



**ARTICLES OF ASSOCIATION OF  
CIE AUTOMOTIVE, S.A.**

**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.

**"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 1**

**THE GENERAL SHAREHOLDERS MEETING**

**Section 1**

**Competences of the General Meeting**

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

- 1.- Shareholders duly convened and sitting as a General Shareholders Meeting shall decide, under the terms of these Articles of Association, on any business falling within the remit of the General Meeting.
- 2.- All shareholders, including those dissenting and those not taking part in the meeting, will be bound by the resolutions carried at the General Meeting, without prejudice to any right to challenge resolutions to which they may be legally entitled.
- 3.- The General Shareholders Meeting shall decide upon all the matters that fall within their competences pursuant to applicable law and these Articles of Association, with the following resolutions in particular to be adopted by the General Meeting:
  - (i) Approving, where appropriate, the consolidated and non-consolidated annual accounts of the Company, deciding on how to distribute earnings for each financial year and granting discharge to the management.
  - (ii) Approving its own Internal Regulations and agreeing upon modifications thereto.

- (iii) Appointing, re-electing, or ratifying directors and deciding to remove them from office, without prejudice to the power of co-option and the right of proportional representation of shareholders pursuant to applicable law.
- (iv) Appointing and re-electing the financial auditors of the Company and those of its corporate group, and revoking their appointment where envisaged at law.
- (v) Increasing and reducing share capital, and delegating to the Board of Directors, where appropriate and while observing applicable legal requirements, the power to establish the date or dates for effecting the operation. The Board may decide to make full or limited use of this delegated power, or even refrain from exercising it at all in view of prevailing market conditions, the Company's own situation, or any other fact or event it believes justifies its decision, reporting on this at the first General Shareholders Meeting to be held once the term granted for exercising the right has expired. The General Meeting may likewise vest in the Board of Directors the power to increase capital under the terms of article 297.1.b) and article 506 of the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*), if corporate interests require such an increase and in the cases and subject to the terms and conditions envisaged in the Corporate Enterprises Act. In particular, corporate interests may justify the removal of the pre-emptive subscription right when this is required in order to facilitate: (i) the acquisition by the Company of assets (including shares or other equity interests in companies) needed to engage in the corporate purpose; (ii) the placement of the new shares on markets that provide access to sources of financing; (iii) the capture of funds through the use of suitable book building-based placement techniques so as to maximise the price at which the shares are issued; (iv) the incorporation of industrial, technological or financial partners; (v) the implementation of loyalty and compensation schemes for Board members, managers and employees; and, (vi) in general, the completion of any transaction that proves convenient for the Company.
- (vi) Issuing bonds and debt instruments, whether simple or convertible or exchangeable, warrants and options (linked to bonds or debt instruments) in accordance with applicable law.
- (vii) Amend the Articles of Association.
- (viii) Agree to the dissolution, global transfer of assets and liabilities, subsidiarisation, merger, spin off and transformation of the Company, and likewise the transfer of the registered office abroad.
- (ix) Approving operations whose effect is equivalent to the liquidation of the Company.

- (x) Approving the compensation policy for the Company directors. Approving compensation systems involving the distribution of shares or share options, and any compensation system for Company directors pegged to the value of the shares.
  - (xi) Approving the exemption of the Directors from any of the prohibitions resulting from the duty of loyalty, when such authorisation legally corresponds to the General Shareholders Meeting, as well as the obligation not to compete with the Company.
  - (xii) Approving the authorisation for derivative acquisition of treasury shares.
  - (xiii) Approving the dissolution of the company and the appointment and removal of the liquidators; approving the final liquidation balance.
  - (xiv) Approving the acquisition, alienation or contribution to another company of critical assets.
  - (xv) Approving the transfer to subsidiaries of essential activities performed up to that time by the Company, although the latter shall remain in full control thereof.
  - (xvi) Deciding upon any matter put before it by the Board of Directors
- 4.- All competences not attributed to the General Meeting in accordance with applicable law or these Articles of Association shall rest with the governing 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 by law.

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 Shareholders Meeting must be announced by means of notice published in, at least, the following media: (a) the Official Gazette of the Spanish Mercantile Registry; (b) the website of the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores, CNMV); and (c) the Company's website at least one month ahead of the scheduled date of the meeting.

When the Company allows shareholders to vote via electronic channels available to all shareholders, extraordinary General Meetings may be announced just fifteen days ahead of the meeting. Any reduction in these advance notice requirements will require the express agreement at the General Shareholders Meeting of at least two thirds of subscribed capital with voting and speaking rights attached. The duration of this resolution will be limited to the date scheduled for the next General Meeting.

If applicable law requires a different timeframe for publishing the notice, the Company shall abide by these legal requirements.

- 2.- The notice of meeting shall contain all legally required information and must invariably specify the name of the Company, the date and time of the meeting at first call, and the agenda, including all items to be discussed at the meeting, the position of the person or persons announcing the meeting, the date by which shareholders must have their shares registered in their name to be able to attend and vote at the General Meeting, the venue and how interested parties

may obtain an unabridged text of the documents and motions, and the address of the Company's website on which the information will be available.

The notice may likewise indicate the date on which the General Meeting will be held at second call, if any.

In addition, the notice shall contain clear and accurate information on the steps shareholders must follow in order to take part and cast their vote at the General Meeting, including, in particular, the following information:

- a) The right to request information, to include items on the agenda and to put forward motions, together with the timeframes for exercising these rights. When the notice states that more detailed information on these rights can be found on the Company's website, the notice may simply state the deadline for exercising these rights.
- b) The system for casting votes by proxy, with special mention of the forms that must be used in order to delegate votes and the measures that must be adopted so that the Company is able to accept electronic notification of proxies conferred.
- c) The procedures in place for casting votes remotely, whether by post or electronic channels.

The notice must state the right of shareholders to visit the registered office in order to examine and obtain, free of charge and immediately, those documents to be put before the General Meeting for its approval, as well as the auditor's report.

From the time the notice of meeting is published and until the General Meeting is held, the Company must publish at least the following information on its website without interruption:

- a) The notice of the meeting.
- b) The total number of shares and voting rights at the date of the notice, broken down by share class, if different.
- c) The documents to be presented at the General Meeting and, in particular, the reports of directors, financial auditors and independent experts.
- d) The unabridged texts of the motions, or, if there are none, a report by the competent bodies commenting on each of the items on the agenda. Motions submitted by shareholders will be included as they are received.
- e) In the event of appointment, ratification or re-election of members of the governing body, the identity, curriculum and the category to which each of them belongs. For legal entities the information shall include the

corresponding individual who will be appointed for the permanent exercise of the functions inherent to the position.

- f) The forms to be used for proxies and for remote voting, unless the Company sends these directly to each shareholder. In the event the forms cannot be published on the website due to technical issues, the Company shall indicate on the website how shareholders can obtain a hard copy of the forms, which shall be sent to any shareholders on request.

3.- The notice of the meeting shall be signed by the person with powers to issue certificates of corporate resolutions.

4.- Shareholders representing at least three per cent (3%) of share capital may request that an addendum be published to the notice of the ordinary General Shareholders Meeting so as to include one or more items to the agenda, provided the new items are accompanied by a justification, or, where applicable, a reasoned motion. This right must be exercised by notification providing acknowledgement of receipt, which must be received at the registered office within five (5) days from publication of the notice. The addendum to the notice must be published at least fifteen (15) days ahead of the scheduled date for the ordinary General Meeting in question. Failure to publish within the established term shall render the Meeting null and void. In no event may this right be exercised in relation to the announcement of extraordinary General Meetings.

In addition, shareholders representing at least three per cent (3%) of capital may, by the same deadline envisioned in the preceding paragraph, present reasoned motions on items already included on the agenda or which need to be included on the agenda for the scheduled General Meeting. The Company shall ensure these motions and any enclosed documents are suitably disseminated among other shareholders in accordance with the terms of section two above.

5.- The provisions of this article will be null and void whenever a legal provision establishes different requirements for General Meetings held to discuss certain items, in which case the specific requirements must be met.

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

1.- In the case of ordinary General Meetings and in the other cases envisioned at law, the notice of the General Meeting shall include all pertinent information on the right of shareholders to examine and obtain, free of charge and without delay from the Company's registered office, those documents to be put before the General Meeting for its approval and any other reports envisioned at law.

As from the date of the notice of the General Meeting, the Company website shall include any information that the Company deems useful or pertinent to

facilitate the attendance and participation of shareholders at the meeting, such information and documents as outlined in the Regulations of the General Meeting and specifically those described in section 12.2 above.

The publication of motions raised by the Board of Directors shall not mean that these cannot be modified before the General Shareholders Meeting is held, insofar as they are modified in accordance with law.

- 2.- Up until five days prior to the scheduled date of the General Meeting, shareholders may seek information from Directors on the items included on the Agenda, or any other information or clarification they may require, or formulate any questions they deem pertinent in writing.

Likewise, within the same timeframe, shareholders may seek information or clarifications or formulate questions in writing regarding any publicly accessible information that the Company may have provided to the Spanish CNMV since the date of the last general meeting and concerning the auditor's report.

- 3.- Requests for information must be answered in writing by the Board of Directors, or by the director to whom the Board has delegated this task, prior to the day on which the General Meeting is held. Responses shall be made via the same channel as that used to submit the request, unless the shareholder indicates another means for such purpose. If no specific channel is mentioned in the request, the written response shall be made available to the shareholder at the Company's registered office. In any case, the responses provided in writing will be included on the corporate web site.
- 4.- The governing body will be obliged to furnish the requested information within the deadlines provided by Law and in these Articles of Association, except if this is unnecessary in order to safeguard the shareholders' rights when there are objective reasons to be believed that such information may be used for non-corporate purposes or that it could harm the company or its affiliates. The information may never be refused when the request is supported by shareholders representing at least twenty-five per cent of share capital and does not refer to the business described under sections 1 and 2 of this article.

Likewise, directors will be under no obligation to respond to specific questions from shareholders when, prior to being raised, the requested information is clear and directly available to all shareholders via the company's website, in which case the directors may limit their reply to the information contained in that format.

- 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 all cases, shareholders will be entitled to examine documents at the Company's registered office or request and obtain them free of charge, in the manner provided for at 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.- Right to attend.**

- 1.- Shareholders that have their shares entered in their name on the corresponding book entry register, in accordance with applicable law, at least five (5) days ahead of the scheduled date for the General Meeting will be entitled to attend.
- 2.- Members of the Company's Board of Directors are required to attend General Meetings.
- 3.- The Chairman of the General Meeting may authorise the attendance of any person he or she deems appropriate.

#### **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 the meeting may confer a proxy or exercise their voting rights by posting their attendance card, as obtained in accordance with the terms of these Articles of Association and the Regulations of the General Meeting.

They may likewise exercise these same rights by means of electronic or other remote channels of communication, provided the appropriate technical resources exist and the Board of Directors decides to allow it. The Board shall state in the notice the methods that may be used for such purpose, insofar as the required security measures are met to ensure the true identity of the shareholders, the effectiveness of their rights and the proper staging of the General Meeting. Proxy and voting rights must invariably be exercised through the remote channels of communication permitted by the Board of Directors and indicated in the notice of the meeting.

- 2.- The Regulations of the General Shareholders Meeting shall regulate, or authorise the Board of Directors to regulate, all aspects concerning the procedure, requirements, system and timeframes for exercising proxy and voting rights via electronic correspondence and other remote channels of communication.

The Board of Directors shall determine, in the resolution to announce the General Meeting, all matters relating to the points mentioned in the previous paragraph. All such aspects must be expressed in the notice of the meeting

- 3.- Shareholders choosing to cast their vote by post, e-mail, or other remote channels of communication pursuant to the terms of the Regulations, shall be treated as present at the General Meeting for the purpose of establishing a quorum and determining the majority vote. If, owing to technical issues not attributable to the Company, communication is interrupted or cannot be made, the situation cannot be claimed to constitute an unlawful deprivation of shareholder rights.



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

- 1.- The General Meeting shall be held in the area where the Company has its registered office. If the announcement fails to specify the venue, the venue for the General Meeting will be deemed to be the Company's registered office.
- 2.- The General Meeting may agree to extend the meeting to last over one or more consecutive days, following a proposal to such effect by the governing body or by a number of shareholders representing at least one quarter of share capital in attendance at the meeting. The meeting shall be considered a single event, irrespective of the number of sessions held, and one set of minutes will be prepared for all the sessions.

**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 good faith 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 be entitled to receive compensation, except for cases where the Board of Directors expressly determines, taking into account the services and responsibilities assumed by the various directors.
- 2.-The remuneration shall consist of a fixed annual cash sum appropriate for the services and responsibilities assumed. In addition, certain members of the Board of Directors, on the basis of their services and responsibilities, will also receive (a) a variable cash payment, pegged to objective indicators concerning the director's or the Company's own performance; and (b) benefits, which shall include the relevant insurance policies.
- 3.-The General Shareholders Meeting shall determine the different pay items to comprise the fixed pay, the indicators used to calculate the variable pay (which may never include any share in the profits of the Company), and the elements comprising the benefits part. The General Shareholders Meeting is expressly authorised to establish performance-based systems or schemes for any or all of the directors and for the senior management team of the Company, or of any group companies. These systems or schemes may include the allocation of shares or share options, or compensation pegged to the value of the shares, subject to any legal requirements in effect from time to time.
- 4.-In the case of Board members having executive functions within the Company under contractual terms and conditions approved by the governing body pursuant to articles 249 and 529 paragraph 8 of the Corporate Enterprises Act, they shall be entitled to the compensation upon departure agreed upon by the Company, insofar as the departure is not due to breach of their functions.
- 5.-The Board of Directors shall prepare a yearly report on the compensation paid to Board members, such report having the content and effects provided for at law.

## **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 VI**

### **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 VII**

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