

LABORATORIO REIG JOFRE SA BYLAWS

Approved by the General Shareholders Meeting held on June 8, 2017

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LABORATORIO REIG JOFRE, S.A. - BYLAWS

CHAPTER ONE

NAME, CORPORATE PURPOSE, DURATION AND REGISTERED OFFICES OF THE COMPANY

Article 1 - COMPANY NAME AND LEGAL REGIME.

The name of the company will be "LABORATORIO REIG JOFRE, S.A.".

It will be a Spanish company and it will be governed by these bylaws, the Corporate Enterprises Act and any other applicable legal provisions.

Article 2 - CORPORATE PURPOSE.

The Company's corporate purpose is as follows:

- 1) The manufacture, purchase and sale, research, development, innovation and registration, both nationally and internationally, of raw materials, pharmaceuticals, biotechnology products, nutritional supplements, health products, medical devices, cosmetics, pharmacy, food and other products related directly or indirectly to health, cosmetics and/or human or animal food.
- 2) The preparation and research of active ingredients and nutraceutical ingredients from natural sources, specifically aimed at disease prevention or for use as nutritional supplements incorporated into products of daily consumption (functional foods). The obtaining of patents for such products and their benefits following their validation, for the subsequent cession of their use and commercialization to third parties.
- 3) The above-mentioned activities, together with any other activities that are complementary to those which fall within the corporate purpose, may be undertaken by the Company, in whole or in part, directly and indirectly, through the ownership of shares in companies or interests in companies or entities with identical or similar corporate purposes, as well as through the transfer of rights, licensing and/or authorizations of any kind.

Article 3 - DURATION.

The Company is constituted for an indefinite period, and will initiate its activities in the new public limited company form on the day of issue of the deed of transformation.



The Company may only be dissolved upon the proposal of the General Shareholders Meeting in the cases and under the conditions laid down in Articles 43 and 44 of these Bylaws.

Article 4 - REGISTERED OFFICES.

The Company's registered offices are located in the town of Sant Joan Despí (Barcelona), Calle Gran Capità, number 10.

The Board of Directors may, without the prior approval of the General Shareholders Meeting, change the registered offices to another location within the same municipality, complying with the requisites established in the applicable legislation.

The General Shareholders Meeting may resolve to change the registered office to another municipality upon the proposal of the Board, in compliance with the provisions in force at the time of the resolution.

Similarly, the Board of Directors may create, transfer or suppress the Company's agencies, branches, delegations and representations as it considers convenient, both within Spain and abroad.

CHAPTER TWO

SHARE CAPITAL, SHARES, RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 5 - SHARE CAPITAL AND SHARES.

The capital is THIRTY-TWO MILLION, SEVENTY-SIX THOUSAND, FIVE HUNDRED AND EIGHTY-NINE EUROS (32,076,589.00), represented by sixty-four million one hundred fifty-three thousand one hundred and seventy-eight (64,153,178.00) standard shares with a par value of fifty cents (0.50) each, numbered consecutively from 1 to 64,153,178, both inclusive, all of which are fully subscribed and paid up.

The General Shareholders Meeting may delegate the Company's Board of Directors the power to agree, on one or various occasions, share capital increases up to a determined amount, when and to the degree determined by the Board, without the need for prior approval from the General Shareholders Meeting. Under no circumstances may these increases be superior to half the share capital on the authorization date, and they must be effected by means of cash contributions within a maximum of five years as of the Shareholders Meeting agreement.

Article 6 - SHARE REPRESENTATION.

The shares are represented by means of book entries. Their representation is to be governed by the provisions of the Securities Market Act and other applicable legal provisions.



Article 7 - FREE TRANSFERABILITY.

The shares may be freely transferred to shareholders or third-parties, whether for consideration or free of charge, inter vivos and mortis causa.

Article 8 - INDIVISIBILITY OF SHARES.

All shares are indivisible.

The joint owners of a share must designate one person as responsible for exercising the shareholder's right and are to jointly and severally respond to the Company with regard to the obligations derived from the condition of Shareholder.

Article 10 - USUFRUCT.

In the case of share usufruct, the condition of shareholder resides in the bare legal title, whereas the usufructuary holds the right to the dividends approved by the Company during the usufruct period.

The exercise of all other shareholder rights corresponds to the bare legal title, and must be facilitated to the same by the usufructuary.

When new shares are subscribed, either by the bare owner or usufructuary, the usufruct shall extend to the shares whose disbursement had been calculated according to the average trading price during the subscription period.

The amounts to be paid in the event of the extinction of the usufruct or due to the failure of the bare ownership to exercise the right of first refusal in the event of a capital increase shall be calculated in accordance with the average trading price during the quarter prior to the occurrence of the above-mentioned events.

Article 10 - SHARE PLEDGES.

In the case of share pledges, the exercise of the shareholder rights corresponds to the holder of the same, who must provide proof of legitimacy by means of the certificate contemplated in the regulations governing securities represented by means of book entries.

The pledgee shall be obliged to facilitate the exercise of these rights by presenting the shares to the Company when this requirement is deemed necessary.

Article 11 - CONDITION OF SHAREHOLDER.

Each share grants its legitimate holder the condition of shareholder, and implies the shareholder's conformity with the terms of these Bylaws, the Legal Provisions governing Public Limited Companies, and the resolutions approved by the Company's Board of Directors and the General Shareholders Meetings regarding matters of their competence, without prejudice to the exercise of the actions contemplated by Law.



CHAPTER THREE **CORPORATE BODIES**

Article 12 - GENERAL RULE.

The corporate governance and management correspond to the General Shareholders Meeting and the Board of Directors, without prejudice to delegations, committees and powers granted by the latter in accordance with the Law and these Bylaws.

CHAPTER FOUR **GENERAL SHAREHOLDERS MEETING**

Article 13 - GENERAL PROVISIONS.

The General Shareholders Meeting, duly called and constituted, is the supreme body of the Company and, therefore, is authorised to adopt any resolutions for which it is competent pursuant to the Law and these Bylaws

The resolutions adopted by the General Shareholders Meeting are binding for all shareholders, including dissenting parties and non-attendees, without prejudice their legally-recognized rights to challenge corporate agreements.

Article 14 - TYPES AND FREQUENCY OF GENERAL SHAREHOLDERS MEETINGS.

The General Shareholders Meetings may be Ordinary or Extraordinary in nature, and must be called by the Board of Directors.

The Ordinary General Shareholders Meeting will be held, following a call by the Board of Directors, during the first six months of each fiscal year, with the aim of reviewing the corporate management, approving, when applicable, the financial statements corresponding to the previous year, and resolving the allocation of profits.

However, the General Shareholders Meeting, even when called as an Ordinary Meeting, may also deliberate and decide on any matter within the scope of its competence that has been included in the call, and subsequent to compliance with the provisions of the current legislation.

Ordinary General Shareholders Meetings are to be held by decision of the Board of Directors, either on its own initiative or at the request of shareholders representing at least three percent of the share capital.



Article 15 - CALL.

Ordinary and Extraordinary General Shareholders Meetings shall be called by means of an announcement published in, at least, the Official Companies Registry Gazette or in one of Spain's highest circulation newspapers, in the Spanish Securities Market Commission's website and in the Company's official website, at least one month prior to the date established for the celebration of the Meeting, or with fifteen days notice in the case of Extraordinary General Shareholders Meetings, when the Company offers the shareholders the effective possibility of voting via electronic means accessible by all shareholders, with the exceptions regarding other specific periods contemplated in the Corporate Enterprises Act.

In all cases, the reduction of the call period will require a resolution adopted during the General Shareholders Meeting by at least two thirds of the subscribed capital with voting rights, the validity of which shall not exceed the date of the celebration of the next General Shareholders Meeting.

The announcement shall specify the date of the Meeting on first call, the location in which the Meeting is to be held - which may be in the locality in which the Company has its registered offices or in any other location in the national territory expressly indicated in the call - all the matters to be dealt with, together with any other question which, when applicable, must be included in the same under the provisions of the General Shareholders Meeting Regulations, as well as the right of shareholders to examine at the registered offices, to consult in the Company website and to obtain immediately and without charge, the documents to be submitted to the approval of the General Shareholders Meeting and, when applicable, the legally-contemplated report or reports, as well as all other legally-required information. When applicable, the date of the second call of the General Shareholders Meeting may also be indicated. The first and second calls must be separated by at least 24 hours. The announcement of the call is to be signed by the person empowered to certify the Board of Directors' resolutions.

Shareholders representing at least three percent of the share capital may request the publication of a supplement to the General Shareholders Meeting call, including one or more agenda items, providing that the new items are accompanied by a justification or, where applicable, an amended agreement proposal. This right shall be exercised by means of a certified notification to be received in the registered offices within the five days subsequent to the publication of the call. The supplement to the call must be published at least fifteen days prior to the date established for the celebration of the Meeting. The failure to publish the supplement to the call within the legally-established period will be cause for the nullity of the General Shareholders Meeting.

Shareholders representing at least three percent of the share capital may submit justified proposals for resolutions on matters already included or to be included in the agenda of the Meeting called. This right shall be exercised by means of a certified



notification to be received in the registered offices within the five days subsequent to the publication of the call.

These proposed resolutions shall be published at least fifteen days before the date set for the celebration of the General Shareholders Meeting by the same means used for the publication of the call of the General Shareholders Meeting.

Additionally, shareholders representing, individually or jointly, three percent of the share capital may call a General Shareholders Meeting to decide on corporate responsibility action against the Directors, and exercise, without the consent of the Board or against the same, the corporate responsibility action.

Article 16 - ORDINARY GENERAL SHAREHOLDERS MEETING.

Notwithstanding the above, the General Shareholders Meetings, both ordinary and extraordinary, will be understood as called and validly constituted to discuss with any matter when all the paid-in capital is present and unanimously accepts the celebration of the Meeting and the agenda of the same.

The Meeting may be validly constituted and celebrated outside the registered offices, in any point within the national territory or abroad.

Article 17 - RIGHT OF ATTENDANCE AND REPRESENTATION. ABSENTEE VOTING PRIOR TO THE MEETING

A) RIGHT OF ATTENDANCE AND REPRESENTATION.

1. Holders of at least one thousand shares represented by book entries of shares in the corresponding accounting register five days prior to the Meeting, to be accredited by the display of the corresponding certificates referred to in Article 11 of these Bylaws, have the right to attend the General Shareholders Meetings.

In order to exercise the right of attendance, shareholders must acquire the corresponding attendance card at least five days prior to the date established for the Meeting, in the manner indicated in the call announcement. The card is to reflect the number of shares held and the corresponding number of votes.

Shareholders with this right may attend the General Shareholders Meeting held in the location indicated in the call, using the accepted electronic or online communication channels. The Board of Directors is to indicate in the call announcement the accepted means for attendance, which are to be chosen by the Board in accordance with their capacity to guarantee the identity of the shareholders, the effectiveness of their rights and the correct development of the Meeting.



2. The members of the Board of Directors are to attend the General Shareholders Meetings, although their absence will not invalidate the constitution of the Meeting.
3. The Meeting may also be attended, without voting rights, by Directors, technicians and other persons whose attendance, in the opinion of the Board of Directors, may be conducive to the development of corporate matters and whose participation in the Meeting may, if necessary, be beneficial for the Company. The Chair may authorize the attendance of any other person he/she deems appropriate, although the Meeting may revoke the authorization.
4. All shareholders with the right to attend the General Shareholders Meeting may delegate their representation to another person. Representation must be conferred in writing (on paper or electronically) and be specific to each Meeting.

B) ABSENTEE VOTING PRIOR TO THE MEETING.

1. Shareholders with attendance rights may cast their votes on proposals relative to the items included in the agenda of any General Shareholders Meeting by post, sending the Company the attendance and voting card duly signed and completed (together, when applicable, with the voting form made available by the Company for this purpose), or by any other written means which, following the prior acceptance and approval of the same by the Board of Directors, enables the authentication of the shareholder's identity.
2. The casting of votes by post or electronic communication will only be admitted following approval, in consonance with the applicable technical developments and regulations, by the Board of Directors and the subsequent notification of the same by means of the call announcement for the Meeting in question and publication in the Company website. In the above-mentioned agreement, the Board of Directors is to define the conditions applicable to the casting of absentee votes by post or electronic communication, including the obligation of the shareholders who exercise this right to attach a digital copy of the attendance card, as well as their verified electronic signature. The Board of Directors may also, following a prior resolution adopted to this effect, accept other types of electronic signatures which provide sufficient guarantee of the authenticity and identification of the shareholder exercising the absentee voting right.
3. In order to be accepted as valid, votes cast by means of any of the remote communication means accepted in each case must be received by the Company at least five days prior to the date established for the celebration of



the first call of the Meeting. The Board of Directors may establish an inferior period, to be published in the Company website.

4. Shareholders who cast an absentee vote in the terms indicated in this article will be considered present to the effects of the constitution of the General Shareholders Meeting in question. Consequently, any prior delegations will be considered revoked, whilst those subsequently conferred will not be considered as effected.
5. The absentee votes referred to in this article will be rendered without effect:
 - a) By subsequent, express revocation effected by the same means as employed for their issue and within the corresponding established term.
 - b) By the attendance, physically or by means of remote communication, at the Meeting of the shareholder who cast the absentee vote.
 - c) As a result of the disposal of the shares in relation to which the voting right was exercised, and of which the Company is made aware at least five days prior to the date established for the celebration of the first convocation of the Meeting.
6. In order to avoid possible duplications, and in accordance with the provisions of the General Shareholders Meeting Regulations, the Board of Directors may adopt the necessary measures to ensure that those who have cast absentee votes or delegated their representation are duly empowered to do so in accordance with the Company Bylaws.

Article 18 - VOTING RIGHTS.

Each shareholder attending the General Meeting shall have one vote for each share held or represented at the meeting.

Article 19 - CONSTITUTION OF THE GENERAL SHAREHOLDERS MEETING AND VOTING OF RESOLUTIONS.

Both Ordinary and Extraordinary General Meetings will be validly assembled at first call when attended by shareholders representing at least half of the paid-in capital. The second call will be considered valid independently of the capital represented.

Resolutions shall be adopted, in general, by a simple majority of the votes of the shareholders present or represented at the Meeting. A resolution will be understood as adopted when more votes are cast in favour than against by the capital present or represented.

The reduction of the call period to fifteen days in cases in which the Company offers the shareholders the effective possibility to vote via electronic means accessible to all shareholders for Extraordinary General Shareholders Meetings will require an



express resolution adopted in the Ordinary General Shareholders Meeting with the favourable vote of at least two thirds of the subscribed capital with voting rights.

In order for General Shareholders Meetings to validly approve the issue of debentures, promissory notes, bonds and other analogous financial instruments, capital increases or decreases, the transformation, merger or de-merger of the Company or the global assignment of the assets and liabilities and the transfer of the Company's registered offices abroad and, in general, any amendment of the Company Bylaws, the quorum of shareholders demanded by law for such cases must be present, both on first and on second call.

For the adoption of the agreements referred to above, an absolute majority will suffice if more than 50 percent of the capital is present or represented. However, the affirmative vote of two-thirds of the capital present or represented at the Meeting is required at the second when shareholders representing 25% or more of the share capital with voting rights are present, without reaching 50%.

Article 20 - RIGHT TO INFORMATION.

The shareholders will enjoy the right to information in the terms contemplated in Law and the General Shareholders Meeting Regulations. In particular, between the publication of the call and the celebration of the General Shareholders Meeting, the Company will continuously publish on its website the information contained in Article 518 of the Corporate Enterprises Act, including the following, as a minimum:

- a) The announcement of the call.
- b) The total number of shares and voting rights on the date of the call, broken down by share classes, if any.
- c) The documents to be submitted for presentation to the General Shareholders Meeting and, in particular, the reports prepared by the Directors, accounts auditors and independent experts.
- d) The full texts of the proposed resolutions for each of the items on the agenda or, in relation to those items of a merely informational nature, a report from the competent bodies commenting on each. The proposed resolutions presented by the shareholders will be included as they are received.
- e) In the event of the appointment, ratification or re-election of Board members, the identity, curriculum and the category to which each belongs, as well as the proposal and reports referred to in Article 529 decies. In the event of a legal entity, the information must include the information corresponding to the legal entity to be appointed for the permanent exercise of the functions corresponding to the post.



- f) The forms to be used for proxy and remote voting, except when they are sent directly by the Company to each shareholder. In the event of the impossibility of their publication in the website due to technical causes, the Company must publish indications on the website relative to the manner in which the forms may be obtained in printed format. The Company must send such printed forms to any shareholder who so requests.

The Directors have the duty to provide, in the form and within the term contemplated in Law, the information which, under Law, the shareholders request. The right to information recognized in favour of the shareholders in Articles 197 and 520 of the Corporate Enterprises Act may be refused by the Directors if the request is submitted by shareholders representing less than twenty percent of the paid-up capital and if, in the Board's opinion, the publishing of such information is unnecessary for the protection of shareholder rights, or if there are objective reasons to believe that the information could be used for non-corporate purposes or that its publication could harm the Company or the related companies.

Article 21 - CELEBRATION OF THE GENERAL SHAREHOLDERS MEETING.

The General Shareholders Meetings are to be held in the municipality in which the Company's registered offices are located, or in any other location within the national territory indicated in the call.

The General Shareholders Meeting sessions may be held over one or more consecutive days. The prorogation of the Meetings' sessions may be approved on the proposal of the Board of Directors or following a simple request by a number of shareholders representing twenty-five percent of the share capital present at the Meeting. In such a case, the General Shareholders Meeting will be considered unique through the issue of a single Minutes for all the sessions held.

Both Ordinary and Extraordinary General Shareholders Meetings are to be chaired by the Chair of the Board of Directors, or in his/her absence by the Vice-Chair, or in the absence of both by a shareholder elected by the shareholders present at the Meeting. The Chair is to be supported by a Secretary, to be chosen from among the members of the Board of Directors, or in the absence of the latter by a shareholder designated by the Meeting.

At the beginning of the Meeting, and before commencing the order of the day, a list of the shareholders in attendance will be drawn up. This list will establish the character or the representation of each person in attendance and the number of personal or represented shares present at the Meeting. The number of shareholders present or represented and the value of the share capital held by the same will figure at the bottom of the list together with, when applicable, the number of shares with voting rights present.

Article 22 - CERTIFICATION OF RESOLUTIONS.



Shareholders may request certifications of the Minutes and the agreements adopted during the Meetings, which are to be issued by the Secretary of the Board of Directors with the approval of the Chair of the same or, when applicable, by the Chair's substitute.

Article 23 - MINUTES OF THE GENERAL SHAREHOLDERS MEETING.

The Minutes of the General Shareholders Meeting must be approved by the Meeting upon its conclusion, or within fifteen days of the celebration of the Meeting by the Chair and two controllers, one in representation of the majority and one in representation of the minority, to be designated by the Meeting for this purpose.

As of the date of their approval, the Minutes will have executive force and are to be incorporated into the duly-legalized Minutes Book.

If the General Shareholders Meeting Minutes are drafted by a notary, their content and drafting are to be subject to the applicable special regulations and the notarial affidavit is to be considered the Minutes of the Meeting.

Article 25 - COMPETENCES OF THE GENERAL SHAREHOLDERS MEETING.

The General Shareholders Meeting has complete sovereignty to inform itself of and resolve all matters of its competence assigned under Law or the Bylaws, with special powers and attributions related to the following:

- a) The approval of the financial statements, the allocation of profit and the approval of the corporate management.
- b) The appointment and removal of Directors, liquidators and, where appropriate, accounts auditors, as well as the exercise of corporate responsibility actions against any of the same.
- c) The amendment of the Bylaws.
- d) The approval and amendment of the General Shareholders Meeting Regulation.
- e) The increase and reduction of share capital.
- f) The suppression or limitation of preferential subscription and pre-emption rights.
- g) The acquisition, disposal or contribution to another Company of essential assets. The essential character of the asset is presumed when the amount of the transaction exceeds twenty-five percent of the value of the assets stated in the last approved balance sheet.
- h) The transformation, merger, division or transfer of assets and liabilities and the transfer abroad of the Company's registered offices.
- i) The dissolution of the Company.
- j) The approval of the final liquidation balance sheet.
- k) The transfer of core activities to subsidiaries that were previously carried out by the Company, even though the latter retains full control of the former. The essential nature of the activities and operating assets is presumed when the



volume of the transaction exceeds twenty-five percent of the total balance sheet assets.

- l) Transactions resulting in an effect that is equivalent to the liquidation of the Company.
- m) The Directors remuneration policy.
- n) The General Shareholders Meeting will also resolve any matter that is submitted to its decision by the Board of Directors, or by the shareholders in those cases provided by law, or which falls under its competence in accordance with the Law and the Bylaws.

The General Shareholders Meeting may delegate its competences to the Board of Directors in the cases contemplated under Law and the Bylaws.

The General Shareholders Meeting will not be empowered to instruct the Board of Directors on, or to submit to its authorization, the adoption by the Board of decisions and agreements relative to management issues.

CHAPTER FIVE **BOARD OF DIRECTORS**

Article 25 - COMPOSITION.

The Company will be administrated, governed and represented by a Board of Directors, composed by no less than five and more than fifteen members.

All the Board members are to be appointed by the General Shareholders Meeting for a term of four years, and may be re-elected for successive terms of the same duration.

The appointment of a Board member established for a determined number of years will cease to have effect when, following the termination of the period for which he/she was appointed and the subsequent celebration of a General Shareholders Meeting or the termination of the legally-established period for the celebration of the Ordinary General Shareholders Meeting, the member is not re-elected.

Article 26 - REQUISITES FOR DIRECTORS.

Non-shareholders will be eligible for election to the Board of Directors. Board members must be of legal age, enjoy full use of their civil rights and not incur in any of the circumstances of prohibition or ineligibility contemplated by Law.

Directors are required to discharge their duties with diligence and the responsibility determined by the applicable regulations at all times.

The Board shall conduct an annual assessment of its performance and that of its committees and propose, on the basis of its outcome, an action plan to correct any deficiencies identified.



The result of this assessment shall be recorded in the minutes of the session, or incorporated into the same as an attachment.

Article 27 - BOARD POSTS.

The Board of Directors, subsequent to a report from the Appointments and Remuneration Committee, will elect from among its members a Chair, who shall hold the maximum responsibility for the effective functioning of the Board.

The Board will also, following a report from the Appointments and Remuneration Committee, elect a Secretary. If the Secretary is chosen from among the Directors, he/she will not be eligible to vote during the Board of Directors Meetings.

The post of Chair of the Board of Directors may be held by an Executive Director, in which case the appointment shall require the favourable vote of two-thirds of the members of the Board of Directors.

If the Chair of the Board of Directors is an Executive Director, the Board of Directors, with the abstention of the Executive Directors, must necessarily appoint a coordinator Director from among the independent Directors. The Coordinator Director will be specifically empowered to request a call for Board Meetings or the inclusion of new items on the agenda of a Board Meeting that has already been called, coordinate and assemble the non-executive directors and direct, where appropriate, periodic assessments of the Chair of the Board of Directors.

Chairs and Secretaries who are re-elected as members of the Board by the General Shareholders Meeting will continue to hold the posts held previously in the Board of Directors without the need for a new election, notwithstanding the power held by the Board to revoke such posts.

Article 28 - VACANCIES.

If vacancies arise during the period for which the Directors have been appointed, the Board of Directors may appoint the person or persons who are to cover the vacancy/ies. Such appointments must be ratified, or overruled, during the celebration of the following General Shareholders Meeting. In such cases, and in the absence of the definitively established term, the duration of the appointment will be understood as equal to the period remaining to the completion of the term for which the Director who has caused the vacancy was appointed.

Article 29 - CALL.

The Board of Directors acts as a body and celebrates its Meetings when so called by its Chair. The Chair must call a meeting of the Board when requested to do so by two or more Board members.



The Board of Directors shall meet as often as is appropriate for the proper performance of its functions and, at least once a quarter and in the circumstances determined by the Board Regulations.

The call must be issued with a minimum of five days notice prior to the day indicated for the meeting, or with an inferior notice in the event of urgent sessions, and must indicate the date, time, location and agenda of the session, which may be celebrated in the registered offices or in any other location. Any other matters of interest to the Company proposed by the Chair or the Directors may be dealt with and approved during the session, including those which do not appear in the corresponding agenda.

Board meetings may be held simultaneously in various rooms, providing such rooms are adequately connected by audiovisual and communications means capable of ensuring the unity of the act. In such cases, the system employed to ensure the connectivity of the different rooms must be indicated in the call announcement, as well as, when applicable, the locations from which the technical resources necessary for attendance at and participation in the meeting are available. Agreements are considered to have been adopted in the Company's registered offices.

Article 30 - CELEBRATION OF SESSIONS AND ADOPTION OF AGREEMENTS.

The Board will be validly constituted when at least one half plus one of the total number of Board members are present or represented.

The Directors must attend the sessions in person.

Notwithstanding the above, Directors may only delegate their representation to another Board member. The delegation must be effected in writing, with specific indication of the Board meeting in question. Non-executive directors may only delegate their representation to other non-executive directors.

Resolutions are adopted by the favourable vote of the majority of those present and, in the case of ties, the Chair has the casting vote.

The Board will be validly constituted when all the members are present and unanimously agree to constitute a session, including in the absence of a prior convocation announcement.

Article 31 - MINUTES OF THE BOARD OF DIRECTORS.

The agreements adopted by the Board of Directors within the scope of its competences are binding for all shareholders and must be reflected in the duly-legalized Minutes Book, into which the Minutes of each session are to be incorporated, duly signed by the Secretary and approved by the Chairman.

Article 32 - REMUNERATION OF BOARD OF DIRECTORS.



The Company will design its remuneration policy within the parameters established in the applicable laws, in particular, taking into account the provisions introduced in the Corporate Enterprises Act by the Law 31/2014, of December 3, on good corporate governance. The proposed remuneration policy for the Board of Directors shall be reasoned and shall be accompanied by a specific report issued by the Appointments and Remuneration Committee.

The Board members are to receive compensatory per diems, to be established by the Board, for any expenses incurred as a result of attending board meetings.

Notwithstanding the aforementioned compensation, the Directors are to receive fixed, periodic remuneration for the performance of their duties, to be determined and approved by the General Shareholders Meeting at least every three years as a separate item on the agenda and which will vary annually according to the Consumer Price Index, until such time as the amount is modified by a new General Shareholders Meeting resolution.

By means of a resolution to this effect, the Board of Directors will distribute the aforementioned remuneration among its members in accordance with the criteria, method and amount that it establishes, taking into consideration the functions and responsibilities attributed to each Director, their membership of Board committees and any other objective considerations deemed relevant.

Similarly, the Directors' remuneration may consist of: (i) the delivery of shares, share options or other options referenced to the share value, provided that such remuneration agreements are determined by the General Shareholders Meeting in accordance with the provisions of Article 219 of the consolidated Corporate Enterprises Act; (ii) participation in profits, which will only be subtracted from net profit after covering the requirements of the legal and statutory reserves and having recognized a dividend of four percent of the nominal value of the shares in favour of the shareholders, subject to approval by the Company's General Shareholders Meeting in accordance with the provisions of Article 218 of the consolidated text of the Corporate Enterprises Act; (iii) a variable remuneration with general indicators or parameters; (iv) severance payments, early retirement or termination of the contractual relationship and exclusivity agreements, post-contractual non-competition and permanence or loyalty; and (v) savings or retirement systems deemed appropriate.

Article 33 - BOARD OF DIRECTORS POWERS.

The Board of Directors is responsible for the management, administration and representation of the Company, judicially and extra-judicially, in all acts covered by the corporate purpose, understood as such as those acts which are not expressly reserved under Law or the Bylaws as the competence of the General Shareholders Meeting, including, without limitation, the following powers, in addition to the non-



delegable powers established in Articles 249 bis and 529 ter of the Corporate Enterprises Act:

1. The appointment and removal of all staff and the establishment of their wages, salaries and bonuses, as well as the contracting, payment and cancellation of the obligatory social security and work accident insurance.
2. To administrate, rule and govern all issues and negotiations included in the corporate purpose and the corporate assets, collect rents, debts, profits, earnings, pensions, request, liquidate and charge accounts, issuing receipts, balances and termination settlements, give or receive rural or urban properties on behalf of or for the Company as a lease or sharecropping, with the agreements deemed appropriate, terminate or cancel such contracts, evict sharecropping farmers, settlers, tenants, leasers, hold-over tenants and any other type of occupants; purchase and sell goods, sign invoices, policies, data, guides and legal statements, effect payments, accept and settle accounts, employ the corporate funds, securities and effects, and administer their investment and placement.
3. To contract charters and all kinds of sea, air and land transport; withdraw letters, certificates, shipments, parcels, money or telegraphic and declared values from Communications offices, and forwarded goods and effects from rail, shipping, transport companies in general, and from customs offices and agencies.; lodge protests and claims, make payments on account and payments for goods; open, answer and sign correspondence and maintain business records in accordance with the provisions of the Law; lodge protests for breakdowns, contract insurance against risks derived from transportation, fire and occupational accidents, sign the corresponding policies or documents and receive payment, if any, of compensation, request and withdraw quotas of raw materials or items a commercial nature.
4. To issue, endorse, intervene, accept, collect, discount bills of exchange and other drafts; formulate redraft charges; enter protests for non-acceptance of payment; open and cancel, at the Bank of Spain, or any other credit institution, current, ordinary or credit accounts, with personal guarantees, or guaranteed by securities or other commercial papers, and to this effect signing cheques, money orders and other documents and withdrawing cheque books, constituting and withdrawing deposits and bonds, including the Government Depositary, and to collect their interests.
5. To purchase, sell, exchange and pledge securities and collect their interest, dividends and amortization, and generally operate with Official Savings Banks and Banks, including the Bank of Spain and all other official Banks, in accordance with the applicable legislation and banking practices.



6. Declarations of construction and planting, definition of boundaries, boundary marking, groupings, divisions, segregations, constitution of horizontal property, establishing the regulations that shall govern the future owners association and applying for all types of necessary licenses and permits.
7.
 - a) To undertake transactions, commitments and waivers; give and accept goods for payment; effect and receive loans from any public, official or private Bank or Credit Banks, Rural Savings Banks or Credit Cooperatives or any other official or private organization or entity; constitute, accept, amend, acquire, dispose of, postpone and cancel, wholly or in part and prior to maturity, mortgages, pledges, antichreses prohibitions, conditions and all kinds of limitations or guarantees.

To constitute, accept, divide, dispose of, levy, redeem and extinguish usufructs, easements, censuses, registrable leases and other rights in rem, exercising all the powers derived therefrom.
 - b) To co-sign, secure and provide guarantees in favour of individuals and legal entities. The power detailed in this section b) corresponds exclusively to the Board of Directors and may not be delegated, although singular agents may be designated and granted the mentioned power in the terms expressed in the authorization.
8. To purchase, sell and exchange, purely or conditionally, at a received price, in cash or in instalments, all kinds of fixed and movable assets, rights in rem and personal rights, agreeing guarantees for the part of the deferred price, including mortgages, and cancelling them once fully satisfied.
9. To take part in tenders and auctions, make proposals and accept interim and final awards, constituting the corresponding securities. To assign the adjudications, whether works or services, to third parties, implement the same and perceive the corresponding retribution.
10. To celebrate all kinds of acts, business and contracts, independently of their class, granting all public and private documents as may be necessary. Request notarial deeds of all kinds, promote ownership and exemption from taxation proceedings, and monitor the same through all their respective stages, request registration and entries in the Land and Commercial Registries, divide communal estates, make, accept and answer notifications and notarial requirements.
11. To participate in other civil or commercial Companies, associations and foundations, underwriting securities, ownership interests or shares, disbursing the corresponding amount through the contribution of goods or rights,



attending General Shareholders Meetings, exercising the corresponding rights, accepting and exercising positions in the Governing Body, undertaking representation with full powers to exercise all the rights and fulfil all obligations as a partner or shareholder, including in the event of dissolution or liquidation, accepting and receiving part of the common equity that is awarded to the Company in such a case.

12. To appear in person or by means of solicitors, through the granting for this effect of the corresponding powers before all classes of Authorities, Corporations, Companies, Associations, Offices or Branches, whether pertaining to the European Communities, the State, Autonomous Regions, Provinces, Municipalities, Courts, Prosecutors, Unions, Delegations, Committees, Commissions, Boards, Juries, Ministries, Labour Tribunals, National Institutes or Savings Banks or other Centres or Organizations of all degrees, jurisdictions and instances, exercising rights, actions and exceptions, as plaintiff, defendant, intervener, complainant or in the concept of procedural legitimization, actively or passively as appropriate in each case, in all civil, singular or universal cases; payment write-offs and extensions, defaults, insolvency and bankruptcy; declarative or executive; acts of voluntary jurisdiction; criminal procedures; governmental appeals, litigation and economic-administrative; or in any other proceeding of any kind or nature, either before domestic Courts or those of the European Communities.

To desist from proceedings; prepare ordinary or extraordinary appeals, without exception, including cassation, revision or annulment, up until such time as a final resolution is obtained and compliance with the same produced. To ratify written documents when such a requisite is demanded.

13. To arrange the issue of shares, debentures, notes, bonds and other similar financial instruments which the General Shareholders Meeting agrees to circulate, accepting contributions in cash, fixed or movable assets, for the valuation agreed with the purchasers as permitted under the powers, under the terms of the applicable Corporate Enterprises Act.
14. To chair, by means of its Chair, the Ordinary and Extraordinary General Meetings, to which it will propose all the initiatives, improvements, amendments or prior consultations for the development of the corporate purpose, whilst simultaneously resolving the queries of the shareholders in relation to the same issues.
15. To submit to the financial statements, the management report and the proposed allocation of profits to the Ordinary General Shareholders Meetings, as well as, when applicable, the consolidated financial statements and management report, together with all the data necessary to report on and to clarify any aspect of the document submitted to the consideration of the



General Meeting.

16. To regulate and direct corporate business.
17. To resolve any doubts arising from the interpretation of these Bylaws, as well as any arising from the interpretation of any internal Regulations issued.
18. To delegate to the individual or company deemed appropriate and to grant, to this effect, the corresponding powers, and each and every one of the corresponding powers under these Bylaws or General Shareholders Meeting resolutions, with the exception of those which, under the current legislation, are exclusive to the Board of Directors and, as such, cannot be delegated, under the provisions of the Law.

Article 34 - CHAIR OF THE BOARD OF DIRECTORS.

The Chair of the Board of Directors is responsible for:

- a) Drafting, signing and processing the calls of the General Shareholders Meeting and the Board of Directors Meetings, as well as for chairing the Board of Directors Meetings, establishing the agendas of the Meetings and directing the discussions and debate.
- b) Chairing the General Shareholders Meeting.
- c) Resolving any doubts relating to the procedure of the General Shareholders Meetings and the Board of Directors Meetings that may arise.
- d) Ensuring that directors receive sufficient information sufficiently in advance to deliberate and adopt resolutions on the items of the agenda.
- e) Stimulating debate and the active participation of directors during the meetings, safeguarding their freedom to adopt positions.

Article 35 - SECRETARY OF THE BOARD OF DIRECTORS.

The Secretary of the Board of Directors is responsible for:

- a) Drafting and signing the Minutes corresponding to the General Shareholders Meetings and the Board of Directors Meetings, attesting to their content and that of the resolutions adopted, the transcription of the same into the corresponding official books, the issue of certifications justifying the resolutions and the custody of the documentation referring to the same.



- b) Ensuring that the actions of the Board of Directors comply with the applicable legislation and are in accordance with the Bylaws and other internal regulations.
- c) Assisting the Chair to facilitate the Directors with relevant information for the exercise of their function in good time and in the appropriate format.

Article 36 - CHIEF EXECUTIVE OFFICERS AND EXECUTIVE COMMITTEE.

The Board of Directors may agree to designate one or more Chief Executive Officers and a Delegate Committee from among its members. In the event of the appointment of a CEO, the corresponding contract must be signed in accordance with the terms established in the current legislation.

In such a case, the agreement must either list the powers delegated or express the delegation of all powers which may be legally delegated in accordance with the Bylaws and, when applicable, those which have been conferred to the Board by the General Shareholders Meeting and which may also be delegated. For this purpose, it must be noted that the powers contained in Articles 249 bis and 529 ter of the Corporate Enterprises Act, and those contained in Article 34 of these Bylaws, cannot be delegated.

The permanent delegation of the Board of Directors' powers to an Executive Committee or to one or more Chief Executive Officers and, when applicable, the designation of Directors who are to assume such posts, necessarily requires the favourable vote of two thirds of the members of the Board, and will not enter effect until its due registration in the Companies Register.

Article 36 bis. - THE AUDIT, COMPLIANCE AND CONFLICTS OF INTEREST COMMITTEE.

1. The Board of Directors shall create and maintain an Audit, Compliance and Conflict of Interest Committee, which shall be mandatory and permanent in nature.
2. The Audit, Compliance and Conflicts of Interest Committee is to be composed exclusively of non-executive directors appointed by the Board of Directors, two of whom, at least, must be independent directors, and one shall be appointed taking into account their knowledge and experience in accounting, auditing or both.
3. The Bylaws or the Board of Directors Regulation must, in accordance with the provisions of the same, establish the number of members of the Audit, Compliance and Conflict of Interest Committee, as well as the Committee's competences and operational regulations.



4. The Chair of the Audit, Compliance and Conflict of Interest Committee will be appointed by the Board of Directors from among the Committee's members, and must be substituted each four years. A Director may be re-elected Chair of the Committee one year after the termination of his/her previous term. The Audit, Compliance and Conflict of Interest Committee is also to appoint a Secretary, who need not be a member of the same.
5. Notwithstanding the provisions established in the Bylaws or the Board of Directors Regulation, the Audit, Compliance and Conflict of Interest Committee is to be composed of a minimum of three and a maximum of five directors, and is to be chaired by an independent Director.
6. The Audit, Compliance and Conflict of Interest Committee's members are to be appointed in accordance with their knowledge and experience in the field of accounts, audits or risk management.
7. Without prejudice to any other duties that may be assigned by the Board of Directors or its Chair, and under the current legislation, the Bylaws or the Board Regulations, the Audit, Compliance and Conflicts of Interest Committee shall exercise the following functions:
 - a) Inform the annual financial statements, as well as on the half-yearly and quarterly financial statements, that must be filed with the regulatory or market supervision bodies, indicating the internal control systems, the monitoring procedures followed and compliance through the internal audit, and, where appropriate, the accounting principles applied.
 - b) Inform the Board of Directors of any amendments to accounting criteria and balance sheet and off balance risks.
 - c) Report to the General Meeting on the issues raised during the same on matters of its competence.
 - d) Propose to the Board of Directors, for submission to the General Shareholders Meeting, the appointment of the external Accounts Auditors.
 - e) Supervise the internal audit services. The Committee shall have full access to the internal audit and will report during the process of selection, appointment, renewal and removal of its Director and on the establishment of the Director's remuneration. The Committee must also report on the budget of this department.
 - f) To be informed of the Company's financial reporting process and internal control systems.
 - g) Liaise with the external auditors to receive information concerning matters that may jeopardize their independence, in addition to any other issues related to the development of the account auditing process.
 - h) Meet with the Directors deemed pertinent to the Committee's meetings in order that they may inform to the degree agreed by the Audit Committee.



- i) Prepare an annual report on the activities of the Audit Committee, which must be included in the management report.

1st. In relation with the information and internal control systems:

- a) Supervise the preparation and integrity of company's financial reporting, monitoring compliance with legal provisions, the accurate demarcation of the consolidation perimeter and the correct application of accounting principles
- b) Periodically review the internal control and risk management systems, in order that the main risks, including tax risks, are identified, managed and disclosed properly, as well as discussing with the auditor any significant weaknesses detected in the internal control system in the course of the audit.
- c) Supervise and safeguard the independence and efficacy of the internal audit function and supervise the same, with full access to the audit; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the budget for this service and establish the remuneration of its Director; receive regular reports on its activities and the service's budget; and verify that Senior Management is acting on the findings and recommendations of its reports.
- d) Establish and supervise a mechanism whereby staff can report confidentially and, if necessary, anonymously, any irregularities of potential importance, especially those of a financial and accounting nature, detected within the company.
- e) Meet with any Company employee or manager, to the extent that it must be able to require their appearance without the presence of another senior officer.
- f) The Audit, Compliance and Conflict of Interest Committee is to report to the Board, prior to the Board's adoption of the corresponding decisions, on the following matters:
 - i. The financial reporting that all listed companies must periodically disclose. The Committee must ensure that interim financial statements are prepared under the same accounting principles as those employed for the annual financial statements and, to this end, may ask the external auditor to conduct a limited revision.
 - ii. The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.



- iii. Transactions with related parties.
- g) Supervise compliance with the Internal Code of Conduct in relation to the Securities Market and the Policy on the Use of Material Information and corporate governance regulations.

2. In relation to the external auditor:

- a) Submit proposals to the Board of Directors, for their submission to the General Shareholders Meeting, for the selection, appointment, reappointment and removal of external auditors, and the terms of their engagement
- b) Receive regular information from the external auditor on the progress and findings of the audit programme, and verify the Senior Management's observance of its recommendations.
- c) Ensure the independence of the external Auditor, and to this effect:
 - i. That the company reports any change of auditor to the Spanish Securities Market Commission as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
 - ii. That the Company and the auditor adhere to current regulations on the provision of services other than audit services, the limits applicable to the concentration of the auditor's business activity and, in general, all other regulations established to ensure the independence of the auditors. In all cases, the Committee must receive a statement from the external auditors on an annual basis relative to their independence in relation to the Company or companies directly or indirectly related thereto, as well as information on additional services of any kind provided and the corresponding fees perceived from such companies by the external auditor or by persons or entities related to the auditor pursuant to the provisions of the legislation applicable to the account auditing.
 - iii. The examination of any circumstances giving rise to the resignation of the external auditor.
- d) Issue annually, prior to the issuance of the account audit report, a report expressing an opinion on the independence of the accounts auditor. This report shall include, in all cases, the assessment of the provision of additional services referred to in section (c)(ii) above, considered individually and collectively, other than the statutory audit and in relation with the regulations governing independence or the audit regulations.



- e) Favour the undertaking by the Group auditor of the auditing of all the group companies

The operation of the Audit Committee shall be governed by the rules determined by the Board of Directors in the corresponding internal Regulations.

Minutes of the Audit, Compliance and Conflict of Interests Committee meetings shall issued and copies sent to all Board members.

Article 36 ter. - APPOINTMENTS AND REMUNERATION COMMITTEE.

The Board of Directors shall create and maintain an Appointments and Remunerations Committee, which shall be mandatory and permanent in nature.

The Appointments and Remuneration Committee is to be composed of a minimum of three and a maximum of five Directors, appointed by the Board of Directors. All members must be external Directors. At least two of the members of the Appointment and Remuneration Committee shall be independent Directors.

The Chair of the Committee shall be appointed from among the independent Directors who form part of the same.

Without prejudice to any other duties that may be assigned by the Board of Directors or its Chair, and under the current legislation, the Bylaws or the Board Regulations, the Appointments and Remuneration Committee shall exercise the following functions:

- a) Assess the skills, knowledge and experience necessary for Board members. For this purpose, it will define the functions and capabilities to be met by the candidates for each vacancy, and determine the time and dedication necessary for them to properly perform their duties.
- b) Establish a target representation for the least-represented gender on the Board of Administrators and prepare guidelines on how this target may be met.
- c) Submit to the Board of Directors the proposals for the appointment of independent directors for their designation via co-optation or for their submission to the decision of the General Shareholders Meeting, as well as proposals for re-election or removal of such directors by the General Shareholders Meeting.
- d) Inform the proposals for the appointment of the remaining directors for their designation via co-optation or for their submission to the decision of the General Shareholders Meeting, as well as proposals for the re-election or removal of such directors by the General Shareholders Meeting.



- e) Inform the proposals for the appointment and removal of senior managers and the basic terms of their contracts.
- f) Review and organize the succession of the Chair of the Board of Directors and of the Company's chief executive and, where appropriate, make recommendations to the Board in order that the succession occurs in an orderly and well-planned manner.
- g) Propose to the Board of Directors the remuneration policy of the directors and the general managers, or that of those who carry out senior management duties and are directly dependent on the Board, executive committees or CEOs, as well as the individual remuneration and other contractual terms and conditions of the executive directors.
- h) Any matters within its competence as may be requested by the Chair of the Board of Directors.
- i) Any other competences attributed by the Board of Directors in the corresponding Regulation.

The operation of the Appointments and Remuneration Committee shall be governed by the rules determined by the Board of Directors in its corresponding Regulations.

Minutes of the Appointments and Remuneration Committee meetings shall issued and copies sent to all Board members.

CHAPTER SIX:
BALANCE SHEET, FINANCIAL STATEMENTS AND DISTRIBUTION OF PROFIT.

Article 37 - FISCAL YEAR.

The fiscal year begins on the first of January and ends on the thirty-first of December each year.

Article 38 - COMPOSITION AND PREPARATION OF THE FINANCIAL STATEMENTS.

The financial statements must be prepared by the Board of Directors, together with the management report, the proposed profit distribution and, when applicable, the consolidated financial statements and management report, within three months as of the year end.

The Company's financial statements are to include the balance sheet, the income statement, a statement reflecting the changes in net equity during the year, a cash-



flow statement and the report, which are to be drafted in accordance with the requisites and the content expressly required by Law.

The financial statements and the management report must be signed by all the Directors, as required by Law. The absence of the signature of any Director is to be indicated in the corresponding documents, with express mention of the cause for the absence.

When legally applicable, the financial statements and the management report are to be verified by the Accounts Auditors in accordance with the Law.

Article 39 - APPROVAL OF THE FINANCIAL STATEMENTS.

Each year's financial statements may only be approved by the General Shareholders Meeting, called and held in accordance with the terms established by Law and by these Bylaws.

All shareholders will have free and immediate access, as of the convocation of the General Shareholders Meeting, to all the documents to be submitted for the Meeting's approval, as well as to the Accounts Auditors report, in the form established under Law.

Article 40 - DISTRIBUTION OF PROFITS.

The General Shareholders Meeting is to resolve, in the manner permitted under Law, the distribution of the profit from the previous fiscal year, as determined by the approved balance sheet.

Dividends may only be distributed against profit from the year or against unrestricted reserves when the legally-established requisites are met and in the conditions established by Law.

The legal reserve must be integrated into the resources to the percentage established under Law.

The distribution, if agreed, of the profit in the form of dividends is to be carried out in proportion to each shareholder's paid-in capital. The profit distribution agreement adopted by the General Shareholders Meeting must indicate the day as of which the payment must be verified and the form in which it is to be effected.

Article 41 - INTERIM DIVIDENDS.

The distribution of interim dividends to shareholders may be agreed by the General Shareholders Meeting or by the Company's Directors, in compliance with the requisites established in the current Corporate Enterprises Act.

Article 42 - LIMITATIONS ON DIVIDEND CLAIMS.



Requests for the payment of matured dividends extinguish five years as of the date on which the payment may be demanded.

CHAPTER SEVEN: **DISSOLUTION AND LIQUIDATION.**

Article 43 - CAUSES FOR DISSOLUTION.

The Company will be dissolved in the cases, due to the causes and with the requisites established by Law.

Article 44 - LIQUIDATION.

The dissolution of the Company in compliance with the applicable legal requisites is to be followed by a liquidation period, with the exception of those legally-determined cases in which the verification of the liquidation is not required.

An odd number of liquidators is to be appointed by the General Shareholders Meeting, either when adopting the agreement to dissolve the Company or by means of a subsequent agreement.

During the liquidation period, the applicable regulations established for such cases are to be observed.

CHAPTER EIGHT **FINAL PROVISIONS**

Article 45 - ARBITRATION.

Any doubts, questions or differences arising between the Company's shareholders are to be submitted to arbitration, as regulated by Law 60/2003, 23rd December, on Arbitration. The existence of any such doubts, questions or differences is not to paralyse the implementation of the corporate resolutions, which may only be amended by virtue of a binding court sentence or, when applicable, by a binding arbitral sentence.

Article 46 - APPLICABLE JURISDICTION.

All the shareholders submit themselves to the jurisdiction corresponding to the Company's registered offices, and expressly waiver any right they may have to any other jurisdiction.

Article 47 - LEGAL REGIME.

Any pertinent matters which are not covered by these Bylaws are to be regulated by the applicable legal provisions.