

APPENDIX 1

ABERTIS INFRAESTRUCTURAS, S.A.

C O R P O R A T E B Y L A W S

TITLE 1

NAME, REGISTERED ADDRESS AND BUSINESS OBJECT

Article 1. Name

The company is called Abertis Infraestructuras, S.A. and is governed by the present Bylaws and by the currently applicable legal provisions.

Article 2. Duration

The company has been incorporated for an indefinite period.

The company commenced its operations on the date on which its articles of incorporation were executed.

Article 3. Registered Address

The Company's registered address must be in Spain and is established at Avinguda de Pedralbes, 17, 08034 Barcelona, the location where its management and administration centre is located. The Board of Directors is authorised to change the registered address to any other location, provided this is within the same municipality. It is also authorised to establish, dispose of or transfer the branches, offices, agencies and representations it considers necessary and in the location it considers appropriate.

Article 4. Company website

The Company's corporate website is: www.abertis.com. The modification, transfer and removal of the Company website may be agreed upon by the Board of Directors.

Article 5. Corporate Purpose

The business object of the company is the construction, maintenance and operation of motorways under a concession system, or merely the maintenance and operation and, in general, the management of highway concessions in Spain and abroad.

In addition to the above activities, its business object also includes the development, administration, design, construction, redevelopment, improvement, maintenance, management and operation of road networks, all of the above in the broadest sense, the operation of service areas and activities complementary to the construction, maintenance and operation of motorways and service stations.

The company may also carry out any activities related to transport and communication and/or telecommunications infrastructures serving the mobility and transport of people, freight and information, with the appropriate authorisation, wherever required.

Furthermore, its business object includes the drafting of studies, reports, projects and contracts, as well as supervision, management and consultancy in their execution, in relation to the activities established in the above paragraphs.

The company may execute its business object, in particular the concessional activity, directly or indirectly, through holdings in other companies, both in Spain and abroad, subject to the currently applicable legislation.

TITLE II

SHARE CAPITAL. SHARES

Article 6. Capital

The capital is established at TWO BILLION SIX HUNDRED AND NINETY-FOUR MILLION NINE HUNDRED AND FIFTEEN THOUSAND ONE HUNDRED AND TWENTY-SIX (2,694,915,126) EUROS, fully paid up and divided into 898,305,042 ordinary shares, belonging to a single class and series, each with a nominal value of 3 Euros, fully subscribed and paid up.

In general, and unless the agreement to increase the capital and issue new shares adopted by the General Meeting has decided otherwise, the Board of Directors is authorised to agree the manner and dates on which any pending payments must be made when there are calls for capital, and whether this must be paid up in cash, at all times respecting the maximum deadline of one year.

In cases where the disbursements pending must be paid by non-monetary contributions, the General Meeting that has agreed to the capital increase shall also decide the nature, value and content of future contributions, as well as the form and procedure for effecting the same, expressly stating the deadline, which must not exceed five years counting from the date of incorporation of the Company or, where applicable, from the adoption of the corresponding capital increase agreement.

The Board of Directors is authorised to agree in one or more tranches the capital increase according to the terms, deadlines and conditions established by Article 297 of the Redrafted Text of the Law on Capital Companies. And, in particular, by an additional maximum of 1,347,457,563 Euros within a period expiring on 1 April 2019. By virtue of this delegation, the Board of Directors or, where appropriate, the Executive Committee, having been appointed by the former for this purpose, shall likewise remain empowered to redraft Article 6 of the Corporate Bylaws, once the corresponding increase has been agreed and executed.

Article 7. Nature of the shares

The shares are represented by book entries.

The shares may be transferred via any means permitted in law, according to their nature and in compliance with the rules relating to the transfer of shares represented by book entries.

The book entries include the characteristics of the shares required by law and applicable to this type of share representation.

Article 8. Rights conferred by the shares

The shares confer upon their legitimate owner the status of shareholder and entitlement to the rights recognised in the law and in the present Bylaws.

Under the terms established in the law and in the present Bylaws, and except where stated otherwise, the shareholder shall have entitlement to the following rights as a minimum:

- a) To share in the distribution of company profits and in the equity resulting from the accounts statement.
- b) Preferential subscription in new share or convertible bond issues.
- c) To attend and vote at Shareholders' General Meetings and the right to challenge company resolutions.
- d) The right to information.

Article 9. Indivisible nature of shares. Usufruct and pledge of shares.

The shares are indivisible. If any share ends up under the ownership of several co-owners, a single person will have to be designated by them to exercise the rights of shareholder, while they shall be severally liable to the company for any obligations derived from the status of shareholder.

The usufruct and pledge of shares shall be subject to the provisions established in law.

Article 10. Obligatory nature of the Bylaws

The ownership of one or more shares implies acceptance and agreement with the Bylaws and submission to the agreements of the company's governing and administrative bodies, adopted in accordance with their powers and in the required manner, without prejudice to the right to challenge conferred upon shareholders in the current legislation.

Article 11. Issue of bonds and other sources of finance

The company may issue bonds which shall be represented by book entries, in accordance with article 29 of Royal Decree 116/1992, of 14 February, at the moment their admission for negotiation on the Stock Market is requested. It may also dispose of other sources of finance within the limits and under the conditions envisaged in the general and particular rules applicable at any given moment.

TITLE III

MANAGEMENT BODIES

Article 12. Creation of corporate intent. Management and representation of the company.

The Company's management bodies include the Shareholders' General Meeting, as the supreme deliberating body in which corporate will is expressed through majority decisions on issues within its area of responsibility, and the Board of Directors, which is responsible for the management, administration and representation of the company through the powers conferred upon it in law and in the present Bylaws and, in all cases, the Executive Committee and the Chief Executive Officers or Director to whom the Board of Directors may delegate all or part of its powers that may be legally delegated.

Section One

GENERAL MEETINGS

Article 13. General Meeting

The shareholders present at the General Meeting, in accordance with the legal and statutory formalities, make up the supreme body of expression of corporate will and its resolutions, adopted by simple majority, are binding on all shareholders, including absent and dissident shareholders, except for any actions they are entitled to take in accordance with the law.

The General Meeting, with the quorum described in Article 17 of the present Bylaws, will approve a regulation for the Meeting to include all aspects relating to the calling, preparation and holding of General Meetings of Company Shareholders, in accordance with the provisions established in the law and in Articles 13 to 19 of the present Bylaws, implementing, clarifying and completing them in an appropriate manner in order to promote the correct functioning of said body in the interest of the shareholders.

Article 14. Attendance at the Meetings. Voting rights. Representation.

The Meetings may be attended in person with full voting and speaking privileges by shareholders who can accredit ownership of at least one thousand shares, registered in their name at least five days before the date on which the Meeting is to be held.

Each share shall give entitlement to one vote. For this purpose, the shareholders will have to bring to the Meeting the corresponding attendance card issued by the entities affiliated to the Share Registration, Compensation and Payment Management Company, or by the company itself subject to accreditation of ownership.

Shareholders with the right of attendance may cast their vote on the proposals related to the points included in the agenda of any type of general meeting by way of a letter or an electronic communication.

Postal votes will be cast by sending the Company a letter containing the vote, accompanied by the attendance card.

Votes cast by electronic communication will only be permitted when security and suitability conditions have been met, as determined by the Board of Directors by way of an agreement and prior communication in the announcement of the Meeting in question. In said agreement, the Board of Directors will define the conditions which apply to the casting of distance votes by way of electronic communication, which must include conditions which adequately guarantee the authenticity and identification of the shareholder or their representative who is exercising their right to vote.

In order for votes cast by any of the aforementioned distance voting methods to be considered valid, they must be received by the Company at least five days before the date envisaged for the Meeting in the first convocation. The Board of Directors may extend the deadline for receiving votes, stating the applicable deadline in the announcement for the Meeting in question.

Shareholders who cast their distance vote in the terms indicated in this Article shall be deemed to be present for the purposes of the constitution of the Meeting in question. Consequently, any previous delegations shall be understood to be revoked and those conferred subsequently shall be deemed to have not been carried out.

Votes cast by distance means will be annulled by the physical attendance at the Meeting of the shareholder that has issued said votes, or by the disposal of their shares of which the Company has knowledge at least five days before the date envisaged for the Meeting in the first convocation.

Shareholders may delegate their representation to another person, who may or may not be a shareholder, in writing or by electronic means. Holders of shares lower in number than the minimum envisaged for attendance at the General Meetings may allow themselves to be represented by one of them if, grouped together, they reach said minimum number of shares.

The power of representation is understood without prejudice to the provisions of the Law on Capital Companies regarding family representation and the granting of general powers.

In accordance with the provisions laid down in Article 522 of the Law on Capital Companies, powers of representation can be authorised by the following means:

- (i) By sending either a signed paper letter authorising the power of representation or the attendance card, duly filled in to this effect and signed by the shareholder.
- (ii) By way of electronic communication which duly guarantees the powers of representation and the identity of the representative and the shareholder. Powers of representation authorised by these means will be deemed valid when the electronic document by virtue of which the powers are authorised includes the shareholder's recognised electronic signature or another type of signature which, by way of an agreement which has previously been adopted for this purpose, the Board of Directors considers to appropriately guarantee the authenticity and identity of the shareholder who is authorising their representation. Powers of representation granted by these means will be sent to the Company using the procedure and within the deadline determined by the Board of Directors in the agreement to call the Meeting.

The Board of Directors may develop and complement the regulations on distance voting and delegation contained in these Bylaws, by establishing the instructions, means, rules and procedures that it deems necessary in order to implement the casting of votes and the granting of powers of representation by distance means.

Article 15. Types of General Meetings

General Meetings can be ordinary and extraordinary and have to be convened by the Board of Directors.

The Ordinary General Meeting must be held once a year, within the six months following the close of each financial year, with the purpose of approving the corporate governance and approving, where appropriate, the accounts for the previous year and ruling on the application of the profits.

The Extraordinary General Meeting will meet when agreed by the Board of Directors or when this is requested by a number of shareholders who own at least three percent of the share capital, detailing in this request the subjects to be dealt with at the Meeting. In this last case, the Meeting must be convened to be held within the two months following the date on which the Board of Directors was required to convene it by means of a notarial deed. The agenda shall include the items that motivated the request.

Article 16. Calling of meetings

General Meetings, both ordinary and extraordinary, must be convened via an announcement published in, at least, the Official Gazette of the Mercantile Register or in one of the daily newspapers with the highest circulation in Spain, on the website of the National Securities and Exchange Commission and on the Company's website at least one month prior to the date indicated for the Meeting. Said announcement must state the name of the company, the date, place and time of the Meeting and, wherever applicable, the date on which a second Meeting will be held, with a period of at least twenty-four hours between the first and the second Meeting. The announcement will include the agenda with all issues to be addressed and the post of the person or people who are making the call, as well as the date by which shareholders must have shares registered in their name in order to participate and vote in the General Meeting, where and how they can obtain the complete text of the documents and proposed resolutions, and the Company's website address at which the information will be available.

The announcement must also contain clear and accurate information on the procedures the shareholders must follow in order to participate in and cast their votes at the General Meeting, in accordance with the provisions laid down in Article 517 of the Law on Capital Companies.

The announcement will also contain the other information established by the law or the Corporate Bylaws.

Notwithstanding the stipulations of the first paragraph of this Article, the General Meeting may be held without the need for prior notification if, with the entire share capital present, those in attendance unanimously agree to hold the meeting and accept the meeting agenda. The Universal Meeting may be held in any location in Spain or abroad.

General Meetings will be held at the venue stated in the announcement, within the municipality in which the Company is domiciled. However, whenever it so deems appropriate, the Board of Directors may agree for the

Meeting to be held in any other location in Spain, indicating this in the announcement.

Shareholders who represent at least three per cent of the share capital may request the publication of an addition to the call to the Shareholders' Ordinary General Meeting, including one or more items on the agenda, provided that the new items are accompanied by a justification or, where appropriate, a justified agreement proposal. This right must be exercised via written notification that must be received at the registered address of the Company within five days from the publication of the call. The addition must be published at least 15 days before the date envisaged for the Meeting.

Shareholders representing at least three percent of the share capital may, within the same period as stated in the previous paragraph, submit well-founded proposals of agreements on matters already included or to be included in the agenda of the Meeting convened. The Company will ensure the dissemination of these proposals of agreements and, where appropriate, the supporting documentation, among the rest of the shareholders, in accordance with the provisions of Article 518 d) of the Law on Capital Companies.

As regards the right to access information, from the day the call to the General Meeting is published up to the fifth day before the date planned for the Meeting, inclusive, the shareholders may make requests to the Board of Directors for information or clarifications they deem necessary regarding issues on the agenda, or ask any questions they deem pertinent in writing.

The shareholders may also request from the administrators, in writing and within the same period, or verbally during the Meeting, any clarifications that they deem necessary regarding the publicly available information provided by the Company to the National Securities and Exchange Commission since the last General Meeting and regarding the auditor's report.

The Board of Directors must provide any information requested through this channel in writing up until the day the General Meeting is held.

Furthermore, and as regards information requested verbally during the Meeting, if the shareholder's right cannot be fulfilled at the time, the Board of Directors must provide the requested information in writing within seven days following the end of the General Meeting.

The administrators must provide the information referred to above except in the cases provided for by law.

Article 17. Quorum

In order for General Meetings, both ordinary and extraordinary, to be validly constituted, the legally required attendance quorums shall apply, specifically the quorums of Article 193 of the Revised Text of the Law on Capital Companies for cases in which a greater quorum is not required, and the quorums of Article 194 of the same Revised Text in cases where the Meeting has to decide on the matters referred to in this legal precept.

Article 18. Constitution of the meeting. Adoption of resolutions.

The sessions of the General Meeting will be presided over by the Chair of the Board of Directors or, failing that, by one of the Vice-Chairs of the Board of Directors and in the absence of all of them, by the shareholder elected by those attending the meeting.

Whoever is the Secretary of the Board of Directors shall act as the Secretary of the General Meeting or, failing that, the person, whether shareholder or not, that the Chair designates.

The Administrators must attend the General Meetings. The Directors and Technical staff must also attend whenever required by the Board of Directors or its Chair. The Chair of the Meeting can, likewise, authorise the attendance of any other person s/he deems appropriate under the conditions provided for by Article 181 of the Revised Text of the Law on Capital Companies.

The Chair will chair the deliberations of the Meeting, giving the floor in strict order firstly to all shareholders who have so requested in writing and then to those making a verbal request.

The resolutions will be adopted by a simple majority vote of the shares present or represented at the Meeting, with one vote for each share, in accordance with Article 14 of these Bylaws, unless for legal reasons it must be adopted by a qualified majority.

Article 19. Minutes and certifications

The deliberations and resolutions of the General Meetings, both ordinary and extraordinary, shall be recorded in the minutes drafted in a special register and shall be signed by the Chair and the Secretary, or the acting Chair or Secretary of the Meeting. The minutes may be approved by the Meeting once it has been held, or otherwise within fifteen days by the Chair and two administrators, one appointed by a majority and the other by a minority.

The certifications of the resolutions of the General Meeting shall be issued by the Secretary of the Board of Directors, with the approval of the Chair of the Board of Directors, or in his absence by the Vice-Chair.

Section Two

MANAGEMENT BODIES

Article 20. Board of Directors

The management, administration and representation of the company in and out of court, and in all acts included in the business object, shall be the responsibility of the Board of Directors, which shall act as a body, without prejudice to any delegations or powers of attorney it may grant.

Article 21. Composition of the Board

The Board of Directors will comprise no less than six directors and no more than seventeen. Being a shareholder is not a requirement for being chosen as an administrator. The Shareholders' General Meeting is responsible for deciding the exact number of directors. For the election of directors, the provisions of article 243 of the Revised Text of the Law on Capital Companies and additional provisions shall apply.

The proposing of individuals for appointment or re-election to the Board of Directors is the responsibility of the Appointments and Remuneration Committee for independent directors and of the Board itself in all other cases. In all cases, the proposal must be accompanied by an explanatory report by the Board in which the competence, experience and merits of the proposed candidate are outlined, which will be attached to the minutes of the General Meeting or of the Board itself. The proposal of any non-independent director for appointment or re-election must also be preceded by a report by the Appointments and Remuneration Committee.

For the purposes of their registration in the Mercantile Register, the resolution of the General Meeting or the Board of Directors, as appropriate, must state the director's category.

Article 22. Term of the position of Director

Directors will be appointed for a term of four years, but may be re-elected by the Meeting on one or more occasions for periods of a similar maximum duration.

The Meeting may agree the dismissal of any director at any moment.

Article 23. Convening and quorum of Board Meetings. Deliberations and adopting of resolutions. Board Committees.

a) Convening and quorum of Board Meetings

The Board will meet when required in the Company's interest and at least once every three months. It will be convened by the Chair or by the person serving in his/her stead, on his/her own initiative or when

requested by one third of the directors. Said meeting request may be made via letter, which can be sent by fax or other electronic means that provide proof of receipt.

The Meeting may convene via telephone multi-conference, video conference or any similar system, in such a way that one or several directors attend said meeting via said system. To this effect, the notification of the meeting, as well as stating the venue at which the physical meeting will take place, which the Secretary of the Board of Directors has to attend, must mention that it can be attended via telephone conference, video conference or any similar system, and must state and dispose of the technical resources required to this end, which in all cases must allow direct and simultaneous communication between all those present.

The Meeting will be considered validly constituted when a majority of the members are in attendance, either present or represented. Any director may grant representation to another director in writing, by fax, email or any other similar method. Non-executive directors may only confer powers of representation upon other non-executive directors.

b) Deliberations and adoption of resolutions

The Chair will chair the deliberations, giving the floor in strict order firstly to all the directors who have so requested in writing and then to those making a verbal request. Each point on the agenda will be deliberated and voted on separately.

To adopt the resolutions, an absolute majority vote of the Directors in attendance, either present or represented, will be required, except a) in cases where any power of the Board of Directors has been permanently delegated to the Executive Committee or to the Chief Executive Officer and the appointment of the administrators who have to occupy such posts, for which the favourable vote of two-thirds of the Board will be required, and b) whenever they refer to the following matters, for which a vote in favour of more than two-thirds of the Directors, present or represented, will be required:

(i) Proposals for the transformation, merger, split or dissolution of the Company, the global transfer of its assets and liabilities, the addition of a new line of business, changes to the business object and an increase or decrease in the share capital.

(ii) Proposals for decisions that affect the number of directors, the creation of Board of Directors' Committees, the appointment to posts therein and in its Committees and the proposal for posts in the Boards of Directors of subsidiary and associated companies.

(iii) Investments and disinvestments when they exceed the greater of the following figures: a) two hundred million (200,000,000) euros, and b) a figure equivalent to five percent (5%) of the Company's own resources.

(iv) The approval and modification of the Board Regulations.

The discussions and resolutions of the Board will be recorded in a minutes book and each of the minutes will be signed by the Chair and the Secretary or by those substituting them at the meeting to which the minutes refer. The minutes may be approved either at the end of the meeting or at the next meeting, either by the Chair, the Secretary or a Director appointed to this effect.

c) Board Committees

The Board may appoint an Executive Committee and, in all cases, shall appoint an Audit and Control Committee and a Nomination and Remuneration Committee, without prejudice to any other committees that may be formed, as well as any other bodies that may perform advisory or consultative tasks implemented within a certain territory, in which case their remuneration shall be established.

As the result of their application and as an additional measure, the Board's rules of operation will apply to the Board Committees.

c.1) Executive Committee

The Board may appoint an Executive Committee that will be composed of at least five members and a maximum of nine and will exercise the powers conferred on it by the Board of Directors, which will be able to confer the powers necessary to this effect.

The Board of Directors will determine the number of members of the Executive Committee between the minimum and maximum established in the Corporate Bylaws, and the Chair and the Chief Executive Officer will be members thereof. The Chair of the Board will act as Chair and its secretary will be the Secretary of the Board, assisted by the Vice-Secretary.

The Executive Committee will meet whenever convened by its Chair by letter, which can be sent by fax or other electronic means that provide proof of receipt.

The Executive Committee shall be validly constituted with the attendance, either present or represented, of the majority of its members. Members of the Executive Committee may delegate their representation to other members.

Resolutions will be adopted with the favourable vote of the absolute majority of the attending directors, present or represented, except when

referring to the subjects discussed in subsections (i), (ii) and (iii) of paragraph two of letter b) of this same Article 23, in which case the favourable vote of over 2/3 of the members of the Executive Committee present or represented at the meeting, will be necessary.

c.2) Audit and Review Committee

The Board of Directors will appoint from among its members an Audit and Review Committee composed of five members, all of whom must be non-executive directors. At least two of the members of the Audit and Review Committee will be classified as independent directors and one of them shall be appointed in accordance with his/her knowledge and experience in accountancy, auditing or both.

The Board will likewise determine who will have the position of Chair from the independent directors, who will be substituted every four years, being able to be re-elected once a period of one year has elapsed since his/her resignation. The Committee itself will appoint a Secretary and may also appoint a Vice-Secretary, neither needing to be members thereof and, failing such an appointment or in cases of absence, the Secretary of the Board will act as such.

The Audit and Review Committee will meet as many times as necessary for the execution of its functions and will be convened by its Chair, either on his/her own initiative or at the request of the Chair of the Board of Directors, or of three Committee members.

The Audit and Review Committee will be validly formed when the majority of its members attend the meeting, either present or represented. The resolutions will be adopted by a majority vote among those in attendance, either present or represented.

Without prejudice to any other duties assigned to it by the governing legislation or the Board Regulations, the Audit and Review Committee shall have the following responsibilities as a minimum:

- a) To present to the Board of Directors, for submission to the Shareholders' General Meeting, the proposals for the selection, designation, re-election and replacement of statutory auditors or audit firms, the contracting conditions, the scope of the professional mandate and, where appropriate, the revocation or non-renovation, all in accordance with the applicable regulations, as well as to regularly gather information from them about the audit plan and the conduct thereof and preserve its independence in the performance of its duties.
- b) To inform the General Meeting regarding questions that arise within the Committee regarding its competencies.

- c) To review the Company accounts, monitor compliance with legal requirements and the correct application of generally accepted accounting principles, and report on the proposals for the modification of the accounting principles and criteria suggested by the management.
- d) To serve as a channel of communication between the Board of Directors and the auditors or auditing companies, to evaluate the results of each audit and the responses of the management team to their recommendations and to mediate in the event of discrepancies between the two with regard to the applicable principles and policy in the preparation of the financial statements.
- e) To monitor the effectiveness of the internal controls of the Company and the internal auditing services, verifying their suitability and integrity and reviewing the appointment and replacement of its officers, supervise the appropriate monitoring and control measures to prevent criminal offences, the risk management systems, including tax risks, and the systems to manage compliance with all applicable legislation, as well as debating with auditors any significant weaknesses of the internal review system detected while carrying out the audit.
- f) To monitor the process of preparing and presenting the required financial information.
- g) To supervise the execution of the auditing contract, ensuring that the opinion on the annual accounts and the main contents of the audit report are drawn up clearly and precisely.
- h) To supervise a mechanism which allows employees to confidentially report potentially relevant irregularities detected inside the Company, especially those regarding finance and accounting, as well as those which may constitute a criminal responsibility for the Company.
- i) To establish the appropriate relations with the auditors or auditing companies in order to receive information on issues which may prejudice their independence, to be studied by the Committee, and any other information relative to the auditing of the accounts, as well as any other notifications envisaged in the legislation and technical regulations concerning the auditing of accounts. In all cases, written confirmation shall be received annually from the auditors or auditing companies of their independence from the entity or entities that are directly or indirectly related to the Company, as well as information on any additional services provided to these entities and the corresponding fees received by these auditors or auditing companies, or by persons or entities linked to these, in accordance with Royal Decree 1/2011, of 1 July, which approves the revised text of the Law on Accounts Auditing.

- j) To issue, on an annual basis, prior to the issue of the Audit Report, a report expressing an opinion on the independence of the auditors or auditing companies. In all cases, this report must express an opinion on the valuation of the provision of the additional services referred to in the foregoing paragraph, considered individually and as a whole, other than those related to legal auditing and regarding independence or the regulations governing auditing.
- k) To consider the proposals made by the Chair of the Board of Directors, the Board members and Company directors or shareholders.
- l) To inform the Board of Directors in advance of the financial information that the Company must periodically make public, the creation or acquisition of shares in entities with a special purpose or domiciled in countries or territories considered as being tax havens and transactions with parties linked thereto, and any other matter set forth in the law, the Corporate Bylaws and the Board Regulations.
- m) To provide information regarding transactions that involve or could involve conflicts of interest, and in general, on the subjects considered in Chapter IX of the Board Regulations.
- n) To supervise, where appropriate, compliance with any internal protocol on relations between the Company and the company or companies from its group that are listed on the stock market.

The above responsibilities are stated by way of example, without prejudice to any others that may be conferred upon the Committee by the Board of Directors or by the regulations governing account auditing.

The Board Regulations may develop the responsibilities of the Committee and its system of organisation and operation.

c.3) Appointments and Remuneration Committee

1. The Appointments and Remuneration Committee will comprise non-executive directors in the number determined by the Board of Directors, at least two of which should be independent directors, and its composition will reasonably reflect the relationship existing in the Board between directors representing substantial shareholders and independent directors.
2. The Appointments and Remuneration Committee will have the following basic duties:
 - a) To assess the competencies, knowledge and experience required of the Board of Directors. To this end, the Committee will establish

the duties and aptitudes which candidates must have to cover each vacancy and will assess the time and dedication required for them to effectively carry out their role.

- b) To establish a representation goal for the gender which is least represented on the Board of Directors and prepare guidance on how to achieve said goal.
- c) To submit to the Board of Directors the proposals for the appointment of independent directors so they can be appointed by co-option or submitted to the decision of the Shareholders' General Meeting, as well as the proposals for the re-election or replacement of said directors by the Shareholders' General Meeting.
- d) To announce the proposals for the appointment of the rest of the directors so they can be appointed by co-option or submitted to the decision of the Shareholders' General Meeting, as well as the proposals for their re-election or dismissal by the Shareholders' General Meeting.
- e) To announce the proposals for the appointment and dismissal of senior executives and the basic conditions of their contracts.
- f) To announce, in advance, the appointments of the Chair by the Board of Directors and, where appropriate, of one or more Vice-Chairs, as well as the appointment of the Secretary and, where appropriate, the Vice-Secretary. The same procedure shall be followed to agree on the dismissal of the Secretary and, where appropriate, the Vice-Secretary.
- g) To examine and organise the succession of the Chair of the Board of Directors and of the Company's Chief Executive Officer and, where appropriate, submit proposals to the Board of Directors so that said succession is carried out in an orderly and planned manner.
- h) To propose to the Board of Directors the remuneration policy for the directors and the general managers or those employees who carry out senior management duties, as well as the individual remuneration and other contractual conditions of the executive directors, ensuring compliance therewith.
- i) To periodically review the remuneration programmes, considering their suitability and returns.
- j) To propose to the Board of Directors the preparation of an annual report on the remuneration of its directors in the terms established by law, to be submitted to an advisory vote in the Shareholders' General Meeting.

- k) To consider the suggestions made to it by the Chair, directors, Company managers or shareholders.
 - l) To inform the Board of Directors of all the matters set forth in the law and the Corporate Bylaws.
3. The Appointments and Remuneration Committee will meet every time the Board or its Chair requests a report be issued or proposals adopted and, in any case, whenever it is deemed advisable for the proper execution of its duties. It will be convened by the Chair of the Committee, either on his/her own initiative or on the request of the Chair of the Board of Directors or of two members of the Committee itself.
4. The Board will appoint a Chair from among the Committee's independent directors. The Committee itself will appoint a Secretary and may appoint a Vice-Secretary, neither needing to be directors.

The Board Regulations will establish the responsibilities of the Committee and its system of organisation and operation.

Article 24. Board of Directors' faculties

The Board of Directors shall have the following powers, among others:

- a) To appoint a Chair and one or more Vice-chairs from among its members. To also designate a Secretary, who does not have to be a director. It may also appoint a non-executive Vice-Secretary, to cover for the Secretary when the latter is absent. In all cases, for the aforementioned appointments a prior report must be drawn up by the Appointments and Remuneration Committee.
- b) To propose the appointment or re-election of the non-independent members of the Board of Directors.
- c) To agree the convening of the General Meetings, both ordinary and extraordinary, in the required manner and within the required deadlines, according to the law and the present Bylaws, drafting the agenda and making the appropriate proposals, in accordance with the type of General Meeting being called.
- d) To represent the company in all administrative, legal, civil, mercantile and criminal matters and actions, before the State Administration and public bodies of all classes, and before any jurisdiction (ordinary, administrative, special, employment, etc.) and in any instance, exercising all classes of action within its powers in defence of its rights, in and out of court, conferring and granting the appropriate powers to legal representatives and appointing lawyers

to represent it and to defend the company before such courts and bodies.

- e) To manage the company business in a consistent manner. To this end, it will establish the rules of governance and the system of administration and operation of the company, organising and regulating the technical and administrative services of the same.
- f) To formalise all types of contract regarding any class of asset or right, through the stipulations or conditions it considers appropriate, and to constitute and settle mortgages and other charges or real rights over the assets of the company, and to waive, with or without payment, all classes of privileges and rights. It may also decide upon the participation of the company in other companies, societies or associations under the corresponding form of integration, association, collaboration or participation.
- g) To sign and act on behalf of the company in all types of bank operations, opening and closing current accounts, disposing of the same, intervening in bills of exchange as a drawer, acceptor, guarantor, endorser, endorsee or holder of the same, opening and cancelling loans, with or without a guarantee, transferring funds, revenues, credits or securities, by any type of draft or money transfer, approving any settlements of account balances, constituting and withdrawing deposits and bonds, balancing accounts, formalising exchanges, etc., all of which with the Bank of Spain and official banks, private banks and any bodies of the State Administration.
- h) To appoint, allocate and dismiss all company employees, remunerating them with the appropriate salaries and benefits.
- i) To appoint an Executive Committee and one or several Chief Executive Officers and delegate to the same the powers it considers appropriate, in accordance with the law, and to regulate their duties. It may also confer powers upon any persons.
- j) To annually assess its own operation and that of its Committees and, based on the results of said assessment, propose an action plan to rectify the shortcomings identified.
- k) To regulate its own duties in all aspects not specifically envisaged in the law or by the present Bylaws.

The above responsibilities are stated by way of example and without limitation, on the understanding that the Board of Directors shall be entitled to exercise all the powers not expressly reserved for the Shareholders' General Meeting by law or by the present Bylaws.

Article 25. Remuneration Policy of Directors

The remuneration policy for directors will conform, where appropriate, to the statutorily established remuneration system and will be approved by the Shareholders' General Meeting at least every three years as a separate agenda item.

The proposal of a remuneration policy for the Board of Directors will be based on grounds contained in a specific report by the Appointments and Remuneration Committee, which must accompany said proposal. Both documents will be made available to the shareholders on the Company website from the call to the General Meeting. Shareholders may also request said documents be sent or delivered free of charge. The announcement of the call to the General Meeting will state this right.

The remuneration policy for directors will remain in force for three financial years following that in which it is approved by the General Meeting. Any amendments made to the policy or the replacement thereof during said period will require the prior approval of the Shareholders' General Meeting in accordance with the procedure established for its approval.

The Board of Directors will prepare and publish an annual report on the remuneration of directors which must include complete, clear and understandable information on the remuneration policy applicable to the financial year in progress, a general summary of how the remuneration policy was applied during the previous financial year, and a breakdown of the individual remuneration earned by each director for all concepts during said financial year. This report will be made available to shareholders when the Ordinary General Meeting is convened and will be put to an advisory vote during said Meeting, as a separate agenda item. In the event that the annual report on the remuneration of directors is rejected in the advisory vote of the Ordinary General Meeting, the remuneration policy to be applied to the following financial year must be submitted to the General Meeting for approval prior to the application thereof, even if the aforementioned period of three years has not elapsed. This will not apply to cases in which the remuneration policy has been approved during the same Ordinary General Meeting.

Any remuneration paid to the directors for the exercise or termination of their role and for the performance of executive functions will at all times be in accordance with the remuneration policy for directors, except any remuneration that has been expressly approved by the Shareholders' General Meeting.

Article 26. Remuneration of Directors

The annual remuneration of directors, for their management as members of the company's Board of Directors is fixed at a share of the net profits, that can only be received after covering the reserves and the dividend determined by Law and cannot exceed, in any case and as a whole, two

percent thereof. The Board of Directors shall distribute this share among its members in the manner and the amount considered appropriate, taking into account the duties and responsibilities of each director, whether they are members of Board Committees and any other objective circumstances it deems relevant. This information shall be stated in the annual report in the legally-established manner.

Administrators that have been conferred executive functions in the company, whatever the nature of their legal relationship with the latter, will have the right to additionally receive the remuneration for the fulfilment of these functions which is set forth in the contract signed to this effect between the director and the Company, which could comprise a fixed sum, a variable additional sum and the results of long-term incentive systems, such as post-dated remuneration in cash, the presentation of shares, recognition of option rights over these or remuneration indexed to share value, as well as any other long-term incentive scheme approved by the Board of Directors. It may also comprise a benefits package that may include pension systems and suitable insurance and, where appropriate, Social Security. In the case of dismissal not due to the non-fulfilment of the administrator's duties, s/he could have the right to compensation.

The Board of Directors will determine the remuneration of the directors for the performance of executive functions and the terms and conditions of their contracts with the Company in accordance with the provisions of the applicable legislation at any given moment and in accordance with the remuneration policy for directors approved by the General Meeting, which must state (i) the fixed annual remuneration and the variation thereof during the period covered by the policy, (ii) the different parameters for establishing the variable components and (iii) the main terms and conditions of their contracts, including, in particular, their duration, compensation for early termination or the termination of the contractual relationship and exclusivity, post-contractual non-competition and continuity and loyalty agreements.

TITLE IV

BUSINESS YEAR. ACCOUNTING DOCUMENTS AND APPLICATION OF THE YEAR RESULT

Article 27. Business year

The business year commences on 1 January and ends on 31 December of each calendar year.

Article 28. Accounting documents

Within the maximum period of three months from the close of each financial year, the Board must draw up the Annual Accounts (Balance Sheet, Profit and Loss Account, Statement reflecting the changes in net assets for the

year, Cash Flow Statement and Review), the management report and the proposal for the application of profits. These documents must also be submitted, in the manner and term provided for by Law, to examination and a report by the Auditors.

The company accounts must comply with the applicable legal provisions.

Article 29. Distribution of profits. Provision and materialisation of reserves

The distribution of the net profits of the company and the provision of the reserves shall be made subject to the agreement of the Shareholders' General Meeting, in the manner and according to the requirements and limitations envisaged in the general and specific legislation in force and applicable to the Company at any given moment and in the present Bylaws.

TITLE V

COMPANY DISSOLUTION AND LIQUIDATION

Article 30. Dissolution

The company will be dissolved in the cases established by law and in provisions of lesser importance which regulate the operation of the company.

Article 31. Method of liquidation

Once the dissolution of the Company has been agreed by the Shareholders' General Meeting, the same shall, at the request of the Board of Directors, determine the method of liquidation and shall appoint one or more liquidators, always in an odd number, and shall establish their powers. Said appointment shall bring an end to the powers of the Board of Directors.

Throughout the liquidation period, the Shareholders' General Meeting shall maintain the same powers as during the normal life of the Company and shall, in particular, have the power to approve the accounts and the final liquidation balance sheet.

Article 32. Liquidation regulations

The liquidation of the company shall observe the regulations established in law.