

**BY-LAWS**  
**OF**  
**FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.**

Consolidated version (approved by Ordinary General Shareholders Meeting on June 25, 2015), registered with the Commercial Register

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**FIRST TITLE**  
**GENERAL PROVISIONS**

**Artículo 1. Denomination**

The current By-Laws contain the regulations followed by the Company "FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A." (hereinafter, the "**Company**"). Additionally, the Spanish Corporation Law (hereinafter, the "**Law**") and other dispositions in force at each moment will be applied.

**Artículo 2. Corporate purpose**

1. Constitutes the purpose of the Company:
  - 1) The construction, execution and maintenance of public and private works, as well as the exploitation of all kind of infrastructures.
  - 2) The offering of sanitising services, cleaning, management, building maintenance and repair, constructions, infrastructures, vessels, aircraft and, in general, any kind of facilities, public or private. The offering of all kind of services which are owned by Public Administrations, including the performance of any kind of collaboration work inherent to the collection management of any of these Administrations that does not imply the exercise of authority, nor custody of public funds.
  - 3) The design, research, development, exploitation, maintenance and commercialisation of treatment plants and facilities and water purification. Use, transformation and commercialisation of all kinds of waters.
  - 4) The management of residuals and polluted soils as well as any assessment, research or consulting activity linked to these. The design, research, development, exploitation, maintenance and commercialisation of reusable, recycling, recovery, evaluation, removal, storage plants or facilities, or residual transfer stations or polluted soils, as well as the purchasing of sub-products that are originated in these treatments as well as other residuals.
  - 5) The establishment and exploitation of cement, lime, plaster factories and prefabricated derivative of these materials, as well as the concrete industry and the creation and exploitation of other industries related with the mentioned products. The research and use of mineral fields as well as the acquisition, use and permissions, concessions and other mine rights and interests; the industrialisation and commercialisation of the mine products derivative of these rights.
  - 6) The promotion and sale of lands, terrains, residential groups, urbanisations, business premises, offices and, in general, any kind of buildings. The exploitation of these buildings through renting, or in any other form that implies the transmission of the property, and the offering of study services,

assessment, administration and management for third parties owners of those.

- 7) The study, project, acquisition, ceasing, disposal, promotion, assessment, administration, management or exploitation in renting or in any other way of shopping centres.
- 8) The design, fabrication, quality control, purchase, sale, supply, import, export, renting, maintenance, reparation, distribution, representation and exploitation, even advertisement of furniture and urban equipment, understood in its most extent meaning, as well as signalling elements, in town and intercity communication roads, as well as the machinery and its components, tools, vehicles, facilities, materials and equipment.
- 9) The creation, design, purchase, sale, exploitation and ceasing, in any form, of patents, models, brands, licenses and other modalities of the industrial or intellectual property.
- 10) The study, project, acquisition, ceasing, disposal, promotion, assessment, administration, management or exploitation of geriatric residential centres, as well as any activity related with social services and sanitary assistance of attention to the eldest, psychic and physical disabilities and psychiatric issues; management and attention to these with daily centres opening, sanitary or socio-sanitary centres, residencies, tutored community or apartment buildings and domestic attention.
- 11) The study, project, acquisition, ceasing, disposal, promotion, assessment, administration, management or exploitation of business related to the food sector.
- 12) The offering of technical engineering services, including projects, studies and reports, as well as pre-investment studies, quality control, internal audits and electronic data exploitation.
- 13) The design, fabrication, quality control, purchase, sale, supply, import, export, renting, maintenance, reparation, distribution, representation and exploitation of electrical services and systems, electronic, computer and telecommunication, as well as the design, research, development and commercialisation of products related with these services.
- 14) The electric and energetic business in general, in all its aspects as well as in its different industrial and commercial activities. The offering of industrial services, as well as those that have preparatory or complementary nature of the activities included in the corporate purpose, particularly in relation with the safety, operation, maintenance, reparation and construction of facilities. The realisation of all kind of studies and research related with the electric and energetic business in general, particularly the ones denominated renewable energies. The offering of services and project execution tending to

the saving procurement and the energetic efficiency and the sustainable development.

- 15) The study, project, acquisition, ceasing, disposal, promotion, assessment, administration, management or exploitation of passenger and merchandise transportation services, including the sanitary transportation services of sick people in vehicles specially prepared to this effect, of transportation centres of any kind, airports and ports as well as any kind of services to the transportation Companies. Management, exploitation and maintenance of any kind of parking lots, as well as retirement and deposit of vehicles.
  - 16) The study, project, acquisition, ceasing, disposal, promotion, assessment, administration, management or exploitation of business related to logistical services.
  - 17) The study, project, acquisition, ceasing, disposal, promotion, assessment, administration, management or exploitation of business related to tourism and recreation.
  - 18) The study, project, acquisition, ceasing, disposal, promotion, assessment, administration, management or exploitation of cemeteries and funeral homes.
  - 19) The study, project, acquisition, ceasing, disposal, promotion, assessment, administration, management or exploitation of business related to financial services.
  - 20) The participation in other companies and societies, national or foreign, through the subscription, acquisition, negotiation and shares, participations and any other titles possession, with fixed or variable income. In no case the company will perform activities that the companies and institutions of collective investment exercise, regulated by the Law 35/2003 of 4 November, of institutions and collective investment.
2. The Company can carry out all the activities indicated, in Spain and abroad or participating in other companies, national or foreign, of similar or analogue subject. This participation will cover either the subscription, buying or acquisition, with any means valid at Law, of titles or mercantile values which confers a participation in the company's capital or in the benefits of such companies, as well as all the modality of association between companies.
  3. All those activities for which exercise the Law request special conditions that cannot be covered by this Society will be excluded.

### **Artículo 3. Timing**

The Company will subsist indefinitely, having started its operation the day that its articles of association were provided.

### **Artículo 4. Company's address, branches and corporative website**

1. The Company will be registered in the city of Barcelona, in calle Balmes 36.
2. The Administration Board is empowered to establish, remove and transfer branches, delegations, agencies, establishments, factories or representations in any village of Spain or abroad, as well as changing the registered office in the same municipality, and modifying this article so that the new registered office appears after the moving of the Company.
3. The Company will have a corporate website "[www.fcc.es](http://www.fcc.es) "), under the terms established by the Law.

Through this aforementioned corporative website the right of information will be attended on the side of shareholders, and the perceptive documents and information, attending the Law, the present By-Laws of the company and more interim regulations of the company, as well as all those information considered to be opportune to make available to the shareholders and investors through this mean will be published.

The amendment, removal or transfer of the Company website will be competence of the Administration Board.

## **SECOND TITLE**

### **SHARE CAPITAL AND SHARES**

#### **Artículo 5. Share capital**

The company's capital is fixed at THREE HUNDRED SEVENTY EIGHT MILLIONS EIGHT HUNDRED TWENTY FIVE THOUSAND FIVE HUNDRED SIX EUROS (378,825,506.-€), represented by three hundred seventy eight millions eight hundred twenty five thousand five hundred six euros (378,825,506) shares, belonging to a single class and serial, of one (1.-€) EURO of nominative value for each of them.

These shares are totally subscribed and paid off.

#### **Artículo 6. Shares**

1. The shares are represented by book-entry account registry, corresponding to the handling of the account registry by the Sociedad de Gestión de los Sistemas de Registro Compensación y Liquidación de Valores (IBERCLEAR), or the entity or entities that, in accordance with the Law, have this function, and will be controlled by what is stipulated in the market values regulations. Each share gives the right to one vote.
2. The Company can request at any moment the entity in charge of the handling of the account registry the data corresponding to the shareholders, including the address and means of contact that they have, and will recognise as such those that appear legitimised in the entity in charge of this registry.



The Company, through the corresponding agreement of the Administration Board, can also create a Shareholders Registry in order to be able to communicate with them.

**Artículo 7. Transfer of shares**

The shares can be transferred by all the means accepted in Law, from the moment that the Law allows it. The foreign natural person or legal entity, can subscribe or acquire shares of the Company, in the terms and conditions that the dispositions in force establish at each moment.

**Artículo 8. Shares without voting**

The Company can submit shares without voting right for a nominal amount not higher than half of the disbursed share capital.

The owners of the shares without voting will have the right to perceive the annual minimum dividend of five per cent (5%) of the disbursed capital for each share without voting, this perception being subject with what is established in the Law that will be applied to everything that refers to these shares.

**Artículo 9. Co-ownership of shares**

The shares may not be divided. The co-owners of a share severally respond in front of the Company of the bonds that derive from the shareholder condition and will have to design a unique person that exercises in his/her name the inherent rights to its partner condition. The same rule will apply to the other co-ownership situations of rights over the shares.

**Artículo 10. Shares usufruct, pledge and seizures**

In case of shares usufruct, the quality of the partner resides in the proprietary knot, but the usufructuary will have the right, in any case, to the dividends agreed by the Company during the usufruct. The exercise of the rest of the partner rights corresponds to the usufructuary. The relationship between the usufructuary and the proprietary knot and the rest of the usufruct content will be ruled by what the usufruct constitutive title mentions, and if non-existent, by what the Law stipulates, and if not planned by this, what the civil law applies.

**THIRD TITLE**

**OF THE GOVERNANCE OF THE COMPANY**

**Artículo 11. Company bodies**

1. The governance and administration of the Company corresponds to the General Meeting of Shareholders and the Administration Board for this, respectively in its functions and competences ambit.

2. Additionally, the Administration Board will constitute, in accordance with what has been legally established and its organisation faculty, an Audit and Control Commission, an Appointments and Retributions Commission and as many internal Commissions as needed or considered appropriate to develop better its functions, appointing its members and establishing their functions.

The Administration Board can equally establish Advisory Boards in order to contribute to a higher efficiency in the exercise of its functions.

### **Section 1st.- Of the General Meeting**

#### **Artículo 12. The General Meeting**

1. The shareholders constituted in General Meeting, correctly called, will decide by simple majority (an agreement is adopted when it obtains more votes in favour than against of the capital present and represented in the Meeting), in matters that are in its competence, except for cases in which the Law or By-Laws establish a higher majority to adopt some agreements. All the shareholders, including the dissidents, and the ones that have not participated in the meeting, are submitted to the General Meeting agreements, without prejudice of the separation and imputation rights established by the Law.
2. The General Meeting is ruled by what has been stipulated in the Law, in the current By-Laws and the General Meeting Regulation.
3. The Company will ensure, at all moment, the equality of treatment of all the shareholders that are in the same position in relation with the information, participation and exercise of voting right in the Meeting.

#### **Artículo 13. Types of Meetings**

1. The General Meetings can be Ordinary or Extraordinary.
2. The Ordinary General Meeting will meet necessarily in the six (6) first months of each period, to approve, in this case, the corporate management and the former period accounts, as well as to resolve about the result of application, and to approve, any other agreement submitted and included in the Agenda.

The Ordinary General Meeting will be valid even if it has been called or held after the referred deadline.

3. Any Meeting that is not the one planned in the former section will be consider Extraordinary General Meeting

#### **Artículo 14. Competences of the General Meeting**

The General Meeting will decide on matters attributed to it by the Law, by the current By-Laws or by the General Meeting Regulation and, particularly, about the following:

- a) The approval of annual accounts, the application of the result and the approval of the corporate management.
- b) The appointment, ratification and separation of counsellors, as well as the appointment and separation of the liquidators and, in this case, of the accounts auditors, as well as the exercise of the responsibility corporate action against any of them.
- c) The amendment of the current By-Laws.
- d) The raising and the reduction of company's capital, as well as the delegation at the Administration Board of the faculty of increasing the company's capital, whether appropriate it can also attribute also the power of exclusion or limitation of the right of preferential subscription, in the wordings established by Law.
- e) The issuance or creation of new share types or series.
- f) The bond and other assets issue and the delegation in the Administration Board of the issuance faculty.
- g) The deletion or limitation of the pre-emptive subscription right.
- h) The acquisition, disposal or contribution of essential assets to another company; as well as the transfer to depending entities of essential activities developed up to the moment by the Company, even though she has full domain over them.

These activities and operative assets will be presumed of essential nature when the operation volume overpasses twenty-five per cent (25%) of the balance total assets.

- i) The amendment, fusion, excision, global ceasing of assets and liabilities and the transfer of the registered office abroad.
- j) The dissolution of the Company.
- k) The approval of the final liquidation balance.
- l) The operations which effect is equivalent to the Company's liquidation.
- m) The remuneration policy of the counsellors in the terms establishes in the Spanish Corporation Law.
- n) Any remuneration system or incentives to counsellors or senior counsellors consisting in the delivery of shares, options on shares or being referenced in any way with the share value.
- o) The authorisation for the acquisition of own shares in the legal limitations.
- p) The approval and amendment of the General Meeting Regulation.
- q) Any other matters that the Law or the By-Laws define.

#### **Artículo 15. Call notice for Meeting**

1. The General Meetings, both Ordinary and Extraordinary, will have to be called by a notice published in the Official Newsletter of the Commercial Register or in one of

the newspapers of great circulation in Spain, in the Company website and in the National Commission of Market Values, at least one month before the date planned for the holding of the Meeting. However, the Extraordinary General Meetings can be called with a minimum anticipation of fifteen (15) days in conformity with the requirements established in the Law and the General Meeting Regulation.

2. The notice can, also, communicate the date in which, if relevant, the Meeting will be held upon second call. Between the first and the second meeting, at least twenty-four (24) hours should pass. If the correctly called General Meeting, being of any time, cannot be held upon first call, and in the notice a second date was not planned, the holding of the second one has to be announced, with the same Agenda and the same publication requirements than the first one, in the fifteen (15) days following the date of the non-held Meeting and with at least ten (10) days prior to the date fixed for the meeting.
3. The announcement will express the name of the Company, the place, the date and hour in which will be held the Meeting, the Agenda, in which will appear all the matters which will be treated, in charge of person or persons who call for it and the right of the shareholders to examine at the company's address and, if appropriate, to obtain, in an immediate and free of charge way, copy of the documents which have to be submitted to the approval of Meeting, and if appropriate, the report of the auditors of accounts and the corresponding technical reports, as well as the mentions and information legally enforceable for the Companies with public quotation, the ones which are figured out in the Regulations Of General Meeting and any other information or documentation which the Administration Board considers convenient for the interest of the shareholders.
4. The shareholders that represent, at least three per cent (3%) of the share capital, may request that a complement to the Ordinary General Meeting call be published including one or more items for the Agenda, if the new items are accompanied of a justification or, in some cases, of a justified agreement proposal. The exercise of this right, that in no case will proceed regarding the Extraordinary General Meetings, will have to be done by due notification, that will have to be received in the registered office in the five (5) days following the call publication. The complement of the call for must be published at minimum with fifteen (15) days ahead of the date established for the meeting of Meeting. The lack of publication of the call complement in the legal period fixed will be cause of complain to the Board.
5. The shareholders that represent, at least, three per cent (3%) of the share capital, can, in the five (5) days following the publication of the call, present proposals founded in accordance with matters already included or that should be included in the Agenda of the called Meeting. As the agreement proposals are received, the Company will ensure the spread of such proposals and the documentation which, if

appropriate, will accompany among the rest of shareholders, publishing them uninterruptedly in its website.

**Artículo 16. Faculty and obligation of calling the Meeting**

1. The General Meetings have to be called by the Administration Board or, if needed, by the Company liquidators. The Administration Board will call for General Meeting always if it considers necessary or convenient for the interest of the company, and at any case, at the dates and periods determined by Law and the present By-Laws of the Company.
2. The Administration Board must call for General Meeting when requested for, through notarial requirement, the shareholders that represent, at least, the three per cent (3%) of company's capital, expressing in the request the subjects to be treated on it.
3. In this case, the General Meeting should be called by the Administration Board to be held in the two (2) months following the date in which the attorney request was presented to the Administration Board to call it, including necessarily in the Agenda the items that induced this request.
4. If the General Meeting is not called during the corresponding legal or statutory established period, it can be called, under request of any shareholder, by the commercial judge of the registered office, and prior hearing of the counsellors.
5. If the Administration Board does not attend in due time the call for the General Meeting request realised by the minority, the commercial judge of the registered office can call the meeting, prior hearing of the counsellors.

**Artículo 17. Meeting constitution**

1. The Ordinary or Extraordinary General Meeting will be validly constituted, upon first call, when the present or represented shareholders have, at least, fifty per cent (50%) of the subscribed capital with voting right; upon second call, the Meeting constitution will be valid when the present or represented shareholders have, at least, forty-five per cent (45%) of the subscribed capital with voting right. The situations in which, in accordance with the items included in the Agenda, it is not legally possible to require the valid constitution of the General Meeting of a percentage capital higher than the one established by the applicable regulation will be excluded from the former article.
2. Additionally, the percentages mentioned in the former paragraph, will also be the ones applied so that the General Meeting Ordinary and Extraordinary can validly agree on bond issue, the global ceasing of assets and liabilities, the removal or limitation of the pre-emptive acquisition right of new shares, the transfer of the registered office abroad and, in general, any amendment of the By-Laws.
3. If in order to correctly adopt an agreement in relation with one, or more, of the agenda items of the General Meeting call, the assistance of a determined percentage of the share capital is needed, in accordance with the legal or statutory

regulation applied, and this percentage is not reached, or some concrete interested shareholders consent is needed and these are not present or represented, the General Meeting will discuss and decide about those other agenda items that do not require the assistance of this percentage of share capital or these concrete shareholders.

**Artículo 18. Legitimation to assist the Meeting**

1. All the shareholders owners of one or more shares, even the ones without voting rights, have the right of attendance in the General Meetings, if their ownership is inscribed in the book-entry countable registry, at least five (5) days before the holding of the Meeting date, and can prove it by showing, in the registered office, the corresponding legitimation certificate, attendance card, delegation or representation and absentee ballot or by any other means admitted by the legislation in force.
2. Also if required, Directorates, Managers Technicians and other individuals that have the good interest of the corporate matters may assist in The General Meetings. The Company counsellors will be obliged to assist, but their presence is not needed for the valid constitution of the Meeting. In whatever has not been established in the current article, in relation with the legitimation to assist in the Meeting, the Law will be followed.
3. The shareholders may assist and vote in the General Meeting as well as appoint a proxy, in accordance with what has been stipulated in the current By-Laws and the General Meeting Regulation.
4. Since the publication of the call for until the celebration of General Meeting. The Company will publish uninterruptedly in its website corporative information related to the means of communication at distance, among it the electronic ones that the shareholders may use in order to give effectiveness to their right of representation, voting, where appropriate, assistance. Additionally, it will include the delays, types and methods of exercise of the shareholders rights that will assist to the Meeting through electronic or telematic means, if this possibility is planned.

**Artículo 19. Representation**

1. Every shareholder that has the right of participation can be represented in the General Meeting by another individual, even if he/she is not a shareholder. The representation will have to be conferred in the terms and with the scope established in the Law, in written and with special nature for each Meeting, unless it is the partner, ascendant or descendent of the represented or general empowerment, in public document, to administrate all the assets that the represented shareholder has in the national territory.
2. The representation can be appointed also by distant communication means, guaranteeing correctly the identity of the represented and of the representative, and the electronic communication safety, that the Administration Board will define

when making the call for the Meeting, in accordance with what has been stipulated in the Company's General Meeting of Shareholders Regulation.

3. The General Meeting Chairman, Secretary or the individuals appointed by them, will be considered empowered to determine the validity of the conferred representations and the observance of the Meeting attendance requirements.
4. The representation can always be cancelled. The personal attendance of the represented to the Meeting has cancelling value.
5. The entities that are legitimised as shareholders in virtue of the shares counting registry but that act in the name of different individuals, can in all cases fraction the vote and exercise it in the divergent direction in accordance with the different vote instructions, if they received them. Additionally they can delegate the vote to each of the indirect owners or designed third parties, without limiting the number of appointed delegations.
6. The Administration Board can develop the former provisions, by establishing the rules, means and adequate procedures to the technique status to tool the proxy appointment in accordance with what has been established in the current By-Laws and the General Meeting Regulation.

**Artículo 20. Cast of absentee ballot**

1. The participation in the General Meeting and the voting of the proposals in the items included in the agenda of any kind of General Meeting can be delegated or exercised directly by the shareholder through postal, electronic correspondence, or any other distant communication mean that, guaranteeing correctly the identity of the subject that participates or votes and the electronic communication safety, the Administration Board determines when calling each Meeting, in accordance with what is stipulated in the *Company's* General Meeting of Shareholders Regulation.
2. The shareholders that cast an absentee ballot in accordance with what has been disposed in the article will be considered present to the effects of the General Meeting constitution.
3. The personal attendance to the General Meeting of shareholder will have the effect of cancelling the vote cast through postal or electronic correspondence.
4. The Administration Board can develop the former provisions, by establishing the rules, means and adequate procedures to the technique status to tool the absentee ballot, in accordance with what has been established in the current By-Laws and the General Meeting Regulation.

**Artículo 21. Place and time of holding**

1. The General Meetings will take place in the Spanish locality that, every time they are called, the Administration Board decides, on the day and time indicated in the call.

If in the call the place of holding is not mentioned, it will be understood that the meeting will take place in the registered office.

2. The attendance to the General Meeting can be done by going to the place where the meeting will be held or, if desired, to other places that the Company will have mentioned in the call, and that are connected with that other one with any of the valid systems that will allow the recognition and identification of the attendants, the permanent communication among the attendants, independently from where they are, as well as the intervention and cast of vote, all of that in live. The attendants to any of the places will be considered, to all the effects related to the General Meeting, as attendants to the one and same meeting. The meeting will be held where the main place is.
3. The General Meeting, when there is a justified reason for it, can extend the meeting for one or more consecutive days, under the proposition of the General Meeting Chairman, of the majority of the assisting counsellors to the meeting or under request of a number of partners that represent, at least, a twenty-five per cent (25%) of its share capital. No matter how many sessions are contemplated, the General meeting will be considered unique, and only one minutes will be prepared for all the sessions. The General Meeting can also be temporarily suspended in the cases and forms stipulated by the Regulation.

#### **Artículo 22. Meeting Chairman and Secretariat**

1. The General Meeting will be chaired by the Administration Board Chairman. In case of absence or unavailability of the Board Chairman, he/she will be substituted by the Deputy Chairmen in order, establishing, if this has not been set, by the one with the longest position as the Company counsellor, and if not possible, by the eldest counsellor.
2. The General Meeting Secretary will be the same as the Administration Board's. In case of absence or unavailability of the Board Secretary, he/she will be substituted by the Deputy Secretary of the Administration Board, and if this one is also missing, the General Meeting's Secretary will be the individual designated by the concurring partners at the beginning of the meeting.

#### **Artículo 23. Attendants list**

1. Before starting the Agenda, the list of attendants will be confirmed, expressing the nature or representation of all of them and the number of shares (proper or someone else's) that they concur.
2. At the end of the list the number of present or represented shareholders will be determined, as well as the capital amount of which they are owners, specifying the one that corresponds to the shareholders with voting rights.

#### **Artículo 24. Right of information**

1. The shareholders may request, in writing or by other electronic or *telematic* communication means, from the Administration Board, up to the fifth natural day



before the one set for the holding of the Meeting, upon first call, the information and clarifications or ask the questions that they deem necessary, about the matters that are included in the Agenda, about the information accessible to the public that was provided by the Company to the National Commission of Market Values, from the holding of the last General Meeting and in relation with the auditor report. The information or clarifications demanded will be answered by the Administration Board in writing, up to the day the General Meeting will be held.

2. The information or clarification requests that the shareholders will ask in relation with the matters or referred information in the former paragraph, orally during the General Meeting before the examination and discussion about the items contained in the Agenda, or in writing from the fifth natural day before the call of the General Meeting, will be answered orally during the Meeting by any of the present counsellors, as indicated by the Chairman. If the requested information or clarifications refer to matters related to the Audit and Control Commission, they will be provided by any of the members or assessors of that Commission present in the meeting. If the Chairman considers that it is not possible to satisfy the right of the shareholder in the same Meeting, the pending information will be provided in writing to the requesting shareholder in the following seven (7) natural days after the end of the General Meeting.
3. The Administration Board is obliged to provide the requested information under the care of the two former sections, unless the information is not needed for the tutoring of the shareholder rights, or there are objective reasons to consider that it could be used for extra-corporate reasons or its publication may harm the Company or linked companies.

The requested information cannot be denied when the request is supported by shareholders that represent, at least, twenty-five per cent (25%) of the share capital.

4. The Company has a website, that contains the requested information, and through which the exercise of the right to information can be performed by the shareholders, in accordance with the regulation stipulated in each moment. The valid requests of information, clarifications or questions asked in writing and the answers provided in writing by the administrators will be included in the Company website once the information is provided to the solicitor. In this sense, when prior to asking a concrete question, the requested information is available, clearly, expressly and directly for all the shareholder in the Company's website under the question-response format, the Administration Board can limit its answer to consult the information provided in that section.

Additionally, the valid information requests, clarifications or questions asked in written and the answers provided in written by the Administration Board will be included in Company's website.

#### **Artículo 25. Conflict of interests**

1. The shareholder could not exercise the right of voting corresponding to its shares while adopting an agreement which has as object:
  - a) excluding him/her from the company;
  - b) free him/her from an obligation or conferring him/her a right;
  - c) facilitating any type of financial assistance, including the guarantee provision in his/her favour; or
  - d) release from the obligations driven from the duty of loyalty of the counsellors, in conformity with what prevails on Law.
2. The shares of the shareholder that is to be found in any of these conflict of interest situations contemplated in the former section will be deduced from the share capital for the calculation of the majority of the votes that in each case will be needed.
3. In conflict of interest cases different from the ones mentioned in the section 1, the shareholders will not be forbidden from their voting right.

**Artículo 26. Discussions. Adoption of agreements. Minutes**

1. The Chairman will direct the development of the Meeting and the discussions, giving the foot to all the shareholders that have requested it by writing and afterwards to the ones that request it orally, until he/she considers that the matter has been discussed enough.
2. In the General Meeting those matters that are substantially independent will be vote separately and, in any case, even if they appear in the Agenda, they will have to be voted separately the appointment, ratification, re-election or separation of each counsellor as well as, in the By-Pass amendments, the amendment of each articles or group of articles that have self-autonomy, as well as the matters to which the following section refers.
3. The agreements will be adapted by simple majority of the votes of the present or represented shareholders in the Meeting, an agreement is considered adopted when it obtains more votes in favour than against of the present and represented capital, except for cases in which the Law or By-Laws request a qualified majority, as mentioned below:

In particular, they will be adopted with the vote in favour of present or represented shares in the Meeting they represent, more than fifty per cent (50%) of the share capital subscribed with voting right, the following agreements:

- (i) Amendment of corporate purpose.
- (ii) Transfer of registered office abroad.
- (iii) The shares or bonds or other assets issue in shares with exclusion of the pre-emptive subscription in favour of shareholders of the Company.

- (iv) The issuance or creation of new share types or series different from the ones that are in circulation.
  - (v) Establishment and/or amendment in any direction of any remuneration system and/or concession of incentives to counsellors or senior counsellors consisting in the delivery of shares, options on shares or being referenced in any way with the share value.
  - (vi) The dissolution, liquidation, fusion, excision, global ceasing of assets and liabilities, transformation.
  - (vii) Amendment of the articles of the current By-Laws that regulate the former subjects.
4. Each action with present or represented voting right in the meeting will give the right to one vote.
  5. For each agreement the number of shares will be determined in relation with the valid votes, the proportion of the share capital representing these votes, the total number of valid votes, the number of votes in favour and against each agreement and the number of abstentions.
  6. The agreements of the Meeting, with a summary of the matters discussed and the interventions that have asked to be reflected, will be mentioned in the minutes with the legal requirements that will be signed by the Secretary, with approval of the Chairman, or the individuals that have substituted him/her. The Minutes can be approved by the Board at the end of the meeting, or in the following fifteen (15) days, by the Meeting Chairman and two (2) Speakers, one in representation of the majority and another one of the minority.
  7. The Minutes approved at any of these forms, will have executive force since the date of its approval. If the presence of an attorney has been needed to end the Meeting, the Attorney minutes will not be submitted to approval and will be considered a Meeting minute.
  8. The certification of the Minutes and General Meetings agreements will be issued by the Secretary or Deputy secretary of the Administration Board with the approval of the Chairman or, if needed, the Deputy chairman of the same Board.
  9. The adopted agreements and the result of the votes will be completely published in the Company's website in the five (5) days following the end of the General Meeting.

## **Section 2nd. Of Administration Board**

### **Artículo 27. The Administration Board**

1. The Administration Board constitutes the organ in charge of management, administration and representation of the Company, in judgement and out of it, without overlapping of attributions that, according to the Law and to the these By-

Laws, corresponds to General Meeting, centring its activities basically on the supervision and control of the ordinary management of the Company given to executive counsellors and top management, as well as the consideration of all those subjects of a particular transcendence for the Company.

2. Those faculties and functions that legally or statutory are reserved to the knowledge of the Administration Board, those needed for a responsible exercise of the general supervision function as well as the ones that the General Meeting might have delegated in the Administration Board, with the exception of the ones authorised to be sub-delegated, cannot be delegated. In particular, the Administration Board cannot delegate in any case the approval of the following subjects, not even to one of its members (including the Chief Executive Officer):
  - a) The approval of the financial debt contract, in an act or succession of acts on behalf of the Company and/or its subsidiaries or participating, that imply a consolidated debt over twenty million Euros (20,000,000€). To this effect, will be understood as financial debt the one which comes considered so the Company in concordance with its accountancy practices audited.
  - b) The approval to buy or sell relevant assets, in an act or succession of acts on behalf of the Company and/or its subsidiaries or participating, considering to these effects as relevant assets the ones that represent more than twenty million Euros (20,000,000€) of the total individual asset of the affected company.
  - c) The approval of the celebration of any kind of relevant contract, that in an act or succession of acts on behalf of the Company and/or its subsidiaries or participating, considering to these effects as relevant agreements the ones that require a founding volume for its execution for the amount of twenty million Euros (20,000,000€) and are not self-agreements of the Company's activity and/or of subsidiaries and participating.

#### **Artículo 28. Composition**

1. The Administration Board will have twelve (12) members.
2. The counsellors will be qualified as executive and non-executive, distinguishing among those the proprietaries, independents or other external, all this in accordance with what has legally been established.
3. Particularly, the Administration Board will have to count on three independent counsellors, that will have to be chosen by General Meeting from the application of rigorous professionalism and complete independence criteria, having to be proposed for their election by the Appointments and Retributions Commission and also by a company of high prestige in charge of the selection of the counsellors of quoted companies, which will have to also act in its selection process in accordance with the profile that the company looks for and in order to satisfy the requirements of professionalism and independence that will be requested at any time by the law as well as by the corporate good governance practice. The selected candidates will

be proposed to the Administration Board and to the General Meeting of Shareholders unless they directly cover co-option vacancies.

4. The Administration Board must look out for the processes of selection of its members encourage the diversity of gender, of experiences and knowledge and does not have implicit shortcomings which would imply some sort of discrimination, and particularly, to encourage the selection of woman counsellors.

**Artículo 29. Appointment, re-election, ratification and separation of counsellors**

1. The appointment of counsellors corresponds to The General Board.
2. If during the period in which they were appointed, the counsellors produce vacancy, the Board can design the individuals that must substitute them until the next General Meeting is hold. Additionally, if there is a vacant once the General Meeting is called and before its holding, the Administration Board can appoint a Counsellor until the celebration of the following General Meeting.
3. The separation of the counsellors can be agreed at any moment of the General Meeting.
4. The Administration Board in its appointment, re-election, ratification or separation of Counsellors proposals that is submitted to the General Meeting and in the appointment decisions that the Board adopts in relation with the co-option faculties that it is legally attributed, will follow the criteria and orientations established to this matter in the Administration Board Regulation.

**Artículo 30. Requirements and term of position**

1. To be a counsellor there is no need to be a shareholder and the natural persons and also legal entities can be counsellors, but in this last case, the legal entity has to appoint a natural person that will permanently represent it for the period and the functions of the position. The cancellation of the proxy by the administrator legal entity cannot be undertook until the substituting person is not appointed.
2. Individuals that have legal issues of incapacity or incompatibility may not be counsellors, especially for high positions determined by the Law 3/2015, of 30 March and 53/1984, of 26 December and others that could be established in the future.
3. The counsellors will undertake their position during a term of maximum four (4) years. They can be re-elected, one or more times, for equally long terms.

**Artículo 31. Call. Meetings**

1. The Administration Board will meet at least once every trimester, and always agreed by the Chairman, or whoever has its faculties, or when the Executive Commission requires it or, at least, one third of the Board members.

In this last case, if the Chairman, without justified reasons does not agree the call in a month, the Board can be called by the counsellors that have requested the meeting, to celebrate it in the locality where the registered office is.

2. Generally, and without prejudice of what has been established in the former paragraph, the Secretary will call the meetings in the name of the Chairman, through letter, telegram or telefax, e-mail, addressed to each of the counsellors with at least four (4) days before the meeting. In case of emergency, considered by the Chairman himself/herself, the call for the meeting can be done 24 (twenty-four) hours before the date and time of the Administration Board meeting.
3. The meetings will be held in the registered office of the Company or in any place appointed by the Chairman and indicated in the call.
4. Board meetings can be held through teleconference, videoconference or any other analogue system, in order for one or more of the counsellors to assist in that meeting through this system. For that purpose, the call for meeting, alongside with the indication of the place where the physical meeting will be held, which must be attended by the Secretary of the Board, must mention that to it can go and assist through telephone conference call, video conference or equivalent systems, needing to indicate and to dispose of precise technical means and/or electronics and/or of communication for this purpose, that in all the cases must facilitate the direct and simultaneous communication between all the attendants.

#### **Artículo 32. Constitution**

For the valid constitution of Board it is required that, present or represented, the majority of its members assist.

The absent counsellors can be represented by another counsellor. However, the non-executive counsellors only can be represented by another non-executive counsellor.

#### **Artículo 33. Discussions. Agreements. Minutes**

1. The discussions will be directed by the Board Chairman, or by the Deputy Chairman that corresponds, and if not possible, by the eldest counsellor.  

The meeting Chairman will be assisted by the Secretary and if missing by the Deputy Secretary, and if he/she is also missing, a counsellor designed by the Board will take care of it.
2. The Chairman will give the floor to the counsellors that request it until he/she considers that the matter has been discussed enough, in which case it will be submitted to voting.
3. The agreements will be adopted with the vote in favour of the absolute majority of the counsellors assisting the meeting, with the exception of the permanent delegation of one or more legally delegable faculties of the Administration Board to the Executive Commission, to the Chairman or the Chief Executive Officer, the appointment of the counsellors that have to occupy these positions, and the approval of the agreements between counsellors with executive functions and the Company, that will require for its validity the vote in favour of two third parts (2/3) of the Board components, the affected counsellors abstaining himself/herself by

the mentioned contracts, from assisting in the discussion and participating in the voting.

4. With the initiative of chairman, the Administration Board would adopt written agreements and without the presence of its members in session, when none of the counsellors opposes to this proceeding. When this voting procedure is followed by all the members in the Administration Board, the Administration Board Secretary will inform in the minutes the adopted agreements, naming the counsellors and the system followed to make the Board's will happen, and also indicating the vote cast by each counsellor. In this case, it will be considered that the agreements have been adopted in the registered office and on the date of reception of the last cast vote or in the ten (10) days delay mentioned below, whatever happens first. It will also be expressed that no Administration Board member has opposed to this procedure.

The written vote will have to be submitted to the Administration Board Secretary and with acknowledgement of receipt in the ten (10) days, after the reception of the cast vote request, not being acceptable if not.

Once the period for the cast of vote has passed, the Secretary will notify the counsellors of the result, or the impossibility of using this voting procedure if one of the counsellors has opposed to this method.

5. The discussions and agreements of the Board will figure in minutes that will be signed by the Chairman and the Secretary or by the individuals that have acted as such in the meeting. The minutes must be approved by the Board at the end of every meeting or in the next.

In case of Board meetings carried out with teleconference, videoconference or any other analogue system, the Administration Board Secretary will have to make it figure in the minutes of the meetings, as well as the counsellors that assist physically in the meeting through the teleconference, videoconference or analogue system. The agreements will be considered adopted in the place where the Chairman is.

6. The certifications of the minutes of the Board agreements will be issued by the Secretary or the Deputy Secretary, even if they are not counsellors, with the approval of the Chairman, or the Deputy Chairman.

#### **Artículo 34. Organisation**

1. The Board will choose among its counsellors, upon report of the Board for Appointments and Retributions, a Chairman, and may also choose Deputy Chairmen. The term of this positions cannot exceed their term as counsellors, without prejudice of their re-election by the Board, before their term expires, or they are re-elected. The post of the President of Administration Board has to fall on necessarily on a board member not executive of the Company.

2. The Chairman, as the maximal responsible of the Board's efficiency, will call and preside the meetings of the Administration Board, creating their Agenda, ensuring, with the collaboration of the Secretary, that the counsellors receive previously enough information to discuss the Agenda items, directing and stimulation the discussion and the active participation of the counsellors during the Board sessions, safeguarding their free decision making and freedom of expression, organising and coordinating with the relevant Commission Presidents the periodic evaluation of the Administration Board and its Commissions, as well as, the Chief Executive Officer's, if needed.
3. The Board may appoint the individuals, and in the conditions that it deems convenient, the board deputies or the technical counsellors, as non-voting attendants. The Administration Board will appoint, upon report of the Board for Appointments and Retributions, a Secretary, may choose a Deputy Secretary that may or not be counsellors, in which case they will assist to the meetings as non-voting attendants. The appointment of the Secretary and Deputy secretary, if relevant, will be for an indefinite period, if the appointed individual is not a counsellor, and if he/she is a counsellor, the length of these charges cannot be longer than his/her term as counsellor, without prejudice of his/her removal and re-election by Board agreement. The Secretary, as well as his/her roles assigned by Law and the By-Laws or the Administration Board Regulation, must perform the following:
  - i. Keep the documentation of the Administration Board, record in the minute books the development of the sessions and attest their content and the adopted resolutions.
  - ii. Watch that the Administration Board actions adjust to the regulation in force and are in accordance with the by-laws and other internal regulations.
  - iii. Assist the Chairman so that the counsellors receive the relevant information for the exercise of their function with enough time and in the correct format.
4. The Chairman will be substituted, in case of absentee or unavailability, by the Deputy President and if there is more than one, in order and if there is no Deputy President, by the oldest counsellor. The Secretary will be substituted, in case of absentee or unavailability, by the Deputy secretary and if there is none also, by the counsellor that the Board will design every time.
5. Also the Board can accept the resignation of its members, provide among the shareholders the vacancies that can occur until the following General Meeting is held and regulate its own operation in what is not expressly regulated by the Law and these By-Laws.

To this effect, the Administration Board will approve a Regulation in which its operation and internal system regulations will be contained, as well as the ones that regulation the Audit and Control Commission, the Appointment and



Retributions Commission and the rest of Commissions, which creation is decided by the Administration Board.

The Administration Board will inform about the content of the Regulation and its amendments in the next General Meeting of Shareholder closer to the Administration Board meeting in which these agreements have been adopted.

### **Artículo 35. Faculties**

The Administration Board will exercise all the necessary functions and faculties for the development of the business that constitutes the corporate purpose, having the largest powers to direct, administrate, dispose of the goods and represent the Company, in and out of court, being empowered to reach all kind of agreements and acts related with the corporate purpose, even if they involve acquisition, disposal or encumbrance of buildings, strengthening of foreign business or transactions, without any limitations, as the Administration Board is invested with all the faculties that, as an individual, correspond to the Society, except for actions that the Law or By-Laws reserve exclusively for the General Meeting.

The Administration Board faculties that will be established in the Law cannot be delegated, without prejudice of those that are mentioned in the provision 27 of the current By-Laws.

### **Artículo 36. Executive Commission and Chief Executive Officer**

1. The Administration Board may appoint an Executive Commission and a Chief Executive Officer, from its own members, and delegate permanently, on the Chairman, all or part of the faculties, that legally, statutorily or in accordance with the Administration Board Regulation can be delegated, without prejudice of the empowerments that could be conferred to any individual. The composition of the Executive Commission will be, regarding the participation in diverse categories of counsellors, similar to the Administration Board's.
2. The permanent delegation of any Administration Board faculty on any of the counsellors, or on the Executive Commission, and the appointment of the counsellors that should hold such positions, will require for their validity the vote in favour of, at least, two third parts of the Board components, and will have no effect until their inscription in the Commercial Register.

### **Artículo 37. Operation of the Executive Commission**

1. The Administration Board, when creating the Executive Commission, will determine its faculties and will appoints the counsellors that have to integrate it.
2. The Executive Commission will be called by its Chairman, or by own initiative, or when two (2) of its members request it, through letter, telegram, e-mail or telefax, addressed to each of its members at least forty-eight (48) hours before the date of the meeting, but it could be immediately called twenty-four (24) hours before because of emergency reasons, in which case, the agenda of the meeting will be restricted to the items that have motivated the emergency.

3. In case of absentee or unavailability of the Executive Commission Chairman, or if this position is vacant, it can be called by the longest established Commission member in the position and, in case of equally established individuals, the oldest. For legal entities, the age of the representative natural person will be considered, to this effect.
4. The meetings will be held in the registered office of the Company or in any place appointed by the Chairman and indicated in the call.
5. For the valid constitution of the Executive Commission it is required that, present or represented, the majority of its members assist.
6. The absent individuals may choose to be represented by another member of the Executive Commission, by writing directed to its Chairman.
7. The debates will be conducted by the Chairman, who will give the floor to the attendants that request it.
8. In absence of the Executive Commission Chairman, or if his/her position is vacant, his/her roles will be carried out by the member of the Commission that will be chosen for this purpose by the majority of the attendants to the meeting.
9. The agreements will be adopted by absolute majority of the Commission members.
10. In case of a tied vote, the subject will be passed to the Administration Board, for which the Executive Commission members will request a call in accordance with what has been stipulated in the article 32 of these By-Laws, unless a meeting of this body has already been called in the next thirty natural days, in which case the Commission will request the Board Chairman to include in the agenda of that meeting the items on which there was a tied vote.

**Artículo 38. Retribution**

1. The counsellor position is remunerated.
2. The retribution of the counsellors in this condition, for all the Administration Board, will consist of a participation in the net profits, that must not exceed two per cent (2%) of the period result attributed to the Society in the annual accounts consolidated of the Group from which the company is the parent company, once the Legal Reserve attentions are covered, and after a minimum dividend of four per cent (4%) of the nominal value of the shares has been paid to the shareholders. The percentage that corresponds to each period will be establish by the General Meeting.
3. The Board will distribute among its members the retribution agreed by the General Board, considering their roles and responsibilities exercised by each of them in the Board or the internal Commissions and other criteria determined in the Administration Board Regulation.
4. Without prejudice of the above-mentioned, the counsellors will receive a retribution for their attendance in the Board and Internal Commissions meetings.

To this effect, the General Board will determine the amount that corresponds to each period for this concept, and that will be distributed by the Board among its members considering their effective attendance in the Board and Internal Commissions of which they are members meetings.

5. Additionally, the Company will maintain in any case a civil responsibility insurance for its counsellors.
6. In accordance with the agreement that the General Board will adopt regarding this matter, the counsellors' retribution can consist, also, and apart from what has been established in the former sections, in the delivery of shares or options on shares, or referenced retributions to the values of the Company shares.
7. The counsellors' retribution will in any case have a reasonable proportion with the importance of the company, its financial situation at each moment and the comparable company's market standards. The retribution system established will have to be oriented to promote long-term profitability and sustainability of the Company and integrate the needed precautions to avoid excessive risk-taking and the compensation of unfavourable results.
8. The retributions planned in the former sections, owing to the Administration Board membership, will be compatible with the other work perceptions, of service or professional that correspond to the Counsellors for their directive, executive, assessment or other different nature functions different from supervision and decision-making proper to their counsellor condition, which, if needed, they develop for the Company, that will be determined by the Administration Board in accordance with what has been established in the counsellors remuneration policy approved by the General Board and that will be included in a contract that will be held among the counsellor and the Company, that will have to be previously approved by the Administration Board with the vote in favour of, at least, two third parts of its members, and having to be integrated as an annex to the session minutes. The affected counsellor will have to refrain from assisting in the discussion and participating in the voting.

This agreement, that will have to be in accordance with the Company remuneration policy, will have to contain all the mentions required by the Law and, in particular, will include all the concepts for which the counsellor can obtain a retribution for his executive functions performance.

9. The Administration Board will elaborate an annual report about the counsellors remuneration, containing the Company remuneration policy approved by the General Board applied to the current period, the global summary as to how the retribution policy was applied during the period as well as the individual retributions detail earned for all the concepts by each of the counsellors, that will be diffused and submitted to voting, in a consultation basis and as a separate item of the Agenda, to the Ordinary General Meeting of shareholders by the terms established in the Law.

### **Section 3rd. About the Board Commissions**

#### **Artículo 39. About the Administration Board Commissions**

1. The Administration Board will have to create and maintain among its members, permanently and internally, an Audit and Control Commission and an Appointment and Retributions Commission, with their legally established competences, in the current By-Laws, in the Administration Board Regulation and, if relevant, in the own Commission Regulation, having to foster the independence in the exercise of their roles.
2. Without prejudice of the above-mentioned, the Administration Board may also constitute other internal Commissions, with the attributions, composition and operational system that the Administration Board itself will determine in each case.

#### **Artículo 40. The Audit and Control Commission**

1. The Administration Board will count with an Audit and Control Commission without executive functions and with information, assessment and proposal in its actuation sector faculties, that will be composed by a minimum of three (3) and a maximum of six (6) counsellors, appointed by the Administration Board upon report to the Appointment and Retributions Commission, for a period not longer than the counsellors' term and without prejudice of being re-elected indefinitely, as long as they are also re-elected as counsellors. The totality of the Audit and Control Commission members will have to meet the condition of non-executive counsellors, most of their components must be independent counsellors, of which one will be appointed, considering his/her knowledge and experience in finance, auditing or both.
2. The Commission will choose among its independent members a Chairman, and additionally they may choose a Deputy Chairman. The term of this positions cannot exceed four (4) years or their term as members of the Commission, but they can be re-elected once a year has passed after their ceasing.

The individual that, without having to be a counsellor, is designated by the Commission, will act as the Secretary, and if relevant Deputy Secretary.

3. The members of the Commission can be assisted in their sessions by the individuals that, with advisor qualities and up to two (2) for each of the members, they consider necessary. These advisers will assist in the meetings as non-voting attendants.
4. Without prejudice of the other roles that are attributed by the Law, the current By-Laws and Board Regulation, to the Audit and Control Commission, it will have the following competences:

- a) Inform the General Meeting of Shareholders about the matters that raise regarding subjects that are the Commission's competence.
- b) Supervise the efficiency of the Company internal control, the Company internal audit services and the risk management services, including the tax, as well as discussing with the accounts auditor the important weaknesses of the internal control system detected during the audit development.
- c) Supervise the elaboration and presentation process of the perceptive financial information.
- d) Bring to the Administration Board the selection proposals, appointment, re-election and external accounts auditor substitution, as well as its recruitment conditions and gather information regularly from him about the audit plan and its execution, as well as preserving his/her independence in the exercise of his/her roles.
- e) Establish the appropriate relations with the external audit to receive information about those matters that could risk its independence, for its Commission examination, and any other related with the development process of the accounts audit, as well as those other communications planned in the accounts audit legislation and in the audit regulations. In any case, they will have to receive annually from the external auditors, the declaration of its independence in relation with the Company or entities linked to it direct or indirectly, as well as the information of the additional rendered services of any class and these entities corresponding fees received by the external audit or by the individuals or linked entities in accordance with what has been stipulated in the legislation about accounts audit.
- f) Issue annually, before the accounts audit report is issued, a report that will express an opinion about the independence of the accounts auditor. This report should include, in any case, the assessment of the additions services provision to which it is referred in the previous sections, considered individually and as a group, different from the legal audit and in relation with the independence system or with the audit regulating regulation.
- g) Inform, as soon as possible, the Administration Board about all the subjects planned in the Law, the current By-Laws and The Board Regulation and particularly about:
  - 1º. the financial information that the Society must periodically make public, and
  - 2º. the creation or acquisition of participation in entities of special purpose or registered in countries or territories that are considered tax havens.
- h) Those others that, if relevant, these By-Laws or the Board Administration Regulation may attribute to.

What has been established in the letters d), e) and f) of the previous section will be understood without prejudice of the accounts audit regulation rules.

5. For its operation, the Commission will meet, as considered by its chairman, as many times as needed to accomplish its roles and at least once every three months.
6. It will be valid, when present or represented, the majority of the members, adopt its agreements by absolute majority of its present or represented members. In case of a tied vote, the Chairman will have a casting vote.
7. The Audit and Control Commission will prepare an action plan for the period that the Administration Board will present, as well as a report about its activity during the period, that will be used as the assessment basis that the Administration Board will perform, with annual frequency, of its operation and its Commissions in order to propose, based on the result, an action plan that will correct the detected weaknesses.
8. Through the Administration Board Regulation these regulations regarding the Audit and Control Commission will be developed, benefiting always the independence in its operation.

#### **Artículo 41. The Appointments and Retributions Commission**

1. The Administration Board will count on an Appointments and Retributions Commission without executive roles, that will be composed by a minimum of four (4) and a maximum of six (6) counsellors, appointed by the Administration Board, that will be exclusively integrated by non-executive counsellors, of which at least two will have to be independent counsellors. The term of its members cannot be for a period longer than the counsellors' term, without prejudice of being re-elected indefinitely, as long as they are also re-elected as counsellors.
2. The Commission will choose the Chairman of among its independent members. Additionally, the Commission will count with a Secretary as a non-voting attendant that does not need to be a counsellor.
3. The Appointments and Retributions Commission will have report, assessment and proposal regarding appointment, re-election, ratification and ceasing of counsellors competences, retributions of the counsellors and senior managers of the Company and conflict of interest situations, as well as operations linked and, without prejudice of the rest of the functions that the Law, the By-Laws or, in accordance with them, the Administration Board Regulation will attribute to it, will have minimum the following:
  - a) Assess the competences, knowledge and experience needed in the Administration Board. To this effect, define the functions and abilities needed in the candidates that will have to cover each vacancy and evaluate the time and dedication required to be able to undertake efficiently this role.

- b) Establish a representation goal for the less represented gender in the Administration Board and plan orientations about how to achieve this goal.
  - c) Take to the Administration Board the independent counsellor's appointment proposals for their designation by co-option or for its submission to the General Meeting of Shareholders decision, as well as the proposals for re-election or separation of these counsellors by the General Meeting of Shareholders.
  - d) Inform the appointment proposals of the rest of the counsellors for their designation by co-option or for its submission to the General Meeting of Shareholders decision, as well as the proposals for re-election or separation by the General Meeting of Shareholders.
  - e) Inform the appointment proposals and separation of senior managers and the basic conditions of their contracts.
  - f) Examine and organise the succession of the Administration Board Chairman and the first executive of the Company and, if relevant, bring proposals to the Administration Board so that this succession is done in a planned and orderly manner.
  - g) Propose to the Administration Board the counsellors and the general managers retributions policy or of the individuals that develop their senior management roles under the Board's, the Executive Commission's or the Chief Executive Officer's direct dependence, as well as the individual retribution and the rest of contractual conditions of the executive counsellors, watch its observance.
  - h) Inform, as soon as possible, the Administration Board about all the subjects planned in the Law, the current By-Laws and The Board Regulation and particularly about the linked operations.
4. For its operation, the Commission will meet, as considered by its chairman, as many times as needed to accomplish its roles and at least once every three months.
  5. It will be valid, when present or represented, the majority of the members, adopt its agreements by absolute majority of its present or represented members. In case of a tied vote, the Chairman will have a casting vote.
  6. The Appointments and Retribution Commission will elaborate an action plan for the period that he will provide to the Administration Board, as well as an activity report during the period that will be used as the assessment basis by the Administration Board.
  7. Through the Administration Board Regulation these regulations regarding the Appointments and Retribution Commission will be developed, benefiting always the independence.

**FOURTH TITLE**  
**ABOUT THE ADVISORY BOARD**

**Artículo 42. The Advisory Board**

1. The Administration Board may design an Advisory Board that will be composed by a minimum of three (3) and a maximum of nine (9) members. Additionally, the Administration Board will have to inform about the appointment and termination of the individuals that, at any moment can be part of this Advisory Board.
2. The Advisory Board is a consultation body of the company and will have as a mission to assess the General Board, the Administration Board and its Commissions, the Chief Executive Officer and senior managers of the Company.
3. The member of the Advisory Board need to have the requirements on knowledge, experience and professionalism needed so that the Advisory Board can undertake efficiently its functions and competences. The same system of diligence duties of a methodical businessperson will be applied to the members of the Advisory Board, considering the nature of the position and the functions attributed to each of them, and loyalty to which the Company counsellors are submitted, acting in good faith and in the best interest of the Company.
4. The Advisory Board member position will be remunerated. The retribution will consist of attendance allowance to the meetings of the Advisory Board, which amount will be determined by the Administration Board, upon report of the Appointment and Retributions Commission.
5. The Advisory Board will choose among its members a Chairman that will direct the meetings, will call them by own initiative or under request of any of its members, and will certify its reports.
6. In whatever has not been planned in the article, and especially in relation with its operation and agreement adoption system, the Advisory Board will be conducted by what has been stipulated in the By-Laws of the Administration Board.
7. The Advisory Board will have as a mission:
  - a) Submit proposals to the bodies that it assesses in the scopes of its respective competences.
  - b) Inform the Company about the image that it offers in the sector, in the business community or in society.
  - c) Study and inform the subjects that are submitted by the bodies that it assesses.



- d) Inform about new business possibilities or activities, both in Spain and abroad, as well as the amendments that it considers more adequate to ensure a higher stability, development and profitability of the company.

## **FIFTH TITLE**

### **ABOUT THE FINANCIAL PERIOD AND ANNUAL ACCOUNTS**

#### **Artículo 43. About the financial period**

The financial period will correspond with the natural year.

#### **Artículo 44. Drafting of the annual accounts**

The Company, in accordance with what has been established in the Business Code, should have an ordered accounting, adequate to the activity of the company that will allow a chronological monitoring of the operations, as well as the creation of inventories and balances. The accounting books will be legalised by the Commercial Register corresponding to the registered office place.

The Administration Board is obliged to inform, in a maximum delay of three (3) months from the closing of the financial period, the annual accounts, the management report and the result application proposal, as well as, if needed, the consolidated accounts and management report. The annual accounts will have to be written clearly and show the true image of the assets, the financial situation and the Company results, in accordance with what has been established in the Law and the Commercial Code and they will have to be signed by all the counsellors. If any of the signatures is missing, the lack of documents in each of them will be noted, with express indication of the reason.

#### **Artículo 45. Result application**

1. The General Board will take a resolution about the application of the period result, in accordance with the approved balance.
2. Once the provision for the legal reserve is covered, the minimum dividend of the shares without voting and other legal attentions and statutorily established, the Board will apply the exceeding benefit to dividend, counsellors' retribution, voluntary reservation, prevision found for investments or any other legally permitted attention, thereby fulfilling what has been established in the Law and these By-Laws.
3. If the General Board decides to distribute the dividends, it will determine the moment and method of payment. The determination of these extremes and any other that could be necessary or convenient for the agreement's effectiveness can be delegated to the Administration Board.
4. The General Board can agree that the dividend be totally or partially satisfied in kind, as long as the goods or object values of distribution are homogeneous, are

admitted for negotiation in an official market at the moment of effectiveness of the agreement or the liquidity procurement is correctly ensured by the Company in the maximum delay of a year and they are not distributed for a lower value than the one they have in the Company balance.

5. The dividends distribution to the ordinary shares will be done in proportion to the share capital that has been disbursed.

**Artículo 46. Accounts deposit**

In the month following the annual accounts approval, the Administration Board of the Company will present, for its deposit in the Commercial Register of the registered office, certification of the agreements of the General Board of approval of these annual accounts, correctly signed and of result application, as well as, of the consolidated accounts, to which it will attach a copy of each of these accounts, as well as the management report and the auditor's report.

**SIXTH TITLE**

**DISSOLUTION AND LIQUIDATION**

**Artículo 47. Dissolution**

The Company will be dissolved for reasons indicated in the Law. If the dissolution is owing to the reduction of the financial assets to a value lower than half of the capital, the dissolution can be avoided through agreement of increasing or reducing the share capital or by reintegration of the financial assets as needed. This regularisation will be efficient if it is done before the judicial dissolution of the Company is declared.

**Artículo 48. Liquidation**

Unless something else is agreed by the General Board, during the liquidation period, the counsellors will assume the roles of liquidators with the faculties indicated by the Law and will practice the liquidation and division of the corporate assets in accordance with the agreements of the General Meeting and the current dispositions.

**Artículo 49. Division of the corporate assets**

Once all the corporate creditors are satisfied or once the amount of their credits is consigned, if they are expired, or ensured before the payment, if it is non-expired credits, the resulting asset will be distributed among the partners in accordance to the Law.

**SEVENTH TITLE**

**BOND ISSUE**

**Article 48<sup>th</sup>. Bond issue**

The company can issue bonds or other values that recognise or create a debt, in accordance with the established limits and legal system.

The bonds can be represented through titles or notes in account, these last ones being limited by the legal dispositions that will apply on them.

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