



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

Consolidated version (approved by Ordinary General Shareholders Meeting on June 14, 2022). Registered with the Commercial Register of Barcelona in July 2022.

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

**Article 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.

**Article 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.

### **Article 3. Timing**

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

### **Article 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 Board of Directors is authorised to open, close and transfer branches, offices, agencies, establishments, factories or delegate offices in any city in Spain or abroad, as well as change the registered address within the same national territory by amending this clause in order to include any new address that the Company may have, as a result of a move.
3. The Company will have a corporate web site "[www.fcc.es](http://www.fcc.es)"), under the terms established by Law.

This corporate web site will provide information according to the right of information of shareholders, and it will disseminate the documentation and information required by law and these Articles of Association and other internal regulations of the Company, and any information that is deemed appropriate for shareholders and investors by this medium.

The Board of Directors is competent to amend, remove or transfer the Company's web site.

## **SECOND TITLE**

### **SHARE CAPITAL AND SHARES**

#### **Article 5. Share capital**

The company's capital is fixed at FOUR HUNDRED THIRTY-EIGHT MILLION THREE HUNDRED FORTY-FOUR THOUSAND NINE HUNDRED EIGHTY-THREE EUROS (€438.344.983), represented by FOUR HUNDRED THIRTY-EIGHT MILLION THREE HUNDRED FORTY-FOUR THOUSAND NINE HUNDRED EIGHTY-THREE (438.344.983) 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.

#### **Article 6. Shares**

1. The shares are represented by book entries, and their accounting records are kept by the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (IBERCLEAR), or the entity or entities to which, in accordance with the Act, this function corresponds, and shall be governed by the provisions of the regulations governing the securities market. Each share grants the right to one vote.
2. The Company or a third party appointed by it will have the right to obtain at any time from the central securities depository the information provided by law that enables the identity of its shareholders to be established, in order to communicate directly with them with a view to facilitating the exercise of their rights and their



involvement in the Company. If the entity or person legitimised as shareholder by virtue of the accounting record of the shares is an intermediary entity that holds such shares on behalf of beneficial owners or another intermediary entity, the Company or a third party designated by it may ask the intermediary entity to identify the beneficial owners directly or do so indirectly through the central securities depository, under the terms of prevailing laws.

By means of the corresponding resolution of the Board of Directors, the Company may in turn create a Register of Shareholders for the purposes of being able to communicate with them, all in accordance with the applicable regulations at all times.

#### **Article 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.

#### **Article 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.

#### **Article 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.

#### **Article 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**

### **Article 11. Company bodies**

1. The governance and administration of the Company corresponds to the General Meeting of Shareholders and the Board of Directors for this, respectively in its functions and competences ambit.
2. Additionally, the Board of Directors will constitute, in accordance with what has been legally established and its organisation faculty, an Audit and Control Committee, an Appointments and Retributions Committee and as many internal Committees as needed or considered appropriate to develop better its functions, appointing its members and establishing their functions.

The Board of Directors 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**

### **Article 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.

### **Article 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

#### **Article 14. Powers of the General Shareholders Meeting**

The General Shareholders Meeting shall decide on the matters attributed to it by law, by these Articles of Association and by the Regulations for the General Shareholders Meeting and, in particular, on the following:

- a) The approval of the financial statements, the allocation of profits and the approval of corporate management.
- b) The approval, where appropriate, of the status of non-financial information.
- c) The appointment, ratification and dismissal of directors, as well as the appointment and removal of the liquidators and, if applicable, the auditors, as well as the exercise of corporate responsibility action against any of them.
- d) The modification of these Articles of Association.
- e) The increase and reduction of the capital stock, as well as the delegation to the Board of Directors of the power to increase the capital stock, in which case it may also confer on it the power to exclude or restrict the right of first refusal under the terms established by law.
- f) The issue or creation of new categories or series of shares.
- g) The issue of bonds and other securities which, in accordance with the regulations applicable at any given time, are the responsibility of the General Shareholders Meeting and the delegation to the Board of Directors of the power to issue them.
- h) The elimination or limitation of the right of first refusal.
- i) The acquisition, sale or contribution to another company of essential assets; as well as the transfer to dependant entities of essential activities undertaken up to that moment by the Company, even though it maintains full control of these.

Operational activities and assets shall be presumed to be essential when the volume of the transaction exceeds twenty-five percent (25%) of the total assets on the balance sheet.

- j) The transformation, merger, spin-off, general assignment of assets and liabilities and transfer of the registered office abroad.
- k) The dissolution of the Company.
- l) The approval of the final balance sheet for liquidation.
- m) Operations where the effect is equivalent to the liquidation of the Company.
- n) The approval of related-party transactions whose approval corresponds to the General Shareholders Meeting in the terms envisaged in the Law.
- o) The policy on the remuneration of directors under the terms established by Law.

- p) Any system of remuneration or incentives to directors or senior management consisting of the delivery of shares, share options or in any way linked to the value of the share.
- q) Authorisation for the acquisition of own shares within the legal boundaries.
- r) The approval and modification of the Regulations of the General Meeting.
- s) Any other matters as determined by law or these Articles of Association.

**Article 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 Committee 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 Board of Directors 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.

#### **Article 16. Faculty and obligation of calling the Meeting**

1. The General Meetings must be convened by the Board of Directors or, where applicable, by the liquidators of the Company. The Board of Directors will convene the General Meeting as and when it is deemed necessary or suitable for the corporate interests and, at any rate, on the dates or in the periods established by Law and these Articles of Association.
2. The Board of Directors must convene the General Meeting and when requested to do so, by means of a notarised request, by shareholders that represent at least three per cent (3%) of the share capital, with the items to be addressed therein indicated in the request.
3. In this event, the General Meeting must be convened by the Board of Directors to be held within two (2) months of the date on which the Board of Directors receives the notarial request to convene it; the Agenda must include any items concerned by the request.
4. If the General Meeting is not convened within the period established by law or the articles of incorporation, it may be convened, at the request of any shareholder, by the legal secretary or the registrar of the business and trade register of the registered address, after the directors have been informed.
5. If the Board of Directors does not provide a suitable response to the request to convene the General Meeting submitted by the minority, the meeting may be convened by the legal secretary or the registrar of the business and trade register of the registered address, after the directors have been informed.

#### **Article 17. Meeting constitution**

1. The Ordinary or Extraordinary General Meeting shall be convened in a valid manner at their first session when the shareholders present or represented hold at least fifty per cent (50%) of the subscribed share capital with a voting right; the second session shall be convened in a valid manner when the shareholders present or represented hold at least forty-five per cent (45%) of the subscribed share capital with a voting right. The foregoing excludes any events where, according to the items included on the Agenda, it is not possible to meet the

requirement for validly convening the General Meeting of a percentage of capital greater than that established by applicable regulations.

2. Furthermore, the percentages referred to in the previous paragraph will also apply to the Ordinary and Extraordinary General Meeting to be able to validly consent to the issue of bonds which, according to any applicable regulations, fall within the remit of the General Meeting, the increase or reduction of the capital, the transformation, merger or de-merger of the Company, the overall transfer of assets and liabilities, the elimination or limitation of the pre-emptive right of new shares, the transfer of the registered address and, in general any amendment to the Articles of Association.
3. If in order to validly adopt a resolution in relation to some or various items of the agenda of the announcement of the General Meeting, pursuant to any applicable legal regulations or the Articles of Association, the presence of a particular percentage of the share capital is necessary and this percentage is not reached, or the consent of particular interested-party shareholders is required and these individuals are not present or represented, the General Meeting will be restricted to deliberating and ruling on any items of the agenda that do not require the attendance of the aforementioned percentage of the share capital or the aforesaid shareholders.

**Article 18. Right of attendance**

1. Shareholders holding one or more shares, including those without voting rights, whose ownership is recorded in the corresponding book-entry register five (5) days prior to the date on which the General Meeting is to be held and who so prove in accordance with the terms set forth in the Regulations of the General Meeting and in the notice of call, are entitled to attend the General Meetings.
2. Directors, managers, technicians and other persons with an interest in the proper conduct of corporate affairs may also attend the General Meetings, when required to do so. The directors of the Company are obliged to attend but their presence is not necessary for the valid constitution of the Meeting. In all matters not established in this article, with regard to the right to attend the Meeting, the provisions of the Act shall apply.
3. Shareholders may attend and vote at the General Shareholders Meeting and grant the corresponding proxy, in accordance with the provisions of these Articles of Association and the Regulations for the General Shareholders Meeting.
4. From the announcement of the meeting and until the General Shareholders Meeting is held, the Company shall publish uninterruptedly on its corporate website, information regarding remote communication media, including electronic media, which shareholders may use to exercise their rights of representation, voting and, where appropriate, attendance. It will also include the terms, forms and methods of exercising the rights of shareholders attending the meeting by electronic or remote means, if this possibility is provided for.

**Article 18 bis. Attendance at the General Shareholders Meeting by electronic means. Exclusively remotely held Shareholders Meetings**

1. The Company may enable attendance at the General Shareholders Meeting by electronic means that duly guarantee the identity of the subject and the casting of the vote remotely during the Meeting, provided that the Board of Directors so agrees. In this case, the call will describe the deadlines, forms and modes of exercise of the shareholders' rights provided for by the Board of Directors to enable the General Shareholders Meeting to be properly conducted.

The Regulations for the General Shareholders Meeting may attribute to the Board of Directors the regulation, with regard to the Law, the Articles of Association and the Regulations for the General Shareholders Meeting, of all necessary procedural aspects.

2. The General Shareholders Meeting may be called to be held exclusively electronically and, therefore, without physical attendance by the shareholders, their representatives and, where appropriate, the members of the Board of Directors, provided the Board of Directors so agrees and it is permitted under the applicable regulations.

When the General Meeting is held exclusively remotely, it shall comply with the provisions of the law and the Articles of Association, as well as with the implementation thereof contained in the General Meeting Regulations and, in all cases, shall be subject to the identity and legal standing of the shareholders and their representatives being duly guaranteed and to all attendees being able to participate effectively in the meeting by means of the remote communication media permitted in the notice of call, both to exercise in real time the rights to speak, information, proposal and vote to which they are entitled, and to follow the speeches of the other attendees by the means indicated, taking into account technological possibilities and the circumstances of the Company, all in accordance with prevailing laws.

**Article 19. Proxy**

1. Any shareholder entitled to attend may be represented at the General Meeting by another person, even if that person is not a shareholder. The representation should be conferred in the terms and within the scope established by law, in writing and specifically for each meeting, except for a spouse, ascendant or descendant of the represented shareholder or general proxy, in a public document, in order to manage all the assets that the represented shareholder has in national territory.
2. Proxies may also be granted by post, e-mail or any other remote means of communication which, duly guaranteeing the identity of the represented party and the proxy and, where appropriate, the security of the electronic communications, the Board of Directors shall determine at the time of calling each meeting, in

accordance with the provisions of the Regulations for the Company's General Shareholders' Meeting.

3. The President, the Secretary of the General Meeting, or the persons appointed through this party, shall be deemed empowered to determine the validity of the proxies granted and compliance with the requirements for attendance at the Meeting.
4. Proxy will always be revocable. The personal attendance, physical or electronic, of the person represented at the Meeting will imply the revocation of the proxy granted, whatever the date of this.
5. Intermediaries who appear legitimised as shareholders by virtue of the accounting record of the shares but who act on behalf of various other final beneficiaries may in any case divide their vote and exercise it divergently in compliance with different voting instructions, if they have received them. They may also delegate the vote to each of the final beneficiaries or to third parties designated by them, without being able to limit the number of delegations granted.
6. The Board of Directors may develop the above provisions, establishing the rules, means and procedures appropriate to the state of the art to implement the granting of remote representation, in accordance with the provisions of these Articles of Association and the Regulations of the General Meeting.

**Article 20. Remote casting of votes prior to the Meeting**

1. Votes on proposals regarding items included on the agenda of any type of General Meeting may be exercised by the shareholder prior to the General Meeting by means of postal or electronic correspondence or any other remote means of communication which, duly guaranteeing the identity of the person voting and the security of electronic communications, the Board of Directors shall determine at the time of calling each meeting, in accordance with the provisions of the Regulations of the Company's General Shareholders' Meeting.
2. Shareholders who cast their votes remotely in accordance with the provisions of this article shall be deemed to be present for the purposes of constituting the General Meeting in question.
3. Personal attendance, physical or electronic, at the General Shareholders' Meeting shall have the effect of revoking the vote cast by post or electronic means.
4. The Board of Directors may develop the above provisions, establishing the rules, means and procedures appropriate to the technological status to implement the granting of remote representation, in accordance with the provisions of these Articles of Association and the Regulations for the General Shareholders Meeting.

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



1. The General Meetings will take place in the Spanish locality that, every time they are called, the Board of Directors 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.

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

1. The General Meeting will be chaired by the Board of Directors 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.

#### **Article 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.

## **Article 24. Right to information**

1. Shareholders may request, in writing or by other electronic or remote communication means, from the Board of Directors, up to the fifth calendar day prior to the date on which the meeting is scheduled to be held on first call, any information or clarification they consider necessary, or ask any questions they consider pertinent, regarding the items on the agenda, the information accessible to the public provided by the Company to the National Securities Market Commission since the last General Meeting was held, and the auditor's report. The information or clarifications so requested will be provided by the Board of Directors in writing until the day of the General Shareholders Meeting.
2. Requests for information or clarification of the matters or information referred to in the preceding section made verbally by shareholders who physically attend the General Meeting during the meeting prior to consideration and discussion of the items on the agenda, or in writing from the fourth calendar day prior to the scheduled date of the General Meeting, shall be answered verbally and during the General Meeting by any of the directors present, as indicated by the President. If the information or clarifications requested relate to matters within the responsibilities of the Audit and Control Committee, they shall be provided by any of the members or consultants to this Committee present at the meeting. If, in the opinion of the President, it is not possible to satisfy the shareholder's right at the Meeting itself, the information to be provided will be sent in writing to the requesting shareholder within seven (7) calendar days following the end of the General Shareholders Meeting.
3. The provisions of the previous section shall be understood without prejudice to the fact that the shareholders who attend by electronic means may request the information or clarifications that they consider appropriate about the matters referred to in the previous section in the terms provided in the announcement of the call in accordance with the provisions for the applicable regulations.
4. The Board of Directors is obliged to provide the information requested under the three previous sections, unless this information is unnecessary for the protection of the rights of the shareholder, or there are objective reasons to believe that it could be used for non-corporate purposes or where its disclosure could be detrimental to the Company or its related companies.

The information requested may not be denied when the request is supported by shareholders representing at least twenty-five percent (25%) of the capital stock.

5. The Company has a website containing the legally required information that shareholders may use to exercise their right to information, in accordance with the legislation applicable at the time. Valid requests for information, clarifications or questions made in writing and the answers provided in writing by the directors will be included on the company's website at the time the information is provided to the requesting party. In this regard, when, prior to asking a specific question, the

information requested is clearly, expressly and directly available to all shareholders on the Company's website under the question-answer format, the Board of Directors may limit its response to referring to the information provided in that format.

**Article 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.

**Article 26. Deliberations. Adopting resolutions. Minutes**

1. The President will direct the proceedings of the Meeting and the deliberations, granting the right to speak, to all shareholders who have requested it in the terms envisaged in the Regulations for the General Shareholders Meeting, until it is considered that the matter has been sufficiently debated.
2. The General Meeting will vote separately on those matters that are substantially independent and, in any case, although they are included in the same point on the Agenda, the appointment, ratification, re-election or dismissal of each director should be voted separately, as well as, in the modification of the Articles of Association, the modification of each article or group of articles that have their own autonomy, as well as the matters referred to in the following section.
3. Resolutions shall be adopted by a simple majority of the votes of shareholders present or represented at the Meeting, on the understanding that a resolution is adopted when it obtains more votes in favour than votes against from the capital present or represented, except in the cases in which the Law or these Articles of Association require a qualified majority.

In particular, the issuance of shares or bonds or securities convertible into shares with the exclusion of the first right of refusal in favour of the shareholders of the Company shall be approved when more than fifty percent (50%) of the subscribed capital stock present or represented with voting rights vote in favour.

4. Each share with voting rights present or represented at the Meeting shall grant the right to one vote.
5. For each resolution, the number of shares for which valid votes have been cast, the proportion of capital stock represented by such votes, the total number of valid votes, the number of votes for and against each resolution, and the number of abstentions, if any, will be determined.
6. The resolutions of the Meeting, with a summary of the matters debated and the speeches for which confirmation has been requested, will be recorded through minutes meeting the legal requirements, which will be signed by the Secretary, with the approval of the President, or those who have replaced them. The minutes may be approved by the Meeting itself at the end of the meeting or, failing this, and within a deadline of fifteen (15) days, by the President of the General Shareholders Meeting and two (2) shareholders, one representing the majority and the other the minority.
7. The Minutes approved in any of these forms shall be enforceable as from the date of its approval. In the event that the presence of a notary has been required to draw up the Minutes, the Notarial Minutes will not be submitted for approval and will be considered the Minutes of the Meeting.
8. The certifications of the Minutes and the resolutions of the General Shareholders Meetings will be issued by the Secretary or Deputy Secretary of the Board of Directors with the approval of the President or, where applicable, the Vice President of the Board itself.
9. The resolutions approved and the results of the voting shall be published in full on the Company's website within five (5) days following the end of the General Meeting.

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

### **Article 27. The Administration Board**

1. The Board of Directors is the body responsible for the management, administration and representation of the Company, both in and out of court, without prejudice to the powers, pursuant to the Law and these Articles of Association, that correspond to the General Meeting, focusing fundamentally on overseeing the day-to-day management of the Company that is entrusted to the executive directors and senior managers, and on all matters of particular importance to the Company.
2. The powers and duties reserved, by law or by the Articles, for the competence of the entire Board of Directors shall not be delegated, neither shall those needed for the responsible exercise of its general supervisory duties, nor those that the General Meeting has delegated to the Board of Directors, except where it has given it expressed authorisation to subdelegate them.

## **Article 28. Members**

1. The Board of Directors will be made up of a minimum of nine (9) and a maximum of fifteen (15) members. The General Shareholders' Meeting shall be responsible for determining the specific number of its members, i.e. the minimum and maximum number of members referred to above.
2. Directors shall be classified as executive or non-executive, and a distinction shall be made within the latter between proprietary, independent and other external directors, all in accordance with the corresponding legal provisions.
3. Specifically, the Board of Directors should have three independent directors, who should be elected by the General Shareholders' Meeting on the basis of the application of criteria of rigorous professionalism and full independence, and should be proposed for election by the Appointments and Remuneration Committee following a proposal from it, by a company of recognised prestige responsible for the selection of directors of listed companies. In turn this party should act in its selection process in accordance with the profile of the director sought by the Company and in order to satisfy the requirements of professionalism and independence that are required at all times both by law and by good corporate governance practices. The selected candidates will be proposed to the Board of Directors and by the latter to the General Shareholders Meeting unless vacancies are directly filled by co-option.
4. The Board of Directors should ensure that the selection procedures for its members favour diversity with regard to issues such as age, gender, disability or training and professional experiences and knowledge and they do not suffer from implicit biases that may imply any discrimination and, in particular, that facilitate the selection of female directors in a number that allows a balanced presence of women and men to be achieved.

## **Article 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 held. Additionally, if there is a vacant once the General Meeting is called and before its holding, the Board of Directors 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 Board of Directors 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 Board of Directors Regulation.

### **Article 30. Requirements and duration of the position**

1. To be a director, it is not necessary to be a shareholder and natural persons of recognised good repute, ability, technical competence and experience may be appointed as such.
2. Directors may not be directors if they are affected by any legal cause of incapacity or incompatibility provided for in the applicable regulations.
3. Directors may serve for a term of no more than four (4) years, but may re-elected one or more times for terms of equal length.

### **Article 31. Call. Meetings**

1. The Board of Directors will meet at least once every trimester, and always agreed by the Chairman, or whoever has its faculties, or when the Executive Committee 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 Board of Directors 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.

### **Article 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.

### **Article 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 Board of Directors to the Executive Committee, 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 Board of Directors 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 Board of Directors 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 Board of Directors member has opposed to this procedure.

The written vote will have to be submitted to the Board of Directors 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 Board of Directors 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.

#### **Article 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 Board of Directors 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 Committee Presidents the periodic evaluation of the Board of Directors and its Committees, 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 Board of Directors 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 Board of Directors 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 Board of Directors 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 Board of Directors 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 Committee, the Appointment and Retributions Committee and the rest of Committees, which creation is decided by the Administration Board.

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

#### **Article 35. Faculties**

The Board of Directors 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 Board of Directors 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 Board of Directors 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.

#### **Article 36. Executive Committee and Chief Executive Officer**

1. The Board of Directors may appoint, from among its members, an Executive Committee and a CEO, and permanently delegate, to that Committee, and in the CEO, all or part of the powers that may be legally, statutorily or in accordance with the Regulations of the Board of Directors, notwithstanding the powers of attorney that may be conferred on any person.

2. Permanent delegation of one or more of the powers that the Board of Directors may delegate to one of the directors or to the Executive Committee, and appointment of the directors who are to hold such positions, will require the favourable vote of at least two thirds of the members of the Board, and will not take effect until it has been registered in the Mercantile Registry.

**Article 37. Functioning of the Executive Committee**

1. When the Executive Committee is created, the Board of Directors will determine its powers and appoint the directors who are to form part of it.
2. The Executive Committee shall be convened by its President, or on his or her own initiative, or when requested by two (2) of its members, by means of a letter, telegram, e-mail or fax, addressed to each of its members at least forty-eight (48) hours prior to the date of the meeting, although it may be convened immediately twenty-four (24) hours in advance for urgent reasons, in which case the agenda of the meeting shall be restricted to the issues that were the cause of the urgency.
3. In the absence or if it is impossible for the President of the Executive Committee to attend a meeting, or if this position has been vacated, the meeting may be called by the member of the Committee who has served in his/her position the longest and, in the event of a tie, the oldest in age.
4. Meetings shall be held at the Company's registered office or at any place designated by the President and indicated in the call.
5. For the Executive Committee to be validly constituted, the majority of its members should be present or represented at the meeting.
6. Those absent may be represented by another member of the Executive Committee, by writing to the President of the Committee.
7. Deliberations shall be guided by the President, who shall hand the floor over to attendees who ask to speak.
8. In the absence of the President of the Executive Committee or if this position has been vacated, his or her duties may be undertaken by the member of the Committee elected to this post by the majority of those in attendance at the meeting.
9. Resolutions shall be adopted by an absolute majority of the Committee's members.
10. In the event of a tie, the matter will be submitted to the Board of Directors, for which purpose the members of the Executive Committee will request that it be convened in accordance with the provisions of Article 32 of these Articles of Association, unless a meeting of that body has already been called within the following thirty calendar days, in which case the Committee will ask the President of the Board to include the items on which the tie has occurred in the agenda of that meeting.

### **Article 38. Remuneration**

1. The position of director is remunerated.
2. The remuneration of the directors in their capacity as such shall consist of (i) a share in the net profits, which may not exceed two percent (2%) of the profit for the year attributed to the Company in the consolidated financial statements of the Group of which it is the parent company, once the legal reserve has been covered and a dividend of at least four percent (4%) of the par value of the shares has been paid to the shareholders; the percentage corresponding to the Board of Directors as a whole for this item in each year shall be established by the General Shareholders' Meeting; and (ii) allowances for attendance at meetings of the Board and its internal committees.
3. It is the responsibility of the Board to determine the remuneration of each director in their capacity as such within the statutory framework and the remuneration policy, following a report from the Appointments and Remuneration Committee, taking into account the functions and responsibilities undertaken by each one within the Board itself or the internal Committees, as well as their actual attendance at the meetings of the same of which they are members, and other criteria provided for in the Regulations of the Board of Directors.
4. The remuneration of directors must in any case be in reasonable proportion to the importance of the Company, its economic situation at any given time and the market standards of comparable companies. The remuneration system established must be aimed at promoting the long-term profitability and sustainability of the Company and incorporate the necessary precautions to avoid excessive risk taking and the rewarding of unfavourable results.
5. In addition to the provisions in the previous sections, the remuneration for the executive functions of the Chief Executive Officer and other directors to whom functions of this nature are attributed by virtue of other titles, may consist of a fixed annual remuneration, a variable remuneration based on different parameters, savings and pension systems, severance pay, non-competition and insurance agreements and a system of remuneration in kind for the management team, all in accordance with the provisions of the directors' remuneration policy and the contract that exists between the director and the Company.

The contract to be entered into between the director and the Company should be previously approved by the Board of Directors with the favourable vote of at least two-thirds of its members, and should be included as an annex to the minutes of the meeting. The director concerned should abstain from attending the deliberation and from participating in the vote. This contract, which should be in accordance with the Company's remuneration policy, should contain all the details required by law and, in particular, include all the concepts for which the director may obtain any remuneration for the performance of executive duties.

6. The Board of Directors is responsible for the individual determination of the remuneration of each director for the performance of the executive duties assigned to him or her within the framework of the remuneration policy and in accordance with the provisions of his contract, following a report from the Appointments and Remuneration Committee.
7. The remuneration set forth in the above paragraphs shall be compatible with other employment, service or professional remuneration accruing to directors for the performance of advisory or other duties other than those corresponding to directors in their capacity as such or, as the case may be, for the executive duties attributed to them.
8. Furthermore, the Company will in any case hold third-party liability insurance for its directors.
9. In accordance with the resolution adopted by the General Shareholders Meeting in this regard, the remuneration of the directors may also, independently of the provisions of the previous sections, consist of the delivery of shares or share options or remuneration linked to the value of the Company's shares.
10. The remuneration policy for the directors should comply with the statutory remuneration system and will be approved by the General Shareholders Meeting as a separate item on the agenda, and should establish at least the maximum amount of the annual remuneration to be paid to all of the directors in their capacity as such and the criteria for their distribution in accordance with the functions and responsibilities attributed to each of them, the amount of the annual fixed remuneration corresponding to the directors for the performance of their executive functions and other provisions established in the Law.
11. The Board of Directors shall draw up an annual report on the remuneration of the directors, containing that includes information on the remuneration policy for the Company directors approved by the General Meeting and applicable to the current business year, an overall summary of the application of policy for payments remuneration during the business year now closed, and details of the individual remuneration earned under all headings by each of the directors in the said business year, which shall be distributed as other significant information by the Company simultaneously with the annual corporate governance report and be submitted to the Ordinary General Shareholders' Meeting as a separate item on the Agenda, in accordance with the terms established by law.

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

#### **Article 39. About the Board of Directors Committees**

1. The Board of Directors will have to create and maintain among its members, permanently and internally, an Audit and Control Committee and an Appointment

and Retributions Committee, with their legally established competences, in the current By-Laws, in the Board of Directors Regulation and, if relevant, in the own Committee Regulation, having to foster the independence in the exercise of their roles.

2. Without prejudice of the above-mentioned, the Board of Directors may also constitute other internal Committees, with the attributions, composition and operational system that the Board of Directors itself will determine in each case.

**Article 40. Audit and Control Committee**

1. The Board of Directors shall have an Audit and Control Committee with no executive functions and with powers to inform, advise and propose within its scope of action, which shall be composed of a minimum of three (3) and a maximum of six (6) directors, appointed by the Board of Directors following a report from the Appointments and Remuneration Committee, for a period not exceeding their term in the position as directors and notwithstanding the possibility of being re-elected indefinitely, insofar as they may also be re-elected as directors. All the members of the Audit and Control Committee should be non-executive directors, and the majority of its members should be independent directors, one of whom shall be appointed on the basis of his or her knowledge and experience in accounting and/or auditing matters. As a whole, the members of the Committee shall have relevant technical knowledge with regard to the activity sector of the Company.
2. The Committee shall elect a President from among its independent members and may also elect a Vice President. The duration of these positions may not exceed four (4) years or their terms of office as members of the Committee, and they may be re-elected after at least one year has elapsed since they left the position.

The Secretary and, where applicable, the Vice Secretary shall be the person appointed by the Committee, without specifying his or her status as a director.

3. The members of the Committee may be assisted in their meetings by persons who, in their capacity as advisors, and up to a maximum of two (2) for each of these members, consider it appropriate. These advisors shall attend meetings with a voice but no vote.
4. Without prejudice to the other functions attributed to it by Law, these Articles of Association and the Board Regulations, the powers of the Audit and Control Committee will include at least the following:
  - a) To inform the General Shareholders Meeting of any issues that may arise with regard to those matters that fall within the scope of the Committee and, in particular, of the result of the audit, explaining how it has contributed to the integrity of the financial information and the role that the Committee has played in this process.

- b) To supervise the effectiveness of the Company's internal control and the Company's internal audit services and risk management systems, as well as to discuss with the accounts auditor significant weaknesses in the internal control system detected in the course of the audit, and all this without infringing its independence. For this purpose, and where appropriate, they may submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up.
- c) To supervise the process of preparing and submitting the required financial information and to submit recommendations or proposals to the Board of Directors, aimed at safeguarding its integrity.
- d) To submit to the Board of Directors proposals for the selection, appointment, re-election and replacement of the auditor, taking responsibility for the selection process, in accordance with the provisions of EU regulations, as well as the terms and conditions of his or her contract, and to obtain from him or her regular information on the audit plan and its implementation, as well as to maintain his or her independence in the performance of his or her duties.
- e) Establish appropriate relationships with the external auditor to receive information on issues that may pose a threat to their independence, for consideration by the Committee, and any other relating to the process of conducting accounts audits and, where appropriate, the authorisation of services other than those prohibited, under the terms provided for in the regulations governing account auditing activities on the system of independence, as well as any other communications provided for in account auditing legislation and in auditing standards. In any case, it should receive annually from the external auditors a declaration of their independence with regard to the Company or entities directly or indirectly related to it, as well as detailed and individualised information on the additional services of any kind provided and the corresponding fees received from these entities by the external auditor or by the persons or entities related to it in accordance with the provisions of the regulations governing the auditing of accounts.
- f) Each year, prior to the issuance of the account auditing report, issue a report that expresses an opinion on whether the independence of the auditors or audit firms has been compromised. In any case, this report shall contain a reasoned assessment on the provision of each and every one of the additional services referred to in the previous section, taken individually and as a whole, other than the legal audit and with regard to the system of independence or the regulations governing account auditing activities.
- g) To report on related-party transactions that should be approved by the General Shareholders Meeting or the Board of Directors and to supervise the internal procedure established by the Company for those whose approval has been delegated in accordance with the applicable regulations.

- h) To report in advance to the Board of Directors on all matters provided for by law, these Articles of Association and the Regulations of the Board, and in particular, on:
1. financial information and the management report, which will include, where appropriate, mandatory the non-financial information that the Company should periodically make public, and
  2. the creation or acquisition of holdings in special-purpose entities or entities domiciled in countries or territories considered to be tax havens.
- i) Where applicable, those others that are attributed by these Articles of Association or the Regulations of the Board of Directors.

The provisions of points d), e) and f) in this section shall be understood notwithstanding the regulations governing the auditing of accounts.

5. For the purposes of its operation, the Committee shall meet when the President so decides, as many times as necessary to perform its duties and at least once a quarter.
6. It shall be validly constituted when the majority of its members are present or represented, and its resolutions shall be adopted by an absolute majority of its members present or represented. In the event of a tie, the President shall have the casting vote.
7. The Audit and Control Committee shall draw up an action plan for the business year, which it shall report to the Board of Directors, as well as a report on its activity during the business year, which shall serve as the basis for the annual assessment by the Board of Directors of its operation and that of its Committees, in order to propose, on the basis of the results, an action plan to correct any deficiencies detected.
8. These Regulations with regard to the Audit and Control Committee will be developed through the Regulations of the Board of Directors, always promoting independence in its operation.

#### **Article 41. The Appointments and Remuneration Committee**

1. The Board of Directors shall have an Appointments and Remuneration Committee with no executive functions, consisting of a minimum of four (4) and a maximum of six (6) board members appointed by the Board of Directors, and it shall be composed exclusively of non-executive directors, of which at least two shall be independent directors. The mandate of the members of the Committee shall not exceed their mandate as directors, without prejudice to them being re-elected indefinitely, as long as they remain directors.
2. The Committee shall elect a President from among its independent members. The Committee will also have a Secretary with a voice and without a vote, who shall not need to be a director.

3. The Appointments and Remuneration Committee shall have the power to report, advise and propose on the appointment, re-election, ratification and dismissal of directors, on the remuneration of directors and senior executives of the Company and on situations of conflict of interest and, notwithstanding the other duties assigned to it by law, the Articles of Association or, in accordance with them, the Regulations of the Board of Directors, it shall have at least the following duties:
  - a) Evaluate the necessary skills, knowledge and experience in the Board of Directors. For this purpose, it will define the functions and skills necessary in the candidates who must fill each vacancy and will assess the time and dedication required so that they can effectively undertake their duties.
  - b) To establish a representation target for the under-represented gender on the Board of Directors and prepare guidelines on how to achieve this target.
  - c) To submit proposals to the Board of Directors for the appointment of independent directors for their appointment by co-option or for their submission to the decision of the General Shareholders Meeting, as well as proposals for the re-election or dismissal of these directors by the General Shareholders Meeting.
  - d) To report on proposals for the appointment of the remaining directors for their appointment by co-option or for their submission to the decision of the General Shareholders Meeting, as well as proposals for their re-election or removal by the General Shareholders Meeting.
  - e) To report on the proposals for the appointment and removal of senior managers and the basic conditions of their contracts.
  - f) To examine and organise the succession of the President of the Board of Directors and the CEO of the Company and, where applicable, to make proposals to the Board of Directors so that this succession takes place in an orderly and planned manner.
  - g) Propose to the Board of Directors the remuneration policy of the directors and of the general directors or of those who carry out their senior management duties under the direct authority of the Board, the Executive Committee or the Chief Executive Officer, as well as the individual remuneration and the remaining contractual conditions of executive directors, ensuring their observance.
  - h) To report in advance to the Board of Directors on all matters provided for by law, these Articles of Association and the Regulations of the Board.
4. For the purposes of the operation of the Committee, it shall meet, in the opinion of its President, as often as is necessary for the performance of its duties, and at least once every quarter.



5. It shall be validly constituted when the majority of its members are present or represented, and its resolutions shall be adopted by an absolute majority of its members present or represented. In the event of a tie, the President shall have the casting vote.
6. The Appointments and Remuneration Committee shall prepare an action plan for the business year, which it shall submit to the Board of Directors, as well as a report on its activity during the business year which shall serve as the basis for the assessment made by the Board of Directors.
7. The Regulations of the Board of Directors will develop these rules regarding the Appointments and Remuneration Committee, always promoting its independence.

#### **FOURTH TITLE**

#### **ABOUT THE ADVISORY BOARD**

##### **Article 42. The Advisory Board**

1. The Board of Directors may design an Advisory Board that will be composed by a minimum of three (3) and a maximum of nine (9) members. Additionally, the Board of Directors 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 Board of Directors and its Committees, 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 Committee.
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**

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

The financial period will correspond with the natural year.

#### **Article 44. Preparation of the Financial Statements**

In accordance with the provisions of the Commercial Code, the Company should maintain orderly accounts correctly in accordance with the company's activity, and which enable operations to be monitored chronologically, as well as preparing inventories and balance sheets. The accounting books will be legalised by the Mercantile Registry corresponding to the location of the registered office.

The Board of Directors is obliged to prepare, within a maximum of three (3) months from the end of the business year, the financial statements, the management report, that includes, where applicable, the status of non-financial information, and the proposal for the application of the result, as well as, where applicable, the consolidated statements and management report. The financial statements should be drawn up clearly and provide a true and fair view of the assets, financial situation and results of the Company, in accordance with the provisions of the Act and the Commercial Code. The financial statements and the management report, including, where applicable, the status of non-financial information, should be signed by all the directors. If the signature of any of them is missing, it will be indicated in each of the missing documents, with express indication of the reason for this.

#### **Article 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 that 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.

#### **Article 46. Filing of Statements**

Within the month following the approval of the annual accounts, the Board of Directors of the Company will present, to be deposited in the Mercantile Registry of the registered office, certification of the agreements of the General Shareholders Meeting of approval of said annual accounts, duly signed, and the allocation of the result, as well as, where appropriate, of the consolidated accounts, to which a copy of each of said accounts will be attached, together with the management report, which will include, where appropriate, the statement of non-financial information and the auditors' report.

### **SIXTH TITLE**

#### **DISSOLUTION AND LIQUIDATION**

#### **Article 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.

#### **Article 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.

**Article 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 50. 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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