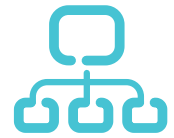


Board of Directors



The Board has been adapted to the international dimensions of the Group and to its characteristics as a global telecommunications operator providing communication, information and entertainment solutions.

The Board of Directors, with the support of its Committees, performs its activities in accordance with a selection of corporate governance regulations which are principally covered in the Company Statutes, the Regulations of the General Meeting of Shareholders and the Regulations of the Board of Directors.

The Board of Directors of Telefónica is the body which supervises and controls the activities of the Company, with exclusive power over the policy and general strategies of the Company, among other decisions, including those relating to corporate governance, corporate social responsibility, compensation to directors and senior managers and returns to shareholders.

The Board of Directors of Telefónica, S.A. is supported in the Company's corporate governance by eight committees, which it charges with examining and monitoring key areas.

In accordance with its Regulations, the Board of Directors delegates day-to-day business management to the executive bodies and management team of Telefónica.

The Company provides more detailed information in the Annual Corporate Governance Report and in the Report on Compensation Policy for the Board of Directors. These documents are available at

www.telefonica.com/en/shareholders_investors

Composition of the Board of Directors and its Committees

	Tip of Chief	Committee Officer	Audit and Control	Appointments, Remuneration and Governance	HR Regulation and Responsibility	Regulation	Service Quality and Commercial Attention	International Issues	Innovation	Strategy
César Alierta Izuel (Executive Chairman)	●	✓								
Isidro Fainé Casas (Vice-chairman)	●	✓								
Jose Maria Abril Pérez (Vice-chairman)	●	✓					✓	✓		
Julio Linares López (Chief Operating Officer)	●	✓						✓		
Jose Fernando Almansa Morenos-Barreda	○				✓		✓			✓
Jose María Álvarez-Pallete López	●									
David Arculus	●				✓		✓			
María Eva Castillo Sanz	●				✓	✓				✓
Carlos Colomer Casellas	●	✓	✓			✓		✓		
Peter Erskine	○	✓	✓					✓	✓	
Alfonso Ferrari Herrero	●	✓	✓	✓	✓	✓	✓	✓		✓
Luis Fernando Furlán	●						✓			
Gonzalo Hinojosa Fernández de Angulo	●	✓	✓	✓	✓		✓	✓		✓
Pablo Isla Álvarez de Tejera	●			✓	✓	✓	✓			
Antonio Massanell Lavilla	●		✓		✓		✓		✓	
Igancio Moreno Martínez	●									
Francisco Javier de Paz Mancho	●	✓			✓	✓		✓		
Chang Xiaobing	●									
Ramiro Sánchez de Lerín (Secretary)										
María Luz Medrano Aranguren (Vicesecretary)										

● Executive ● Proprietary ● Independent Executive ○ Other external Directors

Management Team

In 2011 Telefonica changed its organisational structure with the aim of strengthening its global position in the digital world.

This new organisation will be overseen by a nine-member **Executive Committee**, in charge of defining the strategy and monitoring the performance of the businesses. The members which make up the Executive Committee are the Executive Chairman, the COO, the Chairman of Telefonica Digital, the Chairmen of the two regional areas (Europe and Latin America), the General Director of Global Resources, the CFO and the and the two General Secretariats: Legal and Board, and the Technical Secretariat to the Chairman's Office.

A new element will be added, as the **Executive Committee** will receive support from the Transformation Committee, composed of the senior managers most closely linked to the transformation and representatives of most of the countries. Its mission is to ensure that the transformation agenda is implemented.

