



**ARTICLES OF ASSOCIATION**  
**ACCIONA, S.A.**

**Redrafted Text**  
**28<sup>th</sup> March 2019**

## **TITLE I – GENERAL PROVISIONS**

### **Article 1.- Registered name**

The company is named “Acciona, S.A.” and is governed by these Articles of Association, and by the other ruling legal provisions.

### **Article 2.- Objects**

The Company’s object is the performance of business activities in the following areas:

1. Construction.
2. Turning to account infrastructures.
3. Real estate and land development.
4. Energy and water.
5. Transport and complementary services.
6. Urban and environmental services.
7. Ancillary services to business and their facilities.
8. Leisure, events and audiovisual.

The Company may carry out all the activities of execution and complementary activities in these lines of business and hold stakes in other companies for investment purposes.

In no case shall the corporate objects be deemed to include those activities which require any kind of administrative authorization not held by the company in order to be carried on.

### **Article 3. Development of the corporate objects**

The activities that comprise the corporate objects may be carried out by the company, in full or in part, indirectly, in any of the manners admitted by law and, in particular, through holding shares in companies with an identical or similar object.

### **Article 4.- Term of the company and commencement of operations**

1. The term of the company is indefinite.
2. The company commenced its operations on the day of its incorporation, 17<sup>th</sup> June 1916.

### **Article 5.- Registered office and branches**

1. The company’s registered office is in Alcobendas (Madrid), Avenida de Europa, no. 18.
2. The Board of Directors shall be competent to relocate the registered office within the national territory.
3. Furthermore, the Board of Directors shall be competent to decide on the creation, suppression or relocation of branches, within and outside national territory.

## TITLE II . – SHARE CAPITAL AND SHARES

### **Article 6. - Share capital**

The share capital is FIFTY FOUR MILLION EIGHT HUNDRED AND FIFTY SIX THOUSAND SIX HUNDRED AND FIFTY THREE (54,856,653) euros, divided into 54,856,653 shares of ONE (1) euro nominal value each, fully subscribed and paid-up within the same class and in one series.

### **Article 7.-Form of representation of shares**

The shares are represented by book entries, and are governed by the provisions of Securities Market Act 24/1988, of 28 July, its implementing regulations, and other applicable provisions. The record of share ownership will be kept by the company or companies to which this function is assigned in accordance with the applicable regulations.

### **Article 8.-Rules governing shares**

A share confers upon its holder the status of shareholder and all the inherent rights and obligations. The subscription, acquisition or holding under any title of shares in the company entails acceptance of the Bylaws and agreement with the resolutions passed or to be passed in the future by the corporate bodies in accordance with the Law and the Bylaws.

The pre-emptive subscription right in respect of new shares and bonds that are convertible into shares may be overridden totally or in part by a resolution of the General Meeting or, as the case may be, of the Board of Directors, in the cases and terms permitted by law.

The shares will be indivisible vis-à-vis the company, which will not recognise more than one person for the exercise of the rights of a shareholder. Joint owners of a share must appoint one of them to exercise the rights of shareholder and they will be jointly and severally liable to the company as regard the duties of shareholders.

The shares and the pre-emptive subscription rights are transferable by all legally permitted means.

The transfer thereof and the creation of limited real rights or any other kind of encumbrances must be registered in the corresponding accounting record.

The transfer of shares in the company, which will be free, will take place by accounting transfer. Registration of the transfer to the acquirer in the accounting registry will have the same effects as a conventional delivery of certificates.

Legitimate authority to transfer and exercise the rights deriving from the shares in the company or limited real rights or encumbrances created thereon may be attested by means of a certificate issued by the entity or body responsible for the accounting record in which the shares are registered.

### **Article 9. - Outstanding calls on shares**

1. When there are partially paid-up shares, the shareholder shall proceed to make the payment in cash or otherwise in the manner and within the term determined by the Board of Directors.

2. The Board of Directors shall resolve on the payment of the outstanding portion of the capital within a maximum term of five years as of the date of the resolution to increase the share capital.

### **Article 10.- Bodies**

The Company shall be governed and administered by its General Shareholders' Meeting, by a Board of Directors and by the person delegated by the latter.

## **CHAPTER 1.- The General Shareholders' Meeting**

### **Section 1 – Competence of the General Meeting**

#### **Article 11.- Powers of the General Meeting**

1. The General Meeting has the power to decide about any matters attributed to it by law or the Bylaws. In particular, its powers include, but are not limited to:

- a) grant discharge;
- b) if appropriate, approve the separate and consolidated financial statements and decide as to the distribution of results;
- c) appoint and remove members of the Board of Directors and ratify and revoke appointments to the Board of Directors by co-optation;
- d) approve the remuneration policy for directors in the terms envisioned by law;
- e) appoint and remove the Company's auditors;
- f) resolve to increase and reduce share capital, change the form of the company, merge or demerge it, and perform a general transfer of assets and liabilities, the issuance of bonds or other securities that create or acknowledge a debt claim, transfer the company's domicile abroad and, broadly speaking, any amendment of the Bylaws, except where the law attributes the power for any of these matters to the directors.
- g) approve the acquisition of essential assets or their disposal or contribution to another company.
- h) resolve to transfer, to dependent entities of the company, essential activities performed up to that point by the company, even where the latter retains full control over such entities;
- i) resolve to dissolve the company and any transactions whose outcome is equivalent to liquidation of the company;
- j) authorise the Board of Directors to increase capital stock;
- k) decide on the items submitted to it for deliberation and approval by the governing body.
- l) approve the General Meeting regulation and any subsequent amendments.

For the purposes of sections g) and h), the asset or activity is presumed to be essential if the volume or the amount of the transaction exceeds 25% of the total value of the assets on the last balance sheet.

The General Meeting may only delegate its powers to the Board of Directors in the cases established by the Act and in these Bylaws. The General Meeting may also empower the Board of Directors, in each specific instance, to determine whether or not the conditions to which the General Meeting has subjected the enforceability of a given resolution have been met.

### **Section 2 – Organization and functioning of the General Meeting**

#### **Article 12.- Types of General Meetings**

1. The General Meeting is the duly quorate assembly of a sufficient number of shareholders of the company. General Meetings may be ordinary or extraordinary.
2. An Ordinary General Meeting must be held necessarily within the first six months of each calendar year, in order to grant discharge, approve the financial statements, and decide on the application of income, notwithstanding its power to deliberate and resolve on any other matter on the agenda.
3. Any Meeting other than that described in the preceding paragraph will be deemed to be an

Extraordinary General Meeting.

4. General Meetings will be governed by the law, the Bylaws and a specific regulation which may contemplate all matters pertaining to the General Meeting. The regulation will be reported to the National Securities Market Commission and will be registered in the Mercantile Registry.

#### **Article 13.-Power to call General Meetings**

1. The Board of Directors may call both ordinary and extraordinary General Meetings.
2. The Board of Directors must call a General Meeting when:
  - a) Requested by shareholders who own at least three per cent (3%) of share capital. Any such request must indicate the items of business to be transacted at the Meeting. A General Meeting must also be called to be held within the two months following the date on which the directors receive a request, via notarial channels, to call the meeting, in which case the Agenda must of necessity include the items of business to which the request referred.
  - b) A tender offer for shares of the company has been made which has not received a favourable report from the Board of Directors.
3. If the Ordinary General Meeting has not been called within the legal term, it can be called, at the request of any shareholder, by the **Court Secretary or Mercantile Registrar** corresponding to the Company's registered office, after first giving the directors the opportunity to state their case.

An Extraordinary General Meeting must be called whenever so requested by the number of shareholders referred to in section 13.2.a) above, or pursuant to section 13.2.b).

#### **Article 14.- Announcement of the General Meeting**

1. The General Meeting, whether ordinary or extraordinary, must be called by means of an announcement published at least one month before the scheduled date. The announcement must be disseminated using at least the following media:
  - a) the Official Bulletin of the Mercantile Register, or one of the daily newspapers with the largest circulation in Spain.
  - b) the website of the National Securities Market Commission (CNMV) website, and
  - c) the company's website.
2. The announcement must state the date of the meeting at first call and all of the items of business to be transacted, as well as any other information required by law. The notice of meeting may indicate the date of the Meeting at second call, as appropriate. There must be at least twenty-four hours between the first and second call dates.
3. For Ordinary General Meetings and any others provided for by law, the announcement must further include the mandatory disclosures about the right to examine at the registered office of the company, to consult on the Company website and to obtain, immediately and free of charge, the documents that must be submitted for approval at the meeting and any report(s) required by law.
4. If the General Meeting is called to decide on any issue that requires a higher quorum in accordance with these Bylaws, the notice must state which items require the higher quorum for deliberation and voting.
5. The announcement must be signed by a person with the power to certify Board of Directors' resolutions.
6. Shareholders representing at least three per cent (3%) of share capital can request the publication of a supplement to the notice of an Ordinary General Meeting such as to add one or more items of business, provided that the new items of business are accompanied by a justification or a reasoned motion, as appropriate.

The shareholders who wish to exercise that right must send such supplement by certifiable means and it must be received at the company's registered offices within five days from publication of the notice of meeting.

The supplement to the meeting notice must be published at least fifteen days prior to the scheduled date of the General Meeting.

Failure to publish the supplement to the notice within the legally provided term constitutes a cause for challenging the General Meeting.

Shareholders representing at least three per cent (3%) of share capital, can, within the same term provided for in paragraph 2 of this section, submit reasoned motions concerning the items of business already included on, or which ought to be on, the Agenda of the meeting that has been called. The motions presented and any accompanying documentation will also be published on the company's website in accordance with the law.

7. When the company offers the shareholders the effective option of voting via electronic means available to all shareholders, Extraordinary General Meetings may be called with advance notice of at least 15 days. The reduction in the deadline for the notice of meeting will require express adoption by the Ordinary General Meeting by at least two-thirds of subscribed capital with voting rights, and will be valid only until the date of the next meeting.

8. The provisions of this article will be null and void if a legal provision imposes other requirements for General Meetings that transact specific matters, in which case the specific provisions must be observed.

#### **Article 15.- Right to information**

1. As of the day of publication of the notice of a General Meeting and up to the fifth day before the scheduled date of the meeting at first call, shareholders can request, in writing, information or clarifications that they deem necessary, or can ask any questions they deem appropriate, about the items of business on the Agenda and about information available to the general public that has been provided by the company to National Securities Market Commission (CNMV) since the last General Meeting, and about the auditor's report.

2. During the course of a General Meeting, shareholders can verbally request the reports or clarifications that they deem appropriate about the items of business on the Agenda.

3. The Directors must supply the requested information, except where it is unnecessary to safeguard the shareholder's rights or there are objective reasons to believe it may be used for purposes unrelated to the Company or that its disclosure might be detrimental to the company or to related companies. If the request is supported by shareholders representing at least one-quarter of share capital, the information may not be withheld.

4. The information requested pursuant to the first paragraph will be provided in writing up until the day of the General Meeting. That which is requested at the General Meeting will be provided during the course of same or, where it proves impossible for the directors to honour the shareholder's right at that moment in time, it will be provided in writing within seven days from the end of the General Meeting.

Valid requests for information and clarifications, and questions made in writing and the answers given in writing by the directors, will be posted on the company's website.

5. The company will have a corporate website, the address of which is [www.acciona.es](http://www.acciona.es), where it will post and make available to shareholders and investors the relevant documents and information required by law at any given time.

The Board of Directors can resolve to amend, remove or transfer the website under the terms established by law.

#### **Article 16.- Universal Meeting**

1. The General Meeting will be valid to deliberate on any matter, with no need for prior notice convening it, provided that all the share capital is present or represented thereat and those present agree unanimously to hold the meeting and accept the agenda.

2. Universal Meetings may be held at any place in national territory or abroad.

#### **Article 17.- Quorum of the General Meeting**

1. The General Meeting, whether ordinary or extraordinary, will be deemed quorate at first call when the shareholders present or represented by proxy own at least twenty-five per cent (25%) of the subscribed voting capital. At second call, the Meeting will be quorate regardless of the percentage of capital in attendance.

2. Notwithstanding the above:

(i) The General Meeting requires a quorum of sixty-seven per cent (67%) of subscribed voting capital at first call, or sixty-two per cent (62%) at second call, in order to decide on any of the following matters:

a) Amendments to the Bylaws, apart from the change of registered office, capital increases, broadening of the corporate purpose, and capital reductions, where required by law.

b) Change of corporate form, merger, demerger, liquidation or dissolution of the company, except in the event that the dissolution is obligatory in accordance with the law.

(ii) With regard to a change in registered office, capital increase, broadening of the corporate purpose, overriding or limiting the pre-emptive subscription right, issuance of debentures or bonds, when the General Meeting is empowered to do so, the issuance of warrants or options (alone or linked to debentures) and of preference shares, and a capital reduction, where required by law, the General Meeting will be quorate at first call when sixty-seven per cent (67%) of the subscribed voting capital is in attendance and, at second call, when fifty per cent (50%) of the subscribed voting capital is in attendance.

The same percentages as are established in the preceding paragraph will apply when, in the cases of a capital increase or the issuance of debentures, bonds, warrants or preference shares, the General Meeting grants authorisation to or delegates the power to pass such resolutions to the Board of Directors.

3. If the quorum reached is sufficient to decide on certain items on the Agenda but not on others, the General Meeting will deliberate and resolve solely on those matters for which there is a sufficient quorum.

4. Any absences that arise once the General Meeting has been declared quorate will not affect the quorum.

#### **Article 18.- Authority to attend**

1. All shareholders whose shares, with the time in advance established by the Act, are registered in the corresponding accounting record in accordance with the Securities Market legislation, and other applicable legal provisions, are entitled to attend General Meetings. It shall not be necessary to hold a minimum number of shares in order to attend General Meetings.

2. Notwithstanding the provisions of the preceding paragraph, with regard to the right of attendance, shareholders must obtain the corresponding Attendance Card which will indicate the number of shares held and the number of votes the shareholder may cast on account of these shares.

3. The Attendance Card will be issued by the Company to shareholders who are entitled to attend the Meeting upon delivery to the Company or the entities it designates of the corresponding certificate of entitlement in their favour issued by the Entity or Body responsible for keeping the account recorded where the shares are registered, attesting to the registration of the shares in that shareholder's name with the advance notice referred to in point 1 above.

4. The Board of Directors may authorize the replacement of the Attendance Card by equivalent documents issued by other entities.



### **Article 19.- Representation at General Meetings**

1. All shareholders entitled to attend meetings may be represented at General Meetings by another person or persons, whether or not they are shareholders, in respect of all his or her shares or each of the representatives in respect of a part thereof.
2. Representation will be conferred on a special basis for each General Meeting, either in writing and signed and send by post, e-mail or another remote means of communication recognized by the Company in accordance with the provisions of article 25 below for remote voting.
3. Special representation is not required for each Meeting in the case of a representative who can prove that he or she is the spouse, an ascendant or descendant of the represented shareholders, or in the case of the holder of a general power of attorney granted in a public document with faculties to administer all the represented shareholder's property in national territory.

Proof of such circumstances shall be provided by submitting documentation attesting sufficiently to the family relationship or by showing the public document.

4. Representation is always revocable. The attendance at the Meeting of the represented shareholder, whether in person or by virtue of having cast a vote remotely in accordance with article 25 below, entails revocation of any delegation, regardless of the date on which they were issued.
5. The Board of Directors may require, in the notice convening the General Meeting, that any delegations of representation of shareholders referred to in section 2 of this article be communicated to the Company by the fifth day prior to the date set for the General Meeting on first call, indicating the representative's name.

### **Article 20.- Public Solicitation Proxies**

1. A public solicitation proxy shall be understood as having taken place whenever the same person, be he or she a director of the company, depositary entity or any third party, represents over three shareholders.
2. Any such proxy must contain, or have attached, the Agenda of the meeting as well as the request for instructions to exercise the right to vote and the way in which the proxy shall vote in the event of not having been issued with precise instructions.

The proxy can also contain the request for instructions and the indications which, either explicitly or tacitly, the representative must follow as regards other decisions that are not included in the Agenda, and which may be decided on in accordance with the rights of the General Meeting.

In the absence of any explicit or vicarious voting instructions, either because these have not been stipulated in the corresponding document, or because the General Meeting is going to decide on questions that do not legally have to be included in the Agenda, or have not been provided for in the proxy, the representative must vote in the manner he or she feels to most benefit his or her represented party's interests.

Although having received voting instructions, the representative party can vote in another way if circumstances arise that were unknown on sending the instructions, thus running the risk of damaging the represented party's interests.



3. Whoever represents shareholders by virtue of a public solicitation proxy cannot exercise the right to vote corresponding to the shares represented with respect to those items on the Agenda, or where appropriate, that do not figure in the Agenda but which are dealt with at the meeting in accordance with the law, in which the representative enters into a conflict of interests according to the law, unless he or she has received specific instructions from the represented party for each one of said items and without prejudice to the obligation to inform the represented shareholder of such a conflict of interests.

#### **Article 21.-Venue and time for holding the General Meeting. Extension of meetings**

1. The General Meeting will be held in the municipal district in which the company is domiciled or in the municipal district of Madrid, with the Board of Directors, when calling each meeting, deciding the venue at which the meeting is to be held, within the parameters indicated. If the announcement does not state the venue of the meeting, it will be understood that the Meeting will be held at the registered address.

2. The General Meeting may resolve to extend the duration of the same for one or more consecutive days, acting on a proposal of the Board of Directors or a number of shareholders representing at least a quarter of the share capital in attendance. Regardless of the number of sessions making up the Meeting, it will be considered a single Meeting, with just one set of minutes being taken for all the sessions.

#### **Article 22.- Panel of the General Meeting**

1. General Meetings will be chaired by the Chairman of the Board of Directors or, if he is not present in person, by the Vice-Chairman of the Board. If several Vice-Chairmen are present at the meeting, it will be chaired by the corresponding person on the basis of priority of number.

2. If neither the Chairman nor any of the Vice-Chairmen are present, the General Meeting will be chaired by the shareholder present at the meeting who is the holder of the largest number of shares with voting rights.

3. The Chairman of the General Meeting will be assisted by the Secretary. The Secretary of the General Meeting will be the Secretary of the Board of Directors or, if he is not present in person, the Vice-Secretary. In the absence thereof, the person designated in each case by the Chairman of the General Meeting shall act as Secretary.

4. If the presence of a Notary Public has been demanded, the said Notary Public shall be deemed to be a member of the panel of the General Meeting.

#### **Article 23.- List of those present**

1. Before starting to deliberate on the Agenda, a list of those present shall be drawn up by the Secretary of the General Meeting, indicating the name of the shareholders present and the name of the shareholders represented and their representatives, as well as the number of shares in each case.

2. At the end of the list the number of shareholders present or representative will be determined, as well as the amount of the share capital held by them, specifying what corresponds to shareholders with voting rights.

3. The Chairman of the General Meeting may establish that the Secretary is to be assisted by two or more scrutineers in order to draw up the list of those present. The designation of the scrutineers lies with the Chairman.

4. If the list of those present does not appear at the start of the Minutes of the General Meeting, it will be attached thereto in an appendix signed by the Secretary, with the Chairman's approval, notwithstanding the provisions of article 98.2 of the Mercantile Registry Regulations.

5. The Chairman of the Meeting is empowered to determine the validity of the representation of the shareholders and to impose the suspension of the voting rights of those shareholders who have that status in breach of the legislation regulating public offers for the acquisition of shares.

#### **Article 24.- Form of deliberation of General Meetings**

1. Once the list of those present has been drawn up, the Chairman will declare the General Meeting to be valid, if appropriate, specifying whether the Meeting has sufficient quorum to deliberate on all the matters included in the agenda or, otherwise, which matters the General Meeting may deliberate and resolve on, indicating the order in which such matters have to be discussed.

2. The Chairman will submit the items included in the agenda to deliberation.

3. The Chairman of the General Meeting is responsible for granting or refusing the opportunity to address the meeting, establishing the order of the interventions and limiting at any time the maximum duration of each one, as well as for maintaining the general order of the meeting.

4. The Chairman may suspend the Meeting if the circumstances so advise.

5. Once the Chairman considers that a matter has been sufficiently debated, he will submit it to the vote.

6. The Chairman may authorize the attendance at the General Meeting of any person he considers appropriate.

#### **Article 25.- Remote voting**

1. Shareholders with the right to attend and vote at General Meetings may cast their vote on the proposals relating to the items on the agenda by post or e-mail. They may also use for this purpose other remote means of communication when the Regulations on the General Meeting or on the Board of Directors, in accordance with the rules established therein, so permit.

2. Postal votes will be cast by sending to the Company in accordance with article 18 above the Attendance Card, duly signed and completed for that purpose, or other written document (such as the General Meeting attendance cards issued by the security deposit entities) which the Board of Directors decides to consider as Attendance Card for which purpose it shall be a requisite that such documents adequately guarantee the identity of the shareholder exercising his or her right to vote.

3. Votes by e-mail will be cast under recognized electronic signature or other identification system recognized by the Company from time to time.

4. The means and procedures for remote voting shall guarantee sufficiently the identity of the shareholder exercising the right to vote, his or her status as a lawful shareholder entitled to vote and the authenticity of the communication in which the content of his or her vote is expressed.

5. In order to be valid, votes cast through remote means of communication must be received by the Company by the fifth day prior to the date on which the General Meeting is to be held on first call. The Board of Directors may reduce this term in the resolution convening the General Meeting in question, giving it the same publicity as is given to the notice convening the meeting.

6. Shareholders entitled to attend General Meetings who cast their votes remotely in accordance with the provisions of this article shall be considered present at the General Meeting and shall be counted as such for the purposes of determining whether the General Meeting has a quorum. If they had formalized a delegation of their representation, it shall be deemed void.

7. Votes cast using remote communication means shall be rendered null and void by the personal attendance at the General Meeting of the shareholder casting the vote.

8. The Board of Directors is empowered to establish the rules and means and procedures in accordance with the state of technology to instrument remote voting, complying, as the case may be, with any legal regulations that elaborate on this system. The rules, means and procedures will be published on the Company's website.

#### **Article 26.- Form of passing resolutions**

1. Each item of the Agenda will be put to the vote separately, in the manner decided by the Chairperson, by either roll call vote or secret ballot.

2. In any case, even if they are on the same item of the agenda, topics which are substantially independent will be voted on separately, specifically proposals concerning the appointment, ratification, re-appointment or removal of each director and, in the case of modifications to these Bylaws, each article or group of articles that are substantially independent, for example, a chapter dealing with homogeneous matter, or a set of articles regulating the same matter or several interdependent provisions will be voted on separately.

3. The Chairman of the Meeting is responsible for ordering the voting procedure and its form, and may be assisted for that purpose by two or more scrutineers freely designated by him.

#### **Article 27.- Passing resolutions**

1. Every share has one vote.

2. Resolutions will be passed by ordinary majority of the votes corresponding to the shares with voting rights present or represented, and will be deemed to have been adopted when more votes of the capital present or represented when the General Meeting is declared quorate are in favour than against.

For the valid adoption of the motions referred to in article 17.2 of these Bylaws, the motion must be adopted by absolute majority of the voting rights in attendance, whether present or by proxy.

Shareholders may not exercise the right to vote corresponding to their shares in the case of a motion that frees them from an obligation or grants them a right, provides them with any type of financial assistance, including the provision of guarantees in their favour, or dispenses with the obligations arising from the duty of loyalty.

The shares of a shareholder in any of the conflicts of interest detailed in the paragraph above will be deducted from the share capital to calculate the majority of votes required in each case.

3. Once a matter has been put to the vote, the Chairman will announce the result, declaring that the resolution has been validly passed, if that is the case.

#### **Article 28.- Minutes and certificates**

1. The minutes of the General Meeting will be drawn up by the Secretary, and will be approved by the Meeting upon conclusion or, within fifteen days, by the Chairman and two meeting officers, one representing the majority and the other representing the minority, as decided by the Chairman in light of the manner in which business was transacted. Once approved, the Minutes

will be signed by the Secretary and countersigned by the Chairman. All the foregoing is notwithstanding the provisions of current regulations in the event that a notary public is engaged to attend and minute the meeting.

2. The Secretary of the company or, as the case may, be the Vice-Secretary, will issue certificates of the resolutions passed by the General Meeting. Any shareholder or their proxy at a General Meeting is entitled to request a certificate of the resolutions passed.

## **CHAPTER 2.- The governing body**

### **Section 1 – General provisions**

#### **Article 29.- Structure of the governing body**

1. The company will be managed by a Board of Directors, made up of a minimum of three and a maximum of eighteen members.

2. The General Meeting is responsible for determining the number of members of the Board, for which purpose it may establish that number by virtue of an express resolution or, indirectly, by filling vacancies or appointing new Directors within the maximum established in the preceding section.

3. In exercising its powers to propose appointments to the General Meeting and to co-opt to fill vacancies, the Board of Directors must strive to ensure that proprietary and independent directors represent an ample majority of the Board of Directors while the number of executive directors should be as small as is practical, bearing in mind the complexity of the corporate group and the executive directors' percentage of ownership.

The provisions of the previous paragraph do not affect the sovereignty of the General Meeting nor do they undermine the proportional system, which will be compulsory whenever there is a grouping of shares as envisaged in the law.

Directors will be classified as proprietary, independent, executive, or other external, in accordance with the law.

4. The Board of Directors will be governed by the provisions established in the Act, these Bylaws and a regulation setting out the rules of procedure, which will be approved by the Board and reported to the General Meeting. The Regulation will be reported to the National Securities Market Commission and registered in the Mercantile Registry.

#### **Article 30.- Conditions for directors**

1. In order to be appointed a director, it is not necessary to be a shareholder.

2. If vacancies arise during the term for which directors were appointed, the Board of Directors may designate persons to fill such vacancies until the next General Meeting is held. If a vacancy arises once the General Meeting is called and before it is held, the Board of Directors may appoint a director until the next General Meeting is held.

3. The appointment of directors will come into effect upon acceptance and must be submitted to the Mercantile Registry for registration within ten days following the date of such acceptance, indicating their full names and that they are of legal age, if they are natural persons, or the registered name, if they are legal persons and, in both cases, the address and nationality and category of director.

#### **Article 31. – Term and remuneration**

1. Directors will have a term of three years, and may be re-appointed one or more times.
2. Directors' remuneration will consist of a fixed annual amount for belonging to the Board of Directors and any committees of which the director is a member. The total remuneration payable by the Company to the directors as a whole for belonging to the Board of Directors and its committees will be the amount determined for this purpose by the General Meeting, and it will remain in force until amended; nevertheless, the Board of Directors may reduce that amount in any given year if it sees fit.

The Board of Directors is responsible for determining the exact remuneration within this limit and its distribution among the directors, having consideration for the functions and responsibilities of each director, whether they belong to Board committees, and other objective circumstances that it considers to be relevant.

3. Regardless of the provisions of the preceding paragraph, the remuneration for belonging to the Board of Directors will be compatible with any other remuneration (fixed salaries; variable remuneration tied to business, corporate and/or personal objectives; indemnities paid to the director for termination due to causes other than breach of duty; pension and insurance plans; deferred compensation) to which the director may be entitled, subject to a proposal by the Appointments and Remuneration Committee and a decision by the Board of Directors, for performing other functions in the company, whether related to senior management or otherwise, other than the collective supervision and decision-making functions that are inherent to the position of Board member.

4. Subject to a decision by the General Meeting with the scope required by law, executive directors may also be paid in the form of shares or stock options or by any other remuneration system referenced to the share price.

5. The company will have a Director Remuneration Policy that conforms to the remuneration system envisaged in these Bylaws and which must be approved by the General Meeting, at least every three years, as a separate item on the agenda. Any amendment or replacement of the Remuneration Policy will require prior approval by the General Meeting. Any remuneration received by directors for discharging their duties or for termination of their position, or for performing executive functions, except that expressly approved by the General Meeting, must be in coherence with the Remuneration Policy in force at any given time.

6. The company may arrange third-party liability insurance for its directors in the usual conditions, commensurate with the company's circumstances.

### **Article 32.- Duties of Directors**

In the course of carrying out his duties, the director must act diligently as an orderly businessman and loyal representative, acting in good faith and in the best interests of the company. The duty of loyalty requires that he put the interests of the company before his own, and specifically, that he adhere to the rules set out in the applicable regulations

The Board Regulation will elaborate upon the specific obligations of directors, derived from the duties of diligence and loyalty in accordance with the law. To that end, it will pay particular attention to conflicts of interest, and may set out procedures and requirements for authorisation or exemption under the provisions of the applicable regulations. The authorisation must be approved by the Meeting when the objective is to grant exemption from a ban on obtaining an advantage or remuneration from third parties, from a non-compete clause with the company or for a transaction whose value exceeds ten per cent of the company's assets.

## **Section 2 – The Board of Directors**

### **Article 33.- Officers of the Board of Directors**

1. Following a report from the Appointments and Remuneration Committee, the Board of Directors will appoint its Chairman and, optionally, one or more Vice-Chairmen. In the event of several Vice-Chairmen, each Vice-Chair will be numbered. The number will determine the order of precedence in which the Vice-Chairmen will stand in for the Chairman in cases of absence, incapacity or vacancy.

The position of Chairman of the Board of Directors may be held by an executive director. The appointment of the Chairman will require a favourable vote of two-thirds of the members of the Board of Directors.

2. Following a report by the Appointments and Remuneration Committee, the Board of Directors will designate a Secretary and, optionally, a Vice-Secretary, neither of whom needs be a director, in which case they will be entitled to speak but not vote at Board meetings. The Vice-Secretary will stand in for the Secretary in cases of absence, incapacity or vacancy.

3. In the event that no Vice-Chairman has been appointed or where the Vice-Chairmen are unable to perform the respective functions, the Lead Director will stand in for the Chairman.

4. Where the Chairman is an executive director, the Board of Directors, with the abstention of the executive directors, must appoint, from among the independent directors, a Lead Director, who will be especially empowered to give notice of meetings of the Board of Directors, add items to the meeting agenda, coordinate and meet with the non-executive directors, and direct any regular assessment of the Chairman of the Board of Directors.

### **Article 34.- Convening the Board of Directors**

1. The Board of Directors will be convened by the Chairman, or in his absence, incapacity or vacancy, by the Vice-Chairman, whenever the latter deems it necessary or advisable, and at least once per quarter. The Board must always be convened when requested by a Vice-Chairman, the Lead Director, a Managing Director or one-third of the members of the Board. In the event that one month has elapsed since the reception of a request for a Board meeting without the Chairman having convened one, for no just cause, the Board meeting can be convened by those who originally requested it, indicating the agenda of the meeting, which will be held in the municipality where the registered office is located.

2. It will not be necessary to indicate the agenda of the meeting when giving notice.

3. The Chairman, or whoever is acting as Chairman in accordance with the law, these Bylaws and the Board of Directors Regulation, will be empowered to decide on all matters relating to the date, form of giving notice, and holding of Board meetings.

4. The Board of Directors will be deemed to have been validly convened without any need for prior notice if, all of its members or their representatives being present, they unanimously agree to hold a Board meeting.

### **Article 35.- Quorum of Board meetings. Representation**

1. Meetings of the Board of Directors will be quorate to deliberate and resolve on any matter when more than half of the Board members established by the General Meeting are present or represented at the meeting, even if that number is not covered in full or if vacancies have arisen



subsequently.

2. The members of the Board of Directors may be represented only by another Board member. Non-executive directors may only be represented by another non-executive director.

3. Representation must be conferred through any written means addressed to the Chairman and specifically for each meeting.

#### **Article 36.- Deliberations**

The Board of Directors may deliberate on and pass resolutions on the matters for which it is competent, even if they are not included in the agenda indicated in the notice convening the meeting.

#### **Article 37.- Form of deliberating and passing resolutions of the Board**

1. The Chairman shall submit the items on the agenda to deliberation, both whether the agenda is indicated on the notice convening the meeting and if the agenda is drawn up at the start of the meeting. Any of the members of the Board, prior to or during the meeting, shall be entitled to raise any other matter to be submitted to deliberation and vote, in the order which the Chairman determines, at his prudent discretion.

2. Once the Chairman considers that a matter has been sufficiently debated, he will put it to the vote, and each member of the Board present or represented shall have one vote.

3. Resolutions will be passed by absolute majority of the Board members present in person or represented at the meeting. In the event of a tie, the Chairman or whoever acts as such shall have the casting vote.

4. The resolutions of the Board that have been passed legally and within the sphere of its attributions shall be binding on all shareholders.

5. Written votes without holding a meeting shall be allowed when no Director objects to this procedure.

#### **Article 38.- Minutes and certificates**

1. The minutes of the Board of Directors' meeting will be drawn up by the Secretary, or in his absence, by the Vice-Secretary. If both the Secretary and Deputy Secretary are absent, the minutes will be taken by the person designated as Secretary by those present at the meeting.

2. Once approved, the minutes will be signed by the Secretary and countersigned by the Chairman.

3. The Secretary or, as the case may be, the Vice-Secretary, will issue certificates of the resolutions passed by Board of Directors, countersigned by the Chairman or Vice-Chairman, as the case may be. To facilitate the execution of motions and, where appropriate, their expression in public instruments, the minutes may be approved partially, each section containing one or more resolutions.

#### **Article 39.- Delegation of faculties**

1. The Board of Directors may delegate, on a permanent basis, some or all of its faculties to an executive committee or to one or more Managing Directors, and determine the members of the Board who are to hold such delegated posts.



2. The delegation of faculties on a permanent basis and the determination of the Board members who are to hold such posts will require, in order to be valid, a vote in favour by two-thirds of the number of Board members established by the General Meeting for the composition of this body, even if that number has not been covered in full or if vacancies have arisen subsequently, and will not take effect until registered in the Mercantile Registry.

The Board of Directors regulation will establish the composition and determine the rules of procedure of the executive committee, where one is established.

3. Under no circumstances may the powers classified by law as nondelegable be delegated, or those that the General Meeting delegated to the Board of Directors, except where expressly authorized by the General Meeting.

4. Notwithstanding the delegation, the Board of Directors will retain the delegated faculties.

5. The Board of Directors, the executive committee and directors to whom faculties have been delegated may appoint and revoke proxies.

#### **Article 40.- Committees of the Board of Directors.**

1. The Board of Directors may, in order to better carry out its functions, create the committees it considers necessary to assist it in matters of its competence.

2. In any event, there will be an Audit Committee and an Appointments and Remuneration Committee, or two separate committees, for Appointments and Remuneration, with the composition and functions established by law, these Articles and the Board of Directors Regulation.

The Audit and Appointments and Remuneration Committees will each be comprised of at least three and at most five directors, none of whom may be an executive director.

A majority of the members of the Audit Committee must be independent directors, and one of them should be appointed on the basis of their knowledge and background in accounting and/or auditing. The members of the Committee, as a whole, must have the pertinent technical knowledge of the industry in which the Company operates.

At least two members of the Appointments and Remuneration Committee must be independent directors.

3. The Board of Directors will designate a Chairman of each committee, who, in the case of the Audit and Appointments and Remuneration Committees, must be an independent director.

4. The Audit Committee and the Appointments and Remuneration Committee will meet periodically, when convened by their respective Chairmen and whenever the Board or the Board Chairman requests, in the cases envisaged in the regulations, and when it is deemed appropriate for the performance of their functions.

The Board of Directors Regulation may elaborate upon and complete the rules in connection with Board committees set out in the provisions of the Articles of Association and the law. However, until the Board of Directors determines or regulates the functioning of its committees, they will be governed by the provisions of these Articles that apply to the Board of Directors, except where incompatible with the nature and function of the respective committee.

5. Committee minutes must be made available to all members of the Board of Directors.

#### **Article 40 bis.- Functions of the Audit Committee**

The Audit Committee will have the following competences, notwithstanding any others that are attributed to it by law, these Articles or the Board Regulations or are entrusted to it by the Board

of Directors:

- a) Informing the Shareholders' Meeting about the matters raised by shareholders within the scope of its functions, particularly with regard to the outcome of the audit, and explaining how it contributed to the integrity of the financial information and the function that the Committee performed in this process.
- b) Proposing to the Board of Directors, for submission to the General Meeting, the selection and appointment of the external auditors, and their contract conditions, the scope of their professional mandate and the revocation or extension of the mandate.
- c) Supervising the efficacy of the company's internal control, the internal audit services and the risk management systems, including those related to taxes, and discussing with the external auditors any significant weaknesses in the internal control system that are detected in the course of the audit, all without jeopardising their independence. To this end, it may present recommendations or proposals to the Board of Directors and the necessary follow-up deadline.
- d) Supervising the process of drawing up and presenting **mandatory** financial information, overseeing compliance with legal requirements and the proper application of generally accepted accounting principles, and making recommendations or proposals to the Board of Directors to safeguard its integrity.
- e) Liaising with the external auditors in order to receive information on any matters that may jeopardise their independence and any other matters related to the specific conduct of the audit, and, as appropriate, authorising services other than those that are prohibited, in the terms set out in the legislation on auditing and the auditing standards, and other communications established in that legislation. In any case, it must receive written confirmation each year from the external auditors of their independence with respect to the Company or companies related to it directly or indirectly, and **detailed itemised** information on the additional services of any kind provided to such undertakings by the auditors or by persons or entities related to them, in accordance with the provisions of the audit regulations.
- f) Issuing each year, prior to the issuance of the auditors' report, a report in which it expresses an opinion as to whether the independence of the external auditors has been compromised. This report must include, in any case, a reasoned assessment of the provision of any and all additional services other than the statutory audit, as referred to the preceding paragraph, taken individually and as a whole, in connection with the rules on auditor independence.
- g) Advising the Board of Directors, beforehand, on: **(i)** the financial information that the Company must disclose periodically; **(ii)** the creation of, or acquisition of stakes in, special purpose vehicles or undertakings domiciled in countries or territories designated as tax havens; and **(iii)** transactions with related parties.

**Article 40 ter.- Functions of the Appointments and/or Remuneration Committee.**

The Appointments and Remuneration Committee will have the following competences, notwithstanding any others that are attributed to it by law, these Bylaws or the Board Regulations or are entrusted to it by the Board of Directors:

- a) Checking that the members of the Board of Directors possess the necessary competency, knowledge and experience; To this end, it will define the roles and capabilities required of the candidates to fill each vacancy, deciding the time and dedication necessary for them to perform their duties effectively.

- b) Establishing a target for representation of the gender that is less represented on the Board of Directors and drawing up guidelines on how to achieve that target.
- c) Making proposals to the Board of Directors as to the appointment of independent directors, for co-optation or for remittal to the General Meeting, and as to the re-appointment or removal of such directors by the General Meeting.
- d) Advising on proposals to appoint other directors by co-optation or for remittal to the General Meeting, and on proposals to the General Meeting to re-appoint or remove them.
- f) Advising on the appointment of the Chairman and any Vice-Chairmen of the Board of Directors.
- h) Advising on the appointment of the Secretary and the Vice-Secretary of the Board of Directors;
- i) Advising on proposals for the appointment and removal of senior executives and the basic conditions of their contracts.
- j) Examining and organising the succession of the Chairman of the Board of Directors and of the company's chief executive and, as appropriate, making proposals to the Board of Directors so as to ensure that the succession takes place in an orderly and planned way.
- k) Proposing, to the Board of Directors, the remuneration policy for directors and general managers and others performing senior management functions who report directly to the Board of Directors, the Executive Committees or the Managing Directors, and the individual remuneration and other contractual conditions for executive directors and other conditions in their contracts, exercising oversight to ensure that they are complied with.

### **Section 3 – Faculties of the Board of Directors**

#### **Article 41.- Management faculties**

1. The Board of Directors has the broadest powers to manage the company and, except in matters reserved for the General Meeting, it is the highest decision-making body of the company.
2. At any rate, the Board will have, on a nondelegable basis, the powers reserved for it directly by law and those that are necessary for responsibly exercising its general supervisory role.
3. The following nondelegable functions are reserved for the Board of Directors directly:
  - a) Supervising the effective functioning of any committees that have been created and the performance of the delegated bodies and executives it has appointed.
  - b) Establishing the general policies and strategies of the company.
  - c) Authorising or waiving the obligations deriving from the duty of loyalty, in accordance with the law.
  - d) Its own organisation and functioning.
  - e) Authorising the Financial Statements and presenting them to the General Meeting.
  - f) Drawing up any report required by law of the Board of Directors provided that the transaction referred to in the report cannot be delegated.
  - g) Appointing and removing Managing Directors of the company, and establishing the conditions of their contract.
  - h) Appointing and removing executives who report directly to the Board or to any of its members, and establishing the basic conditions of their contracts, including remuneration.
  - i) Decisions related to director remuneration, within the framework of the Bylaws and, where appropriate, to the remuneration policy approved by the General Meeting.
  - j) Giving notice of the General Meeting and drafting the agenda and motions.
  - k) The policy related to own shares.
  - l) The powers vested in the Board of Directors by the General Meeting, except where it was

expressly authorised to subdelegate them.

- m) Approving the strategic or business plan, management objectives and annual budgets and the policies relating to investment and funding, corporate social responsibility and dividends.
- n) Establishing risk control and management policies, including tax policies, and supervising internal reporting and control systems.
- o) Determining the corporate governance policy of the company and the group of which it is the controlling entity; their organisation and functioning and, in particular, approving and amending its own regulation.
- p) Approving the financial information that the company must disclose by virtue of being listed.
- q) Designing the structure of the corporate group of which it is the controlling entity.
- r) Approving the investments or operations considered to be strategic or to entail special tax risks by virtue of their amount or special characteristics, unless their approval corresponds to the General Meeting.
- s) Approving the creation of, or acquisition of shares in, special purpose vehicles or entities resident in countries or territories designated as tax havens, and any other transactions or operations of a comparable nature which, because of their complexity, might impair the transparency of the company and its group.
- t) Approving transactions performed by the company or the companies in its group with directors, following a report from the Audit Committee, as provided by law, or with shareholders who, individually or in concert with others, hold a significant stake, including shareholders represented on the Board of Directors of the company or of other companies in the group or with the related parties of any of them. The directors involved or who represent or are linked to the shareholders involved must abstain from participating in the debate or vote on such matters. The Board of Directors Regulation will regulate, in accordance with the law, those transactions for which this approval is not required.
- u) Determining the company's tax strategy.

4. Where permitted by law, in duly justified circumstances of urgency, decisions in connection with the matters listed above may be adopted by the delegated bodies or persons, and must be ratified at the first Board of Directors meeting held after the adoption of the decision.

#### **Article 42.- Power of representation**

1. The power of representation, in and out of court, shall correspond to the Board, which shall act collegiately.
2. If the Board of Directors resolves to delegate its faculties on one or several Managing Directors, the power of representation may correspond to each of them individually or jointly, in which case the Board shall also determine their regime of action.

### **Section 4 – Recording of corporation resolutions in a public instrument**

#### **Article 43.- Persons empowered to record in a public instrument**

1. It is the responsibility of the Secretary of the Board of Directors and, as the case may be, the Vice-Secretary of the Board, to record the resolutions passed by the company's bodies in a public instrument.
2. The recording of the corporate resolutions in a public instrument may also be carried out by the member or members of the Board of Directors who are expressly empowered for that purpose by the corresponding body at the meeting in which the resolutions in question have been passed, and, in the absence thereof, by the Chairman, Vice-Chairmen and Managing Director or Directors.

**3.** In any case, the persons empowered to record the resolutions in a public instrument must have their appointment in force and registered in the Mercantile Registry.

## TITLE IV – ANNUAL ACCOUNTS

### **Article 44.- Business year**

The business year shall commence on 1<sup>st</sup> January and shall end on 31<sup>st</sup> December each year.

### **Article 45.- Drawing up of the annual accounts**

Within the legally established term, the Board of Directors shall draw up and sign the annual accounts, the Directors' report and the proposed application of the result and, as the case may be, the consolidated accounts and Directors' report.

### **Article 46.- Verification of the annual accounts**

The annual accounts and the Directors' report must be reviewed by the auditors in the terms established by the Act.

### **Article 47.- Approval and filing of the annual accounts**

1. The annual accounts will be submitted for approval by the Ordinary General Meeting.
2. The General Meeting will decide on the allocation of income for the year, in accordance with the following priorities:
  - 1) The required amount pursuant to the applicable legal provisions will be allocated to the legal reserve.
  - 2) The necessary amount will be allocated to the Bylaw reserve so that, added to the amount of the preceding allocation, a total of 10% of the profit for the year is taken to reserves.
  - 3) At least four per cent of the par value will be allocated to paying a dividend to shareholders.
  - 4) The balance will be allocated as resolved by the General Meeting in accordance with these Bylaws.
3. The General Meeting may resolve that the dividend be paid wholly or partially in kind, provided that:
  - (i) the assets or securities to be distributed are homogeneous;
  - (ii) they are not distributed at a value below the value at which they are recognised in the Company's balance sheet.
  - (iii) they are listed on an official market at the effective date of the resolution, or adequate mechanisms have been established to ensure their liquidity within at most one year.
4. The General Meeting and the Board of Directors may declare an interim dividend, subject to the limitations and in compliance with the requirements established by law.
5. Within the month following approval of the annual accounts, the directors must present, for filing at the Mercantile Registry corresponding to the company's registered office, a certification of the resolutions of the General Meeting approving both the accounts and the allocation of income and the consolidated accounts, if any, along with a copy of each of the aforementioned accounts and also of the directors' report and auditors' report.

## TITLE V – DISSOLUTION AND LIQUIDATION OF THE COMPANY

### **Article 48.- Dissolution of the company**

The company shall be dissolved due to the causes and with the effects established in the Act and in these Articles of Association.

### **Article 49.- Administrators**

1. The General Meeting that agrees to the winding-up:

a) shall set the time to make a start on same:

b) shall appoint the administrators it deems advisable, granting them the attributes and powers and setting the fixed allowances that it deems appropriate to the proper performance of their commission, but always within the legal provisions. Likewise, the General Meeting shall inform them of the terms within which the administrators must give account of their management.

2. The General Meeting can replace the appointed administrators at any given time.

3. As of the moment in which the Company goes into liquidation, the Board of Directors shall cease in its functions, the members of which can, however, have been or be appointed as administrators.

### **Article 50.- Power of representation of the dissolved company**

In the event of dissolution of the company, the power of representation shall correspond on a joint and several basis to each of the liquidators, irrespective of the regime of the power of representation attributed to the Directors.

### **Article 51.- Approval of the balance sheet and distribution of corporate assets**

1. The final liquidation balance sheet shall be submitted to the General Shareholders' Meeting for approval.

2. At the end of the term in which to challenge the balance sheet, if no claims have been made against it or once the judgement ruling thereon has become firm, the corporate assets shall be distributed among the shareholders, based on what is shown on the balance sheet.

3. The division of the corporate assets shall be carried out pursuant to the rules established by the General Shareholders' Meeting.



## **TITLE VI – ISSUE OF DEBENTURES AND OTHER MARKETABLE SECURITIES OTHER THAN SHARES**

### **Article 52.- Issuance of bonds and other marketable securities**

1. The company may issue bonds or other securities that recognise or create debt claims, in particular, bonds and securities of a similar nature (non-convertible, convertible or exchangeable) including preference shares, commercial paper and warrants, in the terms and within the limits set by law
2. The General Meeting, if duly quorate, may delegate to the Board of Directors the faculty to issue bonds, as well as commercial paper, warrants that confer the right to acquire outstanding or newly-issued shares, and any other type of marketable security, including preference shares and, where appropriate, the power to override, fully or partially, shareholders' pre-emptive subscription rights. The Board of Directors may make use of this delegation on one or several occasions during the maximum term determined by law or such shorter term as may be established by the General Meeting.
3. The General Meeting may also delegate to the Board of Directors the faculty to determine the time when the issue is to take place, and to establish the other conditions not covered by the resolution of the General Meeting, including, in the case of convertible or exchangeable debentures or bonds, the conditions and forms of conversion or exchange and, in the case of warrants, the conditions and forms of exercise.
4. Convertible or exchangeable bonds and warrants may be issued with a fixed (determined or determinable) or variable exchange ratio.-

## **FINAL PROVISIONS**

- A) All shareholders waive their own jurisdiction and domicile for all litigious matters that may arise in relation to the company or its bodies, and expressly submit to the jurisdiction of the Courts of the city where the registered office is located, except in cases where the law imposes another venue.
- B) All posts are waivable and re-electable.
- C) The resolutions duly passed by any bodies of the Company shall be enforceable and binding on all shareholders and the execution thereof may not be suspended for any reason whatsoever (except in the cases and by the authorities legally authorized to do so) even if the complainant pleads non-attendance at the Meeting at which the resolution was passed or his or her disagreement therewith.
- D) The interpretation of these Articles of Association is the competence of the Board of Directors of the Company, which shall determine the applicable provisions in the cases not expressly covered or resolved in these Articles of Association, reporting this at the next General Shareholders' Meeting held, notwithstanding the provisions of Final Provision A) above.