



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

**Redrafted Text  
6<sup>th</sup> June 2013**

## **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 transfer the registered office within the same municipality.
3. Furthermore, the Board of Directors shall be competent to decide on the creation, suppression or transfer of branches, within and outside national territory.

## TITLE II . – SHARE CAPITAL AND SHARES

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

The share capital is FIFTY-SEVEN MILLION TWO HUNDRED FIFTY-NINE THOUSAND FIVE HUNDRED FIFTY (57,259,550) euros, divided into FIFTY-SEVEN MILLION TWO HUNDRED FIFTY-NINE THOUSAND FIVE HUNDRED FIFTY (57,259,550) shares of ONE (1) euro nominal value each, fully subscribed and paid-up within the same class and in one series.

### **Article 7. - Representation of the shares**

The shares are represented by book entries, and are governed by the provisions of Securities Market Act 24/1988, of 28<sup>th</sup> July, the regulations elaborating thereon and other applicable provisions. In accordance with the provisions established in the aforesaid legislation, the accounting record of the shares shall be kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., jointly with its participating entities.

### **Article 8. - Regime of the shares**

1. A share confers upon the holder thereof the status of member and all the inherent rights and obligations thereof. The subscription, acquisition or holding under any title of shares in the Company implies acceptance of the Articles of Association and agreement with the resolutions passed or as may be passed in the future by the corporate bodies pursuant to the Act and the Articles of Association.

The preferential subscription right in respect of new shares and debentures convertible into shares may be suppressed totally or in part, by a resolution of the General Shareholder's Meeting or, as the case may be, of the Board of Directors, in the cases and terms permitted by law.

2. The shares will be indivisible vis à vis the Company, which will not recognize more than one person for the exercise of the rights of a member. Joint owners of a share must appoint one of them to exercise the rights of a member and they shall be jointly and severally liable to the Company for the duties as a shareholder.

3. The shares and the preferential 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 shall be registered in the corresponding accounting record kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. and its participating entities.

The transfer of shares in the Company, which will be free, shall take place by accounting transfer. The registration of the transfer in the account record in favour of the acquirer shall have the same effects as the conveyance of title documents.

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 presenting the corresponding 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.- Prohibition of delegation of Directors**

1. The General Meeting may only delegate its competence on the Board of Directors in the cases established by the Act and in these Articles of Association.

2. Notwithstanding the provisions of the preceding paragraph, the Board of Directors is empowered to redraft the article concerning share capital in the following cases:

- 1) When the General Meeting has delegated on the Board the faculty of indicating the date on which a resolution to increase the share capital that has already been passed should be carried out in respect of the agreed figure.
- 2) When the General Meeting has delegated on the Board the faculty of resolving on one or more occasions to increase the share capital.
- 3) When the General Meeting has delegated on the Board the faculty of increasing the capital by the amount necessary to meeting requests for the conversion of debentures or exercise of warrants on newly issued shares.
- 4) When the General Meeting has expressly established the incomplete subscription of share capital within the term established for subscription.
- 5) When the General Meeting has resolved to replace the corporate object or to transfer the registered office of the company abroad and has reimbursed the value of the shares of shareholders exercising their right of separation.

3. 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 convened meeting of a sufficient number of shareholders of the Company. General Meetings may be ordinary or extraordinary.

2. An Ordinary General Meeting shall be held necessarily within the first six months of each calendar year, in order to approve the corporate management, the accounts for the previous year

and to resolve on the application of the result, notwithstanding the Meetings' competence to deliberate and resolve on any other matter included in the agenda.

3. Any Meeting other than that described in the preceding paragraph shall be deemed to be an Extraordinary General Meeting.

4. General Meetings will be governed by specific regulations which may contemplate all matters pertaining to general meetings, respecting the provisions of the Act and the Articles of Association. The Regulations will be reported to the National Securities Market Commission and will be registered in the Mercantile Registry.

#### **Article 13.- Authority to call the General Meeting**

1. It corresponds to the Board of Directors to call both ordinary and extraordinary General Meetings.

2. The Board of Directors must call an Extraordinary General meeting when:

- a. So requested by shareholders who hold at least five per cent (5%) of the shareholders' equity. Any such request must indicate the items of business to be dealt with at the Meeting. In the case of a general meeting, it must be called so as to be held within the two months following the date on which the request has been made before a notary public to the directors to call the meeting and the Agenda must of necessity include the items of business that led to the request.
- b. A public offer to buy shares in 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 upon the request of any shareholder, and upon the hearing of the directors, by the Judge of the Commercial Court in the jurisdiction of the company's registered address.

This same call has to be made with respect to the Extraordinary General Meeting whenever so requested by the number of shareholders referred to in section 2, paragraph a) above, or pursuant to paragraph b) of aforementioned section.

#### **Article 14.- Announcement of the convening 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 date set for it to be held. The announcement shall be disseminated using, at the very least, the following media:

- a) the Official Trade Register Gazette, or one of the daily Spanish newspapers with a big circulation
- b) the National Security Market Commission's (CNMV) web page, and
- c) the company's web page.

2. The announcement shall state the date of the meeting for the first call and all of the items of business to be dealt with, as well as any other legally binding information. It can also state the date on which, where appropriate, the Meeting will meet at the second call. There must be at least a twenty-four hour difference between the first and second meetings.

3. For Ordinary General Meetings and any others provided for by law, the announcement shall further indicate, that which applies with respect to the right to examine at the registered office of the company, to consult on the Company Web Site and to obtain, immediately and free of charge, the documents that have to be submitted for approval at the meeting, and where appropriate, any legally provide for report(s).

4. If the General Meeting is called to decide on any issue that requires the attendance of a particular quorum in accordance with these articles of incorporation, the call must state the minimum and sufficient quorum required for due deliberation and voting.

5. The announcement of the call must be signed by a person with the powers to certify Board of Directors' agreements.

6. The shareholders that represent at least five per cent (5%) of the shareholders' equity can request the publication of a complement to the call for an Ordinary General Meeting of Shareholders including one, or more, items of business, as long as the new points are accompanied by a justification or, where appropriate, a justified agreement proposal.

This right must be exercised by means of a certified notice that shall have to be received at the company's registered address within five days following the publication of the call.

The complement to the call must be published at least fifteen days in advance of the date set to hold the General Meeting.

Failure to publish the complement to the call within the legally set term shall render the General Meeting null and void.

The shareholders that represent at least five per cent (5%) of the shareholders' equity, can, within the same term provided for in paragraph two to this section, submit basic agreement proposals concerning the items of business already included, or which are to be included, on the Agenda of the meeting that has been called.

That which is set forth in this article shall be deemed null and void whenever a legal provision demands other requirements for Meetings that are dealing with specific items of business, in which case that which is specifically provided for must be applied.

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

1. As of the day of the publication of the call to a General Meeting and up to the seventh day before the set date for the first call to same, shareholders can request, in writing, information or clarifications that they deem necessary, or can formulate any questions they deem appropriate about the items of business on the Agenda and about information available to the general public that might have been provided by National Security Market Commission's (CNMV) since the holding of the last General Meeting and about the auditor's report.

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

3. Directors shall be obliged to provide the information requested, except for those cases in which, in the Chairman's opinion, the publishing of the information required damages company interests. Information cannot be refused when the request is made by shareholders that represent at least a quarter of the shareholders' equity.

4. The information requested pursuant to the previous first paragraph of this article shall be provided in writing up until the day of the General Meeting. That which is requested at the

General Meeting shall be provided during the course of same or, where it does not prove possible for the directors to honour the shareholder's right at that moment in time, it shall be provided in writing within seven days as of the end of the General Meeting.

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

The Board of Directors can agree to the modification, removal and transfer of the web page 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. Both Ordinary and Extraordinary General Meetings shall have a quorum on first call when the shareholders present or represented hold at least twenty-five per cent (25%) of the subscribed share capital with voting rights. On second call, the Meeting shall have a quorum irrespective of the share capital represented thereat.

2. Notwithstanding the above:

(i) General Meetings must have a quorum of sixty-seven per cent (67%) of the subscribed capital with voting rights on first call, or sixty-two per cent (62%) on second call, in order to resolve on any of the following matters:

a) Modification of the Articles of Association, except for the transfer of the registered office, capital increase, extension of the corporate object, and in cases where it is legally compulsory, capital decrease.

b) Transformation, merger, spin-off, overall assignment of assets and liabilities, and dissolution of the Company, except in the case of dissolution that is legally compulsory.

(ii) For the transfer of the registered office, capital increase, extension of the corporate object, suppression or limitation of the preferential subscription right, the issue of simple, convertible or swappable debentures or bonds, the issue of warrants or options (on their own or combined with debentures) and of preferential shares and, in the cases where it is legally compulsory, capital decrease and dissolution and liquidation, the General Meeting must have a quorum on first call of sixty-seven per cent (67%) of the subscribed capital with voting rights or on second call a quorum of fifty per cent (50%) of the subscribed capital with voting rights.

The same percentages as are established in the preceding paragraph shall be applicable when, in the cases of capital increase or issue of debentures, bonds, warrants or preferential shares, the General Shareholders' Meeting grants authorization to or delegates to the Board of Directors the faculty to pass such resolutions.

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

4. Any absences occurring once the General Meeting has achieved a quorum shall not affect it.

**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.- Place and time of holding the Meeting. Extension of meetings**

1. General Meetings will be held in the province where the company has its registered office or in any other place in national territory, and it lies with the Board of Directors, on the occasion of each notice convening the meetings, to decide within these parameters on the exact place where the meeting is to be held. If the place of the meeting is not indicated in the notice convening the meeting, it shall be understood that the Meeting has been convened to be held at the registered office.

2. A General Meeting may resolve to be extended over one or several consecutive days, at the proposal of the Board of Directors or of a number of shareholders representing at least one quarter of the share capital present thereat. Irrespective of the number of sessions over which the Meeting is held, it shall be considered a single meeting and one single set of Minutes shall be drawn up 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 Director 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 of the items on the agenda will be submitted to vote individually, in the manner determined by the Chairman, either by show of hands or secret ballot.
2. However, if the circumstances so advise, for reasons of order or other reasons, the Chairman of the Meeting may agree that proposals corresponding to several items on the agenda be put to the vote jointly, in which case the result of the vote shall be deemed reproduced individually for each proposal if none of those present expresses their intention to modify their vote in respect of any such proposals. Otherwise, the modifications to the vote expressed by each of those present and the result of the vote corresponding to each proposal as a result thereof will be reflected in the minutes.

In any case, proposals concerning the appointment or ratification of each director and, in the case of modifications of these Articles of Association, each article or group of articles that are substantially independent, for example, a chapter dealing with a homogenous matter, 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. Each share entitles the holder to one vote.

2. Resolutions shall be passed by ordinary majority of the votes corresponding to the shares with voting rights present or represented at the General Meeting.

3. Once a matter has been put to the vote, the Chairman shall proclaim the result, declaring, as the case may be, that the resolution has been validly passed.

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

1. The minutes of the General Meeting shall be drawn up by the Secretary, and will be approved by the Meeting after it has finished or within the term of fifteen days, by the Chairman and two comptrollers, once representing the majority and the other representing the minority, as decided by the Chairman in light of the manner in which the meeting has progressed. Once approved, the minutes will be signed by the Secretary with the Chairman's approval. All the foregoing is notwithstanding the provisions established in ruling legislation in the event that the presence of a Notary Public to draw up the minutes of the General Meeting has been demanded.

2. The Company Secretary will issue, with the Chairman's approval, certificates of the resolutions passed by the General Meeting. Any shareholder or his or her representative 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 proceed to establish the aforesaid number by virtue of an express resolution or, indirectly, by providing vacancies or appointing new Directors within the maximum established in the preceding section.

3. The Board of Directors shall be governed by the provisions established in the Act, these Articles of Association and by Regulations setting out the internal regime and functioning rules which will be approved by the Board, submitting a report to the General Meeting. The Regulations will be communicated to the National Securities Market Commission and will be registered in the Mercantile Registry.

#### **Article 30.- Subjective conditions**

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 from among the shareholders the persons who are to fill such vacancies until the next General Meeting is held.

3. The appointment of Directors shall come into effect as of the time of their 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 natural persons, or their registered company name, if they are legal persons and, in both cases, their address and nationality

and, in relation to Directors who are empowered to represent the company, whether they can act on their own or need to do so jointly.

### **Article 31. – Remuneration and duration of position**

1. The members of the Board of Directors shall hold their position for a term of three years, and can be re-elected once, or more times.
2. Directors' remuneration shall consist of a fixed annual amount for membership of 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 membership of the Board of Directors and its Committees shall be the amount determined for this purpose by the General Meeting of Shareholders, and it shall remain in force until amended; nevertheless, the Board of Directors may reduce that amount in any given year if it sees fit.

The decision as to the exact amount to be paid within that limit, and how it is to be distributed among the directors, lies with the Board of Directors.

3. Regardless of the provisions of the preceding paragraph, the remuneration for membership of the Board of Directors shall 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 may arrange third-party liability insurance for its directors in the usual conditions and commensurate with the Company's circumstances.

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

The directors of the Company shall comply faithfully with the duties imposed by ruling legislation, the regulations on the Board of Directors and other obligations which, in accordance with good faith, result therefrom.

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

### **Article 33.- Posts on the Board of Directors**

1. The Board of Directors shall designate its Chairman and, optionally, one or several Vice-Chairmen. In the event of several Vice-Chairmen, each Vice-Chairmanship will be numbered. The priority of the number shall determine the order in which the Vice-Chairmen will replace the Chairman in cases of absence, incapacity or vacancy.
2. The Board of Directors shall designate a Secretary and, optionally, one or several Vice-Secretaries and the appointment may apply to persons who are not Directors, in which case they will be entitled to speak but not vote at Board meetings. The Vice-Secretary will replace the Secretary in cases of absence, incapacity or vacancy.

3. In the event of not having appointed a Vice-Chairman or Vice-Secretary or of impossibility that prevents them from exercising their respective functions, such functions shall be exercised as Chairman by the Director who is in the possession of the highest number of shares, and if there is more than one Director in this situation, by the Director of the most advanced age; and the functions of Secretary will be exercised by the youngest Director.

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

1. The Board of Directors shall be convened by the Chairman, or in his absence, incapacity or whenever the post has not been filled, by the Deputy Chairman, whenever the latter deems it necessary or advisable. The Board must of necessity always be convened when requested by a Deputy Chairman, Chief Executive Officer, Managing Director or one third of the members of the Board. In the event that one month has elapsed since the reception of the request for a Board meeting without the Chairman having convened one for no just cause, the Board can be convened by those who originally requested its convening, upon indicating the agenda of the meeting, which shall be held at the registered office.

2. It shall not be necessary to indicate the agenda of the meeting in the call for same.

3. The Chairman, or whoever is acting as such, shall hold the powers as regards everything to do with the date and manner of calling and holding Board Meetings.

4. The Board of Directors shall be understood to have been validly constituted without any need for a call if, all of its members or members' representatives being present, unanimously agree to hold a board meeting.

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

1. Meetings of the Board of Directors will have a sufficient quorum and be valid to deliberate and resolve on any matter when more than half of the Board members established by the General Shareholders' 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 only delegate another Board member to represent them.

3. Representation must be conferred through any written means addressed to the Chairman and on a special basis 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 shall be drawn up by the Secretary, or in his absence, by the Vice-Secretary. In their absence the minutes will be drawn up by the person designated by those present as Secretary of the meeting.
2. Once approved, the minutes will be signed by the Secretary with the Chairman's approval.
3. The Secretary will issue, with the approval of the Chairman, or as the case may be the Vice-Chairman, certificates of the resolutions passed by the General Meeting.

**Article 39.- Delegation of faculties**

1. The Board of Directors may delegate, on a permanent basis, all or part of its faculties on an executive committee or on one or several 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 shall require, in order to be valid, a vote in favour by two thirds of the number of Board members established by the General Shareholders' Meeting for the composition of this body, even if the aforesaid number has not been covered in full or if vacancies have arisen subsequently, and shall not take effect until registered in the Mercantile Registry.
3. The formulation of the annual accounts and the presentation thereof to the General Shareholders' Meeting, the faculties or organization of the Board itself, and any faculties that the General Meeting has delegated on the board may not be delegated in any case, except in this last case if there is express authorization by the General Shareholders' Meeting.
4. Notwithstanding the delegation, the Board of Directors shall retain the delegated faculties.
5. The Board of Directors or the Executive Committee or the Directors on whom faculties have been delegated may also designate and empower the persons to whom they entrust the management and administration of the Company's business, who shall exercise their functions with the authority granted to them by the Board and in accordance with the instructions issued by it.

The persons referred to in the preceding paragraph shall be entitled to the remuneration that the Board indicates. The remuneration may consist of a fixed periodic sum, a participating in the share of the corporate profits that corresponds to the Board of Directors, or both forms simultaneously.

**Article 40.- Audit Committee and other 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 those issues that correspond to the matters of its competence.
2. There must be an Audit Committee which shall be made up of a minimum of three Directors and a maximum of five, all of them external, appointed by the Board of Directors. The Board shall also designate the Chairman from among the independent Directors. The Chairman must be replaced every four years, and may be re-elected once after a year has elapsed since the post expired.
3. The Secretary of the Board of Directors and, in his absence, the Vice-Secretary of the Board shall carry out the task of Secretary of the Audit Committee.
4. The Audit Committee shall meet regularly, according to its needs, every time it is convened by its Chairman, either on his own initiative or at the request of any of its members. In the event of absence or incapacity of the Chairman, meetings will be convened by the Secretary at the request of any of its members.
5. Meetings of the committee shall have a quorum when at least half of its members are present or represented, and it shall pass its resolutions by absolute majority of those present, with the Chairman having the casting vote. The Audit Committee may require the presence at its meetings of those directors it considers necessary, and of the external auditor of any group company. It may also seek advising from external experts.
6. The Audit Committee shall have the following competences, notwithstanding any others attributed by the Board Regulations or entrusted to it by the Board of Directors:
  - a) To inform the General Shareholders' Meeting on the matters raised thereat by shareholders in its area of competence.
  - b) To propose to the Board of Directors, for submission to the General Shareholders' Meeting, the appointment of the external auditors, and their contract conditions, the scope of their professional mandate and the revocation or extension of the mandate.
  - c) To supervise the efficiency of the company's internal control, the internal audit services and the risk management systems, and to discuss with the external auditors any significant weaknesses in the internal control system that may have been detected in the course of the audit.
  - d) To supervise the process of drawing up and presenting regulatory financial information, overseeing compliance with legal requirements and the correct application of generally accepted accounting principles.
  - e) To maintain relations with the external auditors in order to receive information on any matters that may put their independence at risk and any other matters related to the precise conduct of the audit, and other communications established in auditing legislation and technical auditing standards. In any case, it must receive written confirmation each year from the external auditors of their independence of the Company or companies related to it directly or indirectly, and information on the additional services of any kind provided to such companies by the aforesaid auditors or by persons or entities related to them in accordance with the provisions of auditing legislation and other applicable provisions.
  - f) To issue each year, prior to the issue of the auditors' report, a report in which it expresses an opinion on the independence of the external auditors. This report must, in any case, mention the provision of additional services as referred to in the preceding section.
  - g) To inform and advise the Board of Directors on the compliance with corporate governing

regulations and rules of conduct applicable to the company and its group.

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

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

1. The Board of Directors has exclusive competence on all matters relating to the management of the company.

2. By way of example, the competences of the Board of Directors include but are not limited to the following:

- 1) Administer the corporate property in the widest terms, as well the assets that form part thereof, whether moveable goods or real estate, tangible or intangible, with no limitation of any kind, being authorized to carry out any kind of acts of disposition or disposal, acquisition and encumbrance of all kind of property, including real estate; create, modify or extinguish real or personal rights; and, in general, conclude all kind of acts and contracts with the covenants, clauses and conditions it wishes to establish.
- 2) Establish, direct and, as the case may be, modify the industrial and commercial organization of the company and its business, formalizing the employment contracts it deems necessary or advisable, and appointing and dismissing employees and representatives.
- 3) Grant, modify and revoke all kind of powers of attorney, wide or restricted, detailing the faculties, even if they are not enumerated in this article.
- 4) Grant all kind of public and private documents, signing for that purpose releases, receipts, invoices and payment orders.
- 5) Arrange, modify and extinguish leases and any other assignments of use and enjoyment, and contract all kind of conveyances of business premises.
- 6) Make declarations of construction and cultivation, boundaries, limits, material divisions, groupings and segregations.
- 7) Lend or borrow money, formalize all kind of credit contracts with lending or saving institutions and acknowledge debts and credits; guarantee and secure all kind of credits or loans, to natural or legal persons, with no limitation of any kind; and create, accept, modify, acquire, dispose of, postpone and cancel, in full or in part, before or after the due date, whether or not the secured obligation has been fulfilled, mortgages, pledges, antichreses and, in general, all kind of limitations and security.
- 8) Open, draw from and cancel current accounts, on sight or term, and credit accounts, as well as deposits of any type in any kind of lending or saving institutions, doing everything permitted by banking legislation and practice.
- 9) Draw, accept, guarantee, endorse and protest bills of exchange, promissory notes and cheques.
- 10) Send all kind of goods, dispatches and drafts through the means it considers appropriate or advisable, and withdraw them; formalize land, maritime and air transportation contracts.
- 11) Formalize the insurance contracts it considers necessary.

- 12) Appear before Judges, Courts, Magistrates, Corporations and Entities of the state, autonomous communities, provinces or municipalities, and before any bodies, offices or dependencies, boards, communities or civil servants, and in any respect, as plaintiff, defendant, party filing criminal suit, coadjutor, owner, joint owner or simply as an interested party in all kind of civil, labour, criminal or administrative cases, lawsuits, proceedings or actions; file appeals, including appeals in cassation and appeals to set aside, ratify depositions and withdraw from all actions, being empowered to do so directly or by grant powers of attorney to lawyers and representatives at Court, with the widest faculties, including to lodge extraordinary appeals in cassation.
- 13) Submit to arbitration any kind of matter capable of being submitted thereto; conclude settlements.
- 14) Take part in invitations to tender and auctions, make bids and accept awards and, in general, participate in any kind of business relationship with the administration, whether of the state, autonomous community or local, national or foreign, or with the bodies, companies or entities that are dependent thereon, regardless of the capacity in which such participation takes place, with no restrictions whatsoever.
- 15) Distribute among the shareholders amounts on account of dividends always within the terms of ruling legislation.

#### **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 shall be submitted to the approval of the Ordinary General Shareholders' Meeting.

2 The General Meeting shall resolve on the application of the result for the year, in accordance with the following priorities:

- 1) The amount corresponding pursuant to the applicable legal provisions shall be applied to the legal reserve.
- 2) The amount necessary shall be applied to the statutory reserve so that added to the amount of the preceding application a total of 10% of the profit for the year has been taken to reserves.
- 3) A minimum of four per cent of their par value shall be applied to the payment of a dividend to shareholders.
- 4) The balance shall be applied as resolved by the General Meeting in accordance with these Articles of Association.

3. Within the month following the approval of the annual accounts, the Directors shall submit, for filing in the Mercantile Registry corresponding to the registered office, a certificate of the resolutions of the General Meeting approving the annual accounts and the application of the result, and, as the case may be, the consolidated accounts, to which a copy of each of these accounts, of the Directors' report and of the auditors' report will be attached if the company is subject to mandatory audit or if an audit has been carried out at the request of the minority.

## **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.- Issue of debentures and other marketable securities**

- 1.** The General Meeting may delegate on the Board of Directors the faculty to issue simple, convertible or swappable debentures or bonds, as well as promissory notes, warrants that confer the right to acquire outstanding or newly issued shares in the Company, and any other type of marketable security, including preferential shares.
- 2.** The Board of Directors may make use of this delegation on one or several occasions during the maximum term determined by the Act or shorter term established by the General Meeting.
- 3.** The General Meeting may also delegate on the Board of Directors the faculty to determine the time when the issue is to take place, and establish the other conditions not covered by the resolution of the General Meeting, including, in the case of convertible or swappable debentures or bonds, the conditions and forms of conversion or swap and, in the case of warrants, the conditions and forms of exercise thereof.
- 4.** Convertible or swappable debentures and warrants may be issued with a fixed (determined or determinable) or variable swap rate.

## **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.