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# COMPANY BY-LAWS

Gestamp Automoción, S.A.

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## TITLE I – NAME, OBJECT, DOMICILE AND TERM OF THE COMPANY

### Article 1. Company name and applicable laws

1. The Company's name is "GESTAMP AUTOMOCIÓN, S.A."
2. The Company is governed by these By-laws, the Regulations of the General Shareholders' Meeting, the Regulations of the Board of Directors and, in all other matters not provided for therein, the legal regulations applicable to listed companies and other regulations.

### Article 2. Object of the Company

1. The Company's corporate object is:
  - (i) Designing, developing, manufacturing and marketing components for the automobile industry, developing any required industrial process for that purpose. Manufacturing and marketing dies and moulds, as well as manufacturing machinery for the automobile industry, including presses and their accessories.
  - (ii) Performing research, development and innovation activities related to new industrial materials, products and processes.
  - (iii) Promoting, creating and developing industrial, commercial or service companies through ownership interests in their share capital. Those activities expressly reserved by the Spanish Collective Investment Institutions Law (*Ley de Instituciones de Inversión Colectiva*) and the Spanish Securities Market Law (*Ley del Mercado de Valores*) to Securities Dealer Companies and Securities Brokerage Houses (*Agencias y/o Sociedades de Valores y Bolsa*) are excepted.
  - (iv) Financing its investees through any type of instrument (among others, loans, credits, notes and securities, both short- and long-term), which includes subscribing fixed-income securities issued by companies where it holds an interest and/or granting of loans for a term exceeding five years, profit participating loans or loans of any other nature, considering profit participating loans those who meet the requirements set forth in the Bizkaia Law number 11/2013 on Bizkaia Corporate Tax of 5 December (*Norma Foral de Bizkaia 11/2013, de 5 de diciembre, del impuesto sobre sociedades de Bizkaia*) (or such any other regulation that may replace it).

- (v) Providing investees with advisory and technical assistance services related to their administration and management, financial structure or production or marketing processes.
- 2. The activities constituting the corporate object may be indirectly carried out by the Company, either in full or in part, through the holding of shares or interests in local and foreign companies with identical or similar object.
- 3. Any activity the performance of which is subject to any special legal requirement that is not met by the Company is excluded. If any legal provision requires a professional degree or administrative authorization, or the registration with public registries, for the performance of any of the activities included in the company object, those activities shall be performed by a person holding the required qualifications and, where appropriate, they shall not commence until all such administrative requirements have been fulfilled.

### Article 3. Registered office

- 1. The company's registered office is Polígono Industrial de Lebario, s/n, Abadiano, 48220, Bizkaia.
- 2. The Board of Directors may transfer the registered office within the national territory and create, eliminate or transfer agencies, representations, delegations and branches anywhere in Spain or abroad.

### Article 4. Corporate website

- 1. The company's website is [www.gestamp.com](http://www.gestamp.com).
- 2. The transfer of the corporate website may be approved by the Board of Directors, which is empowered to amend the first part of this article and to register such amendment with the Commercial Registry. In any case, the resolution approving the transfer will be published in the original corporate website during thirty (30) days after the approval of the resolution to transfer the website.

### Article 5. Term and commencement of activities

- 1. The Company shall remain in existence for an indefinite term and shall commence operations on the date of execution of the deed of incorporation.

## TITLE II – SHARE CAPITAL AND SHARES

### Article 6. Share capital

1. Share capital amounts to TWO HUNDRED EIGHTY-SEVEN MILLION SEVEN HUNDRED FIFTY SEVEN THOUSAND ONE HUNDRED EIGHTY EUROS (EUR 287,757,180), represented by 575,514,360 shares with a par value of FIFTY CENTS (EUR 0.50) each, belonging to the same class and series, fully subscribed and paid-in.
2. All shares belong to a single class and series and provide their owners with the same rights and duties.

### Article 7. Share representation system

1. Shares shall be represented by book entries and they are constituted as such by virtue of the registration in the relevant accounting record. They shall be governed by the law, securities market regulations and supplementary regulations.
2. Entitlement to exercise shareholders' rights, including transfers, is obtained upon registration in the accounting registry book, which leads to the assumption of legitimate ownership and enables its registered holder to demand to be recognised by the Company as a shareholder. Such entitlement may be proved by showing the appropriate certificates issued by the institution holding the accounting registry book.
3. Should the Company perform any act in favour of a person appearing as holder in the accounting registry book, it shall be deemed released of such obligation to perform, even if such person is not the actual shareholder, provided that the Company acts in good faith and without gross negligence.
4. The Company may have access at any time to data required to identify its shareholders in full, including the addresses and means of communication in order to contact them.
5. If the person registered in the accounting registry book entries holds such entitlement pursuant to a trust or a similar instrument, such person –at the Company's request– shall disclose immediately the identity of the ultimate beneficial owner of the shares, as well as any transfer of shares or liens over them.

## Article 8. Share transfer system

1. Shares and the economic rights arising therefrom, including the pre-emptive subscription right, may be freely transferred by all means allowed by law.

## Article 9. Co-ownership, usufruct and in rem rights over shares

1. The co-ownership, usufruct and pledge on shares shall be governed by the applicable Law.
2. Considering that shares are not divisible, the joint-owners of shares and other rights over them shall appoint a single person to exercise shareholders' rights and shall be jointly liable for the obligations arising from their capacity as shareholders.
3. In the event of an usufruct (*usufructo*) of shares, the bare owner (*nudo propietario*) shall retain the status of shareholder. However, the usufructuary (*usufructuario*) shall be entitled to any dividend approved by the Company during the term of the usufruct. The remaining shareholders' rights shall be exercised by the bare owner. The relationships between the bare owner and the usufructuary and the content of the usufruct shall be governed by the title creating such usufruct and, in the event that no title exists, by the provisions of the applicable civil laws.
4. Should the Company's shares be pledged, the owner of such shares shall be the one entitled to exercise shareholders' rights. However, pledgees shall exercise the economic and political rights related to the shares as from notice, through a notary public, to the pledgor and the Company about the non-compliance with the guaranteed obligation or the pledge itself and their willingness to exercise those rights, provided that the enforcement of the pledge has been admitted or, in the event of an out-of-court enforcement, the pledgor's summons is duly evidenced pursuant to applicable legislation. Until the date such notice is served, the owner shall be entitled to the economic and political rights.

## TITLE III – CORPORATE BODIES

### Chapter I – General Shareholders' Meeting

## Article 10. General provision

1. The shareholders, gathered in a General Shareholders' Meeting, shall decide by the majorities required by the applicable legal provisions or the By-Laws, as required in each case, with respect to the matters within their competence in accordance with current legislation, By-Laws and the

Regulations of the General Shareholders' Meeting.

2. All shareholders, including dissenters and those who have abstained from voting or who have not attended the meeting, are subject to the resolutions passed by the General Shareholders' Meeting, without prejudice to their rights (including the right of separation or to challenge said resolutions) that they may be entitled to pursuant to the law and these By-Laws.
3. The General Shareholders' Meeting shall not give any instructions to the Board of Directors or submit to its consideration the adoption of management-related decisions or resolutions by the Board of Directors.

## **Article 11. Convening notice of the General Shareholders' Meeting**

1. The General Shareholders' Meetings shall be called by the Board of Directors.
2. The General Shareholders' Meetings may be Ordinary or Extraordinary. Ordinary General Shareholders' Meetings must be held within the first six months of each fiscal year, upon prior call for the meeting, in order to approve, as applicable, the business management, the previous year's annual accounts and to decide on the distribution of income of the prior fiscal year. The Ordinary General Shareholders' Meeting shall be valid even if called for or held beyond such term.
3. The General Shareholders' Meeting may be held in the municipality where the Company has its registered office or in the municipality of Bilbao. If the convening notice does not indicate the place to hold the meeting, the General Shareholders' Meeting shall be deemed to be convened at the registered office.
4. The General Shareholders' Meeting may also be held solely online, without physical attendance by the shareholders or their representatives, when this is allowed under applicable regulations and the conditions stipulated therein are met, and in such case it shall be deemed to have taken place at the registered office.

General Shareholders' Meetings can only be held exclusively online if the identity and entitlement of the shareholders and their representatives can be duly guaranteed and if all the parties attending can effectively take part in the meeting via the remote communication means allowed at each given time under applicable regulations in terms of exercising in real time their right to speak, request information, make proposals and vote, as appropriate, and that they can listen to the interventions of other attendees by said means, in light of the state of the art and the Company's circumstances, particularly its number of shareholders.



5. Both Ordinary and Extraordinary General Shareholders' Meetings shall be called at least one month prior to the date set to hold it through an announcement published in the Official Bulletin of the Commercial Registry (*Boletín Oficial del Registro Mercantil*) or in one of the most widely circulated daily newspapers in Spain, the website of the Spanish Securities and Exchange Commission (*Comisión Nacional del Mercado de Valores*) and the Company's website (to remain accessible continuously at least until the General Shareholders' Meeting is held) or, as the case may be, in the manner and with the prior notice established by the applicable legislation from time to time. The Extraordinary General Shareholders' Meeting may be called only fifteen days in advance when and as required by law.
6. The convening notice shall contain, at least, the name of the Company, the place, date and time of the meeting on first call and, as applicable, the place, date and time of the meeting on second call (there must be at least 24 hours between the meetings held on first and second call); the agenda containing all items to be analysed, the position of the person or persons making the call and, as required by law, the right of shareholders to examine at the registered office and, as the case may be, to obtain immediately and free of charge, the documentation to be submitted to the approval of the meeting and the reports established by law, stating the place and method to obtain the complete text of documentation and proposals of resolution, as well as the indication of the Company's website where such information shall be available. The convening notice shall contain the date on which shareholders must register shares as their own in order to attend and vote in the general meeting, as well as clear and accurate information on the procedures to be performed by shareholders to attend and vote in the General Shareholders' Meeting. The convening notice can also stipulate that the General Meeting is to be attended by video conference or any other online system that enables the recognition and identification of the attendees and permanent communication among the participants, in which they are able to speak and to issue their votes.

In addition, when the General Shareholders' Meeting is to be held solely online, the convening notice shall state the reasons that support the decision to hold the meeting in this way and shall provide instructions about the procedures and steps to be taken to register and create the list of attendees so that such parties can exercise their rights and the matters discussed at the General Meeting can be properly recorded in the minutes.

7. For all types of General Shareholders' Meetings, from the date of publication of the convening notice, the Company's website shall publish, apart from the convening notice, all the documents to be made available on a continuous basis to the shareholders pursuant to law and the By-Laws.

## Article 12. Attendance and representation rights

1. All shareholders appearing as holders in the appropriate accounting record of registry book entries at least five days before the date of the meeting may attend such meeting. This may be evidenced

through the appropriate letter of attendance, delegation and voting, by means of a certificate issued by any of the entities legally authorised for that purpose or by any other means admitted by Law.

2. General Shareholders' Meetings may be attended by going to the venue where the meeting is to take place or, if agreed upon by the Board of Directors, by connecting remotely using video conference or other online systems that the Company places at the shareholders' disposal in accordance with the terms herein. These systems must enable the recognition and identification of the attendees and permanent communication among the participants, as well as the ability to speak and to issue their votes.
3. Any shareholder entitled to attend the meeting may be represented by another person, whether or not such party is a shareholder, meeting the requirements and formalities established by Law, these By-Laws and the Regulations of the General Shareholders' Meeting. The representation shall be granted in writing and, if not recorded in a public deed, it shall be granted specifically for each meeting. Such representation shall encompass all of the shares owned by the shareholder being represented and must detail the representation powers granted and the identity of both the party represented and their representative. The representative shall advise the shareholder about any conflict of interest pursuant to the applicable legislation.
4. If the representation status is granted via remote means of communication, it shall only be deemed valid if the letter of attendance, delegation and voting is delivered by hand or sent by post or email, duly signed and filled out in accordance with the terms herein and in the Regulations of the General Shareholders' Meeting. If the representation status is granted by electronic means, said letter must bear an electronic signature or be signed by some other method authorised by the Board of Directors and deemed adequate to ensure the identity of the shareholder exercising this right and the authenticity thereof. The Board of Directors may also implement the provisions above with reference to the representation granted by remote means of communication.
5. Representation may be revoked at any time. Representation shall be deemed revoked if the represented shareholder attends the meeting in person or by online means.
6. The entities that are legitimate shareholders pursuant to the accounting registry book which act on behalf of different persons may divide the vote and cast opposing votes in compliance with the different voting instructions, as appropriate. These intermediary entities may delegate the vote to each indirect holder or to the third parties appointed thereby, without limiting the number of delegations granted.
7. In any case, the number of represented shares shall be computed to validly meet the quorum to

hold the General Shareholders' Meeting.

8. Members of the Board of Directors shall attend General Shareholders' Meetings. If the meeting can be attended online, the members of the Board of Directors may attend the meeting via the system set up for this purpose. In addition, the Chairman of the Board of Directors may invite to the General Shareholders' Meetings officers and any other persons deemed appropriate due to their interest in the favourable development of corporate matters. However, their failure to attend shall not be considered for quorum purposes.
9. In addition, the Board of Directors shall be able to regulate procedural matters such as the applicable procedure and rules for exercising shareholders' rights, how early they must connect to online General Meetings to be considered present, how far in advance shareholders that are to attend the meeting online must send their interventions and proposed resolutions, the identification requirements that remote attendees must meet and the impact on the system for creating the list of attendees. In all cases, any implementing rules approved by the Board of Directors for these purposes must be published on the Company's corporate website.

## Article 12 bis. Voting rights.

1. Shareholders entitled to attend meetings may issue their votes on proposals relating to the items of the agenda of any General Shareholders' Meeting by either of the following means:
  - (i) Directly, at any General Shareholders' Meeting they attend in person or online. If attending online, the vote must be issued according to the procedure and in the terms stipulated by the Board of Directors in this regard, with the aim of equipping the electronic voting system with adequate guarantees of authenticity and identification of the shareholder exercising the vote.
  - (ii) By sending a duly signed and filled out letter of attendance, delegation and voting, delivered by hand, by post or by email, which must include the voting form issued by the Company to shareholders for this purpose. If sent by electronic means, said letter must bear an electronic signature or be signed by some other method authorised by the Board of Directors and deemed adequate to ensure the identity of the shareholder exercising this right and the authenticity thereof.

The Board of Directors shall be entitled to implement the provisions above as regards the exercise of shareholders' voting rights, and may establish other means of voting in writing, provided that said means make it possible to duly verify the identity of the shareholder exercising the right.

2. Votes issued in the manners indicated above shall be deemed valid as long as the Company receives them within the deadline established to this effect in the call to the corresponding General Shareholders' Meeting. Any other votes shall be deemed as not issued.
3. Any shareholders that issue their votes in the terms indicated herein shall be considered present at the corresponding General Shareholders' Meeting for the purposes of establishing quorum. Therefore, any proxy powers granted previously shall be revoked for these shareholders and proxy powers granted subsequently shall also be deemed invalid.
4. However, any votes issued in advance of the meeting shall be rendered null and void if the shareholder issuing them attends the meeting in person or online.
5. The terms of this provision may be implemented by the Board of Directors, which may establish rules, instructions, methods and/or procedures for instrumenting the issuance of votes by remote communication means, at all times adapting to the state of the art, to applicable legislation, to the terms of these bylaws and to any other internal regulations that may apply. In all cases, any implementing rules approved by the Board of Directors for these purposes must be published on the Company's corporate website.

## Article 13. Holding of meeting and adoption of resolutions

1. The General Shareholders' Meeting shall be validly held on first call if shareholders being present, either in person or by proxy, hold at least twenty-five percent of the subscribed share capital with voting rights. The General Shareholders' Meeting shall be deemed to be validly held on second call regardless of the shareholders attending it. Each share with voting rights or represented by a proxy at the General Shareholders' Meeting shall be entitled to one vote.

When the items to be resolved refer to the increase or reduction of share capital and any other amendment to By-Laws, the issuance of notes (where appropriate, provided it is within the competence of the General Shareholders' Meeting), the removal or limitation of the pre-emptive right regarding new shares, as well as the transformation, merger, spin-off and overall assignment of assets and liabilities, and the change of address to another country; the attendance on first call of shareholders, either in person or by proxy, holding at least fifty percent of the subscribed share capital with voting rights shall be required. On second call, the attendance of twenty-five percent of such share capital shall suffice.

The General Shareholders' Meeting shall be deemed convened and validly held to discuss and resolve any issue whenever the total share capital is present and attendees unanimously agree to hold such meeting.

2. The general meeting shall vote separately those matters that are significantly independent. In any case, even though appearing in the same item of the agenda, the following issues shall be voted separately: a) the appointment, ratification, re-election or removal of each director; b) with regard to any amendment of the By-Laws, the amendment of each article or group of articles which are autonomous; c) if separate voting is mandatorily established; and d) as applicable, the matters required to be voted separately pursuant to these By-Laws.
3. In general, resolutions shall be adopted by the simple majority of the votes of present or represented shareholders; a resolution shall be deemed adopted if obtains more votes y favour than votes against from present or represented shareholders.

Notwithstanding the above, for the General Shareholder's Meeting to resolve validly on the increase or reduction of share capital and any other amendment of the By-Laws, the issuance of notes (if within the competence of the General Shareholders' Meeting), the removal or limitation of the pre-emptive right regarding new shares, as well as the transformation, merger, spin-off and overall assignment of assets and liabilities, and the change of address to another country, the following shall be required: (i) on first call, the absolute majority of shareholders present, either in person or by proxy, holding at least fifty percent of the subscribed share capital with voting rights, and (ii) on second call, the favourable vote of two thirds of shareholders present, either in person or by proxy, representing twenty-five percent or more of the subscribed share capital with voting rights, without reaching fifty percent.

In addition, for the Ordinary General Shareholders' Meeting to validly agree to reduce the term required to call an Extraordinary General Shareholders' Meeting, the favourable vote of at least two thirds of subscribed share capital with voting rights shall be required.

## Article 14. General Shareholders' Meeting authorities

1. The General Shareholders' Meetings shall be chaired by a Chairman, with the assistance of a Secretary, who shall hold the powers granted by Law.
2. The Chairman of the General Shareholders' Meeting shall be the Chairman of the Board of Directors or, otherwise, in the case that they have been appointed, the Vice-Chairmen of the Board of Directors in their order, and, if this is not predetermined, depending on the seniority in the office of director of the Company. In absence of any of the foregoing, the director holding the office for the largest time shall be the Chairman.
3. The Secretary of the General Shareholders' Meeting shall be the Secretary of the Board of Directors or, otherwise, the Vice-Secretary. In absence of any of the foregoing, the person appointed by the Chairman shall be the Secretary.

4. The Meeting Committee (*mesa de la junta*) shall also include the members of the Board of Directors attending the meeting.

The Chairman is in charge of leading and organising the development of the meeting and of restricting the debate to the items of the agenda, closing the debate once the relevant item has been sufficiently analysed, at its discretion.

## Article 15. Resolution formalisation

1. All corporate resolutions shall be recorded in the minutes. The General Shareholders' Meeting minutes shall necessarily include the list of attendees and be approved by the General Shareholders' Meeting itself once the meeting is concluded or, otherwise, within the term of fifteen days by the Chairman and two agent shareholders (*accionistas interventores*): one representing the majority and the other one, the minority, notwithstanding the legal provisions regarding the notarial record.
2. The minutes approved in either way shall be enforceable as from the date of approval and it shall be signed by the Secretary and approved by the Chairman.

## Chapter II – Corporate management

### Article 16. Board of Directors

#### Structure

1. The Company shall be governed and managed, with the broadest powers established by Law (except for those within the General Shareholders' Meeting competence pursuant to Law, these By-Laws and the Regulations of the General Shareholders' Meeting and which cannot be delegated to the Board) by a Board of Directors composed of at least nine (9) members and up to fifteen (15) members. The General Shareholders' Meeting shall determine the number of directors by adopting an express resolution within the maximum and minimum numbers established.
2. Proprietary and independent directors shall constitute the broad majority of the Board of Directors and the number of executive directors shall be the minimum required, according to the complexity of the corporate structure and the shareholding percentage of executive directors in the Company's share capital.

#### Independent directors and other external directors

3. The Board of Directors shall be formed by a number of independent directors in line with the corporate governance recommendations applicable to listed companies, notwithstanding exceptional circumstances.

#### Company by-laws

4. Those persons subject to any prohibition or incompatibility established by Law may not be deemed independent directors.
5. Those non-executive directors that cannot be deemed independent directors due to a prohibition or incompatibility established by law and who do not meet the requirements to be proprietary directors shall be deemed other external directors.

#### **Proprietary directors**

6. In exercising the powers to propose the appointment of directors to the General Shareholders' Meeting and for the co-option to cover vacancies, the Board of Directors shall ensure that proprietary directors are included in its structure and that the percentage of proprietary directors over total non-executive directors does not exceed the proportion between the Company's share capital represented by those directors and the remaining share capital.

#### **Executive directors**

7. The position of executive directors is consistent with the exercise of any other position or role at the Company.

## **Article 17. Appointment**

1. The appointment of directors is part of the competence of the General Shareholders' Meeting, notwithstanding the Board of Directors' competence to appoint Board members through the co-option system pursuant to the law and article 18 of these By-Laws.
2. Directors need not be shareholders and may be either individuals or legal entities.
3. The position as director shall not be held by those persons falling into any of the prohibitions or incompatibilities under section 213 of Companies Act, Law 3/2015, of 30 March, regulating the exercise of senior positions in the Civil Service, and any other applicable legal regulation or those amending, replacing or supplementing previous regulations.

## **Article 18. Term of office**

1. Directors shall remain in office for a term of four (4) years and may be re-elected once or several times for equal periods.
2. Should there exist any vacancies during the directors' office term, the Board may appoint persons to fill those vacancies up to the first General Shareholders' Meeting. If the vacancy takes place once

the General Shareholders' Meeting has been called and before it is held, the Board of Directors may appoint a director to cover such vacancy whom office shall be in force until the General Shareholders' Meeting following the already called meeting. In any case, this period shall not be computed for the purposes mentioned in the previous paragraph.

## Article 19. Organization and operation of the Board of Directors

### Positions

1. The Board of Directors, subject to the previous report from the Nominations and Compensation Committee, shall appoint a Chairman among its members and, if so approved, may appoint one or more Vice-Presidents to replace by their order (or in the absence of order, depending on the seniority in the position of director) the Chairman in the event of vacancy, absence or illness. Likewise, they shall appoint, subject to the previous report from the Nominations and Compensation Committee, a person to act as Secretary and may appoint one or more Vice-Secretaries to substitute the Secretary in the event of vacancy, absence or illness. The Secretary and, as applicable, the Vice-Secretaries may or may not be directors; in this last case, they shall have the right to speak, but not to vote.

### Chairman

2. The Chairman of the Board of Directors shall (i) call and chair Board of Directors' meetings and, as applicable, Executive Committee meetings, setting meeting agendas and leading discussions and debates of the Company's bodies that he/she presides; (ii) ensure that directors receive sufficient information to analyse the items of the agenda in advance; (iii) promote the debate and active participation of directors during the meetings, guaranteeing their free decisions; (iv) ensure the compliance with the resolutions adopted by those bodies; (v) approve minutes and certificates and, in general (vi) carry out all the procedures required for the proper performance of the body.
3. The Chairman may also be the Company's primary executive. The Board of Directors is in charge of determining whether the Chairman may hold that position. In that case, the Board of Directors, with the abstention of executive directors, shall be required to appoint a coordinating director among independent directors, who shall be especially empowered to request the calling of the Board of Directors or the inclusion of new items in the agenda of the Board of Directors already called, to coordinate and gather non-executive directors and to lead, as applicable, the periodical evaluation of the Board of Directors' Chairman.

### Secretary

4. The Board of Directors' Secretary shall (i) keep the documentation of the Board of Directors, record



the development of sessions in the minutes book and bear witness of its contents and the resolutions adopted; (ii) ensure that the Board of Directors' actions are consistent with applicable regulations, By-Laws and other internal regulations; and (iii) assist the Chairman so that the directors may receive the appropriate information to exercise their roles sufficiently in advance and in a proper manner.

### **Call**

5. The Board of Directors shall be called by its President or such other person performing his/her functions. Members of the Board constituting at least one-third of its members may convene it, indicating the agenda, to be held at the place where the registered office is located if, upon request to the Chairman, the latter, without justifiable cause, would not call the General Shareholders' Meeting within one month.
6. Likewise, the Chairman shall call the Board of Directors when requested by the independent coordinating director.
7. The Board of Directors shall meet at least six times a year and at least one of these meetings shall take place each quarter. The call will be made in writing (by letter or electronic mail) or any other means of communication that give evidence of their reception and addressed to each director at the address or electronic mail address notified to the Company. The Board of Directors shall be called at least five (5) days prior to the meeting, except upon the occurrence of circumstances requiring an urgent meeting; in that case, the call shall be made at least twenty-four (24) hours in advance. The place, date of the meeting and agenda shall be stated in the call.

### **Holding of Board of Directors' Meetings**

8. The Board of Directors shall be validly convened when most of its members attend the meeting, either in person or by proxy. Representation powers shall be granted through a letter sent to the Chairman. Directors may only be represented at the Board meetings by another director. Non-executive directors shall only be represented by another non-executive director.
9. The Chairman shall open sessions and lead discussions, giving permission to speak and providing directors with the news and reports concerning the course of business of the Company.

### **Adoption of resolutions**

10. Unless applicable legislation sets forth a higher majority, resolutions shall be adopted by absolute majority of attending directors. In the event of a tie, the Chairman shall cast the tie-breaking vote.

However, for the Board of Directors to validly agree on the amendment of the Regulations of the Board of Directors, it will be required to have the favourable vote of at least two thirds of its members.

11. Resolutions adopted in writing and without holding any meeting shall be valid only if no director has objected to this procedure.
12. Any decision made by the Board of Directors through video conferencing or multiple conference call shall be valid, provided that all members have the media necessary to that effect and their identity can be evidenced, which shall be expressly stated in the minutes of the Board and in the certificate of any decision made. In that case, the Board of Directors' meeting shall be considered a single meeting that was held at the registered office.

### **Board of Directors' minutes**

13. The Board's resolutions shall be recorded in the minutes, which must be approved by the Board itself at the end of the meeting or at the following one. The minutes shall be signed by the Secretary of the Board or of the meeting, with the approval of whoever has acted as Chairman thereat. The minutes shall be transcribed in the Minutes Book.

### **Permanent delegation of powers: Executive Committee and managing director(s)**

14. The Board of Directors may appoint among its members, with the favourable vote of two thirds of its members, an Executive Committee formed by the members that it deems convenient (at least three), as well as one or more Managing Directors, delegating in them the powers that it may deem advisable, subject to legal limitations, notwithstanding the powers-of-attorney granted to any person. The delegation of powers that cannot be delegated according to law is not allowed under any circumstances.
15. The Chairman of the Executive Committee shall be the Chairman of the Board of Directors, provided he/she is a member of the former; in other cases, the Committee itself shall appoint a Chairman among its members.
16. The Executive Committee shall meet as many times as deemed convenient by its Chairman or the person replacing him/her, or at the request of the majority of its members, to deal with the matters that the Board of Directors agreed to delegate to it pursuant to current legislation and these By-Laws.
17. The Executive Committee shall be validly convened when more than half of its members attends the meeting, either in person or by proxy.

18. Resolutions of the Executive Committee shall be adopted by absolute majority of the directors attending the meeting.
19. The enforcement of resolutions of the Executive Committee shall be under the charge of the Secretary, whether or not a director, the director designated for these purposes by the Board itself or the proxy with powers to enforce and notarize the corporate resolutions.
20. The provisions of the By-Laws on creation, adoption and documentation of Board of Directors' resolutions shall apply to the Executive Committee in all matters not expressly regulated for such Committee.

#### **Internal Committees of the Board of Directors**

21. In exercising its powers of self-organisation, the Board of Directors may set up internal support committees as needed to properly perform its functions. Such committees shall include at least an Audit Committee and a Nominations and Compensation Committee (or as appropriate, a Nominations Committee and a separate Compensation Committee).

## **Article 20. Audit Committee**

1. The Company shall have an Audit Committee formed by, at least, three directors appointed by the Board of Directors, who shall have the capacity, experience and dedication required to perform their functions. All Audit Committee members shall be external directors or non-executive directors appointed by the Board of Directors. The majority of them shall be independent directors and all of them shall be appointed in view of their knowledge and experience in accounting, audit or risk management. As a whole, the members of the Audit Committee shall have the relevant technical knowledge on the activity sector to which the Company belongs.
2. The Chairman shall be elected by the Audit Committee itself among its members, who must be independent directors and must be replaced every four years, with the possibility of re-election one year after termination.
3. The Audit Committee shall support the Board of Directors in surveillance matters through the periodical review of the process for economic and financial information preparation, the Company's internal controls and the independence of the accounts auditor.
4. The Audit Committee shall have the competences established by law. The Board of Directors

shall develop the functions and operating rules of the Audit Committee.

5. The Audit Committee shall meet regularly, as determined and called for by its Chairman or as requested by two of its members. Any member of the management team or of the Company's staff who is requested to attend a meeting shall be obliged to attend the Audit Committee's meeting and provide cooperation and access to the information available to him/her. To comply with its responsibilities, the Audit Committee shall have the available means required for an independent performance. The Audit Committee shall adopt its resolutions or recommendations by absolute majority of votes of the members attending (present or represented) the meeting. In the event of a tie, the Chairman of the Audit Committee shall cast the tie-breaking vote.

## Article 21. Nominations and Compensation Committee

1. The Company shall have a Nominations and Compensation Committee formed by, at least, three directors appointed by the Board of Directors, who shall have the capacity, experience and dedication required to perform their functions. All such committee members shall be external directors or non-executive directors. The majority of them shall be independent directors.
2. The Chairman shall be elected by the Nominations and Compensation Committee itself among its members, who must be independent directors.
3. The Nominations and Compensation Committee shall have the competences established by law and the Regulations of the Board of Directors. The Board of Directors shall develop the functions and operating rules of the Nominations and Compensation Committee.
4. The Nominations and Compensation Committee shall meet regularly, as determined and called for by its Chairman or as requested by two of its members. Any member of the management team or of the Company's staff who is requested to attend a meeting shall be obliged to attend the Nominations and Compensation Committee's meetings and to provide cooperation and access to the information available to him/her. To comply with its responsibilities, the Nominations and Compensation Committee shall have the available means required for an independent performance. The Nominations and Compensation Committee shall adopt its resolutions or recommendations by absolute majority of votes of the members attending (present or represented) the meeting. In the event of a tie, the Chairman of the Nominations and Compensations Committee shall cast the tie-breaking vote.

## Article 22. Remuneration of directors

1. The remuneration of directors for acting as such shall consist of a fixed annual amount to be allocated by the Board of Directors at its discretion, considering the circumstances of each director, the functions and responsibilities attributed to them by the Board and whether they belong to different committees, which may give rise to different remuneration amounts payable to each one of them. The Board of Directors shall also determine the frequency and payment of such amount, which may include insurance and social security amounts applicable from time to time.
2. The amount of the annual remuneration for the Board of Directors shall be determined by the General Shareholders' Meeting, to remain effective until it is amended; however, the Board of Directors may reduce this amount during any year that it may deem convenient.
3. The remuneration provided for in this article shall be compatible with and independent of payment of any fee and salary which they may earn from the Company for delivery of services or an employment relationship arising, as the case may be, from a contractual relationship other than that of the office of director, which shall be governed by the applicable legal provisions.
4. In addition, notwithstanding the previous comments, if a director is attributed executive functions, such director shall enter into a contract with the Company as provided by Law. Such contract shall include all the items for which compensation may be granted as a result of the performance of executive functions, including, as applicable, the potential severance payment for early termination, post-contractual non-competition obligations and/or the amounts to be paid by the Company for savings system contributions. Remuneration items may include the following: (i) a fixed annual remuneration, (ii) a variable remuneration (annual and/or multi-annual) linked to the achievement of financial and/or non-financial objectives, of a qualitative and/or quantitative nature and (iii) remuneration in kind such as life and accident insurance, civil liability insurance or availability of a company vehicle.
5. Likewise, the remuneration of directors for the performance of executive duties may also be linked to the delivery of shares or options on shares of the Company, or indexed to the value of the Company's shares, in which case the resolution of the General Shareholders' Meeting is required.
6. The remuneration to directors shall adjust to the remuneration policy approved by the General Shareholders' Meeting and, as applicable, any other specific resolutions approved by the General Shareholders' Meeting concerning directors' remuneration.

## TITLE IV – ANNUAL ACCOUNTS

## Article 23. Fiscal year

1. The fiscal period shall start on 1 January and shall end on 31 December of each year.

## Article 24. Drafting of financial statements

1. The Board of Directors must draft and sign, within the first three months of each fiscal year, the financial statements, the management report and the proposal for income allocation, and, as the case may be, the consolidated financial statements and their management report.
2. Financial statements shall comprise the balance sheet, the profit and loss account, the statement of changes in equity, the cash flow statement and the annual report. These documents form a unit and should be drafted clearly and be a true representation of the Company's equity, financial position and income (profit or loss) in accordance with the provisions of the Law and the Code of Commerce.

## Article 25. Distribution of dividends

1. As regards profits earned at any given fiscal year, after setting aside the necessary amount for the statutory reserve, and for any other purpose legally required, the General Shareholders' Meeting may resolve to use such amount as it may deem convenient for the voluntary reserve or for any other purpose permitted by legal provisions. The excess, if any, shall be distributed among shareholders as dividends pro rata to their shareholding in the share capital, and payment shall be made within the term set out by the General Shareholders' Meeting itself.

Interim dividends may be allocated pursuant to law.

2. The General Shareholders' Meeting may agree to distribute dividends or unrestricted reserves, including the share premium reserve, dividends in kind (*dividendos en especie*), provided that the assets or securities to be distributed are homogeneous and liquid. This last requirement shall be deemed met if the securities are admitted for trading in a regulated market, multilateral trading system or any other organised market at the time the resolution approving the distribution is effective, within the following year or when the Company provides the adequate liquidity guarantees. The regulation contained in this paragraph shall be *mutatis mutandi* applicable to the reimbursement of contributions in the event of share capital reduction.

## TITLE V – DISSOLUTION AND LIQUIDATION

### Article 26. Company's dissolution

1. The Company shall be dissolved due to the grounds and with the effects established by law.

## Article 27. Liquidators

1. Once the Company is dissolved, unless otherwise agreed by the General Shareholders' Meeting, all directors holding effective office and registered with the Commercial Registry shall become liquidators by operation of law.

## TITLE VI – GENERAL PROVISIONS

### Article 28. Applicable law

1. The Company shall be governed by these By-Laws and, where not provided for, by Royal Decree-Law 1/2010 of 2 July, which approved the Consolidated Companies Act, and any other applicable provisions. All references made in these By-Laws to the “Law” shall be deemed to imply applicable legislation and, in particular, the Companies Act.