



TREASURY STOCK PORTFOLIO POLICY OF CORPORACIÓN FINANCIERA ALBA, S.A.¹

In accordance with the provisions of Article 249 bis (k) of the Capital Companies Act (introduced by Act 31/2014, of 3 December 2014), the Board is responsible for the Treasury Stock Policy.

In this regard, the Internal Regulation of Conduct in the Sphere of Securities Markets of Corporación Financiera Alba, S.A. makes provision for the execution of treasury stock operations, although it is advisable to confirm the application thereof by means of the approval of the following Treasury Stock Policy established by the Board:

General standards

1. Treasury stock operations will be understood as those that are performed directly or indirectly by the Company and involve its own shares, or financial instruments or contracts of any type, whether or not traded on the Stock Exchange or other organised secondary markets that would give the right to acquire, or where the underlying asset is, Company shares.
2. Treasury stock operations will always be performed for legitimate purposes, such as, among others, providing investors with sufficient liquidity and volume in the trading of the Company's shares, the execution of treasury stock buyback programmes agreed by the General Shareholders' Meeting of the Company or the Board of Directors, the fulfilment of any legitimate commitments previously entered into, or any other acceptable purposes in accordance with the applicable regulations from time to time. Treasury stock operations must under no circumstances be performed for the purpose of intervening in the free process of price formation on the market, nor to favour particular shareholders.
3. The execution of treasury stock operations will be subject to measures so as to prevent investment or divestment decisions from potentially being affected by knowledge of inside information, as defined in market abuse regulations.
4. Treasury stock operations will comply with all obligations and requirements derived from the applicable regulations time to time.
5. The Investment Director will be responsible for the management of treasury stock, with the following functions:
 - a) Manage the treasury stock portfolio in accordance with the provisions of the Company's Internal Regulation of Conduct in the Sphere of Securities Markets, and the applicable regulations from time to time.

¹ Approved by the Board of Directors at its meeting held on 14 November 2016.

- b) Oversee the evolution of the Company's shares on the markets.
- c) Issue official notifications of treasury stock operations and liquidity contracts, as required by the provisions in force from time to time.
- d) Maintain appropriate control records of the treasury stock operations ordered and executed.
- e) Report to the Audit and Compliance Committee of the Company, when requested thereby, as to the evolution of the Company share price on the markets.
- f) Report to the Audit and Compliance Committee of the Company as to trading performed with treasury stock.

Volume of transactions involving treasury stock

6. The transactions performed will take into account, in terms of volume, the provision that the sum of the daily volume of treasury shares traded, including purchases and sales, must not exceed 15% of the average daily volume of purchases executed in the previous 30 sessions of the orders market.

7. When the volume of treasury stock is established for each individual purchase or sale proposal, consideration will be given at all times to the purposes established in subsection 2 above.

Price

8. Purchase or sale prices must be formulated in a manner that would not interfere in the free process of price formation.

9. Purchase orders will not be placed at a price that would be greater than whichever is the higher of: (i) the price of the last transaction performed by independent parties, and (ii) the highest price contained in a purchase order in the order book.

10. Sale orders will not be placed at a price that would be less than whichever is the lower of: (i) the price of the last transaction performed on the market by independent parties, and (ii) the lowest price contained in an order in the order book.

Performance of transactions

11. No more than two market members may be used to perform treasury stock transactions. Confidential notification will be given to the National Securities Market Commission as to the appointment and replacement thereof and, where applicable, the contract signed with said members.

12. The aim in general is to stagger treasury stock operations over the course of each session, and purchase or sale orders will not be placed during the opening

or closing auction periods, unless the operation is performed on an exceptional basis and for a justified reason, with particular caution being taken to prevent such orders from having a decisive influence on the evolution of the price in the auction. In any event, the cumulative volume of the orders issued, including purchases and sales, must be no greater than 10% of the theoretical volume resulting from the auction at the time when the orders are placed. In addition, and other than in exceptional and justified circumstances, market or at best orders must not be issued during these periods.

13. In those cases where the trading of the shares is suspended, orders will not be placed during the auction period prior to the lifting of the suspension, until cross operations have been performed in the security. In the case of orders not executed, they will be withdrawn.

14. No treasury stock operations will be performed during the 30 calendar days prior to the publication of periodic financial information.

15. No operations with treasury stock will be performed during the time period between the date when the decision is taken to delay the dissemination of inside information, and the date when said information is published.

16. Simultaneous purchase and sale orders will not be placed by the Company for its own shares.

17. Transactions involving treasury stock will, as a general rule, be performed on the main market, during regular trading hours.

Treasury stock operations in buyback or securities stabilisation programmes or in the application of accepted market practices

18. In those treasury stock operations performed within the context of a share buyback or securities stabilisation programme, or performed within the context of liquidity contracts or in the application of some other accepted market practice, or in sales corresponding to a public share offer or private placement or any others performed outside the market, the legally established requirements for this purpose must be fulfilled, in order to ensure that the prohibitions regarding inside information operations referred to in the market abuse regulations would not apply.

Madrid, 14 November 2016