

## **OPERATING INSTRUCTION 2/2002, OF FEBRUARY 28<sup>th</sup>, RELATING TO THE CODE OF CONDUCT OF SENAF.SON**

After the mandatory report by the Arbitration and Monitoring Committee, the Board of Directors of SISTEMA ELECTRÓNICO DE NEGOCIACIÓN DE ACTIVOS FINANCIEROS AGENCIA DE VALORES, S.A. (hereinafter "SENAF, A.V., S.A."), through its resolution passed on February 28<sup>th</sup>, 2002, in use of the powers granted to it by the Operating Instruction 1/2001, of March 29<sup>th</sup>, relating to the Code of Conduct of SENAF.SON, has passed this Operating Instruction, the purpose of which is to amend and adapt the SENAF's Code of Conduct to the new legal regime, as well as derogate and leave without any effect the Operating Instruction 1/2001, of March 29<sup>th</sup>, relating to the Code of Conduct, as it is contained in this Operating Instruction.

**First.-** Upon the entry into force of this Operating Instruction, SENAF.SON's Code of Conduct will have the content established in the following:

### **1. General Principles.**

#### **1.1. Purpose and scope of the Code.**

The purpose of this Code is to establish the basic principles of conduct and rules of action of the various Participating Members (hereinafter, the "Participants") of the "Sistema Organizado de Negociación Electrónica de Valores de Renta Fija e Instrumentos Financieros Vinculados" (Organized Fixed Income Securities and Related Financial Instruments Electronic Trading System), hereinafter, "SENAF.SON" or the "System", operated and managed by the Board of Directors of SISTEMA ELECTRÓNICO DE NEGOCIACIÓN DE ACTIVOS FINANCIEROS AGENCIA DE VALORES S.A. (hereinafter, "SENAF, A.V., S.A."), with the purpose of contributing to the proper operation and maximum credibility of the said System.

The provisions contained in this Code shall be binding upon all of the Participants of the System, as express acceptance of the said provisions shall be a necessary condition for participation in it. As a result, any breach of this Code by any of the Participants of SENAF.SON shall be notified to the Arbitration and Monitoring Committee, which will propose the measures to be adopted, which may even involve the temporary suspension and exclusion of the rights contemplated herein.

#### **1.2. Code subject to current Regulations.**

SENAF.SON is objectively referred to the public and private fixed income securities markets, and financial instruments related to such assets, and, in general, to interest rates, and is thus subject to the general rules of the said Markets regarding trading, clearing, and settlement.

Additionally, the provisions set out in this Code are expressly subject and submitted to whatever mandatory regulations which may be applicable at any given time. Consequently, in case of contradiction between legal provisions and mandatory

regulations and the conditions established in this Code, such contradiction must, in any case, be resolved in favor of the former.

### **1.3. Development of the Code of Conduct. The Operating Instructions.**

The provisions and rules contained in this Code shall be further developed through Operating Instructions approved by SENAF, A.V., S.A.'s Board of Directors.

## **2. Definitions.**

### **2.0. General.**

SENAF.SON or the System: the System made up by a set of rules for the dealing of financial instruments and the transmission of the related information, based on a set of computer applications and hardware owned by SENAF, A.V., S.A.. SENAF.SON is used in order to provide support to the dealing of the financial securities and instruments traded within the scope of SENAF, A.V., S.A.

### **2.1. Member Participants in the System.**

Those entities which are members of official Spanish secondary markets where fixed income securities and related financial instruments are traded may request membership in SENAF.SON.

Additionally, other entities may request membership in SENAF.SON under conditions determined by SENAF, A.V., S.A.'s Board of Directors in the corresponding Operating Instruction. Those entities interested in obtaining membership in SENAF.SON shall provide the personal and technical means required for their participation in the System.

For the effects and purposes of this Code, all of the following entities are considered to be Participants of the System:

**2.1.1. SENAF, A.V., S.A.:** is the Brokerage Firm owning and responsible, through its Board of Directors, for the management and operation of the electric platform supporting SENAF.SON.

**2.1.2. Members:** are the Participants authorized by SENAF, A.V., S.A.'s Board of Directors to input orders in SENAF.SON by electronic means. Except in those subjects in which, given its different operative capacity, there are distinctions among them, all the Members will participate in the System under equal conditions. There are two categories of Members:

**2.1.2.1. Brokerage Members:** are the Participants that are authorized by the competent bodies to mediate in the System and that have entered into the relevant contracts with SENAF, A.V., S.A., as well as any other entities that in the future could be authorized.

**2.1.2.2. Dealer Members:** are the Participants of the System authorized by the competent body to trade in the System and which have entered into

the relevant agreements with SENAF, A.V., S.A., as well as any other entities that in the future could be authorized.

Requirements applicable to Dealer Members:

Those wishing to become Dealer Members must be holders of a debt account ("*cuenta de valores*") in their own name with the Central Book-Entry Office of the Bank of Spain ("*Central de Anotaciones del Banco de España*") and must comply with, at a minimum, one of the following conditions:

1. Have a credit rating as an issuer equal or greater than A1, A+ or the equivalent, according to one of the principle international rating agencies;
2. Hold an equity equal or greater to 100,000,000 Euros; or
3. Deposit a bond worth 10,000,000 Euros with the Bank of Spain to cover its activities in the blind electronic market for Spanish Public Debt.

Dealer Members can perform contracts in SENAF.SON directly and through their names or through the Brokerage Members.

There exist two categories of Dealer Member:

- Dealer Members with full capacity: who are those Members that are authorized to make transactions directly in SENAF.SON without limits on their faculties to quote offer and demand prices.
- Dealer Members with limited capacity: Those authorized credit entities, securities companies ("*sociedades de valores*") and investment firms ("*empresas de servicios de inversión*") that request such membership will be considered Dealer Members with contract of limited capacity of SENAF.SON upon complying with the requirements outlined in the applicable requirements listed above and the others that the Organismo Rector del Mercado de Deuda Pública en Anotaciones (Managing Organization for the Registered Public Debt Market) may have, and upon entering into the corresponding agreement with the company after receiving approval from SENAF.SON, A.V., S.A.'s Board of Directors.

These Dealer Members will only be authorized to enter raid orders ("*órdenes de agresión*") in SENAF.SON to the offer and demand prices existing in the market of registered public debt, without price quotation faculty, unless in those sectors in which quotation requirements are not imposed.

### **3. Rights and Obligations of the Participants in the Market.**

The rights and obligations of the participating members in SENAF.SON are contained, in general, in Articles 6 and 7 of the SENAF.SON Organized Fixed Income Securities Electronic Trading System General Regulation.

#### **3.1. Rights and obligations of the Dealer Members with contract of full capacity**

**3.1.1.** The rights of the Dealer Members with contract of full capacity, within the scope determined in this Code of Conduct, the Operating Procedures and other Operating Instructions, and subject to any other rights as may be derived from such texts, from applicable legislation or the contracts performed with SENAF, A.V., S.A. are the following:

- To carry out transactions through the System, with or without the mediation of a Brokerage Member, in the same conditions as any other Dealer Members with contract of full capacity.
- To receive information from the System in the same conditions as any other Dealer Member.
- To lodge their claims with the Arbitration and Monitoring Committee, in accordance with the provisions of this Code of Conduct and the Operating Instructions developing it.

**3.1.2.** The obligations of the Dealer Members with contract of full capacity, within the scope determined in Article 7 of the SENAF.SON Organized Fixed Income Securities Electronic Trading System General Regulation, in this Code of Conduct, the Operating Procedures and the Operating Instructions developing them, and subject to any other obligations as may be derived from such texts or from applicable legislation, are the following:

- a) To comply with the rules of conduct established in this Code of Conduct, in the Operating Instructions developing it and in the legislation in force at any given time.
- b) To make fully and in due time all payments and provision of services as established under the agreements made with SENAF A.V., S.A.
- c) To report immediately any incidents to the Market Supervision and Monitoring Department of SENAF, A.V., S.A.
- d) To maintain a participation in the monthly trading in the market of forward public debt of the Spanish Kingdom in SENAF.SON above 1 per 100 of the total amount traded, being this total amount construed as the sum of the amounts of all the operations carried out by each of the Members in such market.
- e) To quote in the screen of SENAF the three references of Public Bonds and Obligations selected as “benchmark” by the Spanish General Directorate of Treasury and Financial Policy (*“Dirección General del Tesoro y Política*

*Financiera*) for three, five and ten year terms, under the conditions of maximum spread between the demand and offer (expressed in basic points) and minimum amount (expressed in million of Euros), established by the Public Treasury for market makers of Public Debt of the Spanish Kingdom.

The above mentioned obligations will be deemed fulfilled as long as the quotations with the maximum spreads and the minimum amounts mentioned are maintained in the screen of SENAF.SON during, at least, the following percentage of time of the market session in working days, in accordance with the trading calendar approved by the Board of Directors of SENAF, A.V., S.A.:

<u>SESSION</u>	<u>OPENING TIME</u>	<u>CLOSING TIME</u>	<u>% OF TIME</u>
Morning	8.30	14:30	70
Afternoon	14:30	17:15	45

### **3.1.3. Loss of status as Dealer Member with contract of full capacity**

The status as Deal Member with contract of full capacity will be lost:

- a) by renunciation by the entity,
- b) by decision of SENAF's Board of Directors, after a report from the Arbitration and Monitoring Committee, in the case of a Member having failed to comply with the obligations included in sections d) or e) above mentioned for three consecutive months. The Board of Directors of SENAF will be entitled to extend this maximum term of three months, provided that the Member failing to meet its obligations submits an application in this regard and provides enough justification both for the exceptional nature of the causes of the relevant non-compliance, and for its expectations regarding the removal of these causes within the term granted as deferment.
- c) by resolution of SENAF A.V., S.A.'s Board of Directors, after a report is received from the Arbitration and Monitoring Committee confirming that the entity has breached the Code of Conduct and Operating Procedures of SENAF.SON.

## **3.2. Rights and obligations of the Dealer Members with contract of limited capacity.**

**3.2.1.** The rights of the Dealer Members with contract of limited capacity, within the scope determined in this Code of Conduct, the Operating Procedures and other Operating Instructions, and subject to any other rights as may be derived from such texts, from applicable legislation or the contracts performed with SENAF, A.V., S.A., are the following:

- To carry out transactions through the System, with or without the mediation of a Brokerage Member, in the same conditions as any other Dealer Members with contract of limited capacity.

- To receive information from the System in the same conditions as any other Dealer Member.
- To lodge their claims with the Arbitration and Monitoring Committee, in accordance with the provisions of this Code of Conduct and the Operating Instructions developing it.

**3.2.2.** The obligations of the Dealer Members with contract of limited capacity, within the scope determined in Article 7 of the SENAF.SON Organized Fixed Income Securities Electronic Trading System General Regulation, in this Code of Conduct, the Operating Procedures and the Operating Instructions developing them, and subject to any other obligations as may be derived from such texts or from applicable legislation, are the following:

- To comply with the rules of conduct established in this Code of Conduct, in the Operating Instructions developing it and in the legislation in force at any given time.
- To make fully and in due time all payments and provision of services as established under the agreements made with SENAF A.V., S.A.
- To report immediately any incidents to the Market Supervision and Monitoring Department of SENAF, A.V., S.A.

**3.2.3. Loss of status as Dealer Member with contract of limited capacity**

The status as Deal Member with contract of limited capacity will be lost, (i) by renunciation by the entity, or (ii) by resolution of SENAF A.V., S.A.'s Board of Directors, after a report is received from the Arbitration and Monitoring Committee confirming that the entity has breached the Code of Conduct and Operating Procedures of SENAF.SON.

**3.3. Rights and obligations of the Brokerage Members.**

**3.3.1.** The rights of the Brokerage Members, within the scope determined in this Code of Conduct, the Operating Procedures of SENAF.SON, and the respective Operating Instructions developing them, and subject to any other rights as may be derived from such texts or from applicable legislation, are the following:

- To make transactions through the System in the same conditions as any of the other Brokerage Members.

**3.3.2.** The obligations of the Brokerage Members, within the scope determined in Article 7 of the SENAF.SON Organized Fixed Income Securities Electronic Trading System General Regulation, in this Code of Conduct, the Operating Procedures and the Operating Instructions developing them, and subject to any other obligations as may be derived from such texts or from applicable legislation, are the following:

- To receive orders from the Brokerage Members and transmit them immediately to the System for execution.

- To abide by the rules of conduct established in this Code of Conduct, in the Operating Instructions developing it and in the legislation in force at any given time.
- To make fully and in due time all payments and considerations as established under the agreements made with SENAF A.V., S.A.
- To preserve the absolute confidential nature of the origin and identity of the counterparties involved in the operation of the System.
- To report immediately any incidents to the Market Supervision and Monitoring Department of SENAF A.V., S.A.
- To observe the principle of restrictive access of the SENAF.SON contracting system, restrictive access being understood to be:
  - a) that non-participants of the System will not be able to view SENAF.SON information (at least not in real time),
  - b) that non-participants of the System will not be able to have access to the liquidity of the System.

### **3.4. Rights and obligations of SENAF A.V., S.A..**

**3.4.1.** The obligations of SENAF A.V., S.A. within the scope determined in this Code of Conduct, the Operating Procedures and the Operating Instructions developing them, and subject to any others as may be derived from applicable legislation, are the following:

- To ensure that an appropriate level of quality of the service provided by the System is maintained, as well as with regard to its related hardware and software components, in such a manner that a maximum equality of conditions of access is maintained for the other Participants.
- To preserve the absolute confidential nature of the origin and identity of the counterparts involved in the operation of the System.
- To provide any relevant information to the market monitoring and supervising authorities, in accordance with the legislation in force.

**3.4.2.** SENAF A.V., S.A. shall not in any case be responsible for any damages eventually suffered by the Participants of the System as a result of any event unless there exists concurrency of deceit or gross negligence on the part of SENAF A.V., S.A. The responsibility of SENAF A.V., S.A. will be limited in any case to direct damages or loss, excluding loss of profit.

SENAF A.V., S.A. shall in no case be responsible for any damages which may eventually be caused to the Participants of the System arising from services supplied by the telecommunications services providers that could affect the lines of the System, nor those damages which may arise from a lack of activity caused by a possible computer-system failure or involuntary interruption of the System during a dealing session.

Neither shall SENAF A.V., S.A be responsible for any damages which could occur on account of the alteration or manipulation by any Member of the System or of any structural elements (communications, operating system, etc) related to the System.

**3.4.3.** The rights of SENAF A.V., S.A., within the scope determined in this Code of Conduct, the Operating Procedures and the Operating Instructions developing them, and subject to any other rights as may be derived from such texts or from applicable legislation, are the following:

- To collect fully and in due time the fixed amounts and percentages which, in exchange for the services provided by this entity, are established under the agreements made with the other Participants of the System.
- To disseminate and commercialize the information generated in the market, with strict observance of the regulations in force and subject to the obligations of confidentiality mentioned above.

## **4. Dealing**

### **4.1. Orders**

**4.1.1. Acceptance.** SENAF.SON shall accept all orders from the Participants, provided that such orders fulfill the requirements described below, and with each Participant being responsible for ensuring that such orders are sent by employees duly authorized by them:

#### **4.1.1.1. Requirements**

**4.1.1.1.1. Formal.** That the said Orders are notified in the manner and within the period of time established in this Code, in the Operating Instructions developing it and in the Operating Procedures.

**4.1.1.1.2. Objective.** That the said Orders are complete and clear, as the said System will not accept any Orders which are incomplete or could be misleading. It will be understood that an Order is complete to the System whenever it complies with the then current market specifications.

#### **4.1.1.2. Exceptions.**

Orders tending to artificially manipulate the amounts and/or prices published by them will not be permitted, without prejudice of any other consequences which may apply as a result of such conduct, in accordance with this Code of Conduct, the Operating Instructions developing them or with the enforceable civil and criminal law.

**4.1.2. Binding nature.** The Orders published by SENAF.SON are firm and are thus binding upon whomsoever has given them, up to the time of their effective removal from the electronic records of SENAF.SON. The responsibility for instructions given to the System will only be for the Member who entered it.

**4.1.3. Processing and publication.** The Orders shall be processed and published by the System in accordance with the principle of priority of best price and, whenever the price is the same, the chronological Order in which they are received shall prevail.

## **4.2. Transactions.**

**4.2.1. Execution.** At the moment when there are Orders of opposite nature processed simultaneously by the System (which can thus be matched), such Orders will be automatically executed by the System itself, giving rise to a Transaction.

The Orders will only be considered as executed when they appear as such in the electronic records of SENAF.SON. Once a transaction has taken place, the System will issue a confirmation. Any confirmation of a transaction originating from a source other than SENAF.SON will not be considered valid.

**4.2.2. Modification or cancellation.** The transactions recorded as such by SENAF.SON may only be modified or annulled through a decision by the Market Supervision and Monitoring Department adopted as established in Section 5 of SENAF.SON's Operating Procedures.

## **4.3. Incidents.**

Subject to SENAF.SON's Operating Procedures, all incidents that may take place in the course of the dealing shall be examined and resolved by the Market Supervision and Monitoring Department, which will refer them to Arbitration and Monitoring Committee.

## **5. Supervision and monitoring of the System**

### **5.1. The supervision and monitoring structure.**

In addition to the established market supervising powers and to those as may be established in the future by the legislation in force at any time, the System has its own internal supervision and monitoring structure, the first level being the Market Supervision and Monitoring Department, and the second and final level of decision being the Arbitration and Monitoring Committee.

### **5.2. The Market Supervision and Monitoring Department.**

**5.2.1. Nature and composition.** The Market Supervision and Monitoring Department is made up by SENAF A.V., S.A. personnel specifically responsible for the professional monitoring of the proper operation and continuity of the System.

**5.2.2. Duties.** The duties of the said Department shall be as follows:

- To examine and resolve, in the most immediate manner possible, any incidents which could arise in the course of dealings.
- To resolve incidents, as they are defined in the Operating Procedures.

- To refer to the Arbitration and Monitoring Committee all of the information on the incidents occurring in the course of dealing.
- To monitor the compliance with the market regulations and, in particular, the Code of Conduct.
- Propose the temporary interruption of contracting to the Arbitration and Monitoring Committee, if the market conditions advise such.

### **5.3. The Arbitration and Monitoring Committee.**

**5.3.1. Nature and composition.** The Arbitration and Monitoring Committee is the top supervision and monitoring body of the System on an internal level. The Arbitration and Monitoring Committee is composed by one representative of the support platform for trading on the system, SENAF A.V., S.A., three representatives from among SENAF.SON's members, and one representative of the Spanish General Directorate of Treasury and Financial Policy ("*Dirección General del Tesoro y Política Financiera*"), who represents the issuers.

The members representing SENAF A.V, S.A. and the Spanish General Directorate of Treasury and Financial Policy will be appointed, respectively, by each one of the institutions. The members representing SENAF.SON's members will be appointed by SENAF A.V., S.A.'s Board of Directors, with at least one of them being a brokerage members and two of them being dealer members.

In addition, SENAF A.V., S.A.'s Board of Directors may authorize that members of institutions and entities related to SENAF.SON intervene as an observers in the meetings of the Arbitration and Monitoring Committee.

**5.3.2. Duties.** The duties of the Arbitration and Monitoring Committee are contained in Article 13 of the SENAF.SON Organized Fixed Income Securities Electronic Trading System General Regulation, and, among others, shall be as follows:

- To resolve ultimately any incidents as may have occurred during the dealing on SENAF.SON, whenever any of the parties involved disagrees with the decision adopted by the Market Supervision and Monitoring Department of SENAF A.V., S.A., this being prior to the submission by the Participants in the System to the arbitration procedure established in this Code of Conduct.
- To take appropriate measures, in the case of a breach of this Code of Conduct, in the Operating Procedures or in the Operating Instructions developing them, by any of the Participants of the System.
- To monitor the working of SENAF.SON and any incident that could occur.
- To inform SENAF A.V., S.A.'s Board of Directors about any amendment of the Code of Conduct or Operating Procedures of SENAF.SON and about the Operating Instructions that are enacted by SENAF A.V., S.A.'s Board of Directors.

- e. Any other duty pursuant to the above mentioned duties that may be entrusted to the Committee by SENAF A.V., S.A.'s Board of Directors.

**5.3.3. Internal Rules and delegation of powers, call, constitution and adoption of agreements.** The Arbitration and Monitoring Committee will be chaired by the member representing SENAF A.V., S.A. In corresponding with the duty of the Committee, the appointment of the Secretary and the enactment of its internal rules will take place by majority, subject to the Rules governing SENAF.SON and to decisions of SENAF A.V., S.A.'s Board of Directors.

In some exceptional cases and when the urgency requires it, the Arbitration and Monitoring Committee could delegate any of its powers in a operating unit, in which the members representing SENAF A.V., S.A. and of the Spanish General Directorate of Treasury and Financial Policy must participate.

The Arbitration and Monitoring Committee will be called by its Secretary's proposition or prior petition of any of the members making up such Committee.

Unless in justifiably urgent cases, there must be a period of at least two (2) working days between the call and the meeting of the Committee. Despite this, the Committee could meet without prior call when members are all present or represented and if the holding of the meeting and the Agenda is unanimously approved.

The Committee will be validly constituted with the attendance presently or by representation of half of the members plus one. Meetings will be held at SENAF A.V., S.A.'s registered address if the Chairman in the call does not appoint another place of the registered address locality.

The Arbitration and Monitoring Committee agreements pursuant to resolution of operative incidents will be adopted by the absolute majority of the members of the Committee. Any other agreements will be adopted by majority of the members present. Committee discussions and agreements will be recorded in a book of minutes signed by the President and the Secretary.

The Arbitration and Monitoring Committee could adopt decisions in writing without holding a meeting provided no member opposes it. This procedure will be subject, mutatis mutandi, to article 100 of the Regulatory Rules of the Commercial Registry.

**5.4. Appeal against Committee and Board of Director decisions.** There is no ground for appeals against the decisions issued by the Arbitration and Monitoring Committee or SENAF A.V., S.A.'s Board of Directors within the internal system of Supervision and Monitoring of the System. Accordingly, if any party involved in any such operative incident does not agree with the decision issued by such Committee or the Board of Directors, that party only may have recourse to an outside review, in this case necessarily through appropriate arbitration.

To that effect, all of the Participants of the System submit any controversies as may arise between them with regard to the operation of the System, -and provided that any of them may disagree with a decision issued in connection with such controversy by the

Committee or the Board of Directors to arbitration as regulated by the Spanish Arbitration Act of 5 December 1988, expressly waiving any other jurisdiction as may apply to them. In addition, all of the Participants agree to submit themselves to the arbitrator's award and to abide by it once it has been issued. The arbitration will be heard by the Civil and Mercantile Court of Arbitration (CIMA) whose Regulations and Rules of Procedure are known to the Participants. Participants declare that, prior to any filing of any demand of arbitration, it will carry out its best efforts to check whether other Participants foresee to press actions based on the same cause of request, in which case the Participants declare their will to accumulate their final claim with those others that any other Participant could file.

## **6. Development of the System**

The System includes a Developing Committee as consultative body to the Board of Directors of SENAF A.V., S.A.

**6.1. Nature and composition.** The Developing Committee will carry out consultative duties and those related to the research of the Spanish and foreigners fixed income securities and equity dealing markets. The Committee is composed by ex officio members and elected ones, which will exercise their office for a period of four (4) years.

Ex officio members are SENAF A.V., S.A., the Spanish General Directorate of Treasury and Financial Policy and the Bank of Spain. Each of these institutions will appoint its representative.

Elected members, that will be no less than five (5), will be appointed by the Board of Directors of SENAF A.V., S.A. At least one of the elected members shall be one of the Brokerage Members and at least three of the elected members shall be Dealer Members. Each of these institutions will propose the appointment of its representative.

In addition, the Board of Directors of SENAF A.V., S.A may authorize that representatives of institutions and entities related with SENAF.SON intervene as an observer in the meetings of the Developing Committee.

**6.2. Duties.** The duties of the Developing Committee shall be as follows:

- a.** To act as a consultative body to SENAF A.V., S.A.'s Board of Directors in any question related to SENAF.SON.
- b.** To analyze and discuss the future of the Spanish and foreigners fixed income securities dealing markets and systems, and of SENAF.SON, and any alliance and agreements among them.
- c.** To propose to SENAF A.V., S.A.'s Board of Directors the inclusion of new products, securities or instruments into SENAF.SON.
- d.** Any other duty pursuant to the above mentioned duties that may be entrusted to the Committee by SENAF A.V., S.A.'s Board of Directors.

### **6.3. Internal Rules and delegation of powers, call, constitution and adoption of agreements**

The Developing Committee will be subject in these matters to rules established in the Section 5.3.3. above.

### **7. Amendment of Code of Conduct. Operating Instructions.**

This Code of Conduct may be amended and (or) developed by means of Operating Instructions approved by resolution of SENAF A.V., S.A.'s Board of Directors, after the mandatory report by the Arbitration and Monitoring Committee.

The Operating Instructions will be binding on the Participants, unless they give express notice in writing to SENAF A.V., S.A. of their objection to the same prior to the date they may become effective.

In the event of objection by a Participant, it shall be deemed as the termination by such Participant of the agreement entered into with SENAF A.V., S.A., with the subsequent loss of the status as a Participant with effects to the date when the Operating Instruction were to become effective.

#### **Second.- Derogation of the Prior Operating Instruction**

Upon the entry into force of this Operating Instruction, the Operating Instruction 1/2001, of March 29<sup>th</sup>, relating to the Code of Conduct of SENAF.SON, shall be derogated and non-effective.

#### **Third.- Entry into force**

This Operating Instruction will be communicated to all of the Participant Members and will enter into force with binding effects thereon on March 22<sup>nd</sup>, 2002. This Operating Instruction will be binding on the Participants unless they provide express notice in writing to SENAF A.V., S.A. of their objection thereto before the date of its entry into force. In the event of objection by a Participant, this objection shall be construed as the termination by such Participant of the agreement entered into with SENAF A.V., S.A., with the subsequent loss of the status as a Participant with effects from the date of entry into force of the Operating Instruction.

Madrid, [ ] [ ], 2002

Secretary

Seal of Approval. President

Mr. Luis María Cazorla Prieto

Mr. Francisco de Oña Navarro