

Its Board of Directors...

The Board has been adapted to the international dimensions of the Group and to its characteristics as a global telecommunications operator

Governing Bodies guarantee supervision and control

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

	Type of Chief Operating	Committee Officer	Audit and Control	Appointments, Remuneration and Good Governance	HR, Reputation and Corporate Responsibility	Regulation	Service Quality and Commercial Attention	International Issues	Innovation	Strategy
César Alierta Izuel (Executive Chairman)	●	●								
Isidro Fainé Casas (Vice-chairman)	●	●								
Vitalino Manuel Nafría Aznar (Vice-chairman)	●		●		●	●		●		
Julio Linares López (Chief Operating Officer)	●	●							●	
José María Abril Pérez	●	●						●		
José Fernando de Almansa Moreno-Barreda	●					●		●		●
José María Álvarez-Pallete López	●									
David Arculus	●					●		●		
María Eva Castillo Sanz	●					●	●			●
Carlos Colomer Casellas	●	●		●			●		●	
Peter Erskine	●	●		●					●	●
Alfonso Ferrari Herrero	●	●	●	●	●	●	●	●		●
Luiz Fernando Furlán	●							●		
Gonzalo Hinojosa Fernández de Angulo	●	●	●	●	●	●	●	●		●
Pablo Isla Álvarez de Tejera	●			●	●	●	●		●	
Antonio Massanell Lavilla	●		●		●	●	●		●	
Francisco Javier de Paz Mancho	●	●			●	●		●		
Non-Board Member Secretary Ramiro Sánchez de Lerín García-Ovies										
Non-Board Member Vice-Secretary María Luz Medrano Aranguren										

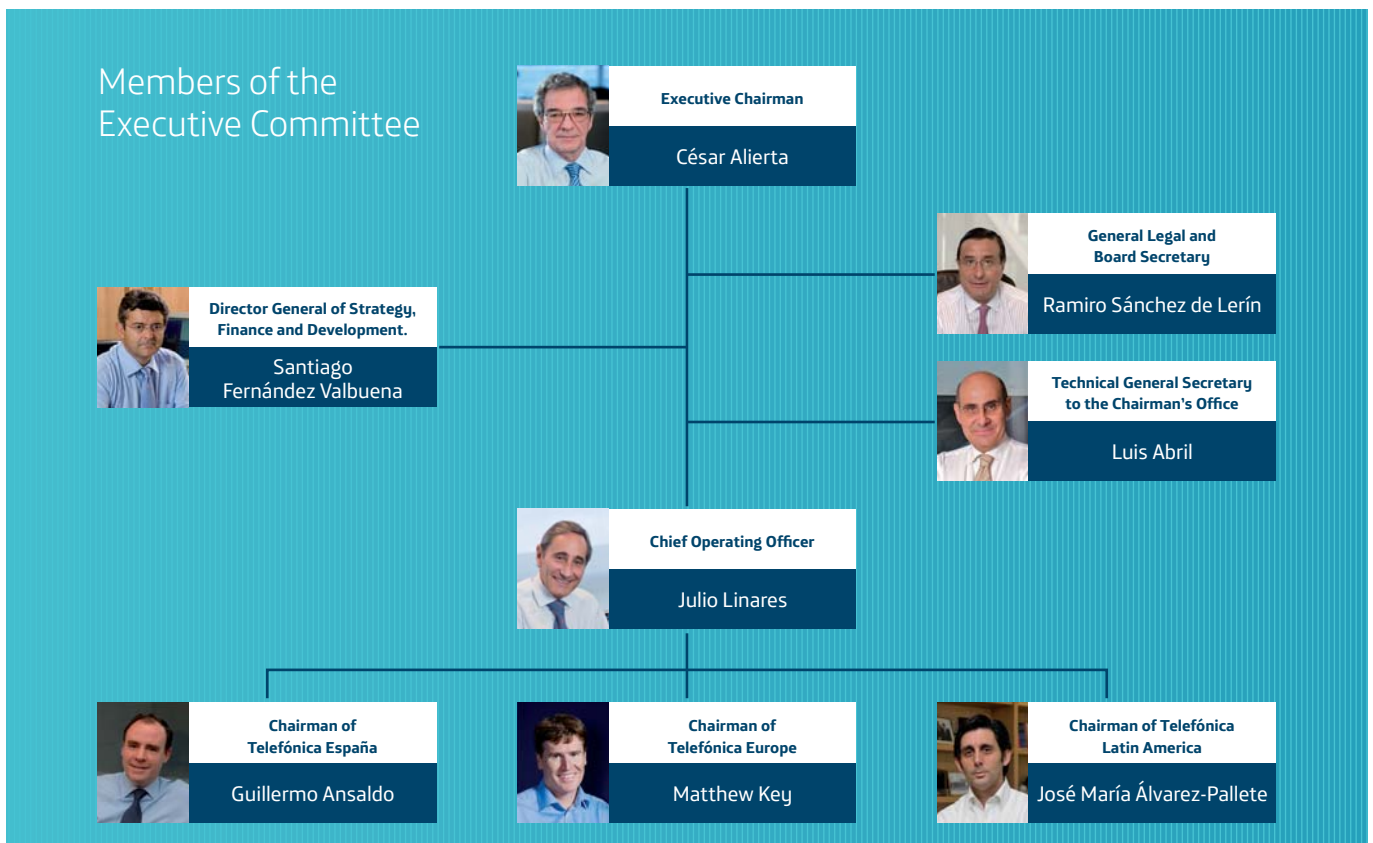
● Executive ● Nominee ● Independent ● Other External Directors

...its Management Team...

The Company continued to advance its organisational model in order to move towards global management, reinforce customer relationships and promote innovation and efficiency in its operations

The main management body of Telefónica S.A is the **Executive Committee**, made up of the Executive Chairman; the Chief Operating Officer; the Chairmen of the three major regional organisations

(Spain, Europe and Latin America); the General Director of Strategy, Finance and Development; and the two General Secretariats: Legal and Board, and the Technical Secretariat to the Chairman's Office.



For the daily management of the Company, Telefónica also has the **Operating Committee**, which, chaired by the Chief Operating Officer, is made up of the Chairmen of the three main regional organisations (Spain, Europe and Latin America); the Director of Innovation; and the Director of Transformation and Operations.

In 2010, as a consequence of taking control of Vivo, the territorial organisation in Latin

America reinforced its structure and established three large activity clusters: one in Brazil, to manage both the fixed and mobile businesses and guarantee the integration of Telesp with Vivo; another for the integrated countries (fixed and mobile): Chile, Colombia, Argentina, Uruguay, Peru and Ecuador; and a third for the block of countries comprising Mexico, Central America and Venezuela, predominantly for the mobile business.