



**CIE** Automotive

# Articles of Association of CIE Automotive, S.A.

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**Consolidated text** approved by the General Shareholders Meeting on 24 June 2002. Executed in public deed on 29 July 2002 before the Notary Public of Bilbao, Mr. José Ignacio Uranga Otaegui under number 2,570 of his record. Entered in the Mercantile Registry of Guipúzcoa in Volume 1919, Folio 133, Sheet SS-3962, Entry 48.

**1<sup>st</sup> Amendment**, incorporating article 31 *bis*, by agreement of the General Shareholders Meeting of 24 June 2003. Executed in public deed on 2 July 2003 before the Notary Public of Bilbao, Mr. José Ignacio Uranga Otaegui under number 2,262 of his record. Entered in the Mercantile Registry of Guipúzcoa in Volume 1919, Folio 142, Sheet SS-3962, Entry 54.

**2<sup>nd</sup> Amendment**, amending articles 9 (Competences of the General Shareholders Meeting), 12 (Notice of meeting), 14 (Right to attend), 15 (Accrediting the identity of shareholders), 18 (Front table of the General Meeting), 20 (Procedure for debating business at the General Meeting), 21 (Procedure for carrying resolutions) and 34 (Preparing the annual accounts), of the Articles of Association, and incorporating articles 12 *bis* (Right of shareholders to receive information), 12 *ter*. (Right of information prior to the General Meeting), 16 *bis* (Proxies by way of public solicitation), 16 *ter*. (Proxies and voting by means of remote communication) and 34 *bis* (Annual Corporate Governance Report) by resolution of the General Shareholders Meeting of 28 April 2004. Executed in public deed on 30 April 2004 before the Notary Public of Bilbao, Mr. José Ignacio Uranga Otaegui under number 1,273 of his record. Entered in the Mercantile Registry of Guipúzcoa in Volume 2089, Folio 52, Sheet SS-3962, Entry 60.

**3<sup>rd</sup> Amendment**, amending article 11 (Competence to announce the General Meeting) by resolution of the General Shareholders Meeting of 27 July 2005. Executed in public deed on 28 July 2005 before the Notary Public of Bilbao, Mr. José Ignacio Uranga Otaegui under number 2,289 of his record. Entered in the Mercantile Registry of Guipúzcoa in Volume 2089, Folio 63, Sheet SS-3962, Entry 64.

**4<sup>th</sup> Amendment**, amending article 4 (Share capital), by resolution of the General Shareholders Meeting of 15 May 2006. Executed in public deed on 15 May 2006 before the Notary Public of Bilbao, Mr. Ramón Múgica Alcorta under number 830 of his record. Entered in the Mercantile Registry of Guipúzcoa in Volume 2089, Folio 64, Sheet SS-3962, Entry 69.

**5<sup>th</sup> Amendment**, amending Article 12 (Notice of meeting), by resolution of the General Shareholders Meeting of 15 May 2006. Executed in public deed on 16 May 2006 before the Notary Public of Bilbao, Mr. Ramón Múgica Alcorta under number 853 of his record. Entered in the Mercantile Registry of Guipúzcoa in Volume 2089, Folio 65, Sheet SS-3962, Entry 70.

**6<sup>th</sup> Amendment**, amending article 1 (Registered office), by resolution of the General Shareholders Meeting of 7 February 2007. Executed in public deed on 7 February 2007 before the Notary Public of Bilbao, Mr. Ramón Múgica Alcorta under number 234 of his record. Entered in the Mercantile Registry of Bizkaia in Volume 4815, Folio 74, Sheet BI-48660, Entry 2.

**7<sup>th</sup> Amendment**, amending article 9 (Competences of the General Shareholders Meeting), article 23 (Structure of the governing body), article 27 (Venue for Board meetings), article 30 (Management powers), and article 39 (Arbitration clause), by resolution of the General Shareholders Meeting of 26 April 2007. Executed in public deed on 27 April 2007 before the Notary Public of Bilbao, Mr. Ramón Múgica Alcorta under number 1,012 of his record. Entered in the Mercantile Registry of Bizkaia in Volume 4815, Folio 77, Sheet BI-48660, Entry 5.

**8<sup>th</sup> Amendment**, incorporating a new article 5 *bis* (Placement of bonds or other securities), by resolution of the General meeting of shareholders of 23 April 2008. Executed in public deed on 25 April 2008 before the Notary Public of Bilbao, Mr. Ramón Múgica Alcorta under number 746 of his record. Entered in the Mercantile



Registry of Bizkaia in Volume 4815, Folio 80, Sheet BI-48660, Entry 8.

**9<sup>th</sup> Amendment**, amending articles 9 (Competences of the General Shareholders Meeting), 10 (Classes of General Meeting), 12 (Notice of meeting), 13 (Convening the General Meeting), 16 *bis* (Proxies by way of public solicitation), 22 (Carrying resolutions), 23 (Structure of the governing body), 31 *bis* (Board committees) and 37 (Dissolution of the Company) of the Articles of Association, by resolution of the General Shareholders Meeting of 4 May 2011. Executed in public deed on 5 May 2011 before the Notary Public of Bilbao, Mr. Ramón Múgica Alcorta under number 686 of his record. Entered in the Mercantile Registry of Bizkaia in Volume 5180, Folio 54, Sheet BI-48660, Entry 24.

**10<sup>th</sup> Amendment**, amending articles 1 (Name. Registered office), 11 (Competence to announce the General Meeting), 12 (Notice of meeting), 12 *bis* (Right of shareholders to receive information), 16 (Representation at the General Meeting), 16 *bis* (Proxies by way of public solicitation), 21 (Procedure for carrying resolutions), 24 (Compensation for Board members) and 26 (Notice of a Board meeting) of the Articles of Association, by resolution of the General Shareholders Meeting of 25 April 2012. Executed in public deed on 9 May 2012 before the Notary Public of Bilbao, Mr. Ramón Múgica Alcorta under number 679 of his record. Entered in the Mercantile Registry of Bizkaia in Volume 5180, Folio 57, Sheet BI-48660, Entry 26.

**11<sup>th</sup> amendment**, amending article 1 (Registered office, within the same municipal district), by agreement of the Board of Directors of 3 July 2013. Executed in public deed on 5 July 2013 before the Notary Public of Bilbao, Mr. Ramón Múgica Alcorta under number 897 of his record. Entered in the Mercantile Registry of Bizkaia in Volume 5180, Folio 63, Sheet BI-48660, Entry 35.

**12<sup>th</sup> Amendment**, amending article 4 (Share capital), by resolution of the General Shareholders Meeting of 25 April 2012 and the Board of Directors of 12 June 2013. Executed in public deed on 4 October 2013 before the Notary Public of Bilbao, Mr. Ramón Múgica Alcorta. Entered in the Mercantile Registry of Bizkaia in Volume 5180, Folio 63, Sheet BI-48660, Entry 36.

**13<sup>th</sup> Amendment**, amending article 4 (Share capital), by resolution of the General Shareholders Meeting of 30 April 2014 and the Board of Directors of 26 May 2014. Executed in public deed on 6 June 2014 before the Notary Public of Bilbao, Mr. Ramón Múgica Alcorta under number 906 of his record. Entered in the Mercantile Registry of Bizkaia in Volume 5180, Folio 63, Sheet BI-48660, Entry 43.

**14<sup>th</sup> amendment**, amending articles 9 (Competences of the General Shareholders Meeting), 11 (Competence to announce the General Meeting), 12 (Notice of meeting), 12 *bis* (Right of shareholders to receive information), 16 (Representation at the General Meeting), 20 (Procedure for debating business at the General Meeting), 21 (Procedure for carrying resolutions), 23 (Structure of the governing body), 24 (Compensation for Board members), 25 (Posts on the Board of Directors), 26 (Notice of a Board meeting), 28 (Convening the Board of Directors), 29 (Deliberating and carrying resolutions at Board meetings), 30 (Management powers), 31 (Delegating powers), 31 *bis* (Board committees) and article 34 *bis* (Annual Corporate Governance Report). Adoption of a new article 22 *bis* (Conflicts of interest) and a new article 23 *bis* (Classes of Directors), by resolution of the General Shareholders Meeting of 30 April 2015. Executed in public deed on 5 May 2015 before the Notary Public of Bilbao, Mr. Ramón Múgica Alcorta under number 751 of his record. Entered in the Mercantile Registry of Bizkaia in Volume 5464, Folio 63, Sheet BI-48660, Entry 47.

**15<sup>th</sup> Amendment**, amending article 4 (share capital), by agreement of the General Shareholders' Meeting of 29 April 2020 and the Board of Directors' Meeting of 17 November 2020. Made public on 19 November 2020 in a public deed authorised by the Notary Public of Bilbao Mr. Ramón Múgica Alcorta, number 2,156 of his protocol. Registered in the Mercantile Register of Vizcaya, in Volume 5622, Folio 108, Sheet BI-48660, Entry 66.



CIE Automotive

**16th Amendment**, amending Articles 9 (Remit of the General Meeting), 12 (Notice of the meeting), 12bis (Shareholder right to information), 14 (Right to attend), 16ter (Representation and voting by post, electronically or by other remote means) 17 (Place and time of holding the meeting. Deferral of meetings) and 24 (Director remuneration), by agreement of the General Shareholders' Meeting of 28 April 2022. Made public on 3 May 2022 in a public deed authorised by the Notary Public of Bilbao Mr. Ramón Múgica Alcorta, number 531 of his protocol. Registered in the Mercantile Register of Vizcaya, in Volume 5622, Folio 114, Sheet BI-48660, Entry 77.



**"ARTICLES OF ASSOCIATION OF THE COMPANY CIE AUTOMOTIVE, S.A."**

**TITLE I**

**NAME, REGISTERED OFFICE, CORPORATE OBJECT**

**Article 1.- Name. Registered office**

The Company is called "CIE AUTOMOTIVE, S.A.".

The Company has its registered office at Alameda Mazarredo, número 69 - 8º piso, 48009 Bilbao (Bizkaia).

The Company's Board of Directors is entitled to move the registered office to other addresses only provided they are located within the same municipal district. It may likewise open, close or move branches, agencies, or other offices anywhere within national territory.

The corporate website or electronic home of the Company is [www.cieautomotive.com](http://www.cieautomotive.com). The governing body may agree to modify, close or move the Company's website.

**Article 2.- Corporate object.**

The Company is engaged in holding and managing the securities of its subsidiary and investee companies and in the manufacture and sale of components for the automotive sector and the manufacture and sale of all manner of special steel components.

The Company may likewise carry out any or all of the above activities indirectly by acquiring stakes in other companies engaged in analogous business activities.

**Article 3.- Duration**

The Company was incorporated for an indefinite term and commenced operations on 13 April 1939, coinciding with the date of its deed of incorporation.

**TITLE II**

**SHARE CAPITAL, SHARES AND SHAREHOLDERS**

**Article 4.- Share capital.**

Share capital amounts to THIRTY MILLION SIX HUNDRED AND THIRTY SEVEN THOUSAND FIVE HUNDRED EUROS (€30,637,500) divided into ONE HUNDRED AND TWENTY MILLION FIVE HUNDRED AND FIFTY THOUSAND (122,550,000) SHARES, each having a par value of TWENTY-FIVE CENTS (€0.25), all common stock and constituting one class of share, to



be represented in book entry form and all fully subscribed for and paid up.

**Article 5.- Representation of the shares.**

The shares shall be represented by means of book entries and shall be governed by the provisions of applicable law governing the securities market. Accordingly, Servicio de Compensación y Liquidación de Valores, S.A. will be the company tasked with keeping the accounts in relation to these book entries.

**Article 5 bis. Placement of bonds or other securities.**

- 1.- The General Meeting may delegate powers to the Board of Directors so that it may issue simple bonds or convertible and/or exchangeable bonds, in accordance with applicable law. The Board of Directors may make use of these delegated powers on one or more occasions over a maximum term of five (5) years. Likewise, the General Meeting may authorise the Board of Directors to determine when the agreed bond placement is to take place and to establish any other terms and conditions not envisaged in the corresponding resolution of the General Meeting.
2. The General Meeting may vest powers in the Board of Directors, authorising it to issue warrants, commercial paper or other negotiable securities. The Board of Directors may make use of these delegated powers on one or more occasions over a maximum term of five (5) years. Likewise, the General Meeting may authorise the Board of Directors to determine when the agreed bond placement is to take place and to establish any other terms and conditions not envisaged in the corresponding resolution of the General Meeting.

**Article 6.- Joint ownership of shares.**

The shares are indivisible.

Joint owners of a share must designate one person alone to exercise shareholder rights, and will be jointly and severally liable vis-à-vis the Company for any obligations deriving from their status as shareholder.

The same rule will apply to all other cases of joint ownership of rights over shares.

**Article 7.- Binding nature of shares.**

The possession of a share involves or implies the full adherence to the Company's Articles of Association and the decisions of the General Shareholders Meeting and of the Board of Directors.

**Article 8.- Managing the Company.**



The Company shall be governed by the General Shareholders Meeting and by the Board of Directors.

**TITLE III**

**GOVERNING BODIES OF THE COMPANY**

**CHAPTER I**

**THE GENERAL SHAREHOLDERS MEETING**

**Section I**

**Competences of the General Meeting**

**Article 9.- Competences of the General Shareholders Meeting**

- 1.- The shareholders present at the General Meeting where properly convened will decide on the terms set out in these Bylaws on the matters within General Meeting's remit.
- 2.- All the shareholders, including dissenting ones and those who have not participated in the meeting, are subject to the resolutions passed by the General Meeting, without prejudice to the right of challenge that may correspond to them by law.
- 3.- The General Meeting will decide on all matters that fall within its remit, either by law or under the current Bylaws. In particular, it will resolve on the following matters:
  - (i) Approve, if appropriate, the Company's individual and consolidated financial statements, to decide on the distribution of earning for the year and to approve the company management.
  - (ii) Approve its regulations and to agree any changes to them.
  - (iii) Appoint, re-elect or ratify the director and decide on their termination, without prejudice to powers of co-option and the right to proportional representation of shareholders in accordance with the law.
  - (iv) Appoint and re-elect the financial auditors of the company and its corporate group, and to agree their termination where provided for by law.
  - (v) Increase and reduce share capital, delegating, if appropriate, to the Board, respecting the requirements established by law, the power to set the date or dates for execution, who may use all or part of that delegation, or even abstain from executing it, in consideration of market conditions, the



Company's situation of an event that they believe justifies that decision, informing the first General Meeting held after the period for execution has passed. The Board may also be delegated the authority to increase share capital as established in section 297.1.b) and section 506 Companies Act, based on company interest and in the instances and under the conditions set out in that Act. In particular, company interest may justify disapplying the preemption right when necessary to enable (i) acquisition by the Company of assets (including shares or stock in companies) that are appropriate to pursue the Company's object; (ii) the placement of new shares in markets that enable access to sources of finance; (iii) the capture of resources through the use of placement techniques based on book building to maximum the issuance of shares; (iv) the incorporation of industrial, technological or financial partners; (v) the implementation of loyalty programs and remuneration of directors, executives or employees and (vi) in general, performance of any transaction that is appropriate for the Company.

- (vi) Issue bonds or debentures, whether simple, convertible or swappable, warrants or options (attached to bonds or debentures), in accordance with the law.
- (vii) Amend the Bylaws.
- (viii) Resolve the dissolution, transfer of all assets and liabilities, creation of subsidiaries, merger, demerger and transformation of the company, and the relocation of the registered office abroad.
- (ix) Approve operations that trigger the company's liquidation.
- (x) Approve the Company's director remuneration policies. Approve remuneration systems comprising the granting of shares or options on them, and any remuneration scheme tracking the value of shares for company directors.
- (xi) Approve the exemption of the directors from the disqualifications of the loyalty duty, where authorization legally corresponds to the General Meeting, and the non-compete obligation.
- (xii) Authorize the derivative acquisition of treasury shares.
- (xiii) Approve the winding up of the Company and the appointment and removal of liquidators. Approve the final liquidation balance sheet.





- (xiv) Approve the acquisition, conveyance or transfer of key assets to another company.
  - (xv) Approve the transfer to subsidiaries of the core activity carried out to date by the company, even if it retains ownership of them.
  - (xvi) Approve the Company's operations with other group companies subject to a conflict of interest when the business or transaction in question, due to its very nature, is legally reserved for the General Meeting and, in any event, when the amount or value of the operation or the total amount of all operations under a framework agreement is in excess of 10% of the Company's total assets.
  - (xvii) Decide on any matter submitted to it by the Board.
- 4.- The powers not given to the General Meeting by law or by the Bylaws will correspond to the management body.

## **Section 2**

### **Organisation and functioning of the General Meeting Article 10.- Classes of General Meeting**

- 1.- General Meetings may be ordinary or extraordinary.
- 2.- The ordinary General Meeting must meet within the first six months of each financial year in order to grant discharge to the management, approve, insofar as appropriate, the annual accounts for the preceding year, decide on the distribution of earnings, and approve, insofar as appropriate, the consolidated annual accounts when required bylaw.

Moreover, the General Meeting may address and decide on any other business contained on the agenda.

The Ordinary General Meeting will be validly convened even when announced or held late.

- 3.- Any General Meeting other than the one envisaged in section 2 above will be treated as an Extraordinary General Meeting.

### **Article 11.- Competence to announce the General Meeting**

- 1.- General Meetings must be convened by the governing body of the Company. 2.- The governing body may announce the General Meeting when such a meeting is considered to be in the interests of the Company, and must do so in the



following cases:

- (a) In the situation described under section 2 of the preceding article.
- (b) When the meeting is requested by shareholders representing at least three (3%) per cent of share capital, stating in the request the business to be addressed at the General Meeting: in these cases, the General Meeting must be held within two months from the date on which the directors were required via notary to announce the meeting.
- (c) When a takeover bid is made in relation to Company shares and the bid is not approved or green-lighted by the Board of Directors. In such cases, the Board of Directors must convene a General Shareholders Meeting as soon as possible to discuss and adopt any motions put before the General Meeting that fall within its competences.

#### **Article 12.- Notice of meeting**

1.- The General Meeting must be convened by a notice published, as a minimum, in the following ways (a) the Official Bulletin of the Commercial Registry; (b) the website of the Spanish Securities and Exchange Commission and (c) the Company's website, at least one month before the date for which it is scheduled.

When the Company offers shareholders the option to vote electronically where accessible to all, extraordinary General Meetings may be convened fifteen days in advance. A shorter notice period will require the express agreement of at least two thirds of subscribed capital with voting rights at the Annual General Meeting. Such a reduction will be valid only until the date on which the next meeting is held.

Where, in accordance with the law, the announcement is to be published with a different notice period, the provisions of legislation in force will apply.

2.- The notice convening the meeting will have the content required by law, and will always include the name of the Company, the time and date of the meeting, at first call, and the agenda, including all items of business to be tabled, the officers convening the meeting, the date on which the shareholder must have registered the shares in their name in order to participate and vote in the General Meeting, the place and manner in which documents and proposed resolutions can be obtained, and the Company's website where information will be made available. The notice may indicate the date when the General Meeting will be held at second call, if applicable. The notice convening the meeting may indicate that the General Meeting may be attended by video conference or other digital



arrangements where attendees can be recognized and identified, permanent communication between attendees, and interventions and casting of votes.

The notice will also contain clear and accurate information on how the shareholders can take part and cast their vote in the General Meeting, including, in particular:

- a) The right to request information, to include items on the agenda and to submit proposed resolutions, and the period for exercise. When the Company website states that more detailed information on those rights can be obtained, the notice may state only the period for exercise.
- b) The system for casting votes by proxy, with special indication of the forms to use to delegate votes and how the Company can accept a notification electronically from proxies.
- c) The procedures established to cast a vote remotely, by post or electronically.

The notice convening the meeting must indicate that shareholders are entitled to examine and obtain instantly and free of charge at the registered office the documents for approval in the meeting and the registered office and the report by the financial auditors.

Between the publication of the notice convening the meeting and until the general meeting is held, the Company must have on its website continuously, as a minimum, the following information:

- a) The notice of the meeting.
- b) The total number of shares and voting rights on the date the meeting is convened, detailing the class of shares, if any.
- c) The documents that will be submitted to the General Meeting, in particular, reports from the directors, the financial auditors and independent experts.
- d) The full texts of the motions or, if there are none, a report from the competent bodies with observations on each item of the agenda. Motions proposed by the shareholders will be included as they are received.
- e) If members of the management body are appointed, ratified or re-elected, the identity, CV and category of each one. If this is a legal entity, the information must include details of the individual appointed to permanently exercise the functions of that post.



- f) The forms that must be used to vote by proxy and remotely, except when sent directly by the Company to each shareholder. If, due to technical reasons, they cannot be published on the Company website, the Company must leave instructions on the website of how to obtain hard copies of the forms, which must be sent to shareholders on request.
- 3.- The notice of meeting will be signed by whoever is entitled to certify the corporate resolutions.
- 4.- Shareholders representing at least three per cent (3%) of share capital may ask for an addendum to be published to the notice convening the Annual General Meeting, including one or more items on the agenda, so long as the new items are accompanied by a justification or, where appropriate, of a justified proposed motion. This right will be exercised by sending formal notice to the registered office within five (5) days from the publication of the notice of meeting. The addendum to the notice of meeting will be published at least fifteen (15) days before the date scheduled for the Annual General Meeting. Failure to publish the addendum in a timely fashion will be grounds to annul the Meeting. Under no circumstances may that right be exercised when convening the Extraordinary General Meetings. In addition, shareholders representing at least three (3%) per cent of share capital may, in the same period as indicated above, submit justified proposals for motions on items of business already included or to be included in the meeting agenda. The Company will ensure that the proposed motions and any accompanying documentation are circulated among the other shareholders, in accordance with paragraph two.
- 5.- When the General Meeting is convened to be held exclusively in digital format, the notice of meeting will include a justification of this format of meeting and the procedures and arrangements to follow to register and be included on the list of attendees, in order that they may exercise their rights and for an accurate record of the meeting. Attendance may never be conditional upon registering more than one hour before the planned start of the meeting.
- 6.-The contents of this article will be null when the law imposes different requirements for General Meetings that are held for certain matters, in which case the relevant legislation will apply

**Article 12 bis.- Right of shareholders to receive information**

- 1.- In the case of the Annual General Meeting and in the other cases established by law, the notice convening the meeting will also indicate the appropriate information regarding shareholders' right to examine in the registered office and to obtain, immediately and for free, the documents that must be submitted to its approval and,



if applicable, the legally envisaged report or reports.

As of the date of the notice of General Meeting, the Company's website must contain the information and documents that the Company finds fit to facilitate shareholders' attendance at and participation in the meeting, as determined in the General Meeting Regulations, specifically paragraph 12.2 above.

Motions by the Board that have been published may still be amended before the General Meeting, as permitted by law.

- 2.- Until the fifth day before the date schedule to hold the Meeting, shareholder may ask directors about the items of business included on the agenda, information or clarifications they consider appropriate, or they may submit the appropriate questions in writing. Likewise, within the defined period, shareholders may ask for information or clarifications, or may submit questions in writing about publicly available information that the company has provided to the Spanish Securities and Exchange Commission since the last General Meeting was held, and about the auditor's report.

All these information requests may be made in writing to the registered office, by post or by email or through other written digital means, so long as the digital document on which the information request is made includes a recognized signature of the requesting person or any other kind of electronic signature that, by virtue of a prior resolution passed, the Board considers offers appropriate safeguards to identify and authenticate the shareholder in question, including, if appropriate, information about those mechanisms on the Company website.

- 3.- The Board or the director to whom this has been delegated must answer information requests in writing until the day on which the General Meeting is held. Responses will be given in the same way in which the request is made, unless the shareholder has requested otherwise. If no such way is given, the written response will be made available to the shareholder at the registered office. In any event, responses given in writing will be uploaded to the corporate website.
- 4.- The management body will be obligated to provide the requested information within the periods set out in law and in these Bylaws unless this is unnecessary to safeguard the shareholder's rights, there are objective reasons to believe that they could be used for means other than those intended or their publication is harmful to the company or its related companies. In any event, information may not be denied when the request is supported by shareholders representing at least twenty five per cent of share capital or does not refer to the matters indicated in paragraphs 1 and 2 above. When, before asking a specific question, the information requested is



clearly, explicitly and directly available to all shareholders on the Company's website in FAQ format, director may respond simply by referring to requesting party to such information.

- 5.- If the requests for information cannot be answered in writing before the General Meeting is held, it shall be furnished during the course of the same meeting.
- 6.- In any event, shareholders will be entitled to examine at the registered office, obtain or request, free of charge, the documents as established in law.

**Article 13.- Convening the General Meeting**

- 1.- The ordinary or extraordinary General Meeting will be considered validly convened at first call when shareholders present or represented by proxy hold at least 50% of the subscribed capital with voting rights. At second call, the General Meeting will be valid regardless of the capital in attendance. Nevertheless, when the ordinary or extraordinary General Meeting is to adopt at second call any of the resolutions envisaged under article 194 of the Spanish Corporate Enterprises Act, at least 25% of subscribed capital with voting rights must be represented at the meeting.
- 2.- Any person leaving the room after the General Meeting has been validly convened will not affect the ongoing validity of the meeting.
- 3.- The Company's directors need not be in attendance in order for the General Meeting to be validly convened, even when held as a universal meeting.

**Article 14.- Attendance and voting right.**

1. Holders of shares registered in their name in the corresponding register, in accordance with legislation in force, five (5) days in advance of the General Meeting, will be entitled to attend. The General Meeting may be attended either by attending the location at which the meeting is being held or, if so agreed by the Board, by connecting to video conference or other digital systems that the Company makes available to shareholders in accordance with these Bylaws. These systems must enable attendees to be recognized and identified, and allow permanent communication between attendees, and interventions and the casting of votes.
2. Board members are obligated to attend General Meetings. If meetings can be attended digitally, members of the Board may attend using the resources enabled to such end.
3. The Chair of the General Meeting may authorize any person they consider appropriate to attend.



4. Shareholders entitled to attend may vote on proposals relating to the items of the agenda of any General Meeting directly during the General Meeting they are attending, or, if appropriate, digitally or by any other means provided for in the Bylaws or regulations or law. If attending remotely, votes must be cast through the procedure and on the terms agreed by the Board, in order to give the electronic voting system adequate safeguards of authenticity and identification of the exercising shareholder.
5. Votes cast in advance will be voided if the voting shareholder attends the meeting in person or remotely.
6. The Board may regulate procedural aspects such as the procedure and rules that apply to shareholders exercising their rights, how far in advance they must connect remotely to the General Meeting to be considered in attendance, how far in advance they must send their remarks and proposed resolutions when intending to attend remotely, the identification requirements for those attending remotely and the impact on the system to draw up the attendance list. In any event, all development rules that the Board establishes to this end must be published on the Company's corporate website.
7. Within one month of the general meeting being held, the shareholder or their representative and the ultimate beneficiary may ask for confirmation that the votes corresponding to their shares have been recorded and counted corrected by the company, unless they already have such information. The company must send the shareholder, their representative or the ultimate beneficiary this confirmation by the deadline set by law.

**Article 15.- Accrediting the identity of shareholders and the authenticity of communications sent by post, electronic means or other remote channels of communication.**

- 1.- The Board of Directors shall dictate the procedure for accrediting shareholder status for the purposes of exercising the right to attend and receive information. This procedure shall be included in the notice of the meeting, and may take the form of an attendance card issued by the Company and made available to shareholders at the registered office, or an attendance card issued for the specific General Meeting in question by IBERCLEAR or any other entity involved in the recording, clearing and settlement of securities and which acts as custodian of the Company's shares.
- 2.- The Company may verify whether shareholders who have evidenced their status more than five (5) days ahead of the meeting effectively remain shareholders on the fifth day prior to the date of the General Meeting at first call, or on a date



between first and second call, consulting for such purpose the list of registered shareholders prepared by IBERCLEAR at the date in question, or at the time the General Meeting is convened.

- 3.- Shareholders entitled to attend the General meeting and wishing to cast their vote at the same meeting by post, electronically, or via any other means of remote communication, in accordance with the terms of the Articles of Association and the Regulations of the General Meeting, must accredit their identity: (i) via digital signature obtained from a provider of certification services recognised by the Board of Directors; or (ii) via any another system (passwords, hardware device, or other concept) recognised by the Board of Directors and which the Company, IBERCLEAR or other entities involved in the recording, clearing and settlement systems may have established.
- 4.- Annexed to the Regulations of the General Meeting will be a current list prepared by the Board of Directors of those certification service providers whose digital signatures are recognised by the Company, and, as the case may be, any other identification systems permitted by the Company.

#### **Article 16.- Representation at the General Meeting**

- 1.- All shareholders entitled to attend may be represented at the General Meeting by another person, whether or not a shareholder. The proxy must be conferred in writing and specifically for each meeting.

If the principal shareholder gives voting instructions, the representative shall cast their vote in accordance with these instructions and must safeguard the instructions for one year following the date of the corresponding meeting.

- 2.- The terms of paragraph one of the preceding section shall not apply when the representative is the spouse, ancestor or descendant of the principal, or when the representative holds a general power of attorney formalised in public instrument and conferring powers to manage all assets of the principal party.

These circumstances will be accredited by furnishing documentation providing sufficient proof of the relationship, or by exhibiting the public instrument. The list of attendants shall mention the pertinent documents accrediting this relationship, or, as the case may be, the date on which the public instrument was formalised, the witnessing notary and the corresponding record number.

- 3.- Before being appointed, the representative must inform the shareholder in detail of any possible conflict of interest. If the conflict arises after the appointment and the principal shareholder was not warned of its possible existence, the principal must





report the conflict forthwith. In either case, and if the representative has received no specific voting instructions in relation to each matter on which the representative is required to vote on behalf of the shareholder, it must abstain from voting.

- 4.- Instructions for delegation and voting of shareholders acting through intermediary, managing or depository entities shall be governed by the provisions of the law.

**Article 16 bis - Proxies by way of public solicitation**

- 1.- Public solicitation for representation shall be deemed to exist when any of the situations envisaged under article 186 of the Spanish Corporate Enterprises Act materialises.
- 2.- In all cases of public solicitation for representation, the document containing the powers of representation must contain, or be accompanied by the agenda, along with the request for instructions for exercising voting rights and an indication of the direction in which the representative should cast its vote if no detailed instructions are provided. The power may likewise contain the request for instructions and the indications, whether express or tacit, that the representative must follow in relation to decisions concerning matters not included on the agenda.
- 3.- In the absence of express voting instructions, either because they have not been included in the right section of the document, or because the proxy concerns decisions on business not included on the agenda, the representative must issue its vote in the manner it deems most beneficial to the principal's interests.
- 4.- The representative may choose to disobey the voting instructions contained in the power when circumstances arise that were unknown at the time the instructions were sent and if the interests of the represented party could be damaged. When a vote is cast contrary to instructions, the representative shall immediately inform the principal in writing, explaining the reasons for the vote.
- 5.- When Company directors or another person make a public solicitation for representation, the director that obtains the representation may not exercise the right to vote pertaining to the represented shares for any items on the agenda in which they may have a conflict of interest and, in any case, with regard to the following decisions:
  - (i) Their appointment, re-election or ratification as Board member.



- (ii) Their dismissal, separation or discharge as Board member.
- (iii) Any derivative action instituted against the Board member.
- (iv) The approval or ratification, as the case may be, of corporate transactions with the Board member in question, companies which it controls or represents or persons acting on its behalf.

6.- The provisions of the above section shall not apply when the principal shareholder expressly indicates in the proxy the direction in which the representative is required to vote.

7.- In no event shall representation by way of public solicitation prevent the representative from voting freely in relation to its own shares and any others it may hold by virtue of legal representation.

**Article 16 ter. Proxies and voting by post, electronically, or other means of remote communication.**

1.- Shareholders entitled to attend may appoint a proxy or exercise their voting right by post, by sending their proxy card and vote obtained as determined by these Bylaws and the General Meeting Regulations. They may also exercise those rights digitally or through other remote means so long as the necessary technical conditions are met and the Board agree. The Board will state in the notice of meeting how to do so in a way that is compliant with the required security standards to ensure that shareholders are properly identified, their rights are effectively exercised and the General Meeting is conducted correctly. In any event, representation and voting rights must be exercised through the remote means agreed by the Board stated in the notice of meeting.

When voting is electronic, the Company must send the shareholder in question an electronic confirmation that their vote has been received.

2.- When proxies are granted by email or other remote means, they will be valid only if the completed and signed proxy card and vote are sent by post or electronically, in accordance with these Bylaws and the General Meeting Regulations. If the proxy is granted electronically, the proxy card must be signed electronically using an electronic signature obtained from a certification service provider recognized by the Board or by another system (password, device or other) recognized by the Board and established by the Company, IBERCLEAR or entities involved in securities recording, clearing and settlement systems. Likewise, the Board may apply the above provisions for representation granted remotely.

3.- The General Meeting Regulations will regulate, or enable the Board to do so,



everything relating to the procedures, requirements, system and periods to exercise the representation and voting right electronically or otherwise remotely. The Board will determine all aspects relating to the above points when passing the motion to convene the General Meeting. These circumstances will be stated in the notice convening the meeting.

- 4.- Shareholders who exercise their voting rights by post, email or other remote communication methods in accordance with the Regulations, will be considered in attendance at the General Meeting for the purpose of establishing quorum and voting majorities. If, for technical reasons not attributable to the company, communication is interrupted or suspended, this will not be considered an unlawful deprivation of the shareholder's rights.

**Article 17.- Venue and time of the General Meeting. Extending meetings.**

1. The General Meeting will be held in the town in which the Company has its registered office. If the notice of meeting does not specify the place where it is to be held, it will be considered convened at the Company's registered office.
2. The General Meeting may agree to defer for one or several consecutive days at the proposal of the management body or of a number of shareholders representing at least a quarter of the share capital in attendance. Whatever the number of sessions in which the General Meeting is held, it will be considered a single meeting, drafting a single minutes document for all the sessions.
3. Likewise, the General Meeting may be held exclusively in digital format, with no physical attendance of the shareholders or their representatives, when so permitted in regulations in force and in the conditions provided for in it. In such a case, it will be considered held at the registered office.

Holding the General Meeting exclusively electronically will be dependent upon safeguarding the identity and legitimacy of shareholders and their representative, and that all attendees pay effectively take part in the meeting through the remote communication methods admitted under regulations in force, both to exercise in real time the rights to speak, to information, to make proposals and to vote, and to follow the remarks of other attendees through the means indicated, in consideration of the state of the art and the Company's circumstances, especially the number of shareholders.

If the General Meeting is held exclusively digitally, the shareholders must be able to grant proxies or vote in advance on the proposals relating to items of the agenda through any of the remote means set out above, and the meeting



minutes must be drawn up by a notary.

**Article 18.- Front table of the General Meeting**

- 1.- The Chairman and the Secretary to the General Meeting, as a bare minimum, shall sit at the front table of the General Meeting. Members of the Company's governing body may likewise sit at the front table.
  - 2.- The General Meeting will be presided over by the Chairman of the Board of Directors, or, if absent, unable to attend or unavailable, by the deputy Chairman of the Board of Directors.
- If none of these individuals is present, the Chairman of the General Meeting shall be the oldest member, in age, of the governing body, or otherwise the shareholder chosen by those in attendance.
- 3.- The Chairman will be assisted by the Secretary. The Secretary to the General Meeting shall be the Secretary to the Board of Directors, or, if he or she is unable to attend in person, the Deputy Secretary. If also absent, the Secretary shall be the youngest board member present, or otherwise the shareholder chosen by those in attendance.
  - 4.- If the presence of a Notary is required, he or she shall also sit at the front table of the General Meeting.
  - 5.- The Regulations of the General Shareholders Meeting shall govern the powers of the Chairman of the General Meeting.

**Article 19.- List of attendants**

- 1.- Before moving on to the agenda, the Secretary to the General Meeting shall prepare a list of attendants, which must record the name of those shareholders present and of those represented by proxy, and also the name of their representatives and the number of shares they represent.

At the end of the list, the Secretary shall indicate the number of shareholders present or represented by proxy, as well as the amount of share capital they represent, specifying the amount pertaining shareholders with voting rights.

- 2.- The Chairman of the General Meeting may insist that the Secretary be aided by two or more scrutineers in preparing the list of attendants. The Chairman will be responsible for designating these scrutineers.
- 3.- If the list of attendants does not appear at the beginning of the minutes for the General Meeting, it shall be annexed thereto and signed by the Secretary and



countersigned by the Chairman.

- 4.- The list of attendants may also be attached as a file or be added to an electronic medium. In these cases, the medium used shall be recorded in the minutes and the corresponding identification certificate-cum-label signed by the Secretary and countersigned by the Chairman shall be affixed to the sealed cover thereof.

**Article 20.- Procedure for debating business at the General Meeting**

- 1.- Once the list of attendants has been drawn up, the Chairman shall declare the General Meeting validly convened, if indeed it is, and determine whether the meeting is able to discuss all items on the agenda, or otherwise those items that the meeting may discuss and vote on.
2. The Chairman shall raise the items for discussion in the same as they appear on the agenda and shall direct the debate so as to ensure that the meeting proceeds in an orderly fashion. To such end, the Chairman shall have the relevant powers to ensure order and discipline at the meeting, with entitlement to order that any persons disturbing the orderly running of the meeting be removed from the room, and also to adjourn the meeting temporarily.
- 3.- While the General Meeting is being held, Company shareholders may make oral requests for any information or clarifications they deem pertinent in relation to the items on the agenda. If the shareholder's request cannot be answered satisfactorily at that time, the directors must furnish the requested information in writing within five (5) days from the end of the meeting.

The directors must provide the requested information, unless, in the opinion of the Chairman, disclosure of the information is unnecessary in order to safeguard the shareholders' rights when there are objective reasons to believe that such information may be used for non-corporate purposes or that it could harm the company or its affiliates. Directors may not refuse to furnish the requested information when the request is supported by shareholders representing at least twenty-five per cent of the share capital.

- 4.- Once the Chairman considers an item to have been sufficiently discussed, he shall put it to the vote.

**Article 21.- Procedure for carrying resolutions.**

- 1.- Each item on the agenda shall be voted on individually, voting separately on those matters which are substantially independent under the terms provided for by law.
- 2.- For each motion to be voted on, the meeting must determine, as a bare minimum,



the number of shares in relation to which valid votes have been cast, the proportion of share capital represented by these votes, the total number of valid votes, the number of votes cast for and against each resolution and, as the case may be, the number of abstentions.

- 3.- The Regulations of the General Meeting shall establish the procedure for adopting resolutions at the General Shareholders Meeting.
- 4.- Approved resolutions and the results of the voting shall be published unabridged on the Company's website within the term of five days from the end of each General Meeting.

#### **Article 22.- Carrying resolutions**

- 1.- Motions will be passed by a simple majority of votes cast.
- 2.- Notwithstanding the terms of section 1 above, and in accordance with article 201.2 of the Spanish Corporate Enterprises Act for those types of resolution envisaged therein, if, at second call, shareholders in attendance account for less than 50% of the subscribed capital with voting rights attached, the corresponding motions may only be validly passed through the affirmative vote of two thirds of the capital present or represented by proxy at the meeting.
- 3.- Once an item has been put to the vote and the votes counted, the Chairman shall announce the results, declaring the resolution validly adopted as the case may be.
- 4.- All shareholders entitled to vote that voted against a given motion and all shareholders without voting rights will be entitled to have their disagreement with the adopted resolution recorded in the minutes for the General Meeting.

#### **Article 22 bis.- Conflicts of interest.**

- 1.- A shareholder not may exercise his right to vote at the General Shareholders Meeting, in person or through a representative, when a motion is put to vote aimed at:
  - (a) Freeing him from an obligation or granting him a right;
  - (b) Providing him with any kind of financial assistance, including the provision of guarantees on his behalf;
  - (c) Releasing him, as a Director, of the obligations arising from the duty of loyalty agreed in accordance with the law.
- 2.- If the shareholder incurring in any of the above voting prohibitions attends the



General Shareholders Meeting, his shares will be deducted from attendees' shares for the purposes of determining the number of shares used to calculate the majority required for the adoption of the corresponding resolutions.

## **CHAPTER 2**

### **THE GOVERNING BODY**

#### **Section 1**

##### **General provisions.**

#### **Article 23.- Structure of the governing body**

- 1.- The Company shall be governed by a Board of Directors.
- 2.- The Board of Directors shall be governed by the provisions of the law, these Articles of Association and the Regulations of the Board of Directors.
- 3.- The Board of Directors shall comprise a minimum of six members and a maximum of fifteen.

The General Meeting shall determine the number of Board members and may do so via an express resolution to such effect, or indirectly by filling vacancies on the Board or appointing new members within the aforementioned minimum and maximum limits. Without prejudice to the above, the Board of Directors must put before the General Meeting the number of members which, in view of the Company's current situation and with regard to the maximum and minimum limits described above, it deems most appropriate in light of good governance recommendations so as to ensure the due representativeness and effective functioning of the Board.

This is understood to be without prejudice to the right of proportional representation pertaining to shareholders under the terms of the Corporate Enterprises Act.

- 4.- Board members need not be Company shareholders to be appointed.
- 5.- Board members shall hold office for the term of four (4) years and may be re-elected one or more times for successive five-year terms.
- 6.- Board members appointed by co-option shall hold office up until the date of the next General Meeting to be held.
- 7.- Board members shall stand down from office should the General Meeting so decide; when they notify the Company of their resignation; or when their term of



office comes to an end.

In the latter case, the Board member shall effectively stand down on the date the next General Meeting is held, or once the legal deadline for holding the General Meeting to approve the previous year's accounts has passed.

8.-Board members must perform their duties and comply with the obligations imposed by the Act with the diligence of a responsible businessman, taking into account the nature of the office and functions attributed to each member. In addition, board members shall perform their duties with the loyalty of a faithful representative, acting in goodfaith and in the best interest of the Company. The Regulations of the Board of Directors shall elaborate on the specific obligations of Directors stemming from the duties contained in the Law and, in particular, the duties of confidentiality, non-competition and loyalty, paying particular attention to situations of conflict of interest.

**Article 23 bis.- Classes of Directors**

1.-Executive directors are directors who occupy positions of leadership in the Company or its group of companies, regardless of the legal relationship maintained.

2.-Non-executive directors are all other directors of the Company and may include proprietary, independent and other external directors:

- a) Proprietary directors: directors with a shareholding equal to or greater than that legally regarded as significant at any time or who have been designated as such by their status as shareholders, although their shareholding does not reach such amount, as well as those representing the aforementioned shareholders. However, if any of those directors performs, simultaneously, leadership roles in the Company or in its group of companies, he will be considered an executive director.
- b) Independent directors: directors who are appointed on the basis of their personal and professional qualities to perform their duties without being conditioned by relationships with the Company or its group of companies, its significant shareholders, its management or the other directors. Directors who have held office for continuous period of more than twelve years may not be considered as independent directors.
- c) Other external directors: non-executive directors who do not match the characteristics to be considered proprietary or independent.





The Regulations of the Board of Directors may detail and develop these concepts within the framework established by the Law.

**Article 24.- Compensation for Board members**

1. Board members will receive remuneration for that role, except where the Board has expressly made a decision in this respect, taking into account the services and responsibilities that the directors assume.
2. The remuneration of members of the Board will be a cash payment comprising a fixed annual amount in line with the services and responsibilities they assume. In addition to the above, certain Board members, depending on their services and responsibilities, may also receive (a) a variable amount, in cash, linked to objective indicators on the individual performance of the director or the company; and/or (b) benefits, including the appropriate insurance.
3. The establishment of the amounts comprising the fixed remuneration of the Board members in their condition as such, of indicators used to calculate the variable part (which under no circumstances will be company profit sharing) and of the constituent elements of the benefits package, will be agreed by the General Meeting.
4. The General Meeting is expressly authorized to establish incentive systems for all, some or any of the directors, and for senior executives of the company or group companies, which may include the handover of shares, options on them or remuneration linked to the value of shares subject to the requirements established by law.
5. Where directors have executive functions in the company, the remuneration for chief executives and other directors with such functions under other titles must be compliant with these provisions and, in any event, the remuneration policy approved by the General Meeting and the contracts approved and signed by the Board, in accordance with the law. If directors have executive duties in the company they may receive:
  - a) a fixed amount,
  - b) variable remuneration on a long or short-term basis, with general benchmark indicators or parameters.
  - c) remuneration in shares or linked to share performance, in accordance with paragraph 4 above,
  - d) severance for early termination, wherever such termination is not on the



- grounds of the director's functions, and amounts related to non-compete, golden handcuffs and exclusivity commitments; or
- e) savings or pension schemes appropriate.
6. The Board will prepare an annual report on directors' remuneration, with the content and for the purposes set out in legislation in force.

## **Section 2**

### **The Board of Directors.**

#### **Article 25.- Posts on the Board of Directors**

- 1.- The Board of Directors, following a favourable report from the Appointments and Remuneration Committee, shall designate its Chairman and may also appoint one or more Deputy Chairmen should it so wish. If more than one Deputy Chairman is appointed, each of them will be numbered. Their number will determine the order in which they are to substitute the Chairman if the latter is absent, unable to attend, or if the post of Chairman falls vacant.

The Chairman and, where appropriate, the Deputy Chairmen, shall have the functions provided for in the law, and the regulations of the Board of Directors.

- 2.- The Board of Directors, following a favourable report from the Appointments and Remuneration Committee, shall designate a Secretary and may also appoint a Vice-secretary if it so wishes, neither of whom need be Board members. If not a Board member, they shall be entitled to speak but not vote on the Board. The Vice-secretary shall stand in for the Secretary in the event of absence, inability to attend, incapacity, or vacancy.

The Secretary and, where appropriate, the Vice-secretary, shall have the functions provided for in the law, and the regulations of the Board of Directors.

- 3.- The designation of an executive director as the Chairman of the Board of Directors will require the favourable vote of at least two-thirds of the directors.
- 4.- In the event that the Chairman of the Board of Directors has the status of Executive Director, the governing body, at the proposal of the Appointments and Compensation Committee and with the abstention of the executive directors, must necessarily appoint a coordinating director from among the independent directors, who will be specially empowered to, when he deems appropriate:
- a) Request the Chairman of the Board of Directors to announce and participate, together with him, in the planning of the annual calendar of



meetings.

- b) Participate in the preparation of the agenda of each meeting of the Board of Directors and request the inclusion of matters on the agenda of the meetings of the Board of Directors already convened.
- c) Coordinate, compile and express concerns of the non-executive directors.
- d) Direct the periodic evaluation of the Chairman of the Board of Directors and oversee, as applicable, his succession.

In addition, the coordinating director may maintain contacts with shareholders when so agreed by the Board of Directors.

**Article 26.- Notice of a Board meeting**

- 1.- A Board meeting shall be announced, to meet at least once a quarter, by the Chairman when the meeting is deemed necessary or expedient, or, in the event of the death, absence, incapacity or inability to attend of the Chairman, by the Deputy Chairman or the person acting as such. A Board meeting shall also be announced when requested by at least two Board members. In the latter case, the Chairman, or the person acting as such, must announce the Board meeting within the maximum term of five (5) days running from the date on which he receives the corresponding request.
- 2.- The announcement shall be made by letter addressed and sent to each Board member by electronic mail at least five (5) business days ahead of the date scheduled for the meeting. The letter announcing the meeting shall specify the items included on the agenda so as to ensure that all Board members are made aware of the agenda before the meeting is held.
- 3.- By way of exception, the Chairman, or the person acting as such, may convene a Board meeting by telephone or email, without having to observe the aforementioned minimum notice and other requirements, when, in his opinion, extraordinary circumstances warrant this.

Likewise, directors representing at least one third of Board members may convene a meeting and specify the agenda to be held in the area where the Company has its registered office if, after requesting the Chairman to do so, the latter then fails to announce the meeting without just reason within the term of one month.

- 4.- The Board of Directors will be deemed validly convened without the need for prior announcement when all members present or represented by proxy unanimously agree to hold a meeting.



**Article 27.- Venue for Board meetings**

- 1.- The Board of Directors shall hold its meetings at the Company's registered office, unless the announcement specifies a different venue.
- 2.- Exceptionally, and providing no member protests, the Board meeting may be held without a session and in writing or via video-conferencing or conference call, provided the chosen system allows for those in attendance to be recognised and identified, while also providing uninterrupted communication between them, regardless of where they are physically located, and allows them to take part in the deliberations and cast their vote, all in real time. Attendants at any of the locations shall be treated, for all purposes relating to the Board of Directors, as attendants of the single meeting effectively being held. The meeting shall be deemed held wherever the majority of Board members are present, or, if the same number is present in different locations, where the Board member chairing the meeting is located.

**Article 28.- Convening the Board of Directors**

- 1.- The Board of Directors will be validly convened to hear and agree upon any matter when half plus one of its members attend the meeting, either in person or represented by proxy.
- 2.- Board members may only confer proxies upon other Board members, while non-executive directors may only confer them upon another non-executive director.
- 3.- The proxy must be granted by any written means and sent to the Chairman, or the person acting as such, specifically and specially for each meeting.

**Article 29.- Deliberating and carrying resolutions at Board meetings**

- 1.- The Chairman shall raise the items on the agenda for discussion, whether the agenda was included in the announcement, or if prepared at the start of the meeting
- 2.- Once the Chairman considers an item sufficiently discussed, he shall put it to the vote, with each Board member, whether present in person or represented by proxy, entitled to cast one vote
- 3.- Motions will be passed by absolute majority vote of those Board members in attendance at the meeting, either in person or represented by proxy, except when the Law provides for different majorities.
- 4.- Minutes of Board meetings shall be drawn up by the Board Secretary, or, if absent,



by the Vice-secretary. Should both these be absent or unavailable, the minutes will be prepared by the person designated by those in attendance as Secretary for the meeting.

- 5.- The minutes will be approved by the Board itself at the end of the meeting or at the immediately following meeting.

### **Section 3**

#### **Competences of the Board of Directors.**

##### **Article 30.- Management powers**

- 1.- Save for those matters reserved for the General Meeting by virtue of law or the Articles of Association, the Board of Directors is the Company's supreme decision-making body and is vested with all competences needed to manage and run the Company.
- 2.- The Board of Directors, which enjoys the broadest powers and faculties to manage, direct, administer and represent the Company, shall typically entrust the day-to-day management of the Company to the various delegate management committees and other bodies, and shall focus itself on general oversight duties and on addressing issues of special importance to the Company.

In particular, the Board of Directors, acting on its own initiative or on the proposal of the corresponding internal body, will decide on matters that are listed, without limitation, below:

- (a) Preparing the Company's Annual Accounts, the Management Report and the Proposed Distribution of Earnings, as well as preparing the consolidated Accounts, Management Report and financial information that the Company must periodically make public owing to its listed status.
- (b) Appointing members of the Board of directors by co-option and propose the appointment, ratification, re-election or dismissal of Directors at the General Meeting.
- (c) Designating and renewing the internal positions of the Board of Directors and members and positions of the Commissions established within the Board.
- (d) Establishing the compensation policy and remuneration of the Board members, following a report from the Appointments and Remuneration Committee.



- (e) Adopting the appointment and dismissal of senior executives of the Company, as well as setting their compensation or indemnity in case of dismissal, all at the proposal of the Managing Director, if that position exists, and the report of the Appointments and Remuneration Committee.
- (f) Approving the remuneration policy as well as the basic conditions of the contracts of senior executives of the Company at the proposal of the Chief Executive Officer, if that position exists, which will be forwarded to the Board by the Appointments and Remuneration Committee.
- (g) Resolving on proposals submitted by the Delegated Management Committee, the Chief Executive Officer or the Committees of the Board of Directors.
- (h) Ruling on all public acquisition offers made on securities issued by the Company.
- (i) Proposing amendments to the General Shareholders Meeting regulations to the General Meeting it deems appropriate for its better performance and the exercise by shareholders of their rights.
- (j) Approving and amending, in accordance with the provisions established therein, the Regulations of the Board of Directors which govern its organization and internal operation.
- (k) Drawing up the annual corporate governance report.
- (l) Calling the General Shareholders Meeting.
- (m) Implementing the motions passed by the General Meeting and exercising any functions entrusted to it by the General Meeting.
- (n) Defining the company's structure of general powers of attorney to be granted by the Board or by the delegated management bodies referred to in the first paragraph of section two of this article.
- (o) Deciding on any other matter which, within its competence and in the opinion of the Board of Directors, is deemed of interest to the Company, or that the Regulation of the Board of Directors reserves for the board in plenary session.

3.- The Board of Directors, within the scope of its general supervision powers, acting on its own initiative or on the proposal of the corresponding internal body, will decide on matters that are listed, without limitation, below:



- (a) Drawing up the Company's strategy and general policy lines, developing programs and establishing targets for the performance of the activities included in the corporate purpose. In particular, the Board of Directors will be in charge of approving: (i) the annual budget; (ii) the investment and financing policy; (iii) the definition of the structure of the CIE Automotive Group and the coordination, within legal limits, of the overall strategy of the Group in the interest of the Company and the companies belonging to the group; (iv) the corporate governance policy; (v) the corporate social responsibility policy and (vi) the policy to be followed by the company in respect of treasury shares and, in particular, their limits.
- (b) Promoting and supervising the management of the Company, as well as the fulfilment of the established targets.
- (c) Establishing the risk control and management policy, identifying the main risks of the Company and organizing the appropriate internal control and information systems as well as regularly monitoring such systems.
- (d) Establishing the basis of the corporate organisation in order to guarantee its better efficiency and the effective supervision by the Board of Directors.
- (e) Defining the policy of information to shareholders and the markets in general, under the criteria of transparency and accuracy of the information.

**Article 31.- Delegating powers.**

- 1.- The Board of Directors may permanently delegate any or all of its powers to an executive Committee and to one or more chief executive officers, and determine those members of the Board that are to be appointed to the delegate committee and, as the case may be, the manner in which the chief executive officers may exercise their powers.
- 2.- The delegation of permanent powers and the task of determining those Board members to occupy the corresponding positions will require the favourable vote of two thirds of the Board members and will not take effect until filed with the Mercantile Registry.
- 3.- In no event may the powers that are classified as not subject to delegation by law be delegated, nor may any other powers that the General Meeting may have delegated to the Board of Directors, unless for these other powers the General Meeting grants its express consent.
- 4.- Even if the Board of Directors delegates powers, it will still retain these delegated



powers for itself.

**Article 31 bis.- Board committees**

- 1.- In addition to delegating powers as described in the preceding article, the Board of Directors create any such Committees it deems necessary in order to assist it on any matters falling within its remit.
- 2.- In all cases, the Board of Directors shall set up a permanent Audit and Compliance Committee, an Appointment and Remuneration Committee, and may also set up a Corporate Social Responsibility Committee.
- 3.- The Board of Directors shall approve the Internal Regulations of this Committee, determining its functions and establishing the procedures required for it to be able to discharge them, pursuant to the provisions of the Law and the Regulations of the Board of Directors.

**Article 32.- Powers of representation**

- 1.- The Board of Directors, acting as a body, shall represent the Company both in and out of court.

The Chairman of the Board of Directors shall likewise represent the Company.

- 2.- The powers of representation of the delegate bodies will be governed by the terms of the resolution to delegate the powers in question. Unless indicated otherwise, the power to represent the Company will be deemed conferred upon the chief executive officers jointly and severally and, if the delegate body comprises more than one person, upon the Chairman of the Executive Committee.

**Section 4**

**Notarisation in public instrument of corporate resolutions**

**Article 33.- Persons authorised to notarise resolutions in public instrument**

- 1.- The Secretary to the Board of Directors and, as the case may be, the Vice-secretary to the Board will be responsible for notarising in public instrument resolutions carried by the Company's different bodies.
- 2.- One or more Board members expressly authorised by the corresponding body at the meeting at which the resolutions in question are adopted may likewise notarise corporate resolutions. If no such members are expressly authorised, the Chairman, Deputy Chairman and Chief Executive Officer or Chief Executive Officers will be entitled to do so.





- 3.- In all cases, the persons empowered to notarise public resolutions on public record must have their appointment still in effect and filed with the Mercantile Registry.

#### **TITLE IV ANNUAL ACCOUNTS**

##### **Article 34.- Preparing the annual accounts.**

- 1.- The directors shall, before the legal deadline, prepare and sign the annual accounts, the proposed distribution of earnings and the management report.
- 2.- They shall likewise prepare and sign the consolidated annual accounts and management report when this is legally required.
- 3.- The Company's report must contain information on any transactions carried out by the directors, or any persons acting on their behalf, during the year to which the annual accounts relate, with the company or with any company belonging to the same group, insofar as these transactions fall outside the normal business of the Company or are not concluded under arm's length conditions. Likewise, directors must report any equity interests they may have in any companies engaged in the same, analogous or complementary business activities to that of the Company, including any posts or functions held or performed at such companies, and the performance as employee or in their own name of any analogous or complementary business to that constituting the corporate purpose of the Company.

##### **Article 34 bis.- Annual Corporate Governance Report.**

While preparing the annual accounts, the Board of Directors shall approve, and include as part of the Management Report, an Annual Corporate Governance Report containing the information prescribed by applicable law and regulations in effect from time to time.

##### **Article 35.- Verifying the annual accounts.**

The annual accounts and the management report must be reviewed by financial auditors in accordance with applicable law.

##### **Article 36.- Approval and filing of the annual accounts.**

- 1.- The annual accounts shall be put before the ordinary General Shareholders Meeting for its approval.
- 2.- Once the annual accounts have been approved, the General Meeting shall decide upon how to distribute earnings for the year.



If the General Meeting resolves to distribute dividends, it shall determine the time and method of payment, with entitlement to entrust the governing body with this task. The General Meeting may decide that the dividend be paid in kind, although in this case the same kind of assets or rights must be paid out uniformly.

For any kind of dividend pay-out, the General Meeting shall respect any preferred dividends that may apply in accordance with applicable law, these Articles of Association and the terms and conditions of each rights issue.

- 3.- Within a month of the approval of the annual accounts, a certificate of the resolutions of the General Meeting evidencing approval of the annual accounts and the distribution of earnings must be filed with the Mercantile Registry for the area in which the Company has its registered office. A copy of the accounts and of the management report and audit report, if any, will be attached to certificate.

## **TITLE V**

### **DISSOLUTION AND LIQUIDATION OF THE COMPANY.**

#### **Article 37.- Dissolution of the Company**

The Company will be dissolved in the situations and subject to the effects envisaged under the Corporate Enterprises Act.

#### **Article 38.- Liquidators. Powers to represent the dissolved company.**

- 1.- Once the Company has been dissolved, all directors whose appointment remains in effect and who remain filed with the Mercantile Registry shall become liquidators by operation of law, unless the Company appointed other liquidators in its resolution to dissolve the Company. Should the number of liquidators be even, the youngest director in age will not act as liquidator.
- 2.- In the event the Company is dissolved, the powers to represent the Company will be vested jointly and severally in each of the liquidators, irrespective of kind of powers of representation vested in the directors.

## **TITLE VI**

### **ARBITRATION**

#### **Article 39.- Arbitration clause**

Both the Company and its shareholders, waiving their own forum if different, expressly agree that any disputes arising between the Company and shareholders in relation to corporate affairs shall be heard by the courts for the area where the



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Company has its registered office, unless applicable law dictates a different forum