Directors as a Institutional Director, covering the vacancy existing due to the resignation of Mr. Jordi Conejos. The next General Meeting is expected to ratify the appointment of Agrupació Mutua del Comerc i de la Industria, M.A.I.R.P.F, which had been represented on Dinamia's Board of

Directors by its Chairman Mr. Félix Millet but who was replaced by Mr. Miguel Navas in 2009 as the representative of Agrupació Mutua.

Similarly, a proposal was submitted to the General Meeting to re-elect the Director Alfred Merton Vinton for another term.

#### SECTION B.1.3

As regards Dinamia's outside institutional directors, in the case of Agrupació Mutua del Comerç i la Indústria MAIRPF, the Audit and Nominations Committee, the only Committee at the Company that has assumed the duties relating to nominations and compensation after the amendment of the Company's Board Regulations in July 2007, issued a favorable report before the appointment was made. In the case of the outside institutional directors Mr. Emilio de Carvajal y Ballester and Mr. Gonzalo Hinojosa Fernandez de Angulo, both were appointed before the Committee assumed its duties and therefore the Committee could not issue any report on their appointments.

The Director Mr. Alfred Merton Vinton (classified as another outside director) was also appointed before the Committee assumed its duties regarding nominations and therefore it did not report on his appointment.

#### SECTION B.1.8

Mr. Santiago Bergareche represents the company BYCOMELS, S.L. as Director on the Board of Directors of VOCENTO, S.A. (a company listed on Spanish stock markets).

In addition, Mr. Félix Millet, Chairman and representative of the Dinamia Director Agrupació Mutua del Comerç i la Indústria, M.A.I.R.P.F., is a Director of the company INVERPYME, S.C.R, S.A. (a company listed on the Barcelona Stock Market).

#### SECTION B.1.10

It should be noted that certain general policies and strategies which are recommended be reserved for the full Board do not apply in Dinamia's case given its structure (there is no consolidated group or senior management at the Company) since management and administration is delegated to a Venture Capital Management Company.

In particular, Dinamia's full Board of Directors has not reserved the authority to approve the definition of the structure of group companies because the Company does not have a consolidated group. Finally, the Company's Board of Directors cannot approve the evaluation of executive performance because the Company does not have any executives.

#### SECTION B.1.11

Subsection d)

In 2008 the Company recorded losses totaling approximately €35 million. As a result total compensation for Directors cannot be calculated with respect to profits attributed to the Company, as required by this subsection, given that no profits were obtained.

#### SECTION B.1.12

There is no senior management at Dinamia Capital Privado, S.C.R., S.A. By virtue of the provisions of Article 20 of the Articles of Association, the Company's assets are managed by a Venture Capital Management Company, in particular Nmás1 Capital Privado S.G.E.C.R., S.A. (the 'Management Company') with which a management agreement was concluded on 29 June 2000, which has been subsequently amended.

By virtue of this agreement, the Management Company receives a fixed annual management fee and a success fee:

- The fixed annual management fee totals 1.75% of the value of the Company's 'measured assets' (to calculate the 'measured assets' the Management Company prepares a quarterly valuation in accordance with generally recognized international criteria which is reviewed on a half yearly basis by an independent third-party. The amount accrued in this respect in 2008 totals €5,254k.

- A 20% success fee applied to the net gain obtained by the Company on the transfer of all shareholdings in target companies in the same year, as well as for the yields at the shareholdings provide, less the annual fixed management fee, and provided the capital gain exceeds the minimum yield threshold equal to the average ROR from 3-year Spanish Government Bonds in the month of December before the start of each calendar year. This fee is paid to the Management Company to the extent that all the investments acquired in the same year have been realized by the Company. The amount accrued in this respect in 2008 totals €909k.

#### SECTION B.1.13

Given that there is senior management at Dinamia, there are no guarantee or golden parachute clauses in the event that dismissal or changes in control favoring senior management at the Company.

#### SECTION B.1.14

The Company's General Meeting approved the Company's Directors' compensation regulations established in the Articles of Association such that, in accordance with the transparency principle on which the CNMV based the preparation of the Unified Code of Good Governance recommendations relating to compensation (recommendations 35 through 41), the market is fully informed of all items making up the individual compensation paid to the Company's Directors .

Article 23 of the Articles of Association and Article 22 of the Board Regulations stipulate that Director compensation consists of an annual payment. In this connection, in accordance with Article 23 of the Articles of Association and Article 22 of the Board Regulations, a distinction must be made between the

compensation paid for holding the position of Director and any additional amount received by the members of the Audit and Nominations Committee.

Furthermore, Company Director compensation, which is different for the Chairman of the Board, will consist of a fixed payment that will be based on attendance at Board meetings. In the event that Directors attend Board meetings they will receive the amount of €3500, with the exception of the Chairman who will receive the amount of €5250 per meeting. In the event that the Directors do not attend the Board of Directors meetings, the Directors will receive half of the above-mentioned amounts.

Compensation for the members of the Audit and Nominations Committee will consist of a fixed amount equal to 50% of the amount paid to Directors in each case

The amounts to be received by the Directors and members of the Audit and Nominations Committee will be revised on an annual basis in accordance with the Consumer Price Index increase published by the National Statistics Institute.

Finally, the Articles of Association establish a maximum limit for Directors' compensation and for the members of the Audit and Nominations Committee totaling €350,000, which is also revised each year based on any increase in the Consumer Price Index published by the National Statistics Institute.

Article 22 of the Board Regulations establishes that the compensation received by each Director, including any compensation paid to the members of the Audit and Nominations Committee will be stated in the Notes to the Annual Accounts on an individual basis.

As regards the table regarding decisions reserved for the full Board, it should be noted that the first decision indicated in the table (relating to the appointment and dismissal/resignation of senior management and their indemnity clauses) is not applicable to Dinamia 50 Company does not have any senior executives. The second decision (relating to compensation for Directors and executive Directors, including the contractual conditions for the latter) is only applicable to Dinamia with respect to Director compensation as there are no Executive Directors at the Company.

#### SECTION B.1.15

The Board of Directors of Dinamia has approved a compensation policy for Directors that substantially reproduces the contents of the Articles of Association. Given that the Company does not have senior management (as its management has been delegated to a Management Company) some items set out in this section B.1.15 are not applicable to this compensation policy (in particular, contractual conditions for senior management and variable compensation or retirement plans, as they do not exist at Dinamia).

#### SECTION B.1.17

Mr. Félix Millet, the representative in 2008 for the Dinamia Director and significant shareholder Agrupació Mutua del Comerç i la Indústria, M.A.I.R.P.F., is also the Chairman of that company.

#### SECTION B.1.29

As has been indicated, Dinamia has created a single Audit and Nominations Committee which met four times in 2008. The table in section B.1.29 does not allow the number of meetings held by this single committee to be reflected (since it assumes the duties falling to both the Audit Committee and the Nominations and Compensation Committee ), and therefore indicate that there were meetings held by the Audit Committee and the Nominations and Compensation Committee.

At the end of the year the Board approved a meeting schedule for the Board and the Audit and Nominations Committee for the following year, in order to facilitate and promote attendance of Directors at these meetings.

#### SECTION B.1.40

It should be noted that the representative and Chairman of Agrupació Mútua de Comerç i la Indústria (Dinamia Director), Mr. Félix Millet, is a member of the Board of Directors of the venture capital company Inverpyme, SCR, S.A.

Mr. Alfred Merton Vinton is a member of the Board of Directors of Nmás1 Private Equity International Limited, which acted as a 'general partner' of Nmás1 Private Equity Fund. There is an agreement between Nmás1 Private Equity International Limited and Nmás1 Capital Privado S.G.E.C.R., S.A., Dinamia's Management Company, by virtue of which both entities will offer all investments that may be made under equal conditions to Nmás1 Private Equity Fund and the Company.

Mr. Vinton has reported to the Company that he is a Director and minority shareholder of GP Investment Ltd, a listed company whose corporate purpose is similar to that of Dinamia Capital Privado S.C.R., S.A.

#### SECTION B.2.1

Mr. Juan José Sánchez Cánovas was a member of the Audit and Nominations Committee in 2008 up until 5 June 2008 at which time, given the proximity of the end of his term, he informed the General Meeting of his desire to not be reelected as a Director. At that time the Audit and Nominations Committee reduced its number of members from 4 to 3.

#### SECTION B.2.2

Dinamia's Audit and Nominations Committee has been assigned the duties of this section that are applicable. And with respect to the internal audit duty, and given that the Company has delegated its management to a Management Company, the Management Company is responsible for the internal audit duty. With respect to the mechanisms for communicating irregularities by employees this is not applicable to the fact that the Company does not have employees. Dinamia also does not have a group of companies and therefore the issues relating to the duties of the Group's auditor are not applicable.

This section may be used to include any other information, clarification or qualification relating to the previous sections of the report.

Specifically, state whether the company is subject to any laws other than the laws of Spain on corporate governance and, if this is the case, include whatever information the Company may be required to provide when different from the information included in this report.

Binding definition of independent director:

Indicate whether any of the independent directors have or have had any relationship with the company, its significant shareholders or its executives, which, if sufficiently significant or important, would have meant that the director could no longer be considered independent, pursuant to the definition set out in Section 5 of the Unified Good Governance Code:

NO

This annual report on corporate governance was approved by the Board of Directors of the Company on 27 April 2009

Indicate whether any Directors have voted against or abstained in connection with the approval of this Report.

NO