

ACCIONA, S.A.

BYLAWS

TITLE I.- GENERAL PROVISIONS

Article 1.- Name

The Company is called “Acciona, S.A.” and is governed by these bylaws, the Spanish Corporations Law (Ley de Sociedades Anónimas) and other applicable legal provisions.

Article 2.- Corporate purpose

The corporate purpose is to perform the following activities:

- Operate in the construction business and execute real estate projects in terms of building, developing, selling, leasing, concession, or other types of management and operation.
- Provide services relating to gardening, sewage, cleaning and maintenance, including water and waste treatment, purification, recovery, re-use, processing, collection, storage, transport and elimination.
- Provide security and custody services.
- Manufacture, treat, distribute and sell fuels.
- Operate, manage, execute and develop public utilities, works and services.
- Operate in the mining business.
- Operate in the telecommunications, information technology and electronics businesses.
- Operate in the food, shopping mall, hotel and restaurant businesses.
- Operate in the chemical and pharmaceutical businesses.
- Manufacture, distribute, sell and administer capital goods and street furniture.
- Manufacture, distribute and sell automobiles, ships and aircraft.
- Operate in air, sea and land transport, both urban and intercity.
- Operate in the advertising business.

- Operate in the recreational, sport, leisure, healthcare and geriatrics business.
- Exploit industrial and intellectual property rights.
- Invest in the capital of other companies or associations of Spanish or foreign companies.

To perform the aforementioned activities, the Company, directly, and its subsidiaries, indirectly, are subject to compliance with the legal requirements applicable at any given time.

Article 3.- Pursuit of corporate purpose

The activities comprising the corporate purpose can be performed wholly or partially indirectly by the Company, in any way provided by law and, in particular, through stakes in other companies with an identical or similar purpose

Article 4.- Duration of the company and start of operations

1. The Company is incorporated for an indefinite period.
2. The Company commenced operations upon incorporation, on 17 June 1916.

Article 5.- Registered offices and branches

1. The Company has its registered offices in Avenida de Europa, nº18, Alcobendas, Madrid.
2. The Board of Directors can resolve to transfer the registered offices elsewhere in the same municipality.
3. The Board of Directors can resolve to create, close and transfer branches in Spain or abroad.

TITLE II.-CAPITAL AND SHARES

Article 6.- Share capital

The capital amounts to SIXTY-THREE MILLION FIVE HUNDRED AND FIFTY THOUSAND (63,550,000) euros, divided into SIXTY-THREE MILLION FIVE HUNDRED AND FIFTY THOUSAND (63,550,000) fully subscribed and paid-up shares with a par value of ONE (1) euro each, belonging to a single class and series and numbered consecutively from one (1) to sixty-three million five hundred and fifty

thousand (63,550,000), both inclusive.

Article 7.- Form of representation of shares

Shares are represented in the form of book entries and are subject to the provisions of Securities Market Law 24/1988, dated 28 July, Royal Decree 116/1992, dated 14 February, regarding the representation of securities in the form of book entries and the clearing and settlement of stock market transactions, and other applicable regulations. In accordance with those regulations, the accounting records of the shares shall be kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., in conjunction with its members.

Article 8.- Share regime

1. The share makes its owner a shareholder and confers on him/her all the rights and obligations inherent to that status. Subscription, acquisition or ownership by other means of Company shares entails acceptance of the Bylaws and the resolutions adopted or to be adopted by the governing bodies, in accordance with law and the Bylaws.

The pre-emptive right to subscribe new shares and bonds convertible into shares may be partially or fully suppressed by a Shareholders' Meeting resolution in the cases and under the terms established by law.

2. Every share shall be indivisible with respect to the Company, which shall not acknowledge more than one person in the exercise of his/her rights as a shareholder. Joint owners of a share must designate one person to exercise the shareholder's rights, and they shall be liable *in solido* to the Company for their obligations as shareholders.

3. Shares and warrants can be transferred by any of the means provided by law.

Their transfer and the creation of limited rights *in rem* or any other type of encumbrance shall be filed with the corresponding accounting registry managed by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. and its members.

Transfers of Company shares, which shall be unrestricted, shall be conducted through an accounting transfer. Filing with the accounting registry of the transfer to the acquirer will have the same effects as a conventional delivery of certificates.

Shareholders can be accredited to exercise or transfer the rights derived from Company shares, or the limited rights *in rem* or encumbrances relating thereto, by presenting the corresponding certificates issued by the entity or body in

charge of the accounting registers where the shares are registered.

Article 9.- Capital calls

1. If shares are partially paid-up, the shareholder must pay the outstanding part as and when the Board of Directors decides.
2. The Board of Directors shall decide upon the payment of the part of capital that has not been paid in a maximum of five years from the date of the resolution to increase share capital.

TITLE III.- COMPANY BODIES

Article 10.- Bodies

The Company is governed, managed and administered by its Shareholders' Meeting, its Board of Directors and the persons empowered by the latter.

CHAPTER 1.- Shareholders' Meeting

Section 1 – Competency of the Shareholders' Meeting

Article 11.- Prohibition of delegation to Directors

1. The Shareholders' Meeting can only delegate its powers to the Board of Directors in the cases provided by law and these Bylaws.
2. Notwithstanding the preceding paragraph, the Board of Directors is empowered to redraft the article of the Bylaws relating to share capital in the following cases:
 - 1) When the Shareholders' Meeting has empowered the Board to set the date of a capital increase for an amount decided in a previous resolution.
 - 2) When the Shareholders' Meeting has empowered the Board to resolve one or more capital increases.
 - 3) When the Shareholders' Meeting has empowered the Board to increase the capital as necessary to meet requests to convert bonds or exercise warrants.
 - 4) When the Shareholders' Meeting has expressly envisaged the possibility that not all the capital will be subscribed by the subscription deadline.

- 5) When the Shareholders' Meeting has resolved to change the corporate purpose or to transfer the Company's registered offices abroad and the value of the shares or the shareholders who have exercised their right to withdraw has been reimbursed.
3. The Shareholders' Meeting may also empower the Board of Directors to determine, in each specific case, whether or not the conditions set by the Shareholders' Meeting for a specific resolution to be valid were met.

Section 2.- Organization and functioning of the Shareholders' Meeting

Article 12.- Types of Shareholders' Meetings

1. The Shareholders' Meeting is a duly convened gathering of a sufficient number of Company shareholders. Shareholders' Meetings may be ordinary or extraordinary.
2. The Ordinary Shareholders' Meeting must be held in the first six months of each year in order to review the conduct of business, approve the financial statements and decide as to the distribution of results, without prejudice to its competency to transact and decide upon other items on the Agenda.
3. Shareholders' Meetings other than those described in the preceding paragraph are considered to be extraordinary Shareholders' Meetings.

Article 13.- Power to convene Shareholders' Meetings

1. Ordinary and extraordinary Shareholders' Meetings must be convened by the Board of Directors.
2. The Board of Directors must convene an extraordinary Shareholders' Meeting when:
 - a. Requested to do so by shareholders owning at least 5% of capital, who must state the business to be transacted in the request. In this case, the Meeting must be convened to be held within thirty days from the date on which the Board of Directors received, by notarial channels, a request to convene it;
 - b. A tender offer for the Company has been made which has been rejected by the Board of Directors.
3. If the ordinary Shareholders' Meeting is not convened within the legal period, it may be convened, upon shareholder request and after consultation with the Directors, by the Judge of First Instance corresponding to the Company's

registered offices.

An extraordinary Shareholders' Meeting may also be convened in the same way if so requested by the same number of shareholders as stated in article 13.2.a) or 13.2.b) above.

Article 14.- Announcement of Shareholders' Meetings

1. Ordinary and extraordinary Shareholders' Meetings must be convened by means of an announcement published in the Official Gazette of the Mercantile Register, and in one of the daily newspapers with the largest circulation in the province, at least fifteen days before the Meeting's date, except when the law envisages a longer period.
2. The announcement shall state the date of the Meeting at first call and all the items on the Agenda. It may also include the date of the second call, if appropriate. There must be at least twenty-four hours between the first and second meeting.
3. In the case of ordinary Shareholders' Meetings and in other cases established by law, the notice shall state that shareholders are entitled to examine at the registered offices and obtain, immediately and free of charge, the documents submitted for approval and any report(s) in accordance with law.
4. If the Shareholders' Meeting decides upon matters that require an increased quorum in accordance with these Bylaws, the notice of meeting must state the items requiring an increased quorum for discussion and voting.
5. The notice of meeting must be signed by the persons empowered to certify the Board of Directors resolutions.

Article 15.- Right to be informed

1. Between the date of publication of the notice of meeting and the seventh day prior to the date planned for the Shareholders' Meeting at first call, the shareholders may ask in writing for the information or clarifications they deem fit or raise the questions they consider necessary about the items on the Agenda and regarding the information accessible to the public that the Company filed with the Comisión Nacional del Mercado de Valores since the date of the last Shareholders' Meeting.
2. During the Shareholders' Meeting, shareholders may ask verbally for the reports or clarifications they deem fit about the items on the Agenda.
3. The Directors are obliged to provide the information requested, except where, in the Chairperson's opinion, the disclosure of the requested information

jeopardizes the Company's interests. If the request is supported by shareholders representing at least one quarter of share capital, the information may not be withheld.

4. The information requested under the terms of article 15.1 above shall be supplied until the date of the Shareholders' Meeting. The information requested in the Shareholders' Meeting shall be supplied during the meeting itself or, if the Directors cannot satisfy the shareholder's right at that moment, it shall be supplied in writing within seven days from the Shareholders' Meeting.

Article 16.- Universal Meeting

1. The Universal Meeting shall be quorate to deal with any matters, without prior notice, if all the share capital is present or represented and the attendees unanimously agree to hold a meeting and accept the Agenda.
2. A Universal Meeting may be held anywhere in Spain or abroad.

Article 17.- Quorum

1. Shareholders' Meetings, whether ordinary or extraordinary, shall be declared quorate, at first call, when the shareholders present or represented by proxy own at least twenty-five per cent (25%) of the subscribed fully-paid capital with voting rights. At second call, the Meeting shall be quorate regardless of the percentage of capital in attendance.
2. Nevertheless:
 - (i) The Shareholders' Meeting must have a quorum of sixty-seven per cent (67%) of the subscribed fully-paid capital with voting rights at first call or sixty-two per cent (62%) at second call in order to resolve the following matters:
 - a) Amendments to the Bylaws, except for change of registered offices, capital increases, expansion of the corporate purpose and, where legally obligatory, capital reductions.
 - b) Changes of corporate form, mergers, spin-offs, liquidation and dissolution of the Company, except where dissolution is required by law.
 - (ii) For the change of registered offices, capital increases (including the authorization given to the Board of Directors' to resolve this issue), the issuance of nonconvertible, convertible or exchangeable debentures or bonds, the issuance of warrants or options (on their own or tied to debentures) and of preference shares and, where required by law, capital

reductions, dissolution and liquidation, the Shareholders' Meeting shall be quorate with two-thirds (2/3) of the subscribed fully-paid capital with voting rights at first call or fifty per cent (50%) at second call.

3. If the quorum is enough to decide upon some items on the Agenda but not on others, the Shareholders' Meeting shall discuss and decide upon only the matters for which there is a quorum.
4. Any absences that arise once the Shareholders' Meeting has been declared quorate shall not affect the meeting's validity.

Article 18.- Attendance right

1. Any shareholder owning sixty (60) or more shares of the Company who has registered them, sufficiently in advance as required by law, with the corresponding accounting register in accordance with Securities Market Law 24/1998, dated 28 July, and other applicable regulations can attend the Shareholders' Meeting. Shares may be grouped for those purposes.
2. Without prejudice to the provisions of article 104 of the Spanish Corporations Law regarding the attendance right, shareholders must obtain the corresponding deposit receipt, stating the number of shares they own and the number of votes they may cast as a result.
3. The deposit receipt shall be issued by the Company to shareholders entitled to attend upon delivery, to the Company or the entities it designates, of the corresponding certificate of shareholder status in their name issued by the entity or body in charge of the accounting register in which the shares are registered accrediting the shares registered in their name sufficiently in advance as stated in article 18.1 above.
4. The Board of Directors may authorize that the deposit receipt be replaced by equivalent documents issued by other entities.

Article 19.- Representation at Shareholders' Meetings

1. All shareholders entitled to attend may be represented at the Shareholders' Meeting by one or more proxies, whether or not they are shareholders, with respect to all their shares or each proxy with respect to some of the shares.
2. Proxies must be specific for each Meeting, given in writing and signed by hand, and sent by post, or electronic or other remote means of communication whose use is accepted by the Company in accordance with article 25 below regarding remote voting.
3. Specific proxies for each Meeting are not required for representatives who

accredit that they are the spouse, ascendant or descendant of the shareholder or that they have been granted, in a public instrument, a general power of attorney to administer all the shareholder's assets in Spain.

Those circumstances shall be accredited by presenting documentation that sufficiently accredits their kinship or by presenting the public instrument.

4. Proxies are always revocable. The shareholder's attendance in person or his/her vote using remote means in accordance with article 25 below shall revoke any proxy, regardless of when it was issued.
5. The Board of Directors may require in the notice of meeting that the proxies referred to in article 19.2 above be disclosed to the Company up to five days prior to the date planned for the Shareholders' Meeting at first call, stating the proxy's name.

Article 20.- Public solicitations of proxies

1. It is understood that public solicitations of proxies have been made when a single same person, whether a Director of the Company, a securities depository or any third party, holds proxies from more than three shareholders.
2. The proxy must contain the Agenda or have it attached as well as the solicitation of instructions for exercising the right to vote and which way the proxy must vote if precise instructions are not given.

The proxy may also contain the solicitation of instructions and the indications that, expressly or tacitly, must be followed by the proxy regarding other decisions not included in the Agenda that may be legitimately transacted by the Shareholders' Meeting.

If express or subsidiary voting instructions have not been given, either because they are not stated in the corresponding document or because the Shareholders' Meeting is going to resolve on matters which, by law, do not have to be included in the Agenda and are not envisaged in the proxy, the proxy must vote in the way he/she believes is most favorable to the interests of the shareholder he/she represents.

If the principal has given instructions, the proxy may vote differently if circumstances arise which were unknown when the instructions were given and the shareholder's interests are at risk.

3. Directors of the Company who hold proxies obtained by public solicitation cannot exercise the voting right of the shares they represent in respect of items on the Agenda, or those not envisaged in the Agenda that are transacted by the meeting in accordance with the law, in which the Director proxy is in conflict of interests, as defined by law.

Article 21.- Place and time of Shareholders' Meetings. Adjournments

1. The Shareholders' Meeting shall be held in the city where the Company has its registered offices. If the notice of meeting does not state the meeting venue, it is understood that the Shareholders' Meeting will be held at the registered offices.
2. The Shareholders' Meeting may decide to meet over one or more consecutive days, at the proposal of the Board of Directors' or of a number of shareholders who represent at least one-quarter of the share capital in attendance. Whatever the number of sessions, the Shareholders' Meeting shall be considered as a single one, and only one set of minutes shall be drawn up for all the sessions.

Article 22.- Shareholders' Meeting Platform

1. The Shareholders' Meeting shall be chaired by the Chairperson of the Board of Directors or, if he/she does not attend in person, the Vice-Chairperson. If several Vice-Chairpersons attend, the meeting shall be chaired by the most senior Vice-Chairperson in numerical terms.
2. If neither the Chairperson nor any of the Vice-Chairpersons attend in person, the meeting shall be chaired by the shareholder with the largest number of shares with voting rights.
3. The Chairperson of the Shareholders' Meeting shall be assisted by the Secretary. The Secretary of the Board of Directors or, if he/she does not attend in person, the Vice-Secretary shall act as Secretary of the Shareholders' Meeting. Failing them, the Secretary shall be the person designated by the Meeting's Chairperson.
4. If a Notary's presence is requested, he/she shall be an integral part of the Shareholders' Meeting Platform.

Article 23.- Attendance list

1. Before the Meeting commences on the Agenda, the Secretary of the Shareholders' Meeting shall draft an attendance list containing the name of shareholders present and shareholders represented and their proxies as well as the number of shares in attendance.
2. At the end of the list, the number of shareholders present and represented and the amount of capital they own shall be determined, specifying those relating to the shareholders with voting rights.
3. The Chairperson of the Shareholders' Meeting may allow the Secretary to be

assisted by two or more scrutineers in order to draft the attendance list. The Chairperson shall designate the scrutineers.

4. If the attendance list is not included at the start of the minutes of the Shareholders' Meeting, it shall be attached as an annex and signed by the Secretary and countersigned by the Chairperson, without prejudice to the provisions of article 98.2 of the Mercantile Registry Regulation.
5. The Chairperson of the Shareholders' Meeting is empowered to determine the validity of shareholder proxies and to suspend the voting rights of shareholders who fail to comply with the regulations governing tender offers.

Article 24.- Conduct of Shareholders' Meetings

1. Once the attendance list has been drafted, the Chairperson shall declare the Shareholders' Meeting quorate, if that is the case, specifying whether or not the Meeting is quorate to address all the items on the Agenda or, otherwise, what items the Shareholders' Meeting can discuss and resolve upon, stating the order in which those items are to be discussed.
2. The Chairperson shall open the debate on the items on the Agenda.
3. The Chairperson of the Shareholders' Meeting shall recognize speakers, establish an order for speeches and limit their maximum duration at any time, and safeguard the general conduct of the meeting.
4. The Chairperson may suspend the Shareholders' Meeting if the circumstances make this advisable.
4. Once the Chairperson believes that an item has been sufficiently discussed, he/she shall put it to the vote.
6. The Chairperson may authorize any person he/she deems fit to attend the Shareholders' Meeting.

Article 25.- Remote voting

1. Shareholders with attendance and voting rights may cast their vote on the items on the Agenda by post or electronic mail. They may also use other means of remote communication if this permitted by the Shareholders' Meeting Regulation or, in accordance with the rules envisaged in it, by the Board of Directors.
2. Postal votes must be sent to the Company in accordance with article 18 above, and must include the deposit receipt, duly signed and completed for the purpose, or another document (such as Shareholders' Meeting attendance cards issued by

securities depositories) that the Board of Directors decides to accept as a deposit receipt on the grounds that it sufficiently guarantees the identity of the shareholder exercising his/her right to vote.

3. Voting via electronic mail shall be made using a recognized electronic signature or another identification system that the Company recognizes from time to time.
4. The means and procedures for remote voting shall duly guarantee the identity of the shareholder exercising his/her right to vote, his/her status as a shareholder legitimated to vote and the authenticity of the communication in which he/she votes.
5. Votes cast via remote means are valid if the Company has received them up to five days prior to the date planned for the Shareholders' Meeting at first call. The Board of Directors may reduce that period in the resolution of the notice of the Shareholders' Meeting in question and make this fact public to the same degree as the notice of meeting.
6. Shareholders with attendance rights who cast a remote vote in accordance with this article shall be considered as being present at the Shareholders' Meeting and they shall be computed as such for the purposes of the quorum. If they granted a proxy, the latter shall be considered to be void.
7. Votes cast via remote means shall be void if the shareholder that cast them attends the Shareholders' Meeting.
8. The Board of Directors is empowered to establish the suitable rules and state-of-the-art means and procedures for remote voting, adapting them in each case to the legal regulations implementing that system. The rules, means and procedures shall be published on the Company's web site.

Article 26.- Form of adopting resolutions

1. Each item on the Agenda shall be voted separately, as resolved by the Chairperson, using either open or secret voting.
2. Nevertheless, the Chairperson of the Shareholders' Meeting may rule that the proposals corresponding to several items on the Agenda be put to the vote as a block, in which case the outcome of the vote shall be understood to have been reproduced individually for each proposal if none of the attendees express their wish to vote differently on any individual item. Otherwise, the different vote expressed by each attendee and the resulting vote relating to each proposal shall be recorded in the minutes.
3. The Chairperson of the Shareholders' Meeting shall establish the order and form of voting and may be assisted by two or more scrutineers freely designated by him/her for that purpose.

Article 27.- Adoption of resolutions

1. Ten shares give one vote. Shares may be grouped to exercise that right.
2. Resolutions shall be adopted by the majority of the votes corresponding to shares with voting rights present at the Shareholders' Meeting.
3. Once an item has been voted, the Chairperson shall announce the result and, where applicable, declare the resolution to have been approved.

Article 28.- Minutes and certificates

1. The minutes of the Shareholders' Meeting shall be drafted by the Secretary and approved by the Shareholders' Meeting itself on conclusion or, failing that, within fifteen days, by the Chairperson and two proctors, one representing the majority and the other the minority, as decided by the Chairperson depending on the outcome of the meeting. Once the minutes are approved, they are signed by the Secretary and countersigned by the Chairperson. All of this is without prejudice to article 114 of the consolidated Spanish Corporations Law.
2. Certificates of the resolutions adopted by the Shareholders' Meeting shall be issued by the Company Secretary and countersigned by the Chairperson. Any shareholder or their proxy at the Shareholders' Meeting is entitled to request a certificate of the resolutions adopted.

CHAPTER 2.- Governing body

Section 1.- General provisions

Article 29.- Structure of the governing body

1. The Company shall be governed by a Board of Directors comprising at least three members and at most eighteen members.
2. The Shareholders' Meeting shall determine the number of Board members, for which purpose it shall establish that number via an express resolution or, indirectly, by filling vacancies or appointing new Directors, within the maximum established in the preceding section.

Article 30.- Requirements for appointment as Director

1. Directors need not be shareholders.

2. If vacancies arise during the Directors' term, the Board of Directors may designate shareholders to fill those vacancies until the next Shareholders' Meeting is held.
3. The appointment of Directors will be effective upon their acceptance and must be filed with the Mercantile Registry within ten days from that date, stating their full names and age, if they are individuals, or the registered offices, if they are legal entities, and, in both cases, their address and nationality and, regarding the Directors who may represent the Company, whether they can act on individually or must act jointly.

Article 31.- Directors' term and remuneration

1. Directors shall be appointed for five years at most and they can be re-appointed one or more times.

At the time of appointment or re-appointment, the Shareholders' Meeting shall determine the specific term for the appointed Director. Failing this, the term shall be five years.

2. The annual remuneration for the Board of Directors shall be 5% of earnings after the items referred to in sections 1, 2 and 3 of article 47.2 of these Bylaws are provisioned, unless the Shareholders' Meeting, upon approval of the financial statements and at the Board of Directors' suggestion, determines a smaller percentage.

Directors' remuneration shall be distributed in the proportion that the Board decides.

Article 32.- Directors' duties

The Company's Directors shall faithfully comply with their duties of diligent administration, fidelity, loyalty and secrecy as required by the Spanish Corporations Law and other obligations arising from them in good faith.

Section 2.- Board of Directors

Article 33.- Board officers

1. The Board of Directors shall appoint a Chairperson and, at its discretion, one or several Vice-Chairpersons. If there are several Vice-Chairpersons, each one shall be numbered. The priority of number shall determine the order in which the Vice-Chairpersons will substitute for the Chairperson in the event of

absence, incapacity or vacancy.

2. The Board of Directors shall appoint a Secretary and, at its discretion, a Vice-Secretary, neither of whom need be a Director, in which case they may speak but not vote at Board meetings. The Vice-Secretary shall substitute for the Secretary in the event of absence, incapacity or vacancy.
3. If no Vice-Chairperson or Vice-Secretary are appointed or if they cannot perform their respective functions, the Chairperson's functions shall be performed by the Director who owns the largest number of shares and, if there are more than one meeting that condition, by the oldest, and the Secretary's functions shall be performed by the youngest Director.

Article 34.-

1. The Board of Directors shall be convened by the Chairperson or, in the event of absence, incapacity or vacancy, by the Vice-Chairperson, whenever he/she deems it to be necessary or appropriate. The Board must necessarily be convened at the request of a Managing Director, a General Manager/Director or five Directors. If fifteen calendar days have elapsed after the receipt of request and the Chairperson has not convened the Board, it must be convened by the Vice-Chairperson.
2. The notice of meeting need not state the Agenda.
3. The date, form of notice, and conduct of the Board of Directors meetings shall be determined by the Chairperson or the person acting in his/her place.
4. The Board of Directors meeting is understood to be quorate without the need for a notice of meeting if all its members are present or represented and they unanimously agree to hold a meeting.

Article 35.-

1. The Board of Directors meeting shall be quorate to discuss and decide upon any matter when half plus one of its members as established by the Shareholders' Meeting are present or represented at the meeting, even if that number has not been fully covered or if vacancies arise subsequently.
2. Members of the Board of Directors may grant a proxy only to another Board member.
3. The proxy must be granted via any written means addressed to the Chairperson specifically for each meeting.

Article 36.-

The Board of Directors may discuss and adopt resolutions regarding matters within its powers even if they are not included in the Agenda of the notice of meeting.

Article 37.- Discussion and adoption of resolutions by the Board of Directors

1. The Chairperson shall submit for discussion the items on the Agenda, whether the latter is included in the notice of meeting or is drafted at the start of the meeting. Before or during the meeting, any Board member is entitled to submit for discussion and put to the vote any other matter, in the order determined by the Chairperson in his/her own prudent judgment.
2. Once the Chairperson considers that an item has been sufficiently discussed, he/she shall put it to the vote; each Board member, present or represented, has one vote.
3. Resolutions shall be adopted by an absolute majority of the Board members present and represented. In the event of a tie, the Chairperson or the person in his/her place has a casting vote.
4. The resolutions adopted legally by the Board and within its powers shall be binding upon all shareholders.
5. Votes in writing and without a meeting shall be valid provided that no Director opposes this procedure.

Article 38.- Board minutes and certificates

1. The Board of Directors minutes shall be drafted by the Board Secretary or, in his/her absence, by the Vice-Secretary. In the absence of both, the minutes shall be drafted by the person designated by those present as Secretary of the meeting.
2. Once the minutes are approved, they shall be signed by the Secretary and countersigned by the Chairperson.
5. Certificates of the resolutions adopted by the Board of Directors shall be issued by the Secretary and countersigned by the Chairperson or Vice-Chairperson, as appropriate.

Article 39.- Delegation of powers

1. The Board of Directors may permanently delegate some or all of its powers to an Executive Committee or one or more Managing Directors and determine which Board members will hold those offices.

2. The delegation of power on a permanent basis and the decision as to which members of the Board are to hold those offices shall require the favorable vote of two-thirds of the number of Board members established by the Shareholders' Meeting for the Board composition, even if that number has not been fully covered or vacancies have arisen subsequently, and they shall not be effective until filed with the Mercantile Registry.
3. The preparation of financial statements and their presentation to the Shareholders' Meeting, the Board's organization powers, and the powers delegated to the Board by the Shareholders' Meeting cannot be delegated in any case, unless, in the latter case, the Shareholders' Meeting has expressly authorized this.
4. Notwithstanding any delegation, the Board of Directors shall still have the delegated powers.
5. The Board of Directors or the Executive Committee or the Directors to which it has delegated may designate and empower the persons to be entrusted with the Company's management and administration, who shall perform their functions in accordance with the authority and instructions given by the Board.

The persons referred to in the preceding paragraph are entitled to receive the remuneration determined by the Board. The remuneration may consist of a periodical fixed amount, a share of the earnings that correspond to the Board of Directors or a combination of both. Those persons must deposit the bonds required by the Board of Directors and cannot, without the Board's express authorization perform, for themselves or third parties, activities that are similar or analogous to the Company's corporate purpose.

Article 40.- Audit Commission and other Board Commissions

1. To perform its functions better, the Board of Directors may create the Committees it deems necessary so that they can assist it in matters relating to their competencies.
2. In any case, there shall be an Audit Commission that comprises at least three directors and at most five, appointed by the Board of Directors, in which a majority shall be non-executive directors. The Board shall also designate the Chairperson from among the non-executive directors. The Chairperson must be replaced every four years and may be re-elected one year after his/her removal.
3. The Secretary of the Board of Directors or, in his/her absence, the Vice-Secretary of same shall perform the functions of the Audit Commission Secretariat.
4. The Audit Commission shall meet periodically depending on its needs, when the Chairperson convenes it at his/her own initiative or at the request of one of its

members. In the event of the Chairperson's absence or incapacity, the Secretary shall convene the Committee at the request of one of its members.

5. The Audit Commission meeting shall be quorate when at least half of its members are present or represented and it shall adopt resolutions by absolute majority of those in attendance; the Chairperson has the casting vote. The Audit Commission may demand the presence in its meetings of the managers it deems necessary and of the external auditor of any group company. It may also ask for advice from external experts.
6. The Audit Commission shall perform the following functions, without prejudice to the functions entrusted to it by the Board of Directors:
 - a) Inform the Shareholders' Meeting about the matters raised by shareholders within the scope of its functions.
 - b) Propose to the Board of Directors, for submission to the Shareholders' Meeting, the appointment of the external auditors referred to in article 204 of the Spanish Corporations Law and the conditions of their appointment, the scope of their professional mandate and the revocation or extension of the mandate.
 - c) Supervise the internal audit units.
 - d) Be apprised of the financial reporting process and internal control systems, monitoring compliance with the legal requirements and the correct application of generally accepted accounting principles.
 - e) Liaise with the external auditors in order to receive information about matters that might jeopardize their independence and any other matters related to the audit process as well as other communications envisaged in the audit legislation and technical audit standards.
 - f) Inform and advise the Board of Directors on compliance with corporate governance rules and with the codes of conduct applicable to the company and its group.

Section 3.- Board of Directors powers

Article 41.- Powers of management

1. The Board of Directors has exclusive power over matters relating to the Company's management.
2. The Board of Directors' functions include, *inter alia*, the following:

- 1) Administer, in the broadest sense, the Company's net worth and the assets comprising it, whether realty or personalty, tangible or intangible, without any limitation, including the power to make any type of transactions of disposition or divestment, acquisition and encumbrance of all types of assets, including realty; establish, amend or extinguish rights *in rem* or personal rights; and, in general, conclude any type of act and contract, with the pacts, clauses and conditions it wishes to establish.
- 2) Establish, manage and, if appropriate, change the industrial and commercial organization of the Company and its businesses, concluding the employment contracts that it deems necessary or appropriate, and appointing and terminating employees and representatives.
- 3) Grant, amend and revoke all types of proxies, whether broad or restricted, detailing the powers, even if they are not listed in this article.
- 4) Grant all types of public and private documents, signing payment dockets, receipts, invoices and orders for that purpose.
- 5) Arrange, amend and terminate leases and any other assignments of use and enjoyment, and arrange any type of assignment of business premises.
- 6) Declare buildings and ground plans, boundaries, boundary stones, core divisions, groupings and segregations.
- 7) Lend or borrow money, arrange all types of credit contracts with credit or savings institutions and acknowledge debts and debt-claims; guarantee or endorse any type of credits and loans to individuals or legal entities, without any limitation; and arrange, accept, amend, acquire, dispose, postpone and cancel, partially or fully, mortgages, pledges, antichresis and, in general, all types of limitations or guarantees, before or after maturity, whether or not the guaranteed liability has been met.
- 8) Open, use and cancel current, demand or term accounts or credit accounts and deposits of any type in any class of credit or saving institution, and do anything that is allowed by the law and banking practices.
- 9) Draw, accept, guarantee, endorse and protest bills of exchange, commercial paper and checks.
- 10) Send all types of goods, remittances and money orders by the means it deems to be fit or appropriate and withdraw them; arrange land, sea and air transport contracts.
- 11) Arrange the insurance contracts it deems to be necessary.
- 12) Appear before the courts, tribunals, magistrates, local, regional,

provincial or municipal corporations and entities, and any other bodies, offices or delegations, boards, communities or functionaries, as plaintiff, defendant, complainant, coadjutant, owner, co-owner or simple interested party in all types of civil, employment, criminal or administrative cases, trials, proceedings or investigations; file appeals, even for dismissal and nullity, ratify writs and desist from any actions directly or by empowering lawyers and attorneys in the broadest sense, even in extraordinary appeals for dismissal.

- 13) Submit to arbitration any type of matter susceptible to it; conclude transactions.
- 14) Participate in tenders and auctions, make proposals and accept awards and, in general, participate in any type of business relationship with the administration, whether state, regional or local, Spanish or foreign, or with bodies, companies or entities that belong to them, whatever the status of the participation and without any restrictions.
- 15) Distribute interim dividends to shareholders in accordance with the regulations in force.

Article 42.- Power of representation

1. The Board, which shall act collectively, shall be the Company's legal representative in and out of court.
2. If the Board of Directors resolves to empower one or more Managing Directors, the powers may be granted to each one individually.

Section 4.- Expression of corporate resolutions as public instruments

Article 43.- Persons empowered to express resolutions as public instruments

1. The Secretary of the Board of Directors and, as appropriate, the Vice-Secretary of same shall have the function of expressing the resolutions adopted by the Company's bodies in the form of public instruments.
2. Corporate resolutions may also be expressed as public instruments by the member(s) of the Board of Directors that have been expressly empowered by the corresponding body at the meeting where the resolutions were adopted and, failing this, by the Chairperson, Vice-Chairpersons, Directors or Managing Directors.
3. In any case, the persons empowered to express resolutions as public instruments must have their appointment in force and filed with the Mercantile Registry.

TITLE IV – FINANCIAL STATEMENTS

Article 44.- Business year

The business year shall commence on 1 January and end on 31 December each year.

Article 45.- Preparation of the financial statements

1. Within the legally-prescribed period, the Board of Directors shall draft and sign the financial statements, the management report and the proposed distribution of earnings.
2. The documents comprising the financial statements shall be abridged provided that this is legally admissible.

Article 46.- Audit of the financial statements

1. The financial statements and management report must be reviewed by auditors as provided by law.
2. Notwithstanding the provisions of the preceding paragraph, the Board of Directors shall not have the financial statements audited if it has prepared an abridged balance sheet.

Article 47.- Approval and deposit of the financial statements

1. The financial statements shall be submitted to the ordinary Shareholders' Meeting for approval.
2. Once the financial statements are approved, the Shareholders' Meeting shall resolve as to the distribution of results based on the following priorities:
 - 1) The legally-prescribed amount shall be allocated to the legal reserve.
 - 2) The necessary amount shall be allocated to the Bylaw-mandated reserve so that, combined with the amount of the previous allocation, a total of 10% of the year's earnings is allocated to reserves.
 - 3) Shareholders shall be paid a dividend of at least of 4% of the nominal value.
 - 4) The balance shall be allocated as resolved by the Shareholders' Meeting in accordance with these Bylaws.

3. Within one month from approving the financial statements, the Directors shall present, for deposit in the Mercantile Registry corresponding to the registered offices, a certificate of the Shareholders' Meeting resolutions relating to the approval of the financial statements and the distribution of earnings, in addition to a copy of each of the financial statements, the management report and the auditors' report, if the Company has to be audited or was audited at the request of a minority.

TITLE V – DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 48.- Dissolution of the Company

The Company shall be dissolved for the causes and with the effects envisaged by law and these Bylaws.

Article 49.- Receivers

1. The Shareholders' Meeting that resolves to dissolve the Company shall:
 - establish the time at which dissolution is to commence;
 - appoint the receivers it deems fit, but always an odd number, granting them the functions and powers and the fixed assignments it deems to be appropriate for good performance of their functions, in accordance with the law. The Shareholders' Meeting shall also establish the periods in which the receivers must report on their actions.
2. The Shareholders' Meeting may replace the appointed receivers at any time.
3. Once the Company is declared in liquidation, the Board of Directors shall be terminated and its members may have been or may be appointed as receivers.

Article 50.- Power to represent the dissolved company

If the company is dissolved, the power to represent it shall lie jointly and severally with each receiver, regardless of the powers of representation attributed to the directors.

Article 51.- Approval of the balance sheet and distribution of assets

1. The final liquidation balance sheet shall be submitted for approval by the Shareholders' Meeting, and published in the Official Gazette of the Mercantile

Register and in one of the newspapers with the largest circulation in the city where the registered offices are located.

2. Once the period in which the balance sheet can be contested has elapsed without any claims being made or once any court decision as to such claims has become final, the existing assets based on the balance sheet shall be distributed among the shareholders.
3. The assets shall be divided in accordance with the rules set by the Shareholders' Meeting.

TITLE VI – ISSUANCE OF BONDS AND OTHER MARKETABLE SECURITIES OTHER THAN SHARES

Article 52.- Issuance of bonds and other marketable securities

1. The Shareholders' Meeting may empower the Board of Directors to issue nonconvertible, convertible and exchangeable debentures and bonds, as well as commercial paper, warrants that give the right to acquire outstanding Company shares or newly-issued shares, and any other type of marketable security, including preference shares.
2. The Board of Directors may use that power one or more times in the maximum period determined by law or in a shorter period established by the Shareholders' Meeting.
3. The Shareholders' Meeting may also empower the Board of Directors to determine the timing of the issue and establish other conditions not envisaged in the Shareholders' Meeting resolution, including, in the case of convertible and exchangeable debentures and bonds, the conditions and modes of conversion and exchange and, in the case of warrants, the conditions and modes of exercise.
4. Convertible and exchangeable bonds and warrants may be issued at a fixed (determined or determinable) or variable ratio of conversion/exchange.

FINAL PROVISIONS

- A) All shareholders waive their own venue and domicile for any litigation that may arise in relation to the Company or its bodies and they expressly submit to the jurisdiction of the courts in the city where the registered offices are located, except where another venue is imposed by law.
- B) All appointments are open to resignation and to re-appointment.
- C) The resolutions duly adopted by any Company body shall be enforceable and

binding upon all shareholders and their enforcement cannot be suspended for any cause (except in the cases and by the authorities authorized by law for that purpose) even if the claimant alleges that he/she did not attend the Meeting in which the resolution was adopted or challenged.

- D) These Bylaws shall be interpreted by the Company's Board of Directors, which shall determine the provisions applicable in the cases that are not envisaged or resolved expressly in these Bylaws and inform the first Shareholders' Meeting held thereafter, without prejudice to the provisions of Final Provision A) above.