



MANAGEMENT AND GOVERNANCE BODIES

Board of Directors_

The Board of Directors of Telefónica answers to the needs of an international Company which operates globally to offer communication, information and entertainment solutions.

With the help of its committees, the Board of Directors carries out its activity in accordance with rules of Corporate Governance, mainly set down in the Articles of Association, in the Regulations of the General Meeting of Shareholders and in those of the Board of Directors.

It is the supervisory and controlling body for the Company's activity, with exclusive powers over general policies and strategies of the Group; among other matters, those

related to Corporate Governance, Corporate Responsibility, compensation of Directors and Senior Executives, and remuneration of the shareholder fall within its remit.

As reinforcement for the Corporate Governance of the Company, the Board of Directors of Telefónica, S.A. has nine committees to which it delegates the examination and monitoring of areas of particular relevance.

Similarly, and in keeping with its Regulations, the Board delegates the ordinary management of the businesses to the executive bodies and management team of Telefónica.

The Company provides more detailed information about this matter in the Annual Corporate Governance Report and in the Report on the Compensation Policy of the Board of Directors. These documents can be consulted at:

http://www.telefonica.com/en/shareholders_investors/jsp/home/home.jsp



Access the full 2012 Annual Corporate Governance Report and Report on the Compensation Policy of the Board of Directors of Telefónica, S.A. via the QR code.

Composition of the Board of Directors and its Committees

	Executive Commission	Audit and Control	Nominating, Compensation and Corporate Governance	Human Resources, Corporate Reputation and Corporate Responsibility	Regulation	Service Quality and Customer Attention	International Affairs	Innovation	Strategy
Mr. César Alierta Izuel (Chairman)	●	●							
Mr. Isidro Fainé Casas (Vice-chairman)	●	●							
Mr. José María Abril Pérez (Vice-chairman)	●	●					●	●	
Mr. Julio Linares López (Chief Operating Officer)	○								
Mr. José María Álvarez-Pallete López	●	●							
Mr. José Fernando de Almansa Moreno-Barreda	○				●		●		●
Ms. Eva Castillo Sanz	●				●	●			●
Mr. Carlos Colomer Casellas	●	●	●	●		●		●	
Mr. Peter Erskine	●	●	●					●	●
Mr. Santiago Fernández Valbuena	●								
Mr. Alfonso Ferrari Herrero	●	●	●	●	●	●	●		●
Mr. Luiz Fernando Furlán	●						●		
Mr. Gonzalo Hinojosa Fernández de Angulo	●	●	●	●	●	●	●		●
Mr. Pablo Isla Álvarez de Tejera	●		●	●	●	●			
Mr. Antonio Massanell Lavilla	●	●		●		●		●	
Mr. Ignacio Moreno Martínez	●								
Mr. Francisco Javier de Paz Mancho	●	●		●	●		●		
Mr. Chang Xiaobing	●								
Mr. Ramiro Sánchez de Lerín García-Ovies (Non-director Secretary)									
Ms. María Luz Medrano Aranguren (Non-director Vice-secretary)									

Type of Director: ● Executive ● Proprietary ● Independent ○ Other external ● Committee members

GOVERNANCE AND MANAGEMENT BODIES

Board Members

A solid governance body based on experience and diversity.

Mr. César Alierta Izuel

Executive Chairman

Holds a Law degree from the University of Zaragoza and an MBA from Columbia University.

Director of Telecom Italia, S.p.A., China Unicom (Hong Kong) Limited, and International Consolidated Airlines Group (IAG).

Member of the Columbia Business School Board of Overseers, and of the Social Board of the UNED (the Spanish national distance learning University).

He was the Chairman and founder of Beta Capital, Chairman of the Spanish Financial Analysts' Association, and Chairman of Tabacalera, S.A.

Mr. Isidro Fainé Casas

Vice-Chairman. Proprietary Director

Holder of a Doctorate in Economics. Diploma in Alta Dirección (Senior Management) from IESE Business School. ISMP in Business Administration from Harvard University. Financial Analyst and an Academic at the Royal Academy of Finance and Economics.

Chairman of Caja de Ahorros y Pensiones de Barcelona ("la Caixa"), of Caixabank, S.A., of Criteria Caixaholding, S.A. and of the Confederación Española de Cajas de Ahorros (the Spanish savings banks confederation); Vice-Chairman of Abertis Infraestructuras, S.A., and of AGBAR, Sociedad General de Aguas de Barcelona, S.A.; 2nd Vice-Chairman of Repsol, S.A. Additionally, he is a Director of Banco Português de Investimento, S.A. (BPI), and a non-executive director of The Bank of East Asia.

Mr. José María Abril Pérez

Vice-Chairman. Proprietary Director

Degree in Economics from the Commercial University of Deusto, and Professor at the same university.

Has been the Director-General of the Wholesale and Investment Banking Division, a Member of the Executive Committee of BBVA, S.A., and he is Director of Repsol, Iberia and Corporación IBV, as well as Vice-President of Bolsas y Mercados Españoles (BME).

Mr. Julio Linares López

Vice-Chairman. 'Other external' Director

He holds a degree in Telecommunications Engineering and joined Telefónica's R&D Centre in May 1970, having held various positions within Telefónica Group S.A., one of them as Chief Operating Officer of Telefónica, S.A.

He is a member of the Board of Directors and the Executive Committee of Telecom Italia.

He is also a member of the Advisory Boards of Telefónica Europe, Telefónica Latinoamérica and Telefónica Digital, and of the Social Council of the Complutense University of Madrid.

Mr. José María Álvarez-Pallete López

Chief Operating Officer (COO)

Degree in Economics from the Complutense University of Madrid. Studied Economics at the Université Libre in Belgium. International Management Program (IMP) at the Instituto Panamericano de Desarrollo de Directivos (IPADE).

Currently, he works as COO, having held various posts at Telefónica Group since 1999.

He formerly worked for Arthur Young Auditores, Benito & Monjardín/Kidder, Peabody & Co., and Cementos Portland (Cemex).

Mr. Fernando de Almansa Moreno-Barreda

'Other external' Director

Law degree from the University of Deusto (Bilbao).

He is a member of the Boards of Telefónica Brazil, S.A., and of Telefónica Móviles Mexico, S.A. de C.V. Furthermore, he is Deputy Director of Grupo Financiero BBVA Bancomer, S.A. de C.V. and of BBVA Bancomer, S.A.

Since 1974, he has occupied different positions within the Diplomatic Corps, until he was appointed Chief of the Royal Household, with ministerial rank, by His Majesty the King.

He currently is Private Director of His Majesty the King.

Ms. Eva Castillo Sanz

Executive Director

Degree in Economics, Law and Business from the Universidad Pontificia de Comillas (E-3), Madrid.

Chairman and CEO of Telefónica Europe, as well as Chairman of the Supervisory Board of Telefónica Czech Republic, a.s., and of Telefónica Deutschland Holding, AG; Bankia Director; and member of the Board of Trustees of the Comillas-ICAI Foundation.

She held various posts at Merrill Lynch until being appointed Head of Merrill Lynch Private Banking for Europe, Middle East and Africa (EMEA).

Mr. Carlos Colomer Casellas

Independent Director

Economics degree from the University of Barcelona and a degree in business administration from IESE Business School (Barcelona).

Chairman of The Colomer Group, Ahorro Bursátil, S.A. SICAV, of Inversiones Mobiliarias Urquiola, S.A. SICAV, and of Haugron Holdings, S.L.

Additionally, he is an Independent Director of Abertis Infraestructuras, S.A., and of Vueling Airlines, S.A.

Mr. Peter Erskine

Independent Director

Degree in Psychology from Liverpool University.

He is Chairman of Ladbrokes, plc and a member of the Advisory Board of Henley Management Centre.

He has worked at Polycell, Colgate Palmolive, the Mars Group, and UNITEL. He has also held various senior positions in BT Mobile until being appointed CEO and Chairman of O2, plc.

Mr. Santiago Fernández Valbuena

Executive Director

Ph.D. and Master in Economics from the Northeastern University of Boston, and degree in Economics from the Complutense University.

He is Executive Chairman of Telefónica Latinomérica. He was previously Director of Strategy, and Chief Financial Officer (CFO).

Before joining Telefónica, he worked as Director-General of Société Générale Valores, and as Stock Exchange Manager in Beta Capital.

Mr. Alfonso Ferrari Herrero

Independent Director

Doctorate in Industrial Engineering from the Polytechnic University of Madrid. MBA from Harvard University (USA).

He is Director of Telefónica Peru, S.A.A., and Deputy Director of Telefónica Chile, S.A.

He was Deputy of the Financial Manager of Hidroeléctrica del Cantábrico, S.A., Manager of Industrial Investments at Banco Urquijo, and Founder Member, Chairman and CEO of Beta Capital, S.A.

Mr. Pablo Isla Álvarez de Tejera

Independent Director

Degree in Law from the Complutense University of Madrid.

Member of the Body of State Lawyers, and first in his year. He is Chairman and Chief Executive Officer of Inditex, S.A.

He held various positions within the Ministry of Transportation, Tourism and Communications, as well as in the Directorate for State Legal Services, at Banco Popular, in the Ministry of Economic Affairs and Finance, and in the Altadis Group.

Mr. Ignacio Moreno Martínez

Proprietary Director

Degree in Economics and Business Studies from the University of Bilbao. Master's in Marketing and Commercial Management from the Instituto de Empresa Business School. MBA from INSEAD.

He is CEO of N+1 PRIVATE EQUITY and Non-Executive Chairman of Metrovacesa, S.A.

He has worked in Bank Vizcaya, Bank Santander de Negocios, Mercapital, Corporación Bancaria de España, S.A. (Argentaria), and Bank Bilbao Vizcaya Argentaria, S.A.

Mr. Chang Xiaobing

Proprietary Director

Professor of Engineering. Degree in Telecommunications Engineering from the Nanjing Institute of Posts and Telecommunications, MBA from Tsinghua University in 2001 and Doctorate in Business Administration from Hong Kong Polytechnic University.

He is Chairman of China United Telecommunications Corp., Executive Manager, Chairman and Chief Executive Officer of China Unicom Limited.

Mr. Luiz Fernando Furlán

Independent Director

Degrees in Chemical Engineering from the Industrial Engineering Faculty of São Paulo, and in Business Administration from the University of Santana (Sao Paulo).

He is Chairman of the Board of Directors of the Amazon Sustainability Foundation, and a member of the Board of Directors of BRF-Brasil Foods, S.A., Telefónica Brazil, S.A., AGCO Corporation, and Amil Participações, S.A., and member of the Advisory/Consultative Boards of Panasonic (Japan), McLarty & Associates (USA), and Wal-Mart Stores Inc. (USA).

He was Minister of Development, Industry and Foreign Trade in the Government of Brazil, and Vice-Chairman of São Paulo Entrepreneurs' Association (FIESP).

Mr. Gonzalo Hinojosa Fernández de Angulo

Independent Director

Doctorate in Industrial Engineering from the School of Industrial Engineering of Madrid.

He is a Director of Telefónica Peru, S.A.A.

He was General Manager, Chief Executive Officer and Chairman of Grupo Cortefiel, and has been a Director of Banco Central Hispano Americano, of Portland Valdeiribas, and of Altadis, S.A.

Mr. Antonio Massanell Lavilla

Proprietary Director

Degree in Economics and Business Studies from the University of Barcelona.

He is Director-General of CaixaBank. He also holds positions as Chairman of Barcelona Digital Centre Tecnològic, and as member of the Board of Directors of Boursorama, S.A., Beach & Golf Community, S.A., e-la Caixa, S.A., Caixa Capital Risc, S.G.E.C.R., S.A., Serveis Informatics "la Caixa", S.A., and SAREB. During his career, he has also been a director of various companies.

Mr. Javier de Paz Mancho

Independent Director

Diploma in Publicity and Information. Studies in Law. Senior Management Business Program of the IESE (University of Navarre).

He is Director of Telefónica Argentina, S.A. and of Telefónica Brazil, S.A., and member of the Executive Committee of the Council of Chambers of Commerce.

He has been Chairman of Atento Inversiones y Teleservicios, S.A.U., and Director of Tabacalera, S.A.

MANAGEMENT AND GOVERNANCE BODIES

Board of Directors' Committees

Executive Commission

Duties. The Board of Directors, within the legal provisions in force, delegates all of its powers and duties, except those that cannot be so delegated for reasons of law, statute or regulation, to an Executive Commission. This commission provides the Board of Directors with greater operability and efficacy in the exercise of its duties, facilitating the necessary support through the work carried out, particularly inasmuch as it has fewer members than the Board and meets more frequently.

The relations between the two bodies are based on a principle of transparency, so that the Board is always fully informed of the decisions adopted by this committee. Thus, the Board of Directors is informed at each of its meetings of all the agreements adopted by the Executive Commission, with a summary of the Minutes of this commission's proceedings being distributed to each Director to that effect, the said agreements being then subject to ratification.

Composition

Mr. César Alierta Izuel	Chairman
Mr. Isidro Fainé Casas	Vice-chairman
Mr. José María Abril Pérez	Vice-chairman
Mr. José María Álvarez-Pallete López	COO
Mr. Carlos Colomer Casellas	Member
Mr. Peter Erskine	Member
Mr. Alfonso Ferrari Herrero	Member
Mr. Gonzalo Hinojosa Fernández de Angulo	Member
Mr. Javier de Paz Mancho	Member
Mr. Ramiro Sánchez de Lerín García-Ovies	Secretary

Audit and Control Committee

Duties. Among other aspects, it works to support the Board of Directors in its duties of supervision, and assumes the following competencies: to report on questions raised by shareholders at GSM which fall within its purview; to propose the designation and terms for the hiring of the external Auditor; to supervise internal audit, and the preparation and submission of regulated financial information; and to propose the risk control and management policy.

Composition	Date of appointment
Mr. Carlos Colomer Casellas (Chairman)	24 April 2013
Mr. Antonio Massanell Lavilla	30 August 2000
Mr. Gonzalo Hinojosa Fernández de Angulo	26 June 2002
Mr. Alfonso Ferrari Herrero	27 February 2008

Nominating, Compensation and Corporate Governance Committee

Duties. Among other duties, it assumes the work of reporting, following standards of objectivity and conformity to the corporate interest, on proposals for appointment, re-election and removal of Directors and Senior Executive Officers of the Company and its subsidiaries, and of evaluating the qualifications, knowledge and experience required of candidates for vacant posts. It proposes to the Board of Directors, in the framework established by the Articles of Association, the extent and amount of the compensation, rights and remuneration of a financial nature, of the Chairman, the Executive Directors and the Senior Executive Officers of the Company, including the basic terms of their contracts, for purposes of contractual implementation thereof. It supervises compliance with the Company's internal rules of conduct and the corporate governance rules thereof in effect from time to time.

Composition	Date of appointment
Mr. Alfonso Ferrari Herrero (Chairman)	30 May 2001
Mr. Carlos Colomer Casellas	23 January 2008
Mr. Peter Erskine	27 February 2008
Mr. Gonzalo Hinojosa Fernández de Angulo	30 November 2005
Mr. Pablo Isla Álvarez de Tejera	26 June 2002

Human Resources, Corporate Reputation and Corporate Responsibility Committee

Duties. Among other obligations, it assumes the duties of: analyzing, reporting and proposing appropriate agreements related to staff policy; pushing forward the implementation of Company values; steering the development of the project of Corporate Reputation; advancing the verification of the Sustainability Report or of the balance of the intangible assets of the Group; ensuring the ethical and responsible behavior of Telefónica by raising awareness and implementation of the Business Principles in all the lines of operation and countries in which the Group operates.

Composition	Date of appointment
Mr. Javier de Paz Mancho (Chairman)	23 January 2008
Mr. Alfonso Ferrari Herrero	26 June 2002
Mr. Gonzalo Hinojosa Fernández de Angulo	5 July 2007
Mr. Pablo Isla Álvarez de Tejera	26 June 2002
Mr. Antonio Massanell Lavilla	22 July 1998

Regulation Committee

Duties. Among other work, it assumes the duties of: carrying out permanent monitoring of the main matters and themes of the regulatory order that affect the Telefónica Group at all times; providing a channel for communication and information between the Management Team and the Board of Directors in statutory matters and, when appropriate, bringing to the knowledge of the latter such matters deemed important or relevant to the Company or to any of the companies in the Group and on which it may be necessary or convenient to adopt a decision or establish a specific strategy.

Composition	Date of appointment
Mr. Gonzalo Hinojosa Fernández de Angulo (Chairman)	24 April 2013
Mr. Fernando de Almansa Moreno-Barreda	25 January 2006
Ms. Eva Castillo Sanz	16 December 2009
Mr. Alfonso Ferrari Herrero	5 July 2007
Mr. Pablo Isla Álvarez de Tejera	23 January 2008
Mr. Javier de Paz Mancho	23 January 2008

Service Quality and Customer Attention Committee

Duties. Among other aspects, it carries out examination, analysis and monitoring of the quality indexes of the principal services provided by the companies of Telefónica Group, and evaluates the levels of customer service by those companies.

Composition	Date of appointment
Mr. Antonio Massanell Lavilla (Chairman)	26 March 1999
Ms. Eva Castillo Sanz	16 December 2009
Mr. Carlos Colomer Casellas	26 June 2002
Mr. Alfonso Ferrari Herrero	16 December 2009
Mr. Gonzalo Hinojosa Fernández de Angulo	26 June 2002
Mr. Pablo Isla Álvarez de Tejera	25 April 2007

Strategy Committee

Duties. Among other duties, its principal function is to support the Board of Directors in its analysis and monitoring of the strategic policy of the Telefónica Group at an overall level.

Composition	Date of appointment
Mr. Peter Erskine (Chairman)	17 December 2008
Mr. Fernando de Almansa Moreno-Barreda	17 December 2008
Ms. Eva Castillo Sanz	17 December 2008
Mr. Alfonso Ferrari Herrero	23 June 2010
Mr. Gonzalo Hinojosa Fernández de Angulo	17 December 2008

International Affairs Committee

Duties. Among other subjects, its fundamental mission is to reinforce and bring to the attention of the Board of Directors those international matters which are relevant to the healthy development of Telefónica Group, paying particular attention to institutional relations in the countries in which subsidiaries of the Group operate. In addition, it analyzes questions of importance in international organizations and fora, and those of economic integration which may affect the Group; studies matters of regulation, competition and alliances, and; evaluates the programs and activity of the various Foundations of the Company and the resources deployed in support of its international social image and presence.

Composition	Date of appointment
Mr. José Fernando de Almansa Moreno-Barreda (Chairman)	28 May 2003
Mr. José María Abril Pérez	26 September 2007
Mr. Alfonso Ferrari Herrero	28 May 2003
Mr. Luiz Fernando Furlán	27 February 2008
Mr. Gonzalo Hinojosa Fernández de Angulo	28 February 2006
Mr. Javier de Paz Mancho	23 January 2008

Innovation Committee

Duties. Among other matters, its fundamental mission is to advise and provide support on all questions related to innovation, carrying out periodic analysis, study and monitoring of the innovation projects of the Company, formulating clear criteria and supporting efforts to guarantee a suitable fit for its implementation and development stages throughout Telefónica Group.

Composition	Date of appointment
Mr. Carlos Colomer Casellas (Chairman)	30 July 2008
Mr. José María Abril Pérez	18 May 2011
Mr. Peter Erskine	30 July 2008
Mr. Antonio Massanell Lavilla	30 July 2008

MANAGEMENT AND GOVERNANCE BODIES

Executive Commission

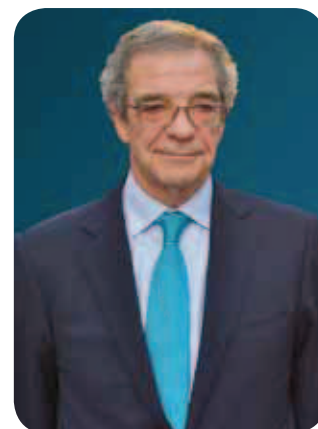
Telefónica is led by a group of professionals who are responsive to the demands of the modern economy in an increasingly digital environment.

The organization is based around an Executive Commission of nine members, who make up the main management body. Their mission: to define strategy and monitor the performance of the businesses.

This Executive Committee is made up of the Executive Chairman, the Chief Operating Officer, the Head of Telefónica Digital, the Heads of the two regional organizations (Europe and Latin America), the Head of Global Resources, the Chief Financial and Corporate Development Officer, the General Secretary and Secretary of the Board, and the Director of Strategy and Alliances.

The Executive Commission is supported by a Transformation Committee, formed by the members of senior management most linked to the remodeling of the Company and by representatives of most of the countries.

Telefónica's Executive Commission normally meets twice a month, although special sessions are held when necessary



Chairman & CEO
César Alierta



General Secretary and Secretary of the Board
Ramiro Sánchez de Leirín



Chief Operating Officer (COO)
José María Álvarez-Pallete



Telefónica Digital
Matthew Key



Latin America
Santiago Fernández-Valbuena

Executive Commission members



Finance & Corporate Development
Ángel Vilá



Strategy & Alliances
Eduardo Navarro



Europe
Eva Castillo



Global Resources
Guillermo Ansaldo



César Alierta*
Executive Chairman & CEO



J. M. Álvarez Pallete*
Chief Operating Officer (COO)



Eva Castillo*
Chairwoman Telefónica Europe



Santiago Fernández Valbuena*
Chairman Telefónica Latinoamérica



Matthew Key
Head of Telefónica Digital

He was appointed Director-General of Telefónica O2 Europe in November 2007. In 2005 he was designated a member of the Executive Committee of O2 UK. Before joining O2, he worked with Vodafone, where he was UK operations finance director for four years. Previously, he had held various executive posts in the financial departments of companies like Kingfisher, Coca-Cola, Schweppes and Grand Metropolitan. After Telefónica's acquisition of O2, he joined the Board of O2 as an Executive Director.



Guillermo Ansaldo
Head of the Global Resources operating unit

Graduate in Industrial Engineering from the Universidad de Buenos Aires. Master in Business Administration from Amos Tuck School of Business Administration, Dartmouth College. In 2000 he joined the Group as CEO of Telefónica in Argentina S.A. In 2005 he was named Chief Operating Officer of Telefónica Spain. Between 2007 and 2011, he was President of Telefónica Spain before becoming Head of the Telefónica Global Resources operating unit.



Ángel Vilá
Chief Financial and Corporate Development Officer

He graduated in Industrial Engineering from Universitat Politècnica de Catalunya and holds an MBA from Columbia University. After working with Citigroup, McKinsey&Company, Ferrovial and Planeta, he joined Telefónica Group in 1997. In 2000 he was appointed Director-General of Corporate Development. He is a member of the board of Telco SpA.



Eduardo Navarro de Carvalho
Director of Strategy and Alliances

Graduate in Metallurgical Engineering from the Universidad Federal de Minas Gerais, Brazil. In 1999 he joined Telefónica Group. He was Head of Strategic Planning and Regulation at Telefónica International. Between 1999 and 2005 he served as Vice-president of Corporate and Regulatory Strategy with Telefónica Group in Brazil, participating in the executive committees of several of the companies of Telefónica Group in Brazil. He worked as a Consultant with McKinsey&Company for five years (1994-1999).



D. Ramiro Sánchez de Leín García-Ovies
General Secretary and Secretary of the Board

Began his professional career at Arthur Andersen. In 1982 he joined the State's team of attorneys at the Inland Revenue department in Madrid. Next stop was the Secretary of State's department for the European Community and then the Ministry of Foreign Affairs. He has also occupied, among others, the following posts: General Secretary, and Secretary of the Board, for Elosúa, S.A., Tabacalera, S.A., Altadis, S.A. and Xfera Móviles, S.A. Currently, he is also a member of the Board of Directors of Telco, SpA.

* The biographies not on this page feature on pp14-15, since the executives concerned form part of the Board of Directors.