



**RESTATED TEXT OF BYLAWS OF THE COMPANY**

**“ORYZON GENOMICS, S.A.”**

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**TITLE I**  
**NAME, PURPOSE, DURATION AND ADDRESS**

**ARTICLE 1.- CORPORATE NAME**

The company is called "ORYZON GENOMICS, S.A." (the "**Company**"). It shall be governed by these bylaws (the "**Bylaws**") and, to the extent not provided for herein, by Royal Legislative Decree 1/2010 of July 2 approving the Restated Text of the Companies Act (Ley de Sociedades de Capital) (the "**Companies Act**" or the "**Act**") and other applicable legal provisions.

**ARTICLE 2.- CORPORATE PURPOSE**

The purpose of the Company is as follows:

- a) The discovery, development and application of genomic, molecular and genetic bio markets and tools to obtain personalized medical products or acquire modified organisms of pharmaceutical, industrial or agricultural interest.
- b) The performance of clinical tests in the fields of diagnosis and prognosis in humans or in other organisms of health-related or industrial interest.
- c) The provision of various scientific research services, such as pharmacological, chemical, biological, industrial, nutritional and other services of interest in human beings, animals and organisms or model systems.
- d) The development of chemical molecules, peptides, proteins or antibodies with therapeutic applications in humans and other organisms and clinical research into new human therapies.
- e) Research/investigation and development/discovery of new pharmaceutical products, provision of scientific, technical or business consulting and advice in the area of biotechnology, pharmaceuticals and medicine.
- f) Manufacturing in general of software tools for diagnostic use, of health-related in vitro diagnostic products, and of human health therapeutic products.

The activities listed above may be carried out by the Company, in whole or in part, indirectly through ownership of shares or interests in companies with an identical or similar purpose.

The National Classification of Economic Activities (*Clasificación Nacional de Actividades Económicas*) (CNAE) corresponding to the activities covered by the corporate purpose is 7211 - Experimental research and development in biotechnology.

Excluded are all those activities for which the Law has special requirements that cannot be met by this Company.

If legal provisions require a professional degree or government authorization or registration in Public Registries for the exercise for any of the activities included in the corporate purpose,

such activities must be performed through persons who hold such degree and may not be commenced prior to meeting any applicable governmental requirements.

### **ARTICLE 3.- TERM**

The Company is organized for an indefinite period and shall begin doing business on the date of execution of its organizational instrument.

### **ARTICLE 4.- REGISTERED OFFICE AND CORPORATE WEBSITE**

The registered office of the Company is located in Madrid, at Carrera de San Jerónimo, nº 15, 2nd floor.

The Board of Directors may establish, eliminate and relocate branches, agencies and/or offices within or outside of Spain and relocate the registered office within Spain pursuant to the provisions of Section 285.2 of the Companies Act.

The corporate website is <http://www.oryzon.com>. The Company shall publish all relevant information regarding its corporate governance on its website. The content and structure of the Company's website shall conform to the legal provisions and other regulations regarding this matter that apply at any particular time.

## **TITLE II SHARE CAPITAL AND SHARES**

### **ARTICLE 5.- SHARE CAPITAL**

The share capital is TWO MILLION TWO HUNDRED EIGHTY NINE THOUSAND FOUR HUNDRED NINETY FOUR EUROS AND FIFTY FIVE CENTS (€ 2,289,494.55) and is represented by FORTY FIVE MILLION SEVEN HUNDRED EIGHTY NINE THOUSAND EIGHT HUNDRED NINETY ONE (45,789,891) shares, each having a par value of FIVE EURO CENTS (€ 0.05), consecutively numbered from 1 to 45,789,891, both inclusive, fully subscribed and paid in.

All shares are of the same class and series and give the same rights.

### **ARTICLE 6.- RULES FOR THE REPRESENTATION OF SHARES**

The shares are represented by book entries and are constituted as such by virtue of the registration thereof in the corresponding book-entry register. They shall be governed by Law 24/1988 of July 28 on the Securities Market (the "**Securities Market Act**") and other supplemental provisions.

Entitlement to exercise shareholder rights, including any transfer rights, is obtained by means of registration in the book-entry register, which entails a presumption of legitimate ownership and entitles the registered owner to require the Company to recognize such owner as a shareholder, and in which subsequent transfers of the shares and the creation of in rem rights thereto shall be recorded. Proof of such entitlement may be given by producing the appropriate certificates issued by the entity in charge of the corresponding book-entry register.

**ARTICLE 7.- NON-VOTING SHARES**

The shareholders acting at a General Shareholders' Meeting may resolve to issue non-voting shares with a par value not greater than one-half of the paid-in share capital.

The owners of non-voting shares shall have the right to receive a 5 percent minimum annual dividend of the paid up capital per non-voting share; once the minimum dividend is approved, the owners of non-voting shares shall have the right to the same dividend as the dividend corresponding to the common shares.

**ARTICLE 8.- RIGHTS AND OBLIGATIONS OF THE OWNER OF THE SHARES**

Each share of the Company grants the legitimate owner thereof the status of shareholder and vests therein the rights and obligations provided by applicable law, these Bylaws and the Regulations for the General Shareholders' Meeting and of the Board of Directors. Ownership of shares entails compliance with the Company's Bylaws and with its internal regulations and submission to the legally adopted decisions of the governance and management bodies of the Company.

The shares are indivisible. Co-owners of one or more shares must appoint a single person to exercise the shareholder rights and shall be jointly and severally liable to the Company for any obligations arising from the status of shareholder.

In the case of an usufruct of shares, the status of shareholder is held by the bare owner, while the usufructuary has the right in any case to the dividends approved by the Company during the period of usufruct.

If the shares are pledged, the owner thereof is entitled to the exercise of shareholder rights, including the right to obtain dividends.

**ARTICLE 9.- RULES FOR THE TRANSFER OF SHARES**

The shares and economic rights arising therefrom, including preemptive rights, may be transferred by all means allowed by Law.

Transfers of new shares shall not be effective until the corresponding capital increase is recorded with the Commercial Registry (*Registro Mercantil*).

**ARTICLE 10.- UNPAID SUBSCRIPTIONS**

If there are partially paid-in shares, the shareholder must pay the unpaid portion, whether in cash or otherwise, in the form and within the period determined by the Board of Directors.

A shareholder that is in default in payment of unpaid subscriptions may not exercise voting rights. The amount of their shares shall be deducted from the share capital for purposes of calculating the quorum.

In the event of a transfer of shares with unpaid subscriptions, the acquiring party shall be jointly and severally liable for payment along with all preceding transferors. The liability of the transferors shall continue for three (3) years from the date of the respective transfer.

**ARTICLE 11.- COMMUNICATION OF PRIVATE SHAREHOLDERS' AGREEMENTS**

The execution, extension or amendment of a private shareholders' agreement (*pacto parasocial*) covering the exercise of voting rights at general shareholder meetings or that restricts or makes conditional the free transferability of shares or of convertible or exchangeable debentures must be immediately communicated to the Company and to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (the "CNMV").

A copy of the clauses of the document that affect voting rights or restrict or make conditional the free transferability of the shares or of convertible or exchangeable debentures shall be attached to such communication. Once any of these communications have been made, the document in which the private shareholders' agreement appears must be filed with the Commercial Registry. The Company shall publish such communications as a significant event (*hecho relevante*) in accordance with the rules of the securities market.

For so long as such communications, filing and publication as a significant event do not take place, the private shareholders' agreement shall have no effect as regards such matters.

**TITLE III  
CAPITAL INCREASE AND REDUCTION****ARTICLE 12.- CAPITAL INCREASE**

A capital increase may be performed by issuing new shares or by increasing the par value of existing shares, and in both cases the capital increase may be performed with a charge to cash or non-cash contributions to shareholders' equity, including the contribution of credit claims against the Company, or with a charge to profits or reserves that already appear in the last approved balance sheet. The capital increase may be carried out in part with a charge to new contributions and in part with a charge to unrestricted reserves.

If the capital increase is not fully subscribed within the period provided for such purpose, the capital shall only be increased by the amount of the subscriptions made if the conditions of the issuance expressly provide for this possibility.

**ARTICLE 13.- AUTHORIZED CAPITAL**

The shareholders acting at a General Shareholders' Meeting may delegate to the Board of Directors the power to approve an increase in share capital on one or more occasions, up to a particular amount, on the date(s) and in the amount(s) that it decides and within the limitations provided by Law. The delegation may include the power to exclude preemptive rights.

The shareholders acting at a General Shareholders' Meeting may also delegate to the Board of Directors the power to determine the date on which a previously-adopted capital increase resolution must be implemented and to set the terms thereof to the extent not provided for by the shareholders.

**ARTICLE 14.- ELIMINATION OF PREEMPTIVE RIGHTS**

The shareholders acting at a General Shareholders' Meeting or, if applicable, the Board of Directors approving the capital increase, may resolve to totally or partially eliminate preemptive rights in furtherance of the corporate interest.

In particular, the corporate interest may justify the elimination of preemptive rights when necessary to facilitate: (i) the acquisition by the Company of assets (including shares or equity interests in companies) appropriate for advancing the corporate interest; (ii) the placement of new shares on capital markets allowing access to sources of financing; (iii) the acquisition of funds using book-building techniques suitable to maximize the issue price of the shares; (iv) the inclusion of an industrial or technology partner; (v) the implementation of employee compensation plans through delivery of Company shares or options on such shares; and (vi) generally, engaging in any transaction that is appropriate for the Company.

**ARTICLE 15.- CAPITAL REDUCTION**

A capital reduction may be implemented by means of a reduction in the par value of the shares, by means of the cancellation thereof or by grouping them for an exchange, and in such cases may have the purpose of returning contributions, waiving unpaid subscriptions, creating or increasing reserves, or restoring the balance between capital and shareholders' equity.

**TITLE IV  
DEBENTURES****ARTICLE 16.- ISSUANCE OF DEBENTURES**

The Company may issue debentures upon the terms and within the limits provided by Law.

The shareholders acting at a General Shareholders' Meeting may delegate to the Board of Directors the power to issue simple or convertible and/or exchangeable debentures. It may also authorize it to determine the time at which the approved issuance should take place as well as to set all other terms not provided for in the resolution of the shareholders.

**ARTICLE 17.- CONVERTIBLE AND EXCHANGEABLE DEBENTURES**

The convertible and/or exchangeable debentures may be issued with a fixed (determined or determinable) exchange ratio or with a variable exchange ratio.

The pre-emptive rights for convertible debentures may be eliminated pursuant to the provisions of applicable law and the bylaw provisions applicable to the elimination of preemptive rights for shares.

**ARTICLE 18.- OTHER SECURITIES**

The Company may issue notes, warrants or other negotiable securities other than those provided for in the preceding articles pursuant to the provisions of applicable law.



The shareholders acting at a General Shareholders' Meeting may delegate to the Board of Directors the power to issue such securities. The Board of Directors may use this delegated power on one or more occasions and for a maximum period of five (5) years.

The shareholders acting at a General Shareholders' Meeting may also authorize the Board of Directors to determine the time at which the approved issuance should take place, as well as to set all other terms not provided for in the resolution of the shareholders, upon the terms prescribed by Law.

## **TITLE V GOVERNANCE OF THE COMPANY**

### **ARTICLE 19.- DECISION-MAKING BODIES OF THE COMPANY**

The Company shall be governed and administered by the shareholders acting at a General Shareholders' Meeting and by the Board of Directors, within their respective areas of competence, without prejudice to the other positions that may be created under the bylaws or by legal mandate.

The legal and bylaw rules for these bodies shall be further developed and completed, respectively, by means of Regulations for the General Shareholders' Meeting and Regulations of the Board of Directors, which shall be approved at a meeting of each of such bodies and in accordance with the provisions of Law.

### **CHAPTER I General Shareholders' Meeting**

#### **ARTICLE 20.- NATURE OF THE GENERAL SHAREHOLDERS' MEETING**

The shareholders acting at a General Shareholders' Meeting that has been duly called and convened constitute the highest deliberative body through which the corporate will is expressed, and the resolutions thereof shall be binding on all shareholders, including absent and dissenting shareholders, without prejudice to the rights and legal actions to which they are entitled under the Law.

The General Shareholders' Meeting is governed by the provisions of Law, these Bylaws and the Regulations for the General Shareholders' Meeting, which complete and further develop the legal rules and these Bylaws on matters relating to the call, preparation, holding and conduct thereof, as well as the exercise of the shareholders' rights to receive information, to attend, to grant a proxy and to vote.

#### **ARTICLE 21.- TYPES OF MEETINGS**

General Shareholders' Meetings may be Ordinary or Extraordinary.

The Ordinary General Shareholders' Meeting must be held within the first six (6) months of each fiscal year in order to, if appropriate, approve the corporate management and the financial

statements for the preceding year, and to decide on the application of results. It may also adopt resolutions regarding any matter within its power, provided that it appears on the agenda of the call to meeting or is legally appropriate and there is a quorum for the General Shareholders' Meeting with the presence of the required share capital.

Any General Shareholders' Meeting other than as provided for in the preceding paragraph shall be deemed to be an Extraordinary General Shareholders' Meeting and shall meet when called by the Company's Board of Directors upon its own initiative or at the request of shareholders owning at least three (3%) percent of the share capital with a statement in the request of the items to be dealt with at the General Shareholders' Meeting.

## **ARTICLE 22.- CALL TO THE GENERAL SHAREHOLDERS' MEETING**

Without prejudice to the provisions of the Companies Act regarding universal meetings and court-ordered calls to meeting, General Shareholders' Meetings must be called by the Company's Board of Directors or, if applicable, by the liquidators, by means of an announcement which publication shall be made at least by the following means: (i) on the Official Gazette (*Boletín Oficial*) of the Commercial Registry or in one of the newspapers with large circulation in Spain, (ii) on the website of CNMV, and (iii) on the Company's corporate website, with the advance notice required by Law. The announcement of the call of the meeting shall include at least the information required by Law.

The Board of Directors must call a General Shareholders' Meeting in the following cases:

- a) If it deems it appropriate in furtherance of the corporate interest.
- b) If an Ordinary General Shareholders' Meeting must be called, which must be held within the first six (6) months of each fiscal year.
- c) If requested in the manner prescribed by Law by shareholders holding or representing at least three (3%) percent of the share capital, with a statement in the request of the matters to be dealt with. In such event, the Board of Directors shall call the General Shareholders' Meeting to be held within the legally prescribed period. The Board of Directors shall prepare an agenda of the call to meeting including the matters covered by the request.
- d) If a tender offer is made for securities issued by the Company, in order to inform the shareholders thereof and to deliberate and decide on the matters submitted for their consideration.

The shareholder rights mentioned in letter c) above must be exercised by means of a verifiable notice sent to the Company's registered office.

If the General Shareholders' Meetings are not called within the legally-prescribed or bylaw-mandated periods, they may be called, at the request of any shareholder, by a judge of the commercial court of the place in which the registered office is located and following an audience with the Board of Directors.

The shareholders acting at a General Shareholders' Meeting may not deliberate or decide on matters not included in the agenda of the call to meeting unless legally provided otherwise.

The Board of Directors may require the presence of a notary to attend the General Shareholders' Meeting and to prepare the minutes of the meeting. It must in any case request the presence thereof in the circumstances provided by Law.

#### **ARTICLE 23.- PLACE OF THE MEETING**

The General Shareholders' Meeting shall be held within the municipality in which the domicile of the Company is located. Nevertheless, the Board of Directors may agree to hold the General Shareholders' Meeting in any other place within the municipal area of Madrid or Barcelona as deemed appropriate to facilitate the development of the meeting and this circumstance is stated in the call. If the place of meeting is not specified, it shall be deemed that the General Shareholders' Meeting has been called to be held at the registered office of the Company.

#### **ARTICLE 24.- RIGHT TO RECEIVE INFORMATION PRIOR TO THE HOLDING OF THE GENERAL SHAREHOLDERS' MEETING**

The Company shall comply with the obligations to provide information that are legally established in favor of the shareholders through its corporate website, without prejudice to the ability to use any other medium for such purpose and without prejudice to the shareholders' right to request information in written form, according to Law.

From the date of publication of the call to the General Shareholders' Meeting through the fifth day prior to the date set for the General Shareholders' Meeting to be held on first call, inclusive, the shareholders may request from the Board of Directors the information or clarifications that they deem are required regarding the items on the agenda, or ask the written questions they deem relevant.

In addition, through the fifth day prior to the date set for the holding of the General Shareholders' Meeting, the shareholders may request from the Board of Directors in writing the clarifications they deem appropriate regarding the information accessible to the public that the Company has provided to the CNMV since the holding of the last General Shareholders' Meeting and regarding the auditor's report.

The Board of Directors must provide the requested information, in writing, up to the day of the General Shareholders' Meeting.

Requests for information may be made by delivering them at the Company's registered office or by sending them to the Company by mail or other remote means of electronic communication to the address specified in the corresponding notice of the meeting, or in the absence of such specification, to the Director of Investor Relations (*Responsable de Relaciones con Inversores*). Such requests shall be accepted if the electronic document being used to request the information includes the legally recognized electronic signature used by the requesting party or other mechanisms that the Board of Directors believes satisfy appropriate guarantees of authenticity and identification of the shareholder exercising the right to information, in accordance with a resolution previously adopted and duly published for such purposes.

Whatever the means used to issue requests for information, the shareholder's request must include the shareholder's first and last names and details of the shares owned so that this information can be checked against the list of shareholders and the number of shares in the

shareholder's name provided by the company in charge of the book-entry register, for the General Shareholders' Meeting in question. The shareholder shall be responsible for maintaining proof that the request was delivered to the Company in due time and form. The Company's website shall provide the relevant explanations for shareholders wishing to exercise their right to receive information, upon the terms provided in the applicable legal provisions.

Requests for information made in accordance with this article shall be answered upon confirmation of the identity and shareholder status of the person making the request, prior to the holding of the General Shareholders' Meeting.

The directors are required to provide the information requested under the preceding paragraphs unless such information is unnecessary to protect the rights of the shareholder or there are objective reasons to find that it could be used for *ultra vires* purposes or that publication thereof could prejudice the Company or any related companies.

The Board of Directors may authorize any of its members, the Chairs of its committees, or its Secretary or Assistant Secretary to respond to shareholder requests for information in the name and on behalf of the Board.

The information requested by shareholders shall be provided in writing via the same means as the corresponding request, unless the shareholder indicates another means from among those deemed suitable according to this article. In any event, the directors may send the information in question by certified mail, return receipt requested, or by registered fax (*burofax*).

Valid requests for information, clarifications or questions asked in writing and the answers provided by the directors shall be included on the Company's website.

If, prior to the submission of a specific question, the information requested is clearly, expressly and directly available to all shareholders on the Company's website in question/answer format, the directors may limit their answer to a reference to the information provided in such format.

#### **ARTICLE 25.- RIGHT TO RECEIVE INFORMATION DURING THE HOLDING OF THE GENERAL SHAREHOLDERS' MEETING**

During the presentation period, all shareholders may verbally request the information or clarifications they deem appropriate regarding the items included in the agenda, as well as the clarifications they deem are required regarding the information accessible to the public that the Company has provided to the CNMV since the holding of the last General Shareholders' Meeting and regarding the auditor's report. They must have previously identified themselves according to the provisions of Law and the Regulations for the General Shareholders' Meeting.

The directors are required to provide the information requested under the preceding paragraphs unless such information is unnecessary to protect the rights of the shareholder or there are objective reasons to find that it could be used for *ultra vires* purposes or that publication thereof could prejudice the Company or any related companies.

The information or clarification shall be provided by the Chair, or if applicable and by instruction thereof, by the CEO -if any-, the Chairs of the committees of the Board of Directors, the Secretary or Assistant Secretary, any director, or if appropriate, any employee or expert on the matter. Based on the information or clarification requested, the Chair shall in each case determine whether it is more appropriate for the proper operation of the General Shareholders' Meeting to provide individualized responses or to group them by subject matter.

In the event that it is not possible to satisfy the shareholder's right to receive information during the General Shareholders' Meeting, the directors shall provide the requested information in writing to the interested shareholder within seven (7) days of the end of the General Shareholders' Meeting.

If prior to the submission of a specific question, the information requested is clearly, expressly and directly available to all shareholders on the Company's website in question/answer format, the directors may limit their answer to a reference to the information provided in such format.

#### **ARTICLE 26.- RIGHT TO ATTEND THE MEETING**

Shareholders who own any number of shares shall have the right to attend the General Shareholders' Meeting provided that the shares are registered in their name in the book-entry register at least five (5) days prior to the day on which the General Shareholders' Meeting is to be held. If a shareholder exercises the shareholder's right to vote using remote means of communication, such shareholder must also meet this condition at the time of casting their vote.

In addition, to attend the General Shareholders' Meeting, the shareholder must have the corresponding attendance card, certificate issued by the entity in charge of the book-entry register, as applicable, or the document showing that they are a shareholder pursuant to law.

Those shareholders who attend personally or through their proxy representative at the place of the General Shareholders' Meeting on the date thereof shall present their attendance card pursuant to the provisions of the Regulations for the General Shareholders' Meeting.

In addition, those shareholders who wish to vote by remote means of communication must prove their identity and shareholder status in the manner determined by the Board of Directors in the call to meeting.

The Regulations for the General Shareholders' Meeting shall govern the attendance at General Shareholders' Meetings by third parties who are not shareholders.

#### **ARTICLE 27.- RIGHT TO PROXY REPRESENTATION**

Without prejudice to attendance by corporate shareholders through individuals having the power to represent them, all shareholders with the right to attend may be represented at the General Shareholders' Meeting by another person, whether or not such person is a shareholder of the Company.

A proxy is always revocable. Generally, the last action of the shareholder prior to the holding of the General Shareholders' Meeting shall be deemed valid if the certainty of the date can be shown. If no such certainty exists, the vote of the shareholder shall prevail over the proxy. In

any event, personal attendance at the General Shareholders' Meeting by the shareholder shall have the effect of revoking the proxy.

Without prejudice to the provisions of Section 187 of the Companies Act, a proxy must be provided specifically for each General Shareholders' Meeting, either in writing or by the use of remote means of communication expressly provided for by the Board of Directors in the call to meeting, provided that such proxy meets the requirements set forth in such call and in any event duly assures the identity of the shareholder being represented and the proxy representative.

A proxy given by remote means of communication shall only be valid if provided in accordance with the provisions for such purposes of the Regulations for the General Shareholders' Meeting, which shall elaborate upon aspects of the right of the shareholders to proxy representation that are not provided for in this article.

#### **ARTICLE 28.- ESTABLISHMENT OF A QUORUM FOR THE GENERAL SHAREHOLDERS' MEETING**

A valid quorum for the General Shareholders' Meeting upon first call shall exist if the shareholders present in person or by proxy hold at least twenty-five (25%) percent of the subscribed capital with voting rights. There shall be a valid quorum upon second call regardless of the amount of capital represented in person or by proxy.

For the shareholders acting at an Ordinary or Extraordinary General Shareholders' Meeting to validly approve a capital increase or reduction or any other amendment to the Bylaws, issuance of debentures, elimination or limitation of the preemptive right to new shares, or the transformation, merger, split-off or overall assignment of assets and liabilities, or the transfer of the domicile abroad, the attendance of shareholders in person or by proxy representing at least fifty (50%) percent of the subscribed capital with voting rights shall be required on first call. On second call, the presence of twenty-five (25%) percent of such capital shall be sufficient, provided, however, that if the shareholders present represent less than fifty (50%) percent of the subscribed capital with voting rights, the resolutions referred to in this paragraph may only be validly adopted with the favorable vote of two-thirds of the capital represented in person or by proxy at the General Shareholders' Meeting.

Once a valid quorum for the General Shareholders' Meeting has been established, absences that occur shall not affect the validity thereof.

#### **ARTICLE 29.- PRESIDING COMMITTEE OF THE GENERAL SHAREHOLDERS' MEETING**

The presiding committee of the General Shareholders' Meeting shall be made up of its Chair and its Secretary and by the members of the Company's Board of Directors.

The General Shareholders' Meeting shall be presided by the Chair of the Board of Directors, or in the absence thereof, by the Vice Chair; if there are several Vice Chairs, in the order established by the Board of Directors for the appointment thereof; and in the absence of any Chair or Vice Chair, by the member of the Board of Directors appointed by the shareholders themselves.

The Chair shall be assisted by a Secretary, an Assistant Secretary, or both. The Secretary for the General Shareholders' Meeting shall be the Secretary of the Board of Directors, and if the latter cannot personally attend, the Assistant Secretary. In the absence thereof, the person elected

by those in attendance, which person need not be a shareholder, shall act as Secretary, in which case such person shall have the right to be heard but not to vote.

The Chair, even if present at the meeting, may entrust management of the debate to the Secretary or to the member of the Board of Directors that the Chair deems appropriate. If so desired, the Chair may also rely on the assistance of any expert that the Chair deems appropriate.

The Regulations for the General Shareholders' Meeting shall govern the duties of the Chair of and the Secretary for the Meeting that are not elaborated upon in these Bylaws.

### **ARTICLE 30.- VOTING**

Once the shareholder presentations have ended and any information or clarifications have been provided pursuant to the provisions of these Bylaws and the Regulations for the General Shareholders' Meeting, the proposed resolutions on those items included in the agenda and any others required by law and not needing to appear therein shall be submitted to a vote upon the terms described in the Regulations for the General Shareholders' Meeting.

Shareholders with the right to attend may cast their vote on the proposals regarding the items included in the agenda of any type of General Shareholders' Meeting through the remote means of communication set forth in the Regulations for the General Shareholders' Meeting, upon the terms established by such Regulations.

Intermediaries appearing as shareholders by virtue of the book-entry register of shares but who act on behalf of various shareholders may in any event divide the vote and cast it in different directions in accordance with different voting instructions they may receive.

Intermediaries may also delegate the vote to each of the indirect holders or to third parties designated thereby, without limiting the number of proxies granted.

All of the foregoing is deemed to be without prejudice to the rules applicable to the relations between financial intermediaries and their customers for purposes of exercising voting rights in accordance with the provisions of Law.

### **ARTICLE 31.- ADOPTION OF RESOLUTIONS**

Resolutions shall be adopted by the majorities established in the Companies Act for each case.

The Chair shall declare the resolutions approved if there is evidence of the existence of sufficient votes in favor, without prejudice to the minutes showing the direction of the vote or abstention of shareholders in attendance as indicated by the notary (or, if applicable, the Secretary or assistants thereto).

### **ARTICLE 32.- MINUTES OF THE GENERAL SHAREHOLDERS' MEETING**

The resolutions of the shareholders acting at a General Shareholders' Meeting shall be recorded in minutes that shall be written down or transcribed in a minute book maintained for such purpose. The minutes may be approved by the shareholders at the General

Shareholders' Meeting itself, and otherwise within a period of fifteen (15) days by the Chair and two inspectors, one representing the majority and another the minority.

The minutes approved in either of these two manners shall be binding as from the date of approval thereof.

The Board of Directors may request the presence of a notary to prepare the minutes of the General Shareholders' Meeting and shall be required to do so if requested by shareholders representing at least one (1%) percent of the share capital at least five (5) days prior to the date provided for holding the General Shareholders' Meeting.

The notarial record shall be deemed to be the minutes of the General Shareholders' Meeting and need not be approved by the shareholders.

## **CHAPTER II**

### **Section I Board of Directors**

#### **ARTICLE 33.- BOARD OF DIRECTORS**

The Company shall be administered by a Board of Directors.

The Board of Directors shall be governed by applicable legal provisions and by these Bylaws. The Board of Directors shall elaborate upon and complete such provisions by means of Regulations of the Board of Directors, the approval of which shall be reported to the shareholders at the General Shareholders' Meeting.

#### **ARTICLE 34.- POWERS OF THE BOARD OF DIRECTORS**

The Board of Directors is responsible for the representation and highest-level management and administration of the Company in or out of court, for all acts included within the corporate purpose as described in these Bylaws, and for all those actions required by Law, these Bylaws and the Regulations of the Board of Directors, without prejudice to the acts expressly reserved thereby to the shareholders acting at a General Shareholders' Meeting.

#### **ARTICLE 35.- COMPOSITION OF THE BOARD OF DIRECTORS**

The Board of Directors shall be made up of a minimum of five (5) and a maximum of twelve (12) directors, who shall be appointed or ratified by the shareholders at a General Shareholders' Meeting subject to applicable legal and bylaw requirements.

The shareholders acting at a General Shareholders' Meeting shall determine the exact number of directors between the limits stated above either by express resolution or indirectly by filling vacancies or appointing new directors.

The Board of Directors must propose to the shareholders acting at a General Shareholders' Meeting the number of directors within such limits that, given the circumstances affecting the



Company, is most appropriate to the situation thereof and ensures the effectiveness and due representative capacity of such body.

The members of the Board of Directors shall be appointed by the shareholders acting at a General Shareholders' Meeting, without prejudice to the power of the Board of Directors to appoint members on an interim basis in the event of a vacancy and without prejudice to the system of proportional representation to which the shareholders are entitled under the provisions of Law.

The shareholders must endeavor to ensure that, to the extent possible, external or non-executive directors represent a majority over executive directors in the composition of the Board of Directors, which shall also include independent directors.

Definitions of the different categories of directors shall be established in the Regulations of the Board of Directors and shall be in accordance with the provisions of applicable law in this regard.

#### **ARTICLE 36.- TERM OF OFFICE**

The directors shall serve in their position for a term of four (4) years, so long as the shareholders acting at a General Shareholders' Meeting do not resolve to remove them and they do not resign from their position.

Directors may be re-elected on one or more occasions for periods of four (4) years, except that in the case of independent directors their maximum term of office as members of the Company's Board of Directors may not exceed twelve (12) years for this category.

Vacancies that occur may, pursuant to the provisions of law, these Bylaws and the Regulations of the Board of Directors, be filled by the Board of Directors until the next General Shareholders' Meeting, whereat the shareholders shall confirm the appointments or elect the persons who should replace directors who are not ratified, unless they decide to eliminate the vacant positions.

#### **ARTICLE 37.- APPOINTMENT TO POSITIONS ON THE BOARD OF DIRECTORS**

The Board of Directors shall appoint a Chair and one or more Vice Chairs, who shall replace the Chair in the event of vacancy, absence or illness in accordance with the order established by the Board of Directors. It shall also appoint the person to hold the office of Secretary. In order to be appointed as Chair or Vice Chair, the person appointed must be a member of the Board of Directors, which circumstance shall not be necessary for the person appointed to hold the office of Secretary, in which case the Secretary shall have the right to be heard but not to vote.

The Board of Directors may also appoint an Assistant Secretary, who need not be a director.

The appointment of the Chair and of the Secretary to the Board of Directors shall require the favorable vote of the absolute majority of the members of the Board of Directors attending the meeting. On the other hand, the appointment of the Vice Chair/s and or the Vice Secretary shall require the majorities foreseen in the Companies Act for such purposes.

**ARTICLE 38.- MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors, upon the terms provided by Law, these Bylaws and the Regulations of the Board of Directors, shall meet with the frequency required to effectively perform its duties, and at least eight (8) times per year (with a meeting having to take place at least once per quarter in any case), and, at the initiative of the Chair or the lead director (*consejero coordinador*), if any, as many times as they deem appropriate for the proper operation of the Company.

The Board of Directors must meet within the first three (3) months of each fiscal year in order to formulate the financial statements for the preceding year, and whenever it must call a General Shareholders' Meeting.

Directors making up at least one-third of the members of the Board of Directors may also call a meeting, establishing the agenda thereof, in order for the meeting to be held at the place where the registered office is located, if a prior petition has been submitted to the Chair and the Chair has failed without well-founded reasons to call the meeting within a period of one month.

The Chair of the Board of Directors, with the assistance of the Secretary, must endeavor to ensure that the directors are provided sufficiently in advance with the information necessary for deliberation on and the adoption of resolutions regarding the matters to be dealt with that have been described in the agenda, unless the Board of Directors meets or has been called on an exceptional basis for reasons of urgency.

The agenda for the meetings shall clearly indicate those items for which the Board of Directors must adopt a decision or resolution so that the directors can first examine or obtain the information required for the adoption thereof.

Notwithstanding the foregoing, if the Chair wants to submit decisions or resolutions that do not appear on the agenda for approval by the Board of Directors on an exceptional basis for reasons of urgency, the prior express consent of at least four-fifths of the members of the Board of Directors shall be required, which consent must be recorded in the minutes.

The call to meeting must be provided by certified mail or any other means of individual written communication that can ensure the receipt thereof (including email sent to the address customarily used with the receiving director), sent at least 7 days prior to the date for holding the meeting, to the address that each director communicates to the Company for such purpose.

The Chair may call extraordinary meetings of the Board of Directors by telephone if the Chair believes the circumstances so warrant. Notwithstanding the foregoing, the Chair shall endeavor to ensure that any documentation that must be provided to the directors is delivered sufficiently in advance.

A meeting of the Board of Directors shall also be deemed to be validly held without a call if all of its members represented in person or by proxy unanimously agree to the holding of the meeting.

Meetings of the Board of Directors may be held in several places connected to each other by a system that permits the recognition and identification of the attendees, permanent

communication among the attendees regardless of their location, and participation in discussion and the casting of votes, all in real time (including videoconference or remote attendance systems or any other similar system), provided that none of them object to this procedure. The directors in attendance at any of such interconnected places shall be deemed to have attended the same meeting of the Board of Directors. The meeting shall be deemed to be held at the registered office of the Company.

The directors shall do everything possible to attend the meetings of the Board of Directors, and, if unable to attend in person, shall give their proxy representation in writing and on a special basis for each meeting to another member of the Board, including appropriate instructions and giving notice thereof to the Chair of the Board of Directors. Notwithstanding the foregoing, non-executive directors may only give their proxy to other non-executive directors.

The minutes of the meeting shall record those statements by the directors or the Secretary expressing their concern for the performance of the Company with respect to a particular matter or proposal, respectively, if such matter or proposal is not decided by the Board of Directors and such recording is expressly requested.

At the initiative of the Chair, the Board of Directors may adopt resolutions in writing and without a meeting if no director objects thereto. If this voting procedure is followed, the Secretary of the Board of Directors shall record the resolutions adopted in the minutes, stating the names of the directors and the system used to determine the decision of the Board of Directors, with a statement of the vote cast by each director. In this case, it shall be deemed that the resolutions have been adopted at the place of the registered office and on the date of receipt of the last of the votes cast. It shall also be stated that no member of the Board of Directors has objected to this procedure.

A valid quorum of the Board of Directors shall exist with the presence, in person or by proxy, of the majority of the members of the Board of Directors.

Except in those cases in which the Law, these Bylaws or the Regulations of the Board of Directors provide for other voting quorums, resolutions shall be adopted by absolute majority of the directors attending the meeting.

The Chair shall organize the debate, seeking and encouraging the participation of all of the directors in the discussions of the Board of Directors, safeguarding their freedom to take positions and express opinions.

The meetings shall be conducted in Spanish, or in English if attended by international directors.

Minutes of the meetings of the Board of Directors shall be prepared, shall be signed by at least the Chair and the Secretary or Assistant Secretary, and shall be transcribed or included, as provided by Law, in a minute book of the Board of Directors. A summary of such minutes shall also be prepared in English.

#### **ARTICLE 39.- DUTIES OF THE DIRECTORS**

The members of the Company's Board of Directors must discharge their duties in compliance with the duties assigned in this regard by the Companies Act, these Bylaws, the Regulations of the Board of Directors and the Internal Regulations for Conduct in the Securities Markets.

Along these lines, the directors shall discharge their duties with the diligence of an orderly businessman and the loyalty of a faithful representative. The members of the Board of Directors, and to a greater extent the independent directors, shall at all times contribute their strategic vision, as well as the ideas, standards and innovative measures for the optimum development and evolution of the Company's business.

The directors must also maintain in confidence the information, data, reports or background information to which they may have had access in the performance of their duties, even if they have ceased to act as such, except in those cases allowed or required by law.

The Board of Directors must engage in an annual evaluation of the operation thereof and of its committees, and based on the results thereof, propose a plan of action to correct the deficiencies found. The results of the evaluation shall be recorded in the minutes of the meeting or included therein as an attachment.

#### **ARTICLE 40.- COMPENSATION OF THE BOARD OF DIRECTORS**

The directors shall have the right to obtain the compensation set by the shareholders acting at a General Shareholders' Meeting in accordance with the provisions of the Companies Act, these Bylaws, the Regulations for the General Shareholders' Meeting and the Regulations of the Board of Directors.

The compensation shall consist of a fixed amount, which shall be determined annually on an individual basis by the shareholders acting at a General Shareholders' Meeting of the Company for the fiscal year in which it is adopted (the "**Fixed Compensation**") and shall remain in effect for so long as a change thereto is not approved. The determination of the exact amount to pay within such maximum amount, as well as the distribution thereof among the various directors, shall be established by decision of the Board of Directors. Such Fixed Compensation may be different for the directors and shall be made up of: (i) a fixed allocation for simply holding the position; (ii) a fixed allocation for belonging to any existing Committees; (iii) a fixed allocation for holding positions (Chair and/or Vice Chair) on the Board of Directors and Committees, although the compensation provided in (ii) and (iii) may not be cumulative and only the higher of them shall be received; and (iv) if applicable, any severance payments agreed to with the directors.

Unless the shareholders determine otherwise, the distribution of the compensation among the directors shall be established by resolution of the Board of Directors, which must take into consideration the duties and responsibilities assigned to each director, membership on committees of the Board of Directors and other circumstances they deem relevant.

For so long as the shareholders have not set the Fixed Compensation applicable to a particular fiscal year, the Fixed Compensation approved for the preceding fiscal year, adjusted up or down, as applicable, from January of each fiscal year in accordance Consumer Price Index published by the National Statistics Institute (*Instituto Nacional de Estadística*) or the agency that replaces it, shall be received on a provisional basis; the compensation thus received shall be adjusted up or down within the first ten (10) days of the calendar month following the month in which the shareholders acting at a General Shareholders' Meeting have approved the Fixed Compensation for the fiscal year in question.

The Fixed Compensation shall be deemed established for the fiscal year of twelve (12) months in which the resolution is adopted by the shareholders at a General Shareholders' Meeting;

thus, if a fiscal year lasts less than twelve (12) months, the amount of such compensation shall be reduced proportionally.

In addition, regardless of the compensation provided for in the preceding sections, the members of the Board of Directors shall be entitled to: (i) the attendance fees approved by the shareholders for attending meetings of the Board of Directors and its Committees, which amount shall remain in effect for so long as the shareholders do not approve a modification thereof, and (ii) the reimbursement of any reasonable duly justified expense that is directly related to the discharge of their duties as a director of the Company.

Furthermore, without prejudice to all of the foregoing, the Company shall have civil liability insurance for its directors and officers that may be updated and adjusted from time to time by the Board of Directors to the needs and circumstances of the Company, the directors, and the officers covered.

The Board of Directors and the Appointments and Compensation Committee shall adopt all measures available to them in order to ensure that the compensation of the directors is that which is necessary to attract and retain directors with the desired profile and to provide compensation for the dedication, qualifications and responsibilities demanded by the position, but not so high as to compromise the independent judgment of the non-executive directors.

The compensation of the directors must in any case be reasonably proportional to the size of the Company, its financial situation at each moment, and market standards for comparable companies. The compensation system that is established must be focused on promoting the long-term profitability and sustainability of the Company and include the safeguards necessary to avoid the excessive assumption of risks and the reward of unfavorable results.

## **Section II**

### **Delegated Decision-Making Bodies of the Board of Directors**

#### **ARTICLE 41.- DELEGATED DECISION-MAKING BODIES OF THE BOARD**

Without prejudice to the representative powers that it may grant to any person, the Board of Directors may appoint from among its members one or more chief executive officers (*consejeros delegados*) or executive committees, establishing the content, limits and formats of the delegation of powers. The Board of Directors may not delegate the decision-making powers referred to in Section 249 bis or those listed in Section 529 ter of the Companies Act.

The permanent delegation of a power of the Board of Directors to the executive committee or to the Chief Executive Officer and the appointment of the directors to hold such positions shall require, at least, the favorable vote of two-thirds of the members of the Board of Directors in order to be valid, and shall not take effect until the registration thereof with the Commercial Registry.

If the calculation of the two-thirds of the members of the Board of Directors results in an amount with decimals, it shall be rounded up to the nearest whole number.

If a member of the Board of Directors is appointed Chief Executive Officer or is assigned executive duties under another title, a contract must be executed between such member and the Company, which must be approved in advance by the Board of Directors with the favorable vote of two-thirds of its members. The director affected must abstain from attending the debate and from participating in the voting. The approved contract must be attached as an annex to the minutes of the meeting.

The contract shall describe all items for which the director may receive compensation for the performance of executive duties, including any possible severance payments for early termination from such duties, and amounts to be paid by the Company for insurance premiums or contributions to savings plans. A director may not receive any compensation for the performance of executive duties if the amounts or items thereof are not provided for in such contract. The contract must conform to any compensation policy approved by the shareholders at a General Shareholders' Meeting.

The Board of Directors may create specialized committees, determining the composition thereof, appointing the members thereof, and establishing the duties to be assumed by each of them. Notwithstanding the foregoing, the Board of Directors must create at least an Audit and Compliance Committee and a committee or two separate committees on Appointments and Compensation, with the minimum composition and duties set out in the Companies Act. The minutes of the committees must be available to all members of the Board of Directors.

The Regulations of the Board of Directors shall govern the composition, operation and other aspects of the delegated decision-making bodies that have not been covered by these Bylaws.

#### **ARTICLE 42.- AUDIT AND COMPLIANCE COMMITTEE**

There shall be created within the Board of Directors an Audit and Compliance Committee, which shall be made up of a minimum of three (3) and a maximum of five (5) directors, all non-executive, the majority of whom, at least, shall be independent and to be appointed by the Board of Directors. At least one of the members of such Committee must be appointed taking into account the knowledge and experience thereof in the areas of accounting, auditing or risk management.

As a group, the members of the Committee shall have the relevant technical knowledge with regard to the industry to which the Company belongs.

A director who is appointed as a member of the Audit and Compliance Committee shall serve for the unexpired portion of such director's term of office, without prejudice to the Board of Directors' power of revocation, and which shall in any event become ineffective due to cessation in office as a director of the Company.

The Chair of the Audit and Compliance Committee must be an independent director elected from among the external directors, must be replaced every four years, and may be re-elected after the passage of one year from the date when he ceased to hold office.

The Board of Directors may appoint a Secretary, who need not be a member of the Audit and Compliance Committee, who shall assist the Chair and must provide for the proper operation of such Committee, duly reflecting the proceedings of meetings, the deliberations and the resolutions adopted in the minutes.

Without prejudice to the other duties attributed thereto by Law, these Bylaws, the Internal Regulations for Conduct in the Securities Markets or the Regulations of the Board of Directors, the Audit and Compliance Committee shall have at least the following duties:

- a) To inform the shareholders at the General Shareholders' Meeting about issues that arise in relation to matters within the purview of the Committee and specifically, regarding the results of the audit, explaining how such audit has contributed to the integrity of the financial information and the role that the Committee has played in such process.
- b) To supervise the effectiveness of the internal control of the Company, internal audit, and systems for managing risks, as well as to discuss with the auditor any significant weaknesses in the internal control system detected during the course of the audit, all without infringing its independence. For such purpose, and where appropriate, recommendations or proposals may be submitted to the Board of Directors, together with the deadline for their follow-up.
- c) To supervise the process of preparing and presenting mandatory financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding its integrity.
- d) To make proposals to the Board of Directors to select, appoint, re-elect and replace the auditor, taking responsibility for the selection process thereof in accordance with the current applicable law, as well as the conditions for engaging the auditor, including regularly reviewing information relating to the audit plan and its execution with the auditor, as well as ensuring its independence in the performance of its duties.
- e) To establish appropriate relations with the external auditor in order to receive information about any issues that could entail threat to its independence, so that these may be examined by the Audit and Compliance Committee, and any other matters related to the process of auditing the accounts, and where appropriate, the authorization of any services other than those forbidden, pursuant to the terms provided to in the current regulations on the rules on independence, as well as any other communications required under the laws on auditing and audit regulations. The Committee must always receive the external auditor's annual declaration of independence in relation to the Company or entities directly or indirectly associated therewith, as well as a detailed breakdown of information about any type of additional services provided by it and the corresponding fees received from these entities by the external auditor or by the persons or entities associated therewith, in accordance with the prevailing regulations on auditing.
- f) To issue on an annual basis, prior to the issuance of the audit report, a report expressing an opinion on whether the auditor or auditing company's independence is compromised. This report must in all cases contain a reasoned assessment of the provision of every the additional services referred to in the paragraph above, considered both individually and collectively, other than the statutory audit services, and in relation to the system of independence or the regulations on the audit activity.
- g) To inform the Board of Directors, in advance, about all of the issues required by Law, these Bylaws and the Regulations of the Board of Directors, and particularly regarding: (i) the financial information that the Company must periodically publish; (ii) the creation or

acquisition of equity interests in special purpose entities or entities domiciled in countries or territories that are considered to be tax havens; and (iii) related-party transactions.

- h) To perform those duties assigned thereto in the Internal Regulations for Conduct in the Securities Markets, as Head of Compliance thereof, receiving the reports and notices resulting from the provisions of such Regulations.
- i) To examine compliance with the Internal Regulations for Conduct in the Securities Markets, the Regulations of the Board of Directors, and the Company's governance rules generally, and make such proposals as are deemed necessary for the improvement thereof.
- j) To receive information and, if applicable, issue reports on disciplinary measures to be imposed on the members of the Company's senior management team.

The provisions of letters d), e) and f) above shall be deemed without prejudice to the legal provisions governing the auditing of accounts.

The Audit and Compliance Committee shall ordinarily meet on a quarterly basis in order to review the periodic financial information that must be sent to the stock exchange authorities as well as the information that the Board of Directors must approve and include within its annual public documentation. It shall also meet whenever its members so request and whenever called by its Chair, who must do so whenever the Board or its Chair requests the issuance of a report or the adoption of proposals, and in any event when appropriate for the proper performance of its duties.

The Committee must report on its activities and answer for the work performed at the first meeting of the full Board of Directors after its meetings. The Audit and Compliance Committee must also keep minutes of its meetings and send a copy thereof to all members of the Board. The Board of Directors shall deliberate on the proposals and reports submitted thereto by the Committee.

A valid quorum for Audit and Compliance Committee meetings shall be established with the attendance, in person or by proxy, of one-half plus one of its members. Unless the Companies Act, these Bylaws or the Regulations of the Board of Directors provide otherwise based on the nature of the resolutions to be adopted, the resolutions of the Audit and Compliance Committee shall be adopted with the favorable vote of more than one-half of its members present in person or by proxy at the meeting. In the event of a tie, the Chair of the Audit and Compliance Committee shall have the tie-breaking vote.

The Audit and Compliance Committee may obtain the advice of external experts if it so deems necessary for the better performance of its duties. It may also call to the meeting any employee or officer of the Company, and even provide that they appear without the presence of any other officer.

The Board of Directors may approve the performance of the work of internal auditing by a specific manager. In such event, it shall appoint a Director of Internal Audit and head of such function, taking into account the knowledge and experience thereof in the areas of accounting, auditing or risk management. In such case, the Director of Internal Audit must: (i) submit to the Audit and Compliance Committee a working plan and report directly thereto on



the events occurring during the preparation thereof; and (ii) at the end of each fiscal year submit an annual report on its activities to such Audit and Compliance Committee.

#### **ARTICLE 43.- APPOINTMENTS AND COMPENSATION COMMITTEE**

There shall be created within the Board of Directors an Appointments and Compensation Committee, which shall be made up of a minimum of three (3) and a maximum of five (5) directors, all non-executive (and at least two of whom must be independent), to be appointed by the Board of Directors.

The members of the Appointments and Compensation Committee shall be appointed taking into account their expertise, qualifications and experience and the objectives of the Committee.

A director who is appointed as a member of the Appointments and Compensation Committee shall serve for the unexpired portion of such director's term of office, without prejudice to the Board of Directors' power of revocation, and which shall in any event become ineffective due to cessation in office as a director of the Company.

The Chair of the Appointments and Compensation Committee must be an independent director elected from among the external directors, must be replaced every four years, and may be re-elected after the passage of one year from the date when he ceased to hold office.

The Board of Directors may appoint a Secretary, who need not be a member of the Appointments and Compensation Committee, who shall assist the Chair and must provide for the proper operation of such Committee, duly reflecting the proceedings of meetings, the deliberations and the resolutions adopted in the minutes.

Without prejudice to the other duties attributed thereto by Law, these Bylaws or the Regulations of the Board of Directors, the Appointments and Compensation Committee shall have at least the following duties:

- a) To assess the skills, knowledge and experience required by the Board of Directors. For such purposes, the Committee shall define the functions and skills required by candidates for each vacancy and assess the time and dedication required for the role to be efficiently performed.
- b) To establish a goal for representation by the less represented gender on the Board of Directors and prepare guidance on how to reach this objective.
- c) To bring proposed appointments of independent directors to the Board of Directors for appointment on an interim basis to fill a vacancy or for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as proposals for the re-election or removal of such directors by the shareholders at the General Shareholders' Meeting.
- d) To report on proposed appointments of the other directors for appointment on an interim basis to fill a vacancy or for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as proposals for the

re-election or removal thereof by the shareholders at the General Shareholders' Meeting.

- e) To report on proposals for the appointment and separation of the members of senior management and the basic terms of their contracts.
- f) To analyze and organize the succession of the Chair of the Board of Directors and the chief executive officer of the company, and make proposals to the Board of Directors so that this succession occurs in an organized and planned way, as appropriate.
- g) To propose to the Board of Directors the compensation policy for directors and general managers or those people that perform senior management functions reporting directly to the Board, the executive committees or the chief executive officers, as well as the individual compensation and other contractual conditions of executive directors, ensuring that these conditions are fulfilled.

The Appointments and Compensation Committee shall ordinarily meet on a quarterly basis. It shall also meet whenever called by its Chair, who must do so whenever the Board of Directors or its Chair requests the issuance of a report or the adoption of proposals, and in any event when appropriate for the proper performance of its duties.

The Committee must report on its activities and answer for the work performed at the first meeting of the full Board of Directors after its meetings. The Appointments and Compensation Committee must also keep minutes of its meetings and send a copy thereof to all members of the Board. The Board of Directors shall deliberate on the proposals and reports submitted thereto by the Committee.

A valid quorum for Appointments and Compensation Committee meetings shall be established with the attendance, in person or by proxy, of one-half plus one of its members. Unless the Companies Act, these Bylaws or the Regulations of the Board of Directors provide otherwise based on the nature of the resolutions to be adopted, the resolutions of the Appointments and Compensation Committee shall be adopted with the favorable vote of more than one-half of its members present in person or by proxy at the meeting. In the event of a tie, the Chair of the Appointments and Compensation Committee shall have the tie-breaking vote.

The Appointments and Compensation Committee may obtain the advice of external experts if it so deems necessary for the better performance of its duties.

A request for information from the Appointments and Compensation Committee shall be made by the Board of Directors or the Chair thereof.

Any director may request the Appointments and Compensation Committee to take into consideration potential candidates to fill vacancies if they find them to be appropriate. The Appointments and Compensation Committee must also consider the suggestions made thereto by the members of the Board of Directors, the officers, or the shareholders of the Company.

## TITLE VI ANNUAL CORPORATE GOVERNANCE REPORT

**ARTICLE 44.- ANNUAL CORPORATE GOVERNANCE REPORT**

The Board of Directors shall prepare an annual corporate governance report, which shall be discussed and approved simultaneously with the annual financial statements for each fiscal year, with the content and structure provided from time to time by applicable law.

**TITLE VII  
BALANCE SHEETS****ARTICLE 45.- FISCAL YEAR**

The fiscal year shall begin on the first day of January of each year and shall end on the thirty-first day of December thereof.

**ARTICLE 46.- ACCOUNTING**

The Company must keep orderly books that are appropriate for its activity and that allow for chronological monitoring of transactions, as well as the preparation of inventories and balance sheets.

Accounting records shall be legalized by the Commercial Registry of the place where the registered office is located.

**ARTICLE 47.- ANNUAL FINANCIAL STATEMENTS**

The Board of Directors must prepare the annual financial statements, the management report and the proposed allocation of profits, as well as any consolidated annual financial statements and management report, within a maximum period of three (3) months from the end of the fiscal year.

As from the call to Meeting, any shareholder may immediately obtain from the Company, without charge, the documents that must be submitted for approval thereof and the report of the auditors. The announcement of the Meeting shall expressly mention this right.

The Annual Financial Statements and the management report shall be approved by the shareholders at the Ordinary General Shareholders' Meeting, whereat they shall decide the allocation of profits for the fiscal year in accordance with the balance sheet.

Within the month following the approval of the annual financial statements, the directors of the Company shall submit for filing with the Commercial Registry corresponding to the registered office a certification of the resolutions of the shareholders approving such financial statements, duly signed, and of the allocation of results, as well as any consolidated financial statements, to which a copy of each of them shall be attached. The directors shall also submit the management report and the auditor's report.

**ARTICLE 48.- DISTRIBUTION OF PROFITS**

The shareholders acting at a General Shareholders' Meeting shall decide on the allocation of profits in accordance with the approved balance sheet, distributing dividends to the

shareholders in proportion to the paid-in share capital from profits or unrestricted reserves, after meeting the legal reserve, determining the amounts they deem appropriate to fund the various types of voluntary reserves that they approve in compliance with legal provisions on protecting the share capital and respecting the priorities, if any, enjoyed by certain types of shares.

The Board of Directors may resolve to distribute interim dividends in accordance with the limitations and in compliance with the requirements of Law.

#### **ARTICLE 49.- AUDITORS**

The annual financial statements and the management report must be reviewed by the auditors when there is an obligation to audit. The auditors shall have a period of at least one month from the time the Company delivers the financial statements to submit their report.

The person who is to perform the audit of the financial statements shall be appointed by the shareholders at the General Shareholders' Meeting prior to the end of the fiscal year to be audited, for an initial period of time not less than three years nor greater than nine, beginning on the date of commencement of the first fiscal year to be audited, without prejudice to the legal provisions governing auditing with respect to the possibility of extensions.

The shareholders may appoint one or more natural or legal persons to act collectively.

If natural persons are appointed, the shareholders must appoint both primary and alternate auditors.

The shareholders may not revoke the appointment of the auditor before the end of the period for which the auditor was appointed, or before the end of each of the tasks for which the auditor was hired after the end of the initial period, unless there are just grounds.

### **TITLE VIII DISSOLUTION AND LIQUIDATION**

#### **ARTICLE 50.- GROUNDS FOR DISSOLUTION**

The Company shall be dissolved upon the occurrence of any of the grounds established in the Companies Act and other applicable law.

#### **ARTICLE 51.- LIQUIDATION OF THE COMPANY**

From the time that the Company is declared to be in liquidation, the Board of Directors shall cease to perform its duties, and the directors shall become liquidators of the Company.

During the liquidation period, the provisions of these Bylaws and of the Regulations for the General Shareholders' Meeting shall be observed with respect to the call and holding of the General Shareholders' Meeting, at which a report shall be made of the progress of the liquidation in order for the shareholders to adopt the resolutions they deem appropriate.

Liquidation transactions shall be carried out in compliance with applicable legal provisions.

**FINAL PROVISIONS**

**ARTICLE 52.-** For all corporate matters relating to the Company, the shareholders expressly waive the forum to which they are entitled and are subject to the jurisdiction of the courts of the domicile of the Company, except as provided by the Companies Act to challenge corporate resolutions.

Any question or concern regarding the effectiveness, construction, interpretation of or compliance with these Bylaws, either during the existence of the Company or between the former and members of the Board of Directors, administrators, managers, representatives and liquidators, as regards corporate matters, shall be resolved by the rules of arbitration at law, provided that they cannot be resolved under the Bylaws by the representative and management bodies of the Company, except for those arising from resolutions of the corporate collective decision-making bodies that must be processed and resolved subject to the provisions of the Companies Act. In no event shall the arbitration procedure apply to the resolution of deadlocks in the voting of corporate decision-making bodies.

**ARTICLE 53.-** The provisions of these Bylaws that by legal mandate only apply to listed companies shall not enter into force until the date of admission of the Company's shares to official trading on the Stock Markets through the Automated Quotation System (*Sistema de Interconexión Bursátil Español*) (S.I.B.E.).

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