

**ARTICLES OF INCORPORATION AND BYLAWS OF**  
**CRITERIA CAIXA, S.A.,**  
**Sole Shareholder Company**

**14 March 2019**

## **ARTICLES OF INCORPORATION AND BYLAWS OF**

### **CRITERIA CAIXA, S.A., Sole Shareholder**

#### **TITLE I**

##### **DESIGNATION, PURPOSE, DURATION AND CORPORATE ADDRESS**

###### **ARTICLE 1. Designation and statutory scheme**

A limited liability company is constituted under the name of CRITERIA CAIXA, S.A. (the “**Company**”), governed by these Articles of Association and by the legislation applicable to limited liability companies and any other special or general provisions that may apply at any given time, including those of the European Union.

###### **ARTICLE 2. Purpose**

The purpose of the Company shall be:

1. Acquisition, sale and administration of transferable securities and holdings in other companies, whether or not their securities are quoted on the Stock Exchange.
2. Administration and management of companies, and administration and management of securities representing the equity of entities resident and non-resident in Spain.
3. Financial, tax, technical and stock exchange counselling or any other type of advisory service.
4. Consultancy, advisory and promotional activities for industrial, business, urban development or agricultural initiatives and those of any other type.
5. Construction, refurbishment, maintenance and technical assistance, acquisition, administration, management, promotion, sale and leasing, except for financial leasing, of real estate of all types, owned by the company itself or by third parties, connected with the tourism industry in general, including theme or leisure parks, or with shopping centres, for senior citizens, private clients or entrepreneurs/developers.
6. Marketing of real estate, on behalf of either the company itself or third parties, in the broadest terms and through all marketing channels, including online channels through use and management of websites.

The corporate purpose shall not include carrying out any activities or providing any services which by law are restricted to a certain type of entities, such as Collective Investment Institutions and Investment Services Companies.

The activities included in the corporate purpose may be totally or partially carried out by the Company indirectly, in any form permitted by law and, in particular, through holdings of stocks or shares in companies having the same or similar purpose; the Company may hold shares in other companies and may even be involved in their constitution, partnering them or holding an interest in them.

### **ARTICLE 3. Duration**

The Company shall be of unlimited duration.

### **ARTICLE 4. Corporate address, nationality and website**

The Company's registered office is at Plaza Weyler 3, Palma, Balearic Islands, Spain, postcode 07001.

The Company is of Spanish nationality.

The Company has a corporate website on which the legally required information is posted. The Board of Directors may agree to the modification, removal or transfer of the Company's website.

### **ARTICLE 5. Geographical scope**

The Directors shall be competent to agree to the creation, closure or transfer of branches, offices, regional offices or any other centres or establishments, either in Spain or in any other European Union member state or non-EU country, in compliance with any applicable requirements or guarantees, and to decide to provide the services included in its corporate purpose, with no permanent establishment being required.

## **TITLE II**

### **SHARE CAPITAL AND SHARES**

#### **ARTICLE 6. Share capital**

The share capital is established at an amount of one thousand eight hundred and thirty-four million, one hundred and sixty-five thousand eight hundred (1,834,165,800) euros.

It is divided into forty-five million, eight hundred and fifty-four thousand one hundred and forty-five (45,854,145) ordinary nominal shares, all of the same class and series, numbered correlatively from 1 to 45,854,145 inclusive, with a face value of forty (40) euros each, totally subscribed and paid in.

#### **ARTICLE 7. Capital increase and decrease**

The company capital may be increased or decreased by resolution of a General Meeting legally called for this purpose, with a quorum of attendance and votes as provided for by law.

## **ARTICLE 8. Form of the shares**

The shares are registered shares and shall be represented by securities issued in the form of counterfoil books, numbered correlatively, incorporating one or more shares of the same series, and they shall also figure in a record book in which the successive transfers and establishment of real property rights and other charges to the same will be entered.

The share certificate shall contain all the data and requirements indicated by Law and shall be signed by at least one Administrator. The signatures may be stamped or mechanically reproduced, observing the legal requirements to this effect.

## **ARTICLE 9. Restrictions on share transferability**

1. Any shareholder who plans or intends to transfer some or all of their shares inter vivos, for valuable consideration or for profit, to an individual or a legal entity that is not a shareholder must give written notice of this to the governing body, stating the number, class and series of the shares they wish to transfer, the name, address and nationality of the person to whom they wish to transfer them, the price or consideration for each share and the terms of the transaction. This notification of an intention to transfer shares shall have the effect of an irrevocable contract offer.

The following exceptions apply to the above paragraph:

- (i) Transfers made to the shareholder's spouse, ascendants or descendants.
  - (ii) Transfers made between companies belonging to a single group (as defined in Article 42 of the Code of Commerce or any future regulations that replace this).
2. Within a period of eight calendar days from receipt of the notification, the governing body will simultaneously send a copy of the same by express post or any other means of distance communication to all the shareholders in the share register on that date, in case they wish to make use of their preferential right of purchase. The notification shall be sent to the postal or email addresses figuring in the said register.
3. Any shareholders who so desire, either individually or jointly with other shareholders, may exercise their preferential right of purchase for the totality of the shares offered within a period of fifteen calendar days from the date on which the copy of the notification is sent. They may inform the governing body of this fact through any written channel. In this notification, the shareholder should request valuation of the shares by an auditor, if they wish this to be done, for the purposes set out in section 6 below.
4. The governing body will distribute the shares between all the shareholders who have exercised this right appropriately and in good time, within eight calendar days of the day after the expiry of the period granted to the shareholders for exercise of their preferential right of purchase.

If several shareholders have exercised this right, the shares will be distributed in proportion to the sum of the face value of the shares they hold.

The distribution of the shares to the shareholders who have exercised the preferential right of purchase shall be made in accordance with the rules established by the interested parties. Failing this, the rule of proportional distribution shall be applied to the face value.

5. When the shares have been allocated, the governing body will notify the selling shareholder of the names and addresses of the receiving shareholders and the number of shares allocated to each one. The same notification will be sent to each of the receiving shareholders.
6. With regard to the share purchase price:
  - (i) in the case of shareholders who have not requested valuation of the shares by an accounts auditor on notifying exercise of their preferential right of purchase as referred to in section 3 above, the share purchase price shall be as stated in the planned transfer; and
  - (ii) for shareholders who have requested this on notifying exercise of their preferential right of purchase as referred to in section 3 above, the fair value of the shares shall be determined by the accounts auditor appointed by the Directors, who must not be the Company's accounts auditor.

In this case:

    - (a) if the fair value of the shares determined by the auditor does not differ by over 10% from the purchase price stated in the planned transfer, the purchase price shall be as stated in the planned transfer;
    - (b) if the fair value of the shares as determined by the auditor exceeds the purchase price stated in the planned transfer by more than 10%, the fair value will be the purchase price, although the shareholder who has exercised their preferential purchasing right may either cancel the purchase or, if an agreement is reached, purchase the shares at the price agreed on with the selling shareholder, which must not be less than the purchase price stated in the planned transfer; and
    - (c) if the fair value of the shares determined by the auditor is over 10% lower than the purchase price stated in the planned transfer, the fair value will be the purchase price, although the selling shareholder may either cancel the purchase or sell the shares at the price agreed on with the purchasing shareholder, which may not be any less than the fair value set by the auditor.

The auditor's fees are to be paid by the transferor in case (c) above and by the acquirer(s) requesting the valuation in cases (a) and (b) above.

In the case of several shareholders having exercised their right to preferential purchase and one of them cancelling the purchase transaction, in permitted cases as stated above, the shares in question shall be distributed among the remaining shareholders exercising their right to preferential purchase as set out in section 4. The acquirers shall pay the same price for these shares as the price for the rest of the shares acquired.

A shareholder may never be obliged to transfer a number of shares other than as stated in the planned transfer.

Both in the case set out in section (i) and those set out in section (ii) above, all other terms for purchasing the shares shall be as stated in the planned transfer, although if all or part of the price should be deferred in the planned transfer, a credit institution must guarantee payment of the deferred price as a precondition for purchase of the shares, unless the acquirer is a credit institution, in which case this will not be necessary.

7. If the planned transfer is onerous and is not a sale and purchase or made in exchange for payment, the purchase price for the shares to be paid by the remaining shareholders exercising their right of preferential purchase shall be as established on common agreement by the parties or, failing this, it will be the fair value of the shares on the date on which the Company was notified of the intention to transfer them. The fair value shall be taken as meaning the value determined by the accounts auditor appointed by the Directors, who must not be the Company's auditor.
8. Three months after the notification of intention to sell the shares has been sent to the governing body, if the offeror has not received the notification referred to in paragraph 5 of this article the shareholder shall be free to transfer the shares in accordance with the planned transfer notified. The transfer must be made within one month.

If the transfer is not made within this period, the shareholder will not be able to submit a new planned transfer until a year has elapsed from the date of the first planned transfer.

9. If shares are purchased as a result of judicial proceedings or an administrative enforcement procedure, the wind-up of the shareholding company or *mortis causa*, the governing body may refuse to enter the transfer in the share register and may indicate one or more purchasing shareholders or offer their purchase by the Company.

The indication of acquirer(s) must be made by notary office within two months from the day on which entry in the share register was requested.

For this purpose, within a period of eight calendar days from receipt of request for entry in the register, the governing body will simultaneously send a copy of the same by express post or any other means of distance communication to all the shareholders figuring in the share register in case they wish to make use of their preferential right of purchase.

The exercise of right of purchase, the purchase of the shares and notification to the requestor of entry in the register shall be made as set forth in sections 3 – 5 of this article.

The Company's purchase of its own shares shall be subject to the legally established system for derivative purchase of own shares.

The purchase price of the shares must be their fair value on the date of request for entry in the share register, and shall be determined as set forth by Law.

The dividends the Company has agreed to distribute in the period between the request for entry in the share register and notification to the requestor of the name of the purchasing shareholder(s), or of the Company's purchase of the shares, shall correspond to the requestor.

10. The Company shall not recognise the validity of any transfers made contravening the provisions of this article, a reference to which shall be included with all the shares issued.

#### **ARTICLE 10. Rights conferred by the shares**

The shares grant their holders all the corresponding rights and obligations as established in these Articles of Association and in the current legislation. Each share confers the following to its holder, at least: the right to participate in the distribution of corporate earnings and in liquidation assets; the right of preferential subscription of new shares or bonds convertible to shares, under the terms, cases and conditions set forth in the same Law; the right to attend and vote at the General Meetings; the right to contest corporate resolutions; and the right to information.

Communication between the Company and each of the partners, including dispatch of documents, requests and information, may be made by electronic means, providing the partner in question has accepted the use of this communication channel.

### **TITLE III**

#### **COMPANY BODIES**

##### **ARTICLE 11. Company Bodies**

The Company bodies are the General Meeting of Shareholders and the Board of Directors, their respective powers being those conferred by Law and those deriving from these Articles of Association. These powers may be delegated as and to the extent determined by Law and in these Articles of Association.

### **SECTION 1**

#### **GENERAL MEETINGS**

##### **ARTICLE 12. General Meeting**

The General Meeting is a duly called and constituted meeting of shareholders.

The shareholders duly convened as the General Meeting make decisions regarding the matters within the General Meeting's competence, by simple majority of the votes of the shareholders present or represented at the Meeting, except in cases where the Law or these Articles of Association require a qualified majority.

The resolutions adopted by the General Meeting are mandatory for all the shareholders, including dissident and absent shareholders, without prejudice to the rights and actions vested in them by law.

### **ARTICLE 13. Types of General Meetings and competency**

General Meetings may be either ordinary or extraordinary, and they must be called by the Company Directors.

The Ordinary General Meeting must be held within the legally established period each financial year, to approve the company management and the previous year's accounts and decide the allocation of profit, where the case may be, and it may also adopt resolutions regarding any other matter within its remit, providing this figures in the agenda posted at the call to meeting or is legally relevant and providing the General Meeting has been constituted with the required attendance representing the share capital. The Ordinary General Meeting will be valid even if called or held outside this period.

Any Meeting not envisaged in the previous section will be considered an extraordinary General Meeting. The extraordinary General Meeting will be held as agreed on by the Directors, or when requested by a number of members representing at least 5% of the share capital. Such requests must include a list of the items to be dealt with at the Meeting.

### **ARTICLE 14. Call to meeting**

General Meetings, both ordinary and extraordinary, must be called by the Directors by means of an announcement placed on the Company's website.

The call to meeting must be made with at least the advance notice required by law, in accordance with the points to be discussed, and it must include the Company's name, the date, time and venue of the meeting and the agenda, including the issues to be debated and the post of the person(s) making the call.

The date on which the Board will meet at the second summons may also figure. There must be at least 24 hours between the meetings held at first and second summons.

The Board of Directors may call the Extraordinary General Shareholders' Meeting whenever it deems this to be in the Company's interests. The Directors must also call the General Meeting when required to do so by one or more shareholders representing at least 5% of the company capital, who must indicate the items to be dealt with in their request. In such cases, the Meeting must be called to be held within two months of the date of the notarised demand made to the Directors, who must include the items included in the request on the agenda of the Meeting.

The content of this article is without prejudice to any provisions that may be legally established for specific cases.



#### **ARTICLE 15. Universal meeting**

Notwithstanding the previous articles, the General Meeting shall be considered quorate to debate any item, with no prior call being required, if the shareholders representing all the paid-up capital are present or represented and the participants unanimously agree to it being held.

#### **ARTICLE 16. Constitution of the Meeting. Special cases**

The General Meeting shall be considered quorate at the first summons if the participants attending in person or by proxy represent at least 25% of the subscribed capital with voting rights. It will be considered quorate at the second summons regardless of the amount of capital represented.

In order for an ordinary or extraordinary General Meeting to validly agree on issue of bonds, suppression or limitation of the preferential right of subscription, capital increase or decrease, change of status, mergers, demergers, wholesale assignment of assets and liabilities and transfer of the registered office to an address abroad, together with any amendment of the Articles of Association, a number of participants attending in person or by proxy representing at least 50% of the subscribed capital with voting rights must be present at the first summons. On second call it will be sufficient for 25% of this capital to be present or represented. This shall be without prejudice to other cases provided for by Law, in particular by any special Laws applicable to the Company.

#### **ARTICLE 17. Attendance of the Meeting**

All the shareholders may attend the General Meeting in person or be represented by a proxy, who does not necessarily have to be a shareholder. Proxy representation, which is always revocable, must be granted in writing and specifically for each Meeting, without prejudice to legal provisions. For a shareholder to attend the Meetings, it is an essential requisite for their shares to be entered in the register of shares at least five days before the date of the meeting.

The Directors and the Managing Director of the Company must attend the General Meetings, although if any of them does not attend for any reason this shall not prevent the Meeting from being quorate. Persons interested in the correct running of company issues or with responsibilities to this effect may also be invited to attend.

#### **ARTICLE 18. Constitution of the meeting committee. Deliberations. Adoption of resolutions**

The Chairman and Secretary of the Meeting shall be the persons who hold these posts on the Board of Directors, or, failing this, the shareholders chosen by the persons in attendance at the Meeting.

In order to guarantee the orderly progress of the Meeting, the Chairman shall lead the debates, giving the floor to all the shareholders who have made a written request to speak, in strict order, followed by those making a verbal request to speak.

Each share confers the right to one vote.

The Resolutions of the Meeting will be adopted by the majority vote of the shareholders present or represented at the General Meeting, and a resolution will be considered adopted if it obtains more votes in favour than against by the shareholders present or represented at the Meeting. For adoption of resolutions requiring a higher quorum in accordance with Law and the provisions of Article 16 of these Articles of Association, if the share capital present or represented exceeds 50% it will be sufficient for the resolution to be adopted by absolute majority, although the vote in favour of two thirds of the share capital present or represented at the Meeting shall be required if shareholders representing less than 50% of the subscribed capital with voting rights attend the Meeting on second call. This shall be without prejudice to other cases provided for by Law, in particular by any special Laws applicable to the Company.

Any substantially independent items must be voted separately at the General Meeting. In any case the following items must always be voted separately, even if they appear under the same item on the agenda:

- The appointment, ratification, re-election or severance of each Director.
- On amending the Articles of Association, the amendment of each article or each independent group of articles.

#### **ARTICLE 19. Minutes**

The deliberations and resolutions of both the ordinary and extraordinary General Meetings shall be entered in a minute book. This book may consist of loose leaf pages and there may be one book for all the company bodies. The pages shall be signed by the Chairman and Secretary of the meeting.

The minutes of the Meeting may be approved by the General Meeting itself directly after it has been held, being signed by Chairman and Secretary of the Meeting, or, failing this, within fifteen days by the Chairman and two of the participants, one representing the majority and the other the minority. The minutes approved by either of these two procedures shall be valid as from the date of approval.

The documents certifying the minutes shall be issued by the Secretary or, where the case may be, any of the Deputy Secretaries of the Board of Directors, with approval from the Chairman or any of the Deputy Secretaries, where the case may be, and the resolutions shall be committed to record by the persons legally empowered to do so.

The Board of Directors may require the presence of a Notary to take the minutes of the Meeting, being obliged to do so whenever requested by shareholders representing at least 1% of the company capital at least five (5) days in advance of the date on which the Meeting is to be held. In both cases, the notarial minutes shall not be submitted to an approval procedure and they shall be considered the minutes of the Meeting, and the resolutions contained in the same may be implemented as from the date of closure.

## SECTION 2

### THE GOVERNING BODY

#### **ARTICLE 20. Board of Directors**

The Company shall be administered by a Board of Directors, which shall be governed by the applicable legislation and by these Articles of Association. The Board of Directors shall consist of a minimum of eight and a maximum of twenty members. Without prejudice to any other alternative permitted by Law, the General Meeting shall be responsible for the appointment, re-election, ratification and severance of the Board members.

#### **ARTICLE 21. Appointment**

It is not necessary to be a shareholder to be appointed a member of the Company Board of Directors.

If a legal entity is appointed as a member of the Board of Directors, this entity must appoint a natural person as its representative to carry out the duties inherent to the post.

Persons involved in legal proceedings for declaration of incapacitation or incompatibility in accordance with current legislation may not be appointed Directors.

Each Director shall be assigned a category on appointment, as set forth in the applicable legislation.

The Board shall have a Chairman, and may have one or more Vice-Chairmen. The Board shall also have a Secretary and may also have one or more Deputy Secretaries. The Secretary and Deputy Secretaries do not necessarily have to be Board members.

The Board of Directors is responsible for appointing persons for the posts described in the previous paragraph, if the General Meeting of Shareholders has not already done so.

If any vacancies should arise during the period for which the Board members were appointed, the Board may appoint persons for these posts from among the shareholders, until the first General Meeting is held.

#### **ARTICLE 22. Duration of the post of member of the Board of Directors.**

The post of member of the Board of Directors shall have a duration of four years. Board members may be re-elected indefinitely for periods of equal duration. Directors may be severed from their posts at any time, on agreement by the General Meeting.

#### **ARTICLE 23. Powers of the Board of Directors.**

1. The Board of Directors is vested with all the powers of Company governance and administration not expressly reserved for the General Meeting of Shareholders, under the terms set forth by Law.

The Board of Directors may therefore decide on and draw up all reports, of whatever type, and authorise all contracts it deems appropriate for the Company's interests and purposes within the framework of the corporate purpose set forth in these Articles of Association, with no exceptions other than that indicated.

In particular, the following specific non-delegable powers shall pertain to the Board, by way of example and without limitation:

- a) Supervision of the effective functioning of any Committees that it may have constituted and the action of the standing committees and any directors it may have appointed.
- b) Determination of the Company's general policies and strategies.
- c) Authorisation or exemption from the obligations deriving from the duty of loyalty, as set forth by Law.
- d) Its own organisation and functioning.
- e) Drawing up of the annual accounts and their submittal to the General Meeting.
- f) The preparation of any type of report required by Law of the Board of Directors when the operation to which it refers cannot be delegated.
- g) Appointment and dismissal of the Company's Chief Executive Officers, where the case may be, and determination of the terms of their contracts.
- h) Appointment and dismissal of managers directly answering to the Board of Directors or to any of its members, and determination of the basic terms of their contracts, including their remuneration.
- i) Decisions regarding the Directors' remuneration, within the statutory framework and, where the case may be, the remuneration policy approved by the General Meeting.
- j) The call to the General Shareholders' Meeting and drawing up the agenda and motions for resolutions.
- k) The policy on treasury stock or own shares.
- l) Any powers that the General Meeting may have delegated to the Board of Directors, unless the former has expressly authorised their sub-delegation.

Without prejudice to any delegation of powers that the Board of Directors may make individually, the Board of Directors may appoint an Executive Committee from its members, consisting of one or more Chief Executive Officers, establishing the content, limits and forms of delegation, and it may delegate all powers to them except those that are non-delegable as set forth by Law and in these Articles of Association. The Executive Committee shall have between four and ten members.

2. The Board of Directors may appoint an Audit and Control Committee with the powers set forth in applicable legislation. The Audit and Control Committee shall have between three and five members.

The Board of Directors shall appoint the members of the Audit and Control Committee in accordance with their knowledge, aptitudes and experience and the Committee's duties. The Audit and Control Committee shall appoint a Chairman from among its members. It shall also appoint a Secretary and may appoint a Deputy Secretary, both of whom may be non-members. If it does not make such appointments, the Secretary and Deputy Secretary shall be those of the Board of Directors. The members of the Company's management team or personnel shall be required to attend the meeting of the Audit and Control Committee and to provide it with their collaboration and access to the

information available to them when the Committee so requests. The Committee may also require the Company's auditors to attend its meetings. In any event, notwithstanding any other task which may be assigned to it from time to time by the Board of Directors, the Audit and Control Committee shall exercise the following basic duties:

- a) To report at the Annual General Meeting on matters posed by shareholders in the area of its competence;
- b) To inform the Board of Directors of the proposals for selection, appointment, re-election or substitution of external auditors in accordance with the legislation applicable to the Company, and the terms of their contracts, for submittal to the General Meeting or the Sole Shareholder, and to regularly gather information on the Audit Plan and its implementation from the Board, and also to ensure its independence on carrying out its duties;
- c) To supervise the internal auditing services, verifying the adequacy and integrity thereof, to propose the selection, appointment and substitution of the persons responsible for said services, to propose the budget for such services, and to verify that senior management bears in mind the conclusions and recommendations of their reports;
- d) To serve as a channel of communication between the Board of Directors and the auditors, to evaluate the results of each audit and the responses of the management team to its recommendations and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, as the case may be, motivated the resignation of the auditor;
- e) Overseeing the process for preparing and submitting required financial information and the effectiveness of the Company's internal control systems, internal audit and risk management system, including tax risks, and to discuss with the auditors of accounts any significant weaknesses in the internal control system identified during the course of the audit;
- f) To establish appropriate relationships with auditors in order to receive information, for examination by the Audit and Control Committee, on matters which may jeopardise the independence of said auditors and any other matters relating to the audit process and any other communications provided for in audit legislation and technical audit regulations. In all events, on an annual basis, they shall receive from the external auditors a declaration of independence from the entity or entities related to it directly or indirectly, in addition to information on additional services rendered of any kind and the corresponding fees received from these entities by the external auditor or by the persons or entities related to the external auditor as stipulated in auditing legislation. In addition, the Audit and Control Committee will issue annually, prior to the audit report, a report containing an opinion on the independence of the auditors. This report shall contain, in all cases, the evaluation of the provision of any additional services referred to in this section, individually and collectively considered, other than the legal audit and related to the degree of independence or to the regulatory audit regulations;
- g) To supervise compliance with the auditing contract, striving to ensure that the opinion about the Annual Financial Statements and the principal contents of the auditor's report are drafted clearly and precisely;
- h) To review the Company's accounts and the periodic financial reporting which the Board must furnish to the markets and its supervisory bodies and, in general, to monitor compliance with legal requisites on this subject matter and the correct application of generally accepted accounting principles, as well as to provide periodic financial information in advance to the Board

of Directors and to report on the proposals for modification of accounting principles and criteria suggested by management;

- i) To supervise the compliance with regulations with respect to related party transactions and, previously, inform the Board of Directors on such transactions. In particular, to ensure that the information on said transactions be reported to the market, in compliance with the provisions of legislation, and to report on transactions which imply or may imply conflicts of interest;
- j) To supervise compliance with the Internal Code of Conduct on Securities Market-Related Matters, and, in general, with the rules of corporate governance applicable to it;
- k) To previously report to the Board on the creation or acquisition of stakes in special purpose entities domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of an analogous nature which, due to their complexity, may be detrimental to the transparency of the Company or of the group to which it belongs;
- l) To consider the suggestions submitted to it by the Chairman of the Board of Directors, directors, executives and shareholders of the Company, and to establish and supervise a mechanism which allows the employees of the Company or of the group to which it belongs confidentially and, if deemed, appropriate, anonymously, to report irregularities of potential significance, especially financial and accounting ones, which they observe within the Company;
- m) To receive information and, where the case may be, to issue a report on the disciplinary measures to be imposed on the Company's senior management staff;
- n) Any others attributed thereto by Law and other regulations applicable to the Company.

3. The Board of Directors may establish an Appointments and Remuneration Committee with the powers set forth in applicable legislation. The Appointments and Remuneration Committee shall have between three and five members. The Appointment and Remuneration Committee shall appoint a Chairman from among its independent Directors. It shall also appoint a Secretary and may appoint a Deputy Secretary, both of whom may be non-members. If it does not make such appointments, the Secretary and Deputy Secretary shall be those of the Board of Directors.

In any case, without prejudice to any other functions that may be assigned to it by the Board of Directors at any time, the Appointment and Remuneration Committee shall have the following basic duties:

- a) To evaluate the balance of skills, knowledge and experience on the Board of Directors. For such purposes, it shall define the roles and capabilities required of the candidates to fill each vacancy, and shall evaluate the time and dedication necessary for them to effectively perform their duties.
- b) To establish a target representation of the gender least represented on the Board of Directors and prepare guidelines of how to achieve this objective;
- c) To submit to the Board of Directors the proposals for the nomination of the independent Directors to be appointed by co-option or for submission to the decision of the General Shareholders' Meeting, as well as the proposals for the reappointment or removal of such Directors by the General Shareholders Meeting;
- d) To inform of the proposals for the other Directors to be appointed by co-option or to be submitted for decision by the General Shareholders' Meeting, and the proposals for the General Shareholders' Meeting's re-election or severance of these Directors;
- e) To report on proposals for the appointment and removal of senior executives and the basic terms and conditions of their contracts;

- f) To examine and organise the succession of the Chairman of the Board of Directors and the CEO of the Company and, where applicable, make recommendations to the Board of Directors to ensure a smooth and well-planned handover;
- g) To propose to the Board of Directors the remuneration policy for the Directors and the managing directors or whoever may carry out their senior management duties directly answering to the Board, Executive Committees or chief executive officers, and the individual remuneration and other terms of the contracts of the executive Directors, ensuring compliance with the same.

In all aspects not expressly envisaged for the Standing Committees of the Board of Directors, the rules of procedure set forth in these Articles of Association shall apply in relation to the Board, providing these are compatible with the nature and function of the corresponding Committee.

The Board of Directors may also constitute other Committees consisting of Board members, with the duties they deem relevant.

#### **ARTICLE 24. Organisation of the Board of Directors**

The Board of Directors shall meet when called to do so by the Chairman or the acting Chairman, either on his own initiative or on request from any of its members, and it must meet at least once a quarter. In the case of the request being made by two Board members, if the Chairman has not made the call to Board Meeting a month after receipt of the request, with no justified cause, and the request is backed by at least a third of the Board members, the Board members who requested the call to meeting may call the Board meeting themselves, if they constitute at least a third of its members.

The Directors and the members of the Board's Standing Committees must attend the meetings personally at the place of meeting indicated in the call to meeting. The meetings shall normally be held at the corporate address stipulated in these Articles of Association.

If any of the Directors is unable to attend the meeting in person at the location indicated in the call to meeting, on authorisation by the Chairman they may use any means of communication enabling the meeting to take place simultaneously and reciprocally with the place of meeting and with any other members using remote means of communication, thus ensuring the unity of the event. In such cases the said Director shall be considered present to all intents and purposes, and may vote via the means of communication used. In such cases, if any of the Directors are present in person at the corporate address, the meeting shall be taken to have been held at the said location. Otherwise, the meeting shall be considered to have been held at the location of the Director chairing the meeting.

If personal attendance is impossible for the Directors or Standing Committee members, they may respectively appoint another Director or member as a proxy. Non-executive Directors may only delegate to another non-executive Director.

For the Board Meeting to be quorate, the majority of the Board members must be present or represented, and they may delegate their vote to other Board members. The Board's resolutions shall be adopted by absolute majority of the attending Board members, with the Chairman having the casting vote in case of a draw.

However, the Board meeting shall be taken to be summoned and quorate if all the Board members are either present or represented by proxy, and if the participants unanimously agree to it being held.

Similarly, resolutions may be adopted by written vote, without a meeting being held, providing none of the Board members opposes this procedure, as set forth in the current legislation.

The debates and resolutions of the Board of Directors shall be committed to writing in minutes that will be entered in a minutes book and signed by the Chairman, or any of the Vice-Chairmen where the case may be, and by the Secretary or Deputy Secretary of the Board. The minutes of the meetings of the Board of Directors may be totally or partially approved using any of the following procedures:

- (i) at the end of each meeting;
- (ii) after the Board meeting, by the Chairman and Secretary of the Board of Directors together with two Board members especially appointed for this purpose at the meeting itself; or
- (iii) at the next meeting of the Board of Directors.

#### **ARTICLE 25. Company representation**

Power of attorney for the Company in and out of Court corresponds to the Board of Directors, collectively, except for operations which in accordance with the Law fall under the competence of the General Meeting.

#### **ARTICLE 26. Remuneration of the members of the Board of Directors**

- (i) The position of Director will be remunerated.
- (ii) The maximum amount of remuneration to be received by members of the Board of Directors as a whole and for all concepts will be determined by the Annual General Meeting. This remuneration will remain in force until the Annual General Meeting resolves to amend it.
- (iii) The Board of Directors will establish the remuneration to be received by each member of the Board, as it deems most appropriate, and the combined amount will always be lower or equal to the maximum remuneration set by the Annual General Meeting.

The distribution of remuneration among members of the Board of Directors will take into account their functions (particularly those of the Chairman, Deputy Chairman and executive and coordinating directors), and the dedication of each member in addition to the positions they hold in the committees. The frequency and the form of the remuneration will also be established.

- (iv) The Appointments and Remuneration Committee will propose the distribution to the Board of Directors.
- (v) The remuneration system and compensation to be received by the Company's Directors for their non-executive functions will be as follows:



- a) an annual fixed amount, in accordance with the services and duties they carry out, which may be in cash and/or in kind;
  - b) healthcare insurance that includes spouses and children aged under 25; and
  - c) Civil liability cover.
- (vi) Relations with directors with executive functions shall be set forth in a contract between the director and the company that regulates their relations and, in particular, their remuneration of all types and for all concepts, including fixed remuneration and annual or multi-year variable remuneration conditional on performance parameters, savings and pension systems, life and civil liability insurance, other benefits in kind, compensation in the event of termination of the contract, notice and consideration for post-contractual non-competition commitments. This agreement must be aligned with the remuneration policy approved, where applicable, by the Annual General Meeting and must be approved by the Board of Directors with the legally established majority. The approved agreement must be included as an appendix to the minutes of the Board of Directors meeting.

## **TITLE IV**

### **THE FINANCIAL YEAR**

#### **ARTICLE 27. The financial year**

The financial year shall coincide with the calendar year, and the accounts will thus be closed on 31 December every year.

#### **ARTICLE 28. Annual Accounts**

The Company must keep orderly accounts, appropriate for its activity, enabling its transactions to be monitored chronologically and inventories and balance sheets to be drawn up. The account books must be legalised by the Business Register for the location of the corporate address.

The Directors, on an annual basis and within three months of the close of the financial year, shall draw up the annual accounts – which are to include the balance sheet, the profit and loss account, a statement of changes in net assets for the financial year, a cash flow statement and the report – together with the business report and the proposed appropriation of profit. The annual accounts and the management report must contain the content required under prevailing legislation and must be signed by the Directors. If any of their signatures are missing, this must be indicated on each document on which the said signatures are missing, with express indication of the reason. These documents, which form a single unit, must be clearly worded and give a true and fair view of the Company's assets, financial situation and profit and loss, as set forth by Law and in the Code of Commerce.

As from the call to General Meeting, any shareholder may ask for the Company to provide them with a copy of the documents to be submitted for approval by the same and the auditors' report, which shall be made available to them immediately, free of charge.

**ARTICLE 29. Filing of accounts in the Commercial Register**

During the month following approval of the annual accounts, these are to be presented together with the relevant certification of this approval and appropriation of profits and all other documents, for filing in the Commercial Register as determined by Law.

**TITLE V**

**DISSOLUTION AND WIND-UP OF THE COMPANY**

**ARTICLE 30. Dissolution**

The Company shall be dissolved in the cases provided for by Law.

**ARTICLE 31. Form of liquidation**

When the dissolution of the Company has been agreed on by the General Meeting of Shareholders, the latter, on proposal by the governing body, shall determine the form of liquidation and shall appoint one or more liquidators, who will be vested with the powers and functions established by law.

From the moment the Company is declared to be under liquidation, the governing body's representation for entering into new contracts and contracting new obligations shall cease. This notwithstanding, the governing body must assist with the liquidation operations, if it should be required to do so.

During the liquidation period the General Meeting shall continue to be vested with the same powers as during the Company's normal existence and, particularly, it shall have the power to approve the final liquidation balance sheet.

**ARTICLE 32. Rules for liquidation**

The standards established by Law shall apply to the Company's liquidation.

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