

**INTERNAL CODE OF CONDUCT**

**OF**

**IBERPAPEL GESTIÓN, S.A.**

**ON MATTERS RELATING TO THE STOCK MARKET**

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## **PREAMBLE AND GOVERNING LAWS**

Pursuant to the obligation stipulated in Article 3 of Royal Decree 629/1993 (3 May) on Regulations governing Activities in Stock Markets and Mandatory Registers and, in particular, in view of the needs that have arisen since the enactment of Law 44/2002 (22 November) on Measures to Reform the Financial System, the Board of Directors of IBERPAPEL GESTIÓN, S.A. (hereinafter "IBERPAPPEL") has agreed to draw up this Internal Code of Conduct on matters related to the Stock Market (hereinafter the "Code of Conduct" or the "Internal Code of Conduct").

This Code of Conduct establishes the guidelines required to ensure that the institutional and personal activities undertaken by IBERPAPEL's professionals in stock markets are executed in strict compliance with prevailing legislation and with generally accepted codes of ethics designed to encourage market transparency and protect the interests of investors as all times.

The Internal Code of Conduct has been drawn up in conformity with current legislation, in particular:

- Law 24/1988 (28 July) on the Stock Market (hereinafter "LMV").
- Law 44/2002 (22 November) on Measures to Reform the Financial System (hereinafter "Financial Law").
- Royal Decree 629/1993 (3 May) on Regulations governing Activities in Stock Markets and Mandatory Registers (hereinafter "RD 629/93").

The mandatory nature of this Internal Code of Conduct shall not affect the observance of other applicable provisions of law.

## 1. SCOPE OF APPLICATION

### 1.1 *Subjective scope of application. Affected Persons.*

The Internal Code of Conduct shall apply to:

- The members of the Board of Directors and of any Board Commission or Committee, their representatives, in the case of legal entities, and their secretaries or vice-secretaries, if they are not Board directors.
- Executives or personnel at a similar hierarchical level and, in general, employees engaged directly or indirectly in activities related to the stock market, particularly in matters relating to treasury shares, investor relations, periodic public information or relevant information.

In accordance with the definition contained in Royal Decree 377/1991 (15 March) on the Communication of Significant Shareholdings in Listed Companies and Acquisitions by the latter of Treasury Shares (hereinafter "RD 377/1991"), the term Executive shall refer to general managers or similar posts that perform senior manager functions reporting directly to administrative bodies, executive committees or chief executive officers of the Company.

- Any other person that may have access to insider information.

For the purposes of this section, offices, posts and functions referred to generically shall relate to IBERPAPEL and to its Group.

In compliance with Article 4 LMV, entities that form a decision-taking unit, whereby any one of them controls or may control, directly or indirectly, the decisions of the others, shall be deemed to form part of the same group.

In any event, a parent shall be deemed to control a subsidiary when (i) the parent holds the majority of the voting rights of the subsidiary, either directly or under agreements with other shareholders of the latter; (ii) the parent has the right to appoint or remove the majority of the members of

the subsidiary's governing bodies, either directly or under agreements with other shareholders of the latter; or (iii) at least half plus one of the subsidiary's Board directors are Board directors or executives of the parent or of a different subsidiary of the parent.

For the purposes of this Internal Code of Conduct, persons within the subjective scope of application shall be referred to as "Affected Persons".

## **1.2 *Objective scope of application. Affected Securities***

The Internal Code of Conduct shall apply to any securities issued by IBERPAPEL and traded in secondary markets or organised trading systems, to financial instruments and contracts of any kind that carry the right to acquire the said securities or in respect of which the said securities or instruments are underlying instruments (hereinafter "Securities"), and to transactions directly or indirectly involving the Securities.

## **2. OBLIGATIONS OF THE PERSONS SUBJECT TO THIS INTERNAL CODE OF CONDUCT**

The Affected Persons shall always act in strict compliance with stock market regulations and this Internal Code of Conduct.

## **3. INSIDER INFORMATION**

### **3.1 *Concept of insider information***

Insider information is all information of a specific nature that relates directly or indirectly to one or more Securities, or to one or more issuers of Securities, and has not been published and, if published, could influence or would have influenced in an appreciable manner the price of the Securities in a market or organised trading system.

Information relating to Securities in respect of which an application for listing in a market or organised trading system has been submitted shall also be insider information.

### **3.2 *General principles relating to the confidentiality of insider information***

#### **3.2.1 *Prohibited conduct and duty of secrecy***

No person that has access to insider information and is aware of this fact, or should have known it, may prepare or carry out, directly or indirectly, transactions for his or her own account or for the account of others involving the Shares to which the insider information relates.

This prohibition excludes (i) the preparation or completion of the transactions the existence of which constitutes the insider information; (ii) transactions effected to fulfil an obligation, already matured, to buy or sell Securities under an agreement concluded before the person in question is in possession of the insider information; or (iii) any transaction effected in conformity with applicable regulations.

### 3.2.2 *Prohibition on communication*

The following shall be prohibited: (i) communication of insider information to third parties, other than in the ordinary course of the person's work, profession or office; and (ii) recommendation to a third party to buy or sell Securities or to arrange for others to buy or sell securities on the basis of the information (duty of secrecy).

### 3.2.3 *Duty to safeguard information*

The Affected Persons shall ensure that insider information is duly safeguarded, without prejudice to their duty to disclose information to and cooperate with the judicial and administrative authorities in the terms of the LMV or of other legislation applicable from time to time.

Moreover, they shall adopt adequate measures to prevent insider information from being used in an abusive or disloyal manner and, if applicable, shall immediately implement the measures necessary to correct the consequences of such use.

### 3.2.4 *Restricted access*

The number of persons inside and outside the organisation who are aware of the insider information shall be restricted to a minimum. All these persons shall be specifically advised of the confidential nature of the information and of their confidentiality duty and the prohibition on the use of the information.

### 3.2.5 *Control of information*

During the study or negotiation phases of any transaction involving Securities that constitute insider information, the following measures shall be in place:

- (i) A documentary register shall be kept using the model provided in Exhibit I, containing the identity of the persons that have access to the insider information (and of the persons who should know that they have access to this type of information) and the date on which each person became aware of the information;
- (ii) Security measures shall be adopted for the safeguarding, control, filing, access, reproduction and distribution of the information;
- (iii) Market evolution (abnormal price and volume) of the Securities that could be affected and of news that could affect them shall be monitored; in the event of abnormal evolution, including reasonable signs that the evolution is the consequence of the premature or distorted disclosure of the transaction, relevant information shall be immediately disclosed in a clear and precise manner;
- (iv) Persons outside IBERPAPEL other than the Affected Persons, who are not subject to the Internal Code of Conduct but could have access to the insider information, shall be required to sign a confidentiality commitment in accordance with the model provided in Exhibit II;
- (v) Cooperation shall be provided to establish information barriers between the Company's departments or the Group's companies.

The provisions of Point Three shall apply to any Affected Person in connection with securities or financial instruments other than the Securities when that Affected Person has obtained insider information on the instruments as a consequence of his or her relationship with and/or office at IBERPAPEL or its Group.

## 4. RELEVANT INFORMATION

### 4.1 *Concept of relevant information*

Relevant information is all information the knowledge of which could reasonably affect an investor buying or selling Securities and could therefore considerably influence their price in a secondary market.

### 4.2 *General principles applicable to relevant information*

IBERPAPPEL and the Affected Persons shall abide by the following principles, if applicable:

#### 4.2.1 *Duty of caution*

During the preparation, planning or study of a decision that will give rise to relevant information (secrecy phase), IBERPAPPEL shall adopt an attitude of caution so as to avoid confusion and the creation of false market expectations.

#### 4.2.2 *Duty of neutrality*

Where possible, both the communication of relevant information and of periodic public information shall take place when the market is closed so as to avoid the distortion of trading.

#### 4.2.3 *Duty of collaboration*

IBERPAPPEL shall collaborate with the market regulators and governing bodies.

#### 4.2.4 *Duty of diligence. Content of information*

The information supplied to the market shall be truthful, clear, complete and, where required by the nature of the information, quantified, so as not to confuse or deceive.

In the event of the release to the market of false, inaccurate or incomplete information that could have a considerable impact on the formation of the price of the Securities, such information shall be clarified or denied.

### **4.3** *Timing and form of communication of relevant information*

#### **4.3.1** *Timing of publication of relevant information*

Relevant information shall be disclosed immediately to the market, in a communication to the National Securities Market Commission (hereinafter "CNMV"), prior to its release through any other channel and as soon as the fact is known, the decision has been taken or the agreement or contract has been concluded with third parties. When IBERPAPEL considers that the information must not be publicly disclosed because its legitimate interests are affected, it shall immediately inform the CNMV and shall request the dispensation from disclosure provided by Article 91 LMV.

Following the release of the relevant information through the CNMV, and within a reasonable period, IBERPAPEL shall disclose the information through its own website.

The content of information supplied through the media shall not differ from the content registered at the CNMV.

#### **4.3.2** *Form of publication of relevant information*

In order to avoid trading distortions, the relevant information shall always be published when the market is closed, to the extent possible.

In case of doubt as to whether or not information must be treated as relevant information, the information may be submitted to the CNMV in order to collaborate with the CNMV to avoid the release of information that is irrelevant, false, inaccurate or incomplete and could have a considerable impact on the formation of the price of any Securities issued by IBERPAPEL or its Group.

#### **4.3.3** *Persons responsible for reporting relevant information to the Spanish National Securities Market Commission (CNMV) and to the markets*

This obligation pertains to the Chairperson of the Board of Directors, Chief Executive Office, Secretary to the Board of Directors or Finance Director. The Chairperson may delegate this obligation to any member of the Board of Directors.

## 5. TRANSACTIONS INVOLVING SECURITIES ISSUED BY IBERPAPEL

### 5.1. *Personal Transactions involving securities performed by the Affected Persons*

#### 5.1.1 *Concept*

Personal Transactions (hereinafter “Personal Transactions”) shall be transactions involving the Securities completed by the Affected Persons and by persons related to the Affected Persons.

Related persons are (i) the Affected Person’s spouse or partner, barring transactions affecting their exclusive assets or under a division of property arrangement; (ii) dependent children in the Affected Person’s custody and economically-dependent adult children; (iii) companies effectively controlled by the Affected Person; and (iv) nominees, in the meaning of Article 3 of RD 377/1991.

#### 5.1.2 *Restrictions on Personal Transactions*

Affected Persons shall not complete Personal Transactions when they hold insider information, the exceptions stated in point 3.2.1 notwithstanding (“prohibited conduct and duty of secrecy”).

#### 5.1.3 *Prohibition on sale*

Securities purchased may not be sold during a period of seven (7) days as from the date of purchase, barring exceptional situations that justify their transfer within that period and evidenced by the Monitoring Manager.

#### 5.1.4 *Periods of abstention from activities*

During a seven (7)-day period prior to the registration at the CNMV of the periodic financial information, or when it may reasonably be foreseen that a relevant fact will be published after that period, steps shall be taken to seek to limit transactions involving the Securities.

### 5.1.5 *Personal transactions and conflicts of interest*

The Affected Persons shall inform the Monitoring Manager of possible conflicts of interest with IBERPAPEL or its Group that may arise for any reason and shall refrain from completing any kind of Personal Transaction, or transaction under a portfolio management contract, in which there could be a conflict of interest, unless prior, specific authorisation is obtained from the Monitoring Manager, all pursuant to the loyal conduct obligation stipulated in stock market, corporate and employment legislation and in this Internal Code of Conduct.

### 5.1.6 *Procedure for Personal Transactions*

The Affected Persons shall inform IBERPAPEL of any Personal Transaction completed directly or through a company controlled by them. The notification shall be submitted in writing within fifteen (15) days as from the end of each calendar month, using the model attached as Exhibit III to state the date, amount and price of the Securities or financial instruments acquired and the resulting balance at the end of the month. To this end, transactions completed by related persons shall be treated as Personal Transactions.

This obligation is separate from the obligation of IBERPAPEL's Administrators to report significant shareholdings to the CNMV, stipulated in the relevant regulations.

### 5.2. *Exception: portfolio management contracts*

The obligation established in the preceding point shall not apply to transactions ordered, without involving Affected Persons, by the entities to which Affected Persons have entrusted the discretionary management of their securities portfolios.

However, Affected Persons who arrange a portfolio management contract shall notify the Monitoring Manager of the existence of the contract and the management company's identity. The Monitoring Manager may demand the inclusion in the portfolio management contract of a specific clause prohibiting the Management Company from completing transactions involving the Securities, or requiring prior authorisation from the Affected Person in order to complete such transactions. If at the effective date of this Internal Code of Conduct the Affected Persons have already entered into a contract of this

kind, notification shall also be submitted, at the earliest opportunity, and the contract shall be brought into line with the provisions of this point, if necessary.

Moreover, Affected Persons that have entered into a portfolio management contract shall order the management company to fulfil all the requests received from the Monitoring Manager for information on subscriptions, purchases and sales of the Securities.

### **5.3. Treasury shares**

IBERPAPPEL or any of its Group companies may buy or sell treasury shares or parent company shares, pursuant to the authorisation granted by the General Meeting and the treasury share policy of the Board of Directors of each company, subject to the legally stipulated limits.

#### *5.3.1. Volume of treasury share transactions*

Treasury share transactions shall account for less than 25% of the daily average trading volume of IBERPAPPEL's shares in the order systems of the Stock Exchange Interconnection System (SIBE).

The daily average shall be the average volume traded in the order systems during ordinary trading hours in the last 60 trading days.

The calculation of the daily average shall not include transactions effected as part of a public offering or takeover bid during that period.

Provide sell transactions are completed to cover purchase requests already placed, the above-mentioned volume restriction shall not apply.

Where transactions relate to the execution of specific plans, the volume of transactions in Securities shall not exceed the volume stipulated in the plans. Any modification shall be authorised by the Treasury Share Portfolio Manager (defined in point 5.3.5 "execution of treasury share transactions") and shall be immediately reported to the CNMV.

### 5.3.2 *Price of treasury share transactions*

#### (i) Buy orders:

Buy orders shall be subject to the limits stipulated by the General Meeting and the price should not exceed the higher of the following amounts:

- a) Price of the latest market transaction between independent parties; and
- b) Price of the best independent bid already placed.

#### (ii) Sell orders:

Sell orders shall be completed at a price that is not below the lower of:

- a) Price of the latest market transaction between independent parties; and
- b) Price of the best independent bid already placed.

### 5.3.3 *Timing of treasury share transactions*

All treasury share transactions shall be completed during ordinary trading hours.

In order to avoid creating price trends, orders may not be placed during the last five minutes of trading (however, orders input previously may be maintained) or during adjustment periods.

In order to avoid sharp closing fluctuations that bear no relation to the trend throughout the day, caused by orders input during the last five minutes of trading, orders on treasury shares may be placed in exceptional circumstances, in which case the CNMV shall be rapidly informed of this fact and of the reasons.

As regards special transactions, transactions in Securities should be completed in the principal market and during ordinary trading hours.

#### *5.3.4 Counterparties of treasury share transactions*

IBERPAPPEL or any of its Group companies may not effect treasury share transactions with companies of its Group or their Board directors, significant shareholders or nominees.

Simultaneous buy and sell orders shall not be effected on treasury shares by IBERPAPPEL or its Group.

#### *5.3.5 Execution of treasury share transactions*

The Finance Director, who manages IBERPAPPEL's treasury share portfolio (hereinafter the "Treasury Share Portfolio Manager"), shall be responsible for treasury share buy and sell decisions and may delegate to third parties special authority to execute specific transactions.

The Treasury Share Portfolio Manager, or the person to whom the power to buy or sell treasury shares has been delegated, shall refrain from effecting treasury share transactions whenever he or she has insider information that could affect the price of the Securities and, therefore, the decision to buy or sell the Securities. The Treasury Share Portfolio Manager shall also be liable for registering and filing the treasury share transactions completed.

In any event, treasury share transactions should not be effected during the periods of abstention stipulated in point 5.1.4 ("periods of abstention from activities").

#### *5.3.6 Market member through which orders are executed*

IBERPAPPEL shall select a maximum of two (2) market members to act as agents for all its portfolio share transactions.

#### *5.3.7 Special rule*

In the event of an urgent need to protect the interests of the IBERPAPPEL Group and its shareholders, the Chairman of the Board of Directors may temporarily decide to amend or suspend the application of the above-mentioned rules, in which case the CNMV and the Board of Directors shall be informed at the earliest opportunity.

## 6. MONITORING MANAGER

The person responsible for monitoring referred to in preceding sections, with the exception of point 5.3 (“treasury share portfolio”), shall be the Secretary to the Board of Directors (hereinafter the “Monitoring Manager”), who may obtain the assistance deemed fit for such purposes from IBERPAPEL’s personnel.

He or she shall periodically report to the Board of Directors on the application of the Code of Conduct and on any incidents that have arisen.

The person responsible for receiving and filing the notifications referred to in preceding sections, and the personnel that provide assistance, shall guarantee full confidentiality. The members of the Board of Directors shall be subject to the same duty of confidentiality if they have knowledge of the notifications, in accordance with the previous paragraph.

The Monitoring Manager shall have the following functions:

- The functions specified in the relevant sections of this Code of Conduct (knowledge of management contracts, etc.).
- Foment the Affected Persons’ awareness of this Code of Conduct and of the rest of the rules of conduct relating to stock markets.
- Resolution of doubts or matters raised by the Affected Persons that are subject to this Code of Conduct.
- Filing of notifications relating to this Code of Conduct.
- Keeping of a list of Securities and Affected Persons, and design of the procedures necessary to ensure that the list is up to date.
- Periodic reporting, whenever deemed necessary or advisable, to the Board of Directors or to the designated Board committee, on the application of this Code of Conduct.

**7. CONSEQUENCES OF THE INFRINGEMENT OF THIS INTERNAL CODE OF CONDUCT**

The infringement of the provisions of this Internal Code of Conduct, where the content complies with the LMV and the Regulations governing Activities in Stock Markets contained in RD 629/93, whereby the stock market is regulated and disciplined could give rise to the imposition of the relevant administrative penalties, without prejudice to the provisions of prevailing legislation.

**8. EFFECTIVE DATE OF THE CODE OF CONDUCT**

This Internal Code of Conduct shall have affect as from 1 August 2003.

The Monitoring Manager shall notify the Affected Persons and also the other companies of the IBERPAPEL Group for distribution to the Affected Persons in those companies.

**EXHIBIT I**

**MODEL LIST OF EMPLOYEES WITH ACCESS TO CONFIDENTIAL  
INFORMATION**

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**LIST OF EMPLOYEES WITH ACCESS TO CONFIDENTIAL INFORMATION**

PROJECT \_\_\_\_\_

CODE OF CONDUCT

SURNAME    NAME    EMPLOYEE    ACCESS DATE    SIGNATURE (\*)

(\*) Upon signing this document, the employee declares that he or she is aware of the duty of caution that shall be observed in relation to this confidential information and agrees to abide by the rules governing the treatment of IBERPAPEL's reserved information.

**EXHIBIT II**

**MODEL CONFIDENTIALITY COMMITMENT -  
ADHESION FORM**

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**CONFIDENTIALITY COMMITMENT**

**ADHESION FORM**

Name: \_\_\_\_\_  
First surname: \_\_\_\_\_  
Second surname: \_\_\_\_\_

with (complete as applicable)

National Identity Document number: \_\_\_\_\_  
Passport number: \_\_\_\_\_  
who henceforth shall be referred to as EXTERNAL ADVISOR  
declares that:

For the reasons stated below, he or she needs to know certain Reserved and Confidential information in connection with \_\_\_\_\_.

He is she is aware of the Rules governing the Treatment of Confidential Information of the IBERPAPEL Group, dated \_\_\_\_\_, and undertakes to abide by the same and ensure that his or her subordinates abide by the same.

To the extent that the information received continues to be reserved information and relates to relevant facts, he or she shall comply strictly with and ensure that his or her subordinates comply strictly with the provisions of Article 81 of the Stock Market Law.

In \_\_\_\_\_, on \_\_\_\_\_ 20\_\_\_\_\_.

Signed: \_\_\_\_\_

