

## ARTICLES OF INCORPORATION OF OBRASCON HUARTE LAIN, S.A.

## **ARTICLES OF INCORPORATION**

### **“OBRASCON HUARTE LAIN, S.A.” <sup>1</sup>**

#### **TITLE I.- NAME, ADDRESS, TERM AND OBJECT OF THE COMPANY**

##### **Article 1.-**

The company name is “OBRASCON HUARTE LAIN SA” and shall be governed by the present Articles of Incorporation and by the applicable current legal provisions. It was incorporated under the name of “Sociedad General de Obras y Construcciones” by deed granted before the Notary of Bilbao, Mr Francisco de Santiago y Marín on the fifteenth day of May of 1911 and is registered in the Commercial Registry of Madrid in volume 794 general of the Book of Companies, sheet 40, page M-11.125. Its corporate name was changed to OBRASCON HUARTE LAIN SA as a consequence of the mergers by acquisition of the companies Huarte SA and Construcciones Lain SA in 1998 and 1999, respectively.

##### **Article 2º.- Registered address.**

The registered address of the Company will be in Madrid, at Paseo de la Castellana, nº 259 D, Torre Espacio, the Board of Directors being empowered to create Branches, Agencies, Delegations and Representation Offices anywhere within the country or abroad.

Likewise, the Board of Directors is empowered to change the registered address in the terms of the current Law on Corporations.

##### **Article 3º.-**

The Company shall be incorporated for an indefinite period of time.

##### **Article 4º.- Corporate purpose.**

The purpose of the company is:

A) In general, to develop both within the public and private scope, either at a national or international extent:

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<sup>1</sup> Last amendment: articles 9,10,11,12,13,14,16,17,22,23 y 24 by resolutions of the Ordinary General Shareholders Meeting of June 29, 2021.

- a) The assessment and construction of all kind of works, either public or private,
- b) The promotion, development, construction and operation of all infrastructures, services and concessions of any kind,
- c) The promotion, development, construction and operation of all industrial and engineering projects.

B) In particular:

- a) The acquisition by purchase, filling a claim for public land or concession and the management and sale, of land, mines, quarries, water resources, workshops, industries or service activities of any nature or kind related to the construction
- b) To perform the construction, operation, conservation, maintenance, cleaning and sanitation and sale of any kind of housing, apartments, developments, buildings, offices, commercial premises, industrial units and industrial parks, both residential or industrial, and any type of property as well as urban developments, street fixtures, monuments and special buildings, gardens, mountains, water and sewage network, water treatment plants, planning and developing the necessary infrastructure and construction works and for those purposes developing all sorts of activities, either principal, secondary or ancillary related to the object of the construction, operation and sale of properties mentioned in this section, including in such activities, the construction, execution, maintenance and repair of equipment and installations in relation to water, gas, air conditioning, heating, informatics, office automation, telecommunications, electricity and electronics, electro-medicine, and machinery in general as well as safety and fire protection.
- c) To develop the activities related to the transport of construction materials, of wastes in general and industrial and urban in particular as well as of people.
- d) To provide qualified services for the sterilization of sanitary materials and restoration of works of art.
- e) To provide services for the treatment of waters and the treatment and burning of urban wastes, sludge and wastes in general.
- f) To develop the provision of services of information technologies and communications such as maintenance and repair services of informatics and telecommunications equipment and installations

C) To comply with the corporate purpose, the Company may:

- a) Develop all activities mentioned, either totally or partially in an indirect manner by means of the ownership of shares or participations in companies with identical or similar object.
- b) To attend without any limitation to tenders, awards or any other legal procedures filing for that purpose any offer and performing all proceedings necessary without any exception whatsoever

## **TITLE II.- SHARE CAPITAL – SHARES**

**Article 5º.-**

The Share capital amounts to ONE HUNDRED FORTY-SEVEN MILLION SEVEN HUNDRED EIGHTY ONE THOUSAND ONE HUNDRED FORTY-FIVE EUROS AND SEVENTY FIVE CENTS OF EURO (€147.781.145,75), represented by FIVE HUNDRED NINETY ONE MILLION ONE HUNDRED TWENTY-FOUR THOUSAND FIVE HUNDRED EIGHTY THREE (591.124.583) shares of TWENTY FIVE CENTS OF EURO (€0.25) nominal value of one sole series and class.

All shares have been fully paid up

**Article 6º.- Increase of share capital.**

The Board of Directors by delegation of the General Shareholders Meeting may establish the dates for the signature of the resolutions already adopted for the increase of the share capital and to establish its conditions in everything which has not been foreseen in the agreement of the General Shareholders Meeting.

Likewise, before the relevant delegation by the General Shareholders Meeting, it may agree in one or several times, the increase of the share capital up to the amount established on the occasion and by the amount decided without previous consultation to the General Shareholders Meeting all within the terms of Article 297 of the current Law on Capital Companies.

As a consequence of the delegation agreed by the General Shareholders Meeting, the Directors are empowered to redraft the article of the Articles of Association regarding the share capital, once the increase has been agreed and signed.

**Article 7º.-**

Shares are represented by account entries following the provisions of the current legislation.

Shares represented by account entries are registered in the relevant Accounting Registry where subsequent ownership transfers as well as the creation of in rem rights and encumbrances over such shares will be recorded according to the provisions of the current legislation.

The Company shall consider as shareholder those registered as such in the relevant Accounting Registry.

#### **Article 8º.-**

The shares represented by account entries are indivisible. The co-owners of one or several of them will have to appoint one person who will exercise the rights of a partner and shall be joint and severally responsible before the Company of all obligations arising from its status of shareholder.

#### **Article 9º.- Issue of Bonds.**

The Company may issue numbered series of bonds or other securities acknowledging or creating a debt.

### **TITLE III.- ADMINISTRATIVE REGIME.-**

#### **CHAPTER I.- OF THE BODIES OF THE COMPANY**

##### **Article 10º.- Governing Bodies of the Company.**

The Management, Administration and Representation of the Company are entrusted to the General Shareholders Meeting and the Board of Directors within the scope of their relevant competences.

General Shareholders Meetings may be Ordinary or Extraordinary, considering an Extraordinary Shareholders Meeting any Meeting different from those envisaged in Article 164 of the Law on Corporations.

General Meetings both Ordinary and Extraordinary and save from the legal provisions, will only discuss the issues specifically mentioned in the call and its complements.

#### **CHAPTER II.- OF GENERAL SHAREHOLDER MEETINGS**

##### **Article 11º.- General Meetings.**

Shareholders seating in a duly conveyed General Meeting shall decide by the statutory majorities the issues falling under their competence.

All directors, even those dissident and who have not taken part in the meeting will be subject to the resolutions of the General Meeting.

##### **Article 12º.- Chairing of Meeting.**

The General Meeting will be chaired by the Chairman of the Board of Directors.

In his absence, the Meeting will be chaired by the Vice-president of the Board and in turn in his absence by the person chosen as the case may be by the attendants to the meeting.

The Chairman will be assisted by a Secretary which will be that of the Board of Directors or in his absence by the Vice-Secretary or in his absence by that appointed by the shareholders attending the Meeting.

### **Article 13º.- Right to attend, representation and vote.**

#### **A) Right to attend.**

All Shareholders may attend General Meetings but in order to have speaking and voting rights it will be necessary to record shares in the relevant Accounting Registry five days before the date of seating of the Meeting.

For the admission to General Shareholders Meetings each Shareholder requesting it and entitled to attend will be provided with a nominative and personal card with the instructions envisaged by the Law and these Articles; such card may be replaced by the relevant legitimation certificate issued for these purposes by the Entity in charge and adhered subject to the entries of the Accounting Registry.

Shareholders with this right will attend the General Meeting seated at the place mentioned in the call using electronic or online communication means insofar as according to the current state of technology, the Board of Directors so agrees specifying in the call the means to be used to such end as they comply, pursuant to the Law, with the security conditions necessary to guarantee the identity of the shareholder, the effectiveness of its rights and the correct development of the meeting.

Moreover, the Board of Directors may call the General Meeting for its celebration exclusively online, this means, without the physical attendance of shareholders or its representatives. The regulation of exclusively online meetings will be developed in the Regulation of the General Meeting pursuant to the provisions of the applicable legislation from time to time and anything not considered will be subject to the general regulations applicable to in-person meetings adapted as the case may be to the nuisances arising from its nature. Should the General Meeting be held only online it will be necessary that shareholders also delegate or exercise in advance the vote of the proposals included in the agenda by postal mail, e-mail or any other distance communication mean.

The Regulation of the General Shareholders Meeting may entrust to the Board of Directors and Chairman of the General Shareholders Meeting the faculty to define:

- The instructions for the prior registry of shareholders and if applicable, their representatives as well as the minimum period of time for shareholders to be connected before the beginning meeting in order to consider them present.
- The lapse of time during the seating of the meeting, where shareholders attending online may exercise their right to information and vote. Directors may determine that speeches and proposals for agreement intended by those attending using online means

are referred to the Company before the incorporation of the Meeting. The response to shareholders who exercise their right to information during the Meeting will take place during the meeting or in writing within the seven days following the end of the Meeting.

- The instructions to delegate the representation and the exercise of the right to vote.
- The methodology to prepare the list of attendants to the Meeting.

The Regulation may entrust to the Board of Directors and the Chairmanship of the Meeting faculties to implement these restrictions depending on the incidents which may arise during the meeting.

If due to technical circumstances alien to the company or by security reasons arising from subsequent circumstances alien to the former were there any interruption of the communication or its purpose, this circumstance shall not be considered as an illegal deprivation of the rights of shareholders.

The Meeting and if applicable the Notary will have direct access to the connection systems allowing the attendance to the Meeting so that they are aware by themselves and immediately of the communications and statements made by shareholders attending online.

#### B) Right to representation.

All shareholders entitled to attend may be represented in the general meeting by a third party regardless if it is a shareholder. The representation will be granted in writing.

Moreover shareholders may grant their representation by postal mail or remote online means duly guaranteeing the representation granted and the identity of the principal. The representation granted by online communication means will be limited if the electronic document in virtue of which such representation is granted shows the acknowledged electronic signature of the principal or any other signature, which being accepted by resolution adopted for the previous purpose by the Board of Directors meets according to the Law, the appropriate authenticity and identification guarantees of the shareholder granting such representation. The Board of Directors will determine pursuant to the call of the Meeting, the procedure, requirements, system and deadline for the granting and delivery to the Company of the representations and delegations of vote sent by postal mail or online and for its eventual revocation. Such circumstances will be expressed in the announcement of the call of the Meeting.

#### C) Right to vote.-

- 1.- Each share confers a right to vote.
- 2.- Shareholders entitled to attend may cast their vote on the proposals regarding the items of the agenda of the General Meeting by:
  - a) Postal mail sending the attendance and vote card issued by the Company duly signed and completed.
  - b) Other electronic and remote communication means insofar as the electronic document in virtue of which the right to vote is exercised includes the acknowledged electronic signature of the requestor or any other signature considered appropriate by the Board of Directors in a prior resolution adopted to such end, as it provides, pursuant

to the law, enough authenticity and identification guarantees of the shareholder exercising its right to vote.

The Board of Directors shall determine in the resolution of the call of each Meeting, the procedure, requirements, system and deadline for the exercise and delivery to the Company of the right to vote online and for its eventual revocation. Such circumstances will be expressed in the announcement of the call of the Meeting.

The Regulation of the General Shareholders Meeting will establish the prior notice with respect to the date of celebration of the Meeting, for the reception of the vote casted online having to accept in any case those received within the ten days following the date of the call. The Board of Directors may extend the deadline for the reception of votes mentioning the new deadline in the call of the Meeting in question.

Shareholders casting their online vote in the terms mentioned in this article shall be considered as present for the purposes of the incorporation of the Meeting in question. Therefore, all delegations made before will be understood as revoked and those granted afterwards will be understood as not made.

The vote casted online mentioned in this article may only be rendered without effect:

- a) By subsequent and express revocation by the same means as those used for the casting and within the deadline established;
- b) By attendance to the meeting of the shareholder casting it either in person or electronically pursuant to section A) of this article.
- c) By the sale of the shares which ownership grants the right to vote, of which the Company is aware with at least five days prior notice to the date foreseen for the seating of the Meeting.

3.- Shareholders shall not exercise the right to vote inherent to their shares when voting a resolution regarding:

- a) The discharge of an obligation or granting of a right.
- b) The provision of any financial assistance including the provision of guarantees.
- c) The discharge of obligations arising from the duty of loyalty envisaged in Article 230 of the Law on Corporations.

The shareholder involved in the cases foreseen regarding related transactions which approval falls under the competence of the Meeting shall not exercise the right to vote corresponding to its shares.

#### **Article 14º.- Ordinary Shareholders Meeting.**

The Ordinary Shareholders Meeting previously conveyed to such end, shall always meet within the first six months of the year to challenge the corporate management, approve if applicable the accounts of the previous year and to decide on the allocation of results.

The Ordinary Shareholders Meeting shall be conveyed by the Board of Directors by an announcement published (i) in the Official Bulletin of the Commercial Registry or in one



of the largest circulation newspapers in Spain, (ii) on the website of the Company and (iii) on the website of the National Stock Exchange Commission at least one month before the date established for its seating.

The proposal on the distribution of dividends and the Report along with the Report of the Auditors of accounts of the annual accounts and the management report as well as any other information legally established will be made available to shareholders from the date of the call of the General Meeting.

#### **Article 15º.- Extraordinary Shareholders Meeting.**

Any Meeting which is not foreseen in Article 14 shall be considered as an Extraordinary Shareholders Meeting being called by the Board of Directors when it is considered appropriate or necessary for the corporate interests.

The Board of Directors shall also call it whenever the partners holding at least three per cent of the share capital, request it expressing in such request the issues to be discussed in the Meeting.

In this case, the Meeting shall be called for its seating within the month following the date of the notarised request to the Directors.

The Directors shall draft the Agenda, including the issues requested.

Shareholders representing at least three per cent of the share capital shall request the publication of an attachment to the call of a General Shareholders Meeting including one or more of the issues of the Agenda. Such right may never be exercised regarding the call of Extraordinary Shareholders Meetings. The exercise of this right shall be made by means of reliable notification sent to the registered office within the five days following the publication of the call. The attachment to the call shall be published with at least a 15-day prior notice from the date established for the seating of the Meeting.

Shareholders representing at least three per cent of the share capital may within the same term of 5 days following the publication of the call, file proposals on the issues included or that should be included in the agenda of the Meeting called, such proposals being disseminated according to the law.

#### **Article 16º.- Incorporation Quorum.**

Ordinary and Extraordinary Meetings will be validly incorporated at first call with the attendance either in person or represented of shareholders holding at least twenty five per cent of the subscribed capital with voting rights.

At second call the Meeting will be validly seated regardless of the capital appearing.

For the General, Ordinary or Extraordinary Meeting to validly agree on the issuance of obligations when it is a competence legally attributed to the General Meeting, the increase or reduction of capital, the transformation, merge or division or global conveyance of the assets and liabilities of the Company, the elimination or limitation of the right to pre-emptive acquisition of new shares, the change of address abroad and in general any change of the Articles of Association, it will require at first call, the attendance of shareholders in person or represented holding at least fifty per cent of the subscribed capital with voting rights.

At second call the attendance of twenty five per cent of the share capital of the Company with voting rights will be enough.

### **Article 17º.- Majorities**

Unless the Law expresses a larger majority, corporate resolutions will be adopted by simple majority of the votes of shareholders present or represented in the Meeting understanding a resolution as adopted when it obtains more votes in favour than against of the capital present or represented.

For the Meeting to validly agree on the issuance of an obligation when it falls under the competence of the General Meeting, the increase and reduction of capital, the transformation, merge or division or the global conveyance of assets and liabilities of the Company, the elimination or limitation of the right to pre-emptive acquisition of new shares, the transfer of the address abroad and in general, any amendment of the Articles of Association, it will require the absolute majority of the capital present or represented exceeding fifty per cent. In case of attendance of shareholders representing twenty five per cent or more of the subscribed capital with voting rights without reaching fifty per cent of the capital, these resolutions will be validly adopted with the favourable vote of two thirds of the capital present or represented in the Meeting

### **Article 18º.- Universal Meeting.**

Despite the provisions of the previous articles, the Meeting shall be considered as called and shall be validly seated to discuss any issue when the total of the share capital is present or represented and the attendants unanimously accept the seating of the Meeting.

### **Article 19º.- Adoption of resolutions.**

The resolutions adopted by the General Meetings shall be recorded in the Book of Minutes.

Such Minutes as well as the certifications issued shall be authorized by the Chairman and the Secretary.

The Minute of the Meeting may be approved by the Meeting after its seating or, otherwise, within a period of fifteen days, by the Chairman and two partners present, one representing the majority and another one the minority.

Corporate resolutions shall be enforced from the date of the approval of the minute in which they appear.

### **CHAPTER III.- OF THE DIRECTORS OF THE COMPANY**

#### **Article 20°.-**

The governance, administration and representation of the Company, without prejudice of the exclusive faculties of the General Shareholders Meeting, is entrusted to a Board of Directors formed by several Directors, no less than seven and no more than thirteen, who shall be freely appointed and removed by the General Shareholders Meeting.

Save for those cases when the General Shareholders Meeting has to hold the representation of the Company, the Board of Directors shall hold the representation of the Company, in court or out of court, without limitation whatsoever, and therefore its representation shall extend to all acts included in the corporate purposes listed in the Articles.

#### **Article 21°.-**

The General Shareholders Meeting shall have competence to determine the number of Directors which shall compose the Board of Directors.

#### **Article 22°.- Faculties of the Board of Directors.**

The Board of Directors is specially entrusted without prejudice of the application of the wording of Articles 233 and 234 of the Law on Corporations and without limitation, the faculties expressed in the Articles below:

- a) To acquire, alienate, mortgage, pledge and encumber all sorts of property and assets, securities and titles as well as in rem or personal rights of any nature and to carry out with respect to all goods and rights mentioned all acts and civil and commercial contracts, administrative and full possession without exception even the incorporation, amendment and cancelation of mortgages and any in rem rights.
- b) To give and receive loans with mortgage, collateral or personal guarantees and to execute without limitation all sorts of guarantees including personal or in rem.
- c) To represent the Company before the State, Autonomous Communities, Public Corporations, Authorities, Companies, individuals, Trials and ordinary and special courts.

d) To decide on goods and rights and to submit to the award of law or equity arbitrators on all issues and disputes subject to these procedures.

e) To grant the corporate signature and representation of the Company to any person vesting on it all faculties considered appropriate.

f) To decide on appointments and dismissals of staff.

g) To incorporate and create Companies and Corporations regardless of their form and nature related to the corporate object.

h) To hold without limitation all faculties to be entrusted to the General Meeting and therefore to hold the representation of the Company in all acts included in the corporate object defined in the Articles.

i) To issue obligations, bonds or any other marketable security or financial instrument which issuance does not legally correspond to the General Shareholders Meeting as well as the granting of any sort of guarantee, personal or in rem, with respect thereto.

It is understood that the faculties attributed by the Law on Corporations to the General Shareholders Meeting are expressly excluded.

#### **Article 23º.- Organization and operation of the Board of Directors.**

The Board of Directors shall be governed by the following rules:

a) The Board shall appoint its Chairman among its members. The Board may appoint among its members one or several Vice-Chairmen with the faculties determined from time to time. It may also appoint a Secretary and a Vice-Secretary to replace it in the event of absence, who do not have to be Board members.

b) Directors shall hold office for a period of four years from the date of their appointment. They may be re-elected for periods of another four years.

In the event of vacancy the Board may appoint among its shareholders the Director to hold such vacancy temporarily, submitting such appointment to the approval of the first General Meeting to be held.

c) The Board shall meet at least once a term and when convened by the Chairman or whoever acts as such or when requested by two Directors. Resolutions of the Board, taken in a duly convened meeting will be valid insofar as the session in which they are adopted counts with the presence or representation of at least the majority of Directors. Each Director may grant its representation to another Director but none of those present may hold the representation of more than two absentees. Non-executive directors may only grant their representation to another non-executive director. Resolutions shall be approved by absolute majority of the votes of directors attending the session.

Discussions and resolutions of the Board shall be registered in a Book of Minutes. Such Minutes as well as the certificates issued therein shall be authorized by the Chairman and the Secretary.

d) The Board may agree on the delegation of its faculties to one or several Managing Directors or to an Executive Commission. The Board may also appoint other commissions entrusted with faculties on certain issues and aspects.

Under no circumstance faculties not subject to delegation may be the object of delegation and neither will be those faculties specifically granted to the Board by the General Meeting unless there is, in this last case, an express authorization of the latter. Moreover, it may neither delegate those faculties considered as non-delegable in the regulation approved by the Board under the light of the faculty granted by article 249.1 of the Law on Corporations.

The permanent delegation of faculties on the Managing Director or on the Executive Commission shall require the favourable vote of two thirds of the parties of the members of the Board. Otherwise it shall have no effect until its entry in the Commercial Registry. Moreover, the Board may appoint representatives and Directors with the faculties delegated as the case may be.

e) The Chairman of the Board of Directors shall: (1) convey the sessions of the Board of Directors and General Shareholders Meeting pursuant to the Law and Articles of Association; (2) chair the sessions of the Board of Directors and the General Shareholders Meeting directing and organizing discussions; (3) approve the certificates of minutes of resolutions of the bodies of the Company in the terms foreseen in the Regulation of the Commercial Registry and other applicable provisions; (4) represent the Company in the execution of contracts and in the development of actions agreed by the General Meeting or the Board of Directors within the scope of their respective faculties without prejudice of the faculties and powers such bodies may have granted to other individuals; (5) any other duties and faculties attributed by these articles or by the law.

f) The Board of Directors shall appoint among its members an Audit and Compliance Commission. The number of members of the Audit and Compliance Commission shall never less than three or more than seven and shall be defined by the Board of Directors. All members of the Audit and Compliance Commission have to be non-executive Directors of the Company and will not have any other professional relationship different from that according to which they are appointed. Most of them shall be independent and one of them will be appointed in consideration of its knowledge and experience in accounting, audit or both. The Audit and Compliance Commission shall be entrusted the competences and shall be governed by the rules of operation mentioned below:

Without prejudice of other duties entrusted by the Law, the General Meeting or the Board of Directors, the Audit and Compliance Commission shall have the following basic responsibilities:

- 1.- To inform the General Shareholders Meeting of the issues proposed by shareholders on competence and to consider the suggestions on the matter made by shareholders, the Board of Directors and the directors of the company.
- 2.- To propose the appointment of an auditor, the conditions for its contracting, the scope of the professional mandate and if applicable, the revocation or non-renewal.
- 3.- To establish the appropriate relations with external auditors, to assess the results of each audit and the answers of the management team to their recommendations and to mediate in case of discrepancies between the former and the latter with respect to the principles and criteria applicable to the preparation of financial statements as well as to receive information on those issues which may put at risk the independence of auditors and any other related to the process of the audit of accounts as well as all those communications foreseen in the accounts audit legislation and in technical audit regulations. In any case, they shall receive on an annual basis from the auditors of accounts the written confirmation of their independence from the Company or directly or indirectly related entities as well as the information of additional services of any kind provided to the company by such auditors or by people or entities related to them pursuant to the provisions of the Law.
- 4.- To issue on an annual basis before the issuance of the accounts audit report, a report expressing an opinion on the independence of the auditors of accounts. This report shall always refer to the provision of the additional services mentioned in the previous section.
- 5.- To supervise the fulfilment of the audit contract expressing an opinion on the accounts and main aspects of the audit report in a clear and accurate manner.
- 6.- To supervise the efficiency of the internal control, internal audit services of the company and the risk management services as well as to revise the appointment and replacement of its directors and to discuss with auditors of accounts the significant weaknesses of the internal control system detected during the audit.
- 7.- To supervise the process for the preparation and presentation of the financial information and to revise the appointment and replacement of their responsible.
- 8.- To revise the accounts of the company, to supervise compliance of the legal requirements and the correct implementation of generally accepted accounting principles as well as to inform of proposals for the amendment of principles and accounting principles suggested by the management.
- 9.- To revise prospectus and periodic financial information to be provided by the Board to the markets and supervising bodies.
- 10.- To examine compliance of the Internal Rules of Conduct for Securities Market, the Regulation of the Board of Directors, the Regulation of the General Shareholders Meeting, the Ethic Code of Grupo OHL and in general the governance rules of the

Company and to make the necessary proposals for their improvement. In particular, the Audit Commission will receive information and if applicable, issue a report on disciplinary measures to top management members of the Company.

11.- To inform in advance the board of directors on all issues foreseen in the Law, the articles of association and the regulation of the board and in particular on: 1) the financial information to be periodically disclosed by the company, 2) the creation and acquisition of shares in special purpose entities or with residence in countries or territories considered as tax havens, 3) proposals for the amendment of Regulations of the Board of Directors.

- The Audit and Compliance Commission shall appoint among its members a Chairman who will be independent. In the absence of the Chairman, the meeting will be chaired by the oldest independent director. The term of this position will be of a maximum of 4 years being re-elected once the period of one year has elapsed from its cessation. The Secretary will be the Secretary of the Board of Directors and in his absence the Vice-Secretary of the Board of Directors. All resolutions adopted will be recorded in a minute informing the Board of all of them.

- The Audit and Compliance Commission will periodically meet according to the needs and at least, four times a year. One of the sessions will necessarily focus on the assessment of the efficiency and compliance of governance rules and procedures of the Company and on the preparation of the information that the Board of Directors has to approve and include in its annual public documentation. The Chairman shall convey the Meeting under request of the President of the Board of Directors or of two members of the Commission itself.

Any Meeting with the presence either in person or represented of at least the majority of its members will be considered valid. Resolutions will be adopted by absolute majority of the members attending the Commission. A written vote without a meeting will only be admitted when none of the members opposes to this procedure.

Any member of the management team or staff of the Company requested to do so will have to attend the sessions of the Audit and Compliance Commission to provide its collaboration and access to the information available. The Commission may also request the attendance to its session of the Auditors of Accounts.

For an enhanced compliance of its duties, the Audit and Compliance Commission will refer to the advice of external advisors who will be contracted by the Board of Directors that will not deny such contracting without reasoned cause responding to the interests of the company.

The Board of Directors shall appoint among its members an Appointments and Remuneration Commission. The number of members of the Appointments and Remuneration Commission shall never be less than three or more than seven and will be specified by the Board of Directors. All members of the Appointments and



Remunerations Commission shall be Non-Executive Directors of the Company, who do not have a contractual relationship different from the condition for which they are appointed, two of them at least being independent. The Appointments and Remuneration Commission will have faculties and will be governed by the rules of operation mentioned below.

Without prejudice of all other duties attributed by the law, other provisions of the articles of incorporation or of the regulation of the board of directors, the Appointments and Remuneration Commission shall have at least:

- 1.- To assess the skills, knowledge and experience necessary of the Board of Directors. To this end, it shall define the duties and skills necessary of the candidates to hold a vacancy and will assess the time and dedication necessary to carry out their tasks efficiently.
- 2.- To establish a representation objective for the least represented gender in the Board of Directors and to prepare plans on how to reach such goal.
- 3.- To refer to the Board of Directors proposals for the appointment of independent directors for their appointment by co-optation or for their referral to the decision of the General Shareholders Meeting as well as proposals for the re-election or separation of such directors by the General Shareholders Meeting.
- 4.- To inform on the proposals for the appointment of other directors for the appointment by co-optation or for their referral to the decision of the General Shareholders Meeting as well as the proposals for their re-election or separation by the General Shareholders Meeting.
- 5.- To inform on the proposal for the appointment and separation of top management and basic conditions of their contracts.
- 6.- To examine and organize the succession of the Chairman of the Board of Directors and of the first executive of the Company and if applicable to prepare proposals for the Board of Directors for an ordered and planned succession.
- 7.- To propose to the Board of Directors the policy on remunerations of directors and of general managers or of those carrying out top management duties reporting directly to the Board, the Executive Commissions or the Managing Directors as well as the individual remuneration and other contractual conditions of executive directors ensuring its compliance.
- 8.- To identify, propose, direct, promote and supervise the policy on sustainability and to prepare on an annual basis the report on Corporate Social Responsibility.



9.- To examine the regulation and practices of the Company on Corporate Governance proposing amendments considered appropriate for their adaptation to the rules, recommendations and best practices on the topic.

g) The Board may be held in several places at the same time, insofar as it is guaranteed by audiovisual or telephonic means, the interactivity and inter communication between them in real time and therefore the unity of the event. In this case, resolutions will be considered adopted in the place where the majority of the directors are located and in the event of the same number, at the registered address.

#### **TITLE IV.- OF THE ANNUAL ACCOUNTS**

##### **Article 24º.- Remuneration of the Board of Directors.**

A. Remuneration of external directors for their general duty as directors:

External directors will be entitled to receive remuneration for the exercise of their general duties as directors, this is, that corresponding to the duties inherent to the position of director without taking into consideration those which may correspond to the exercise of executive duties.

The remuneration system mentioned above shall consist of a fix annual amount to be determined by the General Meeting as maximum amount to be distributed by the Board of Directors to all external directors (“the Annual Maximum Remuneration”).

The Policy on Remunerations will set the objective factors for the distribution of the Annual Maximum Amount among the directors attending the duties and responsibilities attributed during its three-year term (unless it has a shorter duration). As way of example, these factors may be (a) position in the board and (b) position in a Commission or Committee; (c) chairmanship of a Commission or Committee or others.

The Board of Directors shall set on an annual basis, following the report of the Appointments and Remuneration Commission, within the maximum amount of the Annual Maximum Remuneration, the specific amount corresponding to each of the factors defined in the Policy on Remunerations for the distribution among its members of the Annual Maximum Remuneration.

The Annual Maximum Remuneration will remain in force insofar as the meeting does not agree to its amendment although the board may reduce its amount in the years considered justified or limit it to a specific type of director. Unless the general shareholders Meeting defines an Annual Maximum Remuneration in an ad hoc agreement, the approval of the Policy on Remunerations shall serve as mean to set the Annual Maximum Remuneration in which case it will have a three-year duration unless it is defined for a shorter duration.

B. Remuneration of directors for their executive duties:

Directors entrusted executive duties will be entitled to receive remunerations corresponding to the performance of such duties.

When a member of the board of directors is entrusted executive duties in virtue of any title it shall be necessary also the execution of a contract between the former and the Company, to be previously agreed by the board of directors with the favourable vote of two thirds of its members. The director affected shall refrain from attending the discussion and from participating in the vote. The contract approved shall be included as an appendix to the minute of the session.

Such contract shall comply with the Policy on Remunerations and with the Articles will provide details on the concepts for which the director will be remunerated for the performance of its executive duties which may consist on salaries, incentives, variable remuneration or bonuses, remuneration in kind, exclusivity, permanence or loyalty agreements, contributions to pension funds, contributions to saving systems and products, insurances or combination of both; personal and family coverage of life, disease, death and/or invalidity insurances, post-contractual agreements of non-competence and eventual compensation for the early termination of duties. The director shall receive remuneration for the performance of executive duties which amounts or concepts are not specified in this contract.

The Board of Directors shall determine on an individual basis the remuneration of each director for the performance of their executive duties entrusted within the framework of the Policy on Remunerations and pursuant to the provisions of the contract following the report of the Appointments and Remuneration Commission.

#### C. Other remuneration systems:

In addition to the remuneration system foreseen in previous sections, directors either external or executive will be entitled to receive remuneration in form of shares or stock options or remunerations referenced to the value of the shares insofar as the application of any of these remuneration systems is previously agreed by the general shareholders meeting. Such agreement shall determine, if applicable, the maximum number of shares to be assigned per year, the price of the year or the system for the calculation of the price per year of stock options, the value of the shares which is taken as reference and the duration of the plan.

#### D. Policy on Remunerations and maximum amount of the annual remuneration of directors. Others.

The Policy on Remunerations of directors will be approved by the general meeting for its application during a maximum period of three years as an independent item of the agenda. However, proposals on new remuneration policies of directors shall be subject to the General Shareholders Meeting before the end of the last year of application of the former one, the General Shareholders Meeting being able to determine that the new policy will be of application from the date of approval and during the three following years. Any amendment or replacement within that period will require the prior approval of the general shareholders meeting according to the procedure envisaged for its approval.

The Policy on Remunerations will adapt in what is applicable to the remuneration system foreseen herein and will contain the information required by the Law on Corporations. The approval of such Policy on Remunerations, unless the General Shareholders Meeting states it in an ad hoc agreement, shall serve to define the maximum amount of the annual remuneration of directors both for the performance of their general duties (Annual Maximum Remuneration) and for the performance of executive duties.

Any remuneration to be received by directors for the exercise or termination of their office or for the performance of executive duties will comply with the Policy on Remunerations of directors in force from time to time, save for the remunerations expressly approved by the general shareholders meeting.

The Company shall underwrite civil responsibility insurance for all directors in standard and appropriate conditions to the circumstances of the Company.

The remuneration expected in this article will be compatible and independent from the payment of fees and salaries to be received by the directors of the Company in reason of any other relationship compatible with the performance of their duties. Such fees will fall under the legal regime applicable.

#### **TITLE IV.- CORPORATE YEAR, ANNUAL ACCOUNTS AND DISSOLUTION AND LIQUIDATION**

##### **Article 25º.- Corporate Year.**

The corporate year shall be the calendar year.

##### **Article 26º.- Annual Accounts.**

The General Meeting shall decide on the allocation of the result of the year pursuant to the Law. Of profits obtained each year and once the legal reserve has been covered as well as other legal or statutory attentions have been established, the General Meeting may allocate the amount it considers fitting to reserves or to any other attention legally authorized or approve the distribution of dividends. Dividends, which as the case may be, agrees to distribute shall be distributed among the shareholders prorate to their stake in the share capital, making the payment in the term provided for by the General Meeting.

Dividends which have not been claimed in the period of five years from the date established for their collection shall prescribe in favor of the Company.

The General Meeting or the Governing Body shall agree on the distribution interim dividends with the limitations and complying with the requirements provided for by Law.

**Article 27º.- Dissolution and liquidation**

The Company shall dissolve for any of the causes envisaged in the current legislation or by resolution of the General Meeting pursuant to the laws and these Articles. Liquidation shall be entrusted to the Board of Directors.

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