

**For information purposes. Spanish version prevails**

**CORPORATE BYLAWS OF  
MERLIN PROPERTIES, SOCIMI, S.A.**

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**Revised text of the Corporate Bylaws. The most recent amendment was approved by the Shareholders' Meeting held on 27 April 2023 (last modification entered in the Commercial Register on 17 July 2023 - entry 91).**

**TITLE I**  
**NAME, CORPORATE PURPOSE, DURATION AND REGISTERED OFFICE**

**ARTICLE 1. CORPORATE NAME**

The Company is called Merlin Properties, SOCIMI, S.A. (the **Company**) and is governed by these bylaws and by any statutory provisions applicable to it.

**ARTICLE 2. CORPORATE PURPOSE**

The Company's main corporate purpose consists of the pursuit of the following activities, whether in Spain or abroad:

- (a) the acquisition and development of urban real estate for its lease, including the rehabilitation of buildings on the terms established in Value Added Tax Law 37/1992, of December 28, 1992;
- (b) the holding of stakes in the capital of other listed corporations for investment in the real estate market (**SOCIMIs**) or in other entities not resident in Spain with the same corporate purpose as such corporations and which are subject to a regime similar to that established for SOCIMIs as regards the mandatory income distribution policy, pursuant to the law or bylaws;
- (c) the holding of stakes in the capital of other entities, resident in Spain or otherwise, the main corporate purpose of which is the acquisition of urban real estate for lease and which are subject to the same regime established for SOCIMIs as regards the mandatory income distribution policy, pursuant to the law or bylaws, and which meet the investment requirements established for such companies; and
- (d) the holding of shares or interests in real estate collective investment undertakings regulated under Collective Investment Undertaking Law 35/2003, of November 4, 2003, or any legislation that may replace it in the future.

Additionally, together with the economic activity deriving from the main corporate purpose, the Company may pursue other ancillary activities, understood to be activities the income from which represents, as a whole, less than 20% of the income of the Company in each tax period, or any considered ancillary in accordance with the applicable legislation from time to time.

The activities comprising the corporate purpose may be indirectly pursued by the Company, in whole or in part, by means of the holding of shares or interests in companies with an analogous or identical corporate purpose.

The direct exercise, and indirect exercise where applicable, of all activities reserved under special legislation is excluded. If statutory provisions require any professional qualification, prior administrative authorization, registration at public registries or any other requirement for the pursuit of any of the activities included within the corporate purpose, such activities may not be commenced until the professional or administrative

requirements imposed have been met.

### **ARTICLE 3. DURATION**

The Company is formed for an indefinite term. The Company commenced operations on the date of its formation.

### **ARTICLE 4. REGISTERED OFFICE**

1. The Company shall have its registered office in Madrid, at Paseo de la Castellana 257, 28046.
2. The registered office may be relocated within national territory by a resolution of the board of directors.
3. The board of directors of the Company may resolve to create, cancel or relocate branches, representative offices, agencies, delegations, offices and other facilities, both in Spain and abroad, complying with the requirements and safeguards that may apply, and decide to provide the services pertaining to its corporate purpose, without need for a permanent establishment.

## **TITLE II SHARE CAPITAL, SHARES AND SHAREHOLDERS**

### **ARTICLE 5. SHARE CAPITAL**

1. The share capital is set at 469,770,750 euros, divided into 469,770,750 shares, each with a par value of one euro (€1), belonging to a single class and series, and conferring the voting and economic rights indicated in the legislation in force.
2. The share capital is fully subscribed and paid in.

## **ARTICLE 6. THE SHARES**

1. The shares shall be represented by book entry and are created as such pursuant to their entry on the relevant accounting book. They shall be governed by Legislative Royal Decree 4/2015, of October 23, 2015, passing the restated Securities Market Law and other provisions that may supplement or, as the case may be, replace it.
2. Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) and participating entities shall be responsible for keeping the book entries of the Company.

## **ARTICLE 7. SHAREHOLDER STATUS**

1. Each share confers on its legitimate holder the status of shareholder and the rights recognized in the applicable corporate legislation and those expressed in these bylaws and the other corporate governance documentation of the Company.
2. On the terms established in the applicable legislation, and save in the cases provided for therein, each share confers, at minimum, the following rights on its holder:
  - (a) the right to a share in corporate earnings and the assets resulting from liquidation;
  - (b) a preemptive subscription right in the issue of new shares with a charge to monetary contributions or convertible debentures;
  - (c) the right to attend and vote at shareholders' meetings on the terms established in these bylaws and to challenge corporate resolutions; and
  - (d) the right to information, on the terms established by the legislation in force.
3. Standing to exercise shareholder rights, including, as the case may be, the right of transfer, is obtained by registration on the accounting register, which presupposes legitimate ownership and authorizes the registered holder to require that Company recognize him/her as a shareholder. This standing may be evidenced by exhibiting the appropriate certificates issued by the entity in charge of the accounting register.

## **ARTICLE 8. ANCILLARY OBLIGATIONS**

The Company shares entail the performance and fulfillment of the ancillary obligations described below. These obligations, which do not involve any compensation whatsoever by the Company to the affected shareholder in each case, are as follows:

1. Holders of significant holdings:
  - (a) All shareholders who (i) own Company shares in a percentage greater than or equal to 5% of the share capital, or the percentage holding provided for in article 9.2 of the Law governing SOCIMIs, or any legislation superseding it,

for the Company to become subject to the special corporate income tax levy (the “**Significant Holding**”); or (ii) acquire shares which, together with the shares they already own, mean they have a Significant Holding in the capital of the Company, must notify such circumstance to the board of directors.

- (b) Equally, all shareholders who have a Significant Holding in the share capital of the Company must notify the board of directors of any subsequent acquisition, regardless of the number of shares acquired.
- (c) The same declaration as those under letters (a) and (b) above must be made by any person holding economic rights over Company shares, including in all cases indirect holders of Company shares through financial intermediaries that formally appear as authorized shareholders by virtue of the accounting register but which act on behalf of such holders.
- (d) Together with the notification provided for in the preceding subarticles, the affected shareholder or holder of the economic rights must provide the board secretary with:
  - (i) A residence certificate, for the purposes of the corresponding personal income tax, issued by the competent authorities in his/her country of residence. In cases where a shareholder is resident in a country with which Spain has signed a tax treaty to avoid double taxation of income, the residence certificate must have the characteristics provided for in the relevant treaty in order to apply its benefits.
  - (ii) A certificate issued by an individual with sufficient powers evidencing the tax rate payable by the shareholder on the dividend distributed by the Company, together with a declaration that the shareholder is the beneficial owner of the dividend.

The obligated shareholder or holder of economic rights must deliver such certificate to the Company within the ten calendar days following the date set by the shareholders’ meeting or, as the case may be, the board of directors (in the context of a distribution of any dividend or any analogous amount (reserves, etc.)), in accordance with article 55.1 of the Bylaws, as the date to be taken into consideration for determining which shareholders will be entitled to receive the dividend – or analogous amount – (because they appear as authorized persons on the corresponding accounting records or registers of shareholders on that date) (Record Date).

- (e) If the party obliged to notify breaches the notification obligation set out under letters a) through d) above, the board of directors may assume that the dividend is exempt or taxed at a rate lower than that provided for in article 9.2 of the law governing SOCIMIs, or any legislation that may supersede it.

Alternatively, the board of directors may request, with a charge to the dividend corresponding to the shareholder, that a legal report be issued by a

reputable law firm in the shareholder's country of residence to express an opinion on the taxation of the dividends distributed by the Company.

The expense incurred by the Company shall be payable on the day before the payment of the dividend.

- (f) The inter vivos transfer or mortis causa transmission of Company shares (including this ancillary obligation) is authorized for all purposes.
- (g) The percentage holding greater than or equal to 5% of capital referred to in letter (a) above shall be understood to be (i) automatically modified if there is any change in the figure provided for in article 9.2 of the law governing SOCIMIs, or any legislation that may supersede it, and, accordingly (ii) replaced by the figure contained in the aforementioned legislation from time to time.

2. Shareholders subject to special regimes:

- (a) All shareholders who, as investors, are subject under their jurisdiction of origin to any type of special legal regime regarding pension funds or benefit plans, must notify such circumstance to the board of directors.
- (b) Equally, any shareholders who are in the situation described in letter (a) above must notify the board of directors of any subsequent acquisition or transfer, regardless of the number of shares acquired or transferred.
- (c) The same declaration as those under letters (a) and (b) above must be made by any person holding economic rights over Company shares, including in all cases indirect holders of Company shares through financial intermediaries that formally appear as authorized shareholders by virtue of the accounting register but which act on behalf of such holders.
- (d) The Company may request, by serving written notice (a **“Request for Information”**), that shareholders or any other persons with a known or apparent interest in the Company shares provide the written information requested by the Company and known by the shareholder or other person in relation to the beneficial ownership of the shares in question or the interest therein (accompanied by a formal or notarial statement and/or independent evidence, if so requested by the Company), including (without prejudice to the general nature of the foregoing) any information that the Company deems necessary or appropriate for the purposes of determining whether such shareholders or persons may be subject to the situation described in letter (a) above.

The Company may make a Request for Information at any time and may send one or more Requests for Information to the same shareholder or person with respect to the same shares or interests in the same shares.

- (e) Without prejudice to the obligations regulated in this article 8.2, the Company shall supervise any share acquisitions or transfers performed and shall take

the measures it deems appropriate to prevent any loss arising for the Company or its shareholders from the application of the legislation in force in the area of pension funds or benefit plans that may affect them in their respective jurisdictions.

The indemnification obligation provided for in article 55 of these bylaws shall also be considered an ancillary obligation for the purposes of this article.

The inter vivos transfer or mortis causa transmission of Company shares (including this ancillary obligation) is authorized for all purposes.

#### **ARTICLE 9. CO-OWNERSHIP AND RIGHTS IN REM OVER SHARES**

1. Co-owners of the shares and co-holders of the rights in same must designate a single person to exercise the shareholder rights and shall be jointly and severally liable to the Company for all obligations deriving from the status of shareholder.
2. The rules governing co-ownership, usufruct, pledges and attachments of Company shares shall be those determined by the applicable corporate legislation.

#### **ARTICLE 10. SHARE TRANSFER**

1. The shares and the economic rights deriving from them, including the preemptive subscription right, are freely transferable using all means permitted by law.
2. Company shares shall be transferred by means of accounting transfer. The registration of the transfer on the accounting register in favor of the acquirer shall have the same effects as the transfer of title. Share transfers that are not in keeping with these bylaws and, failing that, with the provisions of the law, shall not be acknowledged by the Company and shall not be effective in any way vis-à-vis the Company.

#### **ARTICLE 11. UNPAID CAPITAL AND SHAREHOLDER DEFAULT**

1. Where shares have only been partially paid in, the shareholder must proceed to pay the unpaid portion, whether in cash or in kind, in the manner and by the deadline determined by the board of directors.
2. Any shareholder who does not pay the unpaid portion before the payment deadline expires shall be in default.
3. Shareholders who are in default may not exercise their right to vote. The amount of their shares shall be deducted from the share capital when calculating the quorum. Nor shall they be entitled to receive dividends or to the preemptive subscription of new shares or convertible debentures.
4. Once the amount of unpaid capital has been paid together with any interest owed, the shareholder may seek the payment of any dividends that have not become statute-barred, but may not exercise the preemptive subscription right, if the period for exercising it has already expired.

### **TITLE III**

### **CAPITAL INCREASE AND REDUCTION**

#### **ARTICLE 12. CAPITAL INCREASE**

1. The share capital may be increased on one or more occasions by a resolution of the shareholders' meeting, adopted pursuant to the provisions of the law and these bylaws. The increase may be carried out by issuing new shares or by increasing the par value of the existing shares, and the consideration for the increase may consist of monetary or nonmonetary contributions to the corporate assets, including the conversion of debt into equity or the conversion of reserves into share capital. The increase may be implemented partially out of new contributions and partially out of reserves.
2. Pursuant to the provisions of the law, where the corporate interest so requires, the shareholders' meeting may, when deciding to increase capital via monetary contributions, resolve to exclude the preemptive subscription right in whole or in part. In order for this resolution to be valid, the applicable statutory provisions must be respected.

#### **ARTICLE 13. AUTHORIZED SHARE CAPITAL**

1. The shareholders' meeting may delegate to the board of directors the power to determine the date on which the pre-adopted resolution to increase capital must be implemented and to establish its conditions in all matters not envisaged by the shareholders' meeting, all within the limitations established by the law. The board of directors may exercise such power in whole or in part, or even refrain from exercising it in view of market conditions, the Company's circumstances or any fact or event of special significance that justifies such a decision in its opinion, explaining such decision to the first shareholders' meeting that is held after the period granted for its exercise has expired.
2. The shareholders' meeting may also delegate to the board of directors the power to resolve, on one or more occasions, to increase capital up to a given amount, at such time and in such amount as it may decide, and to exclude the preemptive subscription right, subject to the requirements and limitations established by law.

#### **ARTICLE 14. CAPITAL REDUCTION**

1. The share capital may be reduced by a resolution of the shareholders' meeting, adopted pursuant to the provisions of the law and these bylaws.
2. The capital reduction may be carried out by decreasing the par value of the shares, by retiring them or grouping them for their exchange, and it may be for the purpose of returning contributions, forgiving unpaid capital, creating or increasing voluntary reserves or restoring the equilibrium between the capital and the net worth of the

Company decreased as a result of losses.

3. Where capital is reduced as a result of returning the value of contributions, shareholders may be paid in kind, in whole or in part, provided that the requirements of article 54.6 below of these bylaws are met.

## **TITLE IV DEBENTURES AND OTHER SECURITIES**

### **ARTICLE 15. ISSUE OF DEBENTURES**

1. The Company may issue debentures on the terms and subject to the limits established by law.
2. Subject to the requirements and limitations established by law, the shareholders' meeting may delegate to the board of directors the power to issue nonconvertible, convertible and/or exchangeable debentures. In addition, and also subject to the requirements and limitations established by law, it may authorize the board of directors to determine when the agreed issue shall take effect, to exclude the preemptive subscription right and to establish any other conditions not envisaged in the shareholders' meeting resolution.

### **ARTICLE 16. ISSUE OF OTHER SECURITIES**

1. The Company may issue promissory notes, warrants, preferred shares or other marketable securities other than those envisaged in the above articles.
2. The shareholders' meeting may delegate to the board of directors the power to issue such securities. The board of directors may exercise such power on one or more occasions and for a maximum period of five (5) years.
3. The shareholders' meeting may also authorize the board of directors to determine when the agreed issue shall take effect, and to establish any other conditions not envisaged in the shareholders' meeting resolution, on the terms established by law.
4. Subject to a resolution of the shareholders' meeting or, by delegation, of the board of directors, the Company may also guarantee securities issues made by its subsidiaries.

**TITLE V**  
**GOVERNING BODIES OF THE COMPANY**

**ARTICLE 17. BODIES OF THE COMPANY**

The governing bodies of the Company are the shareholders' meeting and the board of directors, which have the respective powers entrusted to them by law, by these bylaws and by the shareholders' meeting and board of director regulations, which powers may be delegated in the manner and with the scope determined in same.

**SECTION I**  
**THE SHAREHOLDERS' MEETING**

**ARTICLE 18. SHAREHOLDERS' MEETING**

1. The shareholders' meeting is governed by the law, these bylaws and the shareholders' meeting regulations.
2. It falls to the shareholders assembled in a shareholders' meeting to decide by a majority on the matters falling within its jurisdiction, per the law or the bylaws, as well as on any matters that the board of directors decides to submit to such meeting for its consideration.
3. The shareholders' meeting has the power to decide on all matters entrusted to it by law, these bylaws or the shareholders' meeting regulations. Any powers not entrusted to the shareholders' meeting by law or the bylaws shall fall to the board of directors.
4. All shareholders, including dissenting shareholders and those who have not participated in the meeting, shall be subject to the resolutions of the shareholders' meeting, notwithstanding any rights and remedies granted to them by law.
5. The Company shall at all times guarantee that all shareholders in the same position are treated equally as regards information relating to, participation in, and the right to vote at, the shareholders' meeting.

**ARTICLE 19. TYPES OF SHAREHOLDERS' MEETINGS**

1. Shareholders' meetings may be annual or special.
2. The annual shareholders' meeting must be held once a year within the first six (6) months following each year-end in order to ratify the conduct of business, to

approve, if appropriate, the financial statements for the prior year and to resolve on the appropriation of income/loss. It may also adopt resolutions on any other matter within its jurisdiction pursuant to the law, these bylaws or the shareholders' meeting regulations, provided that they are included on the agenda or are legally appropriate and the meeting has been constituted with the presence of the required share capital.

3. Any shareholders' meeting not envisaged in the preceding paragraph shall be deemed to be a special shareholders' meeting.

## **ARTICLE 20. CALL OF THE SHAREHOLDERS' MEETING**

1. The shareholders' meeting, whether annual or special, shall be called by the board of directors in a manner that ensures that all shareholders have access to the information swiftly and without discrimination. The call notice shall be published in at least the following media: (i) the Official Commercial Registry Gazette or one of the largest circulation newspapers in Spain; (ii) the website of the National Securities Market Commission; and (iii) the website of the Company, at least one (1) month before the date scheduled for the meeting.

Notwithstanding the foregoing, where the Company offers the shareholders the effective possibility of voting by electronic means accessible to all of them, special shareholders' meetings may be called a minimum of fifteen (15) days in advance. The shortened call notice period shall require an express resolution adopted at an annual shareholders' meeting by at least two thirds of the voting capital, and its validity may not exceed the date on which the next meeting is held.

2. The call notice must contain all of the references and information required by law, as the case may be, and shall state whether the meeting is annual or special, the date, the time and the venue of the meeting and the agenda, including all of the business to be transacted. It may also state the date on which the meeting shall be held on second call, as appropriate. A period of at least twenty-four (24) hours must elapse between the first and second meeting. If the duly called shareholders' meeting is not held on first call, and the date of the second meeting is not stated in the call notice, the second meeting must be called, with the same agenda and same notification requirements as the first meeting, within the fifteen days following the date of the meeting not held and with at least ten days' advance notice.
3. The website on which the call notice for shareholders' meetings of the Company shall be published shall be recorded from time to time on the company's registration sheet at the Commercial Registry.
4. From the publication of the call notice until the holding of the shareholders' meeting, the Company must publish on its website, without interruption, the information determined in each case by the law, the shareholders' meeting regulations or any other applicable regulation.
5. Shareholders representing the minimum percentage of share capital legally provided for such purpose may request the publication of a supplement to the call notice for a shareholders' meeting, including one or more items on the agenda,

provided that the new points are accompanied by a justification or, as the case may be, a justified proposal for a resolution. Under no circumstances may such right be exercised with respect to the call of special shareholders' meetings.

6. The right provided for in the preceding paragraph must be exercised by serving duly authenticated notice, which must be received at the registered office within the five (5) days following the publication of the original call notice. The supplement to the call notice must be published at least fifteen (15) days in advance of the date scheduled for the meeting. Failure to publish the supplement to the call notice within the statutory time period shall be cause for challenging the shareholders' meeting.
7. Shareholders representing the minimum percentage of share capital legally provided for such purpose may also, in the same period indicated in the preceding paragraph, submit reasoned proposals for resolutions on items already included or to be included in the agenda for the shareholders' meeting. The Company shall ensure the dissemination of these proposed resolutions, and of any attached documentation, among the rest of the shareholders, in accordance with the provisions of the law.
8. The board of directors may call a special shareholders' meeting whenever it deems it appropriate in the corporate interest. Moreover, it must call the meeting when so requested by shareholders who hold the minimum percentage of share capital legally provided for such purpose, stating in the request the items to be addressed at the meeting. In this case, the shareholders' meeting must be called to be held within the period provided for in the law. The board of directors shall draw up the agenda, necessarily including the item or items requested.
9. The provisions of the applicable law shall apply for the call of shareholders' meetings by the court Clerk or the Commercial Registrar of the place where the Company has its registered office.
10. The provisions of this article are understood to be without prejudice to the statutory provisions for specific scenarios.

## **ARTICLE 21. "UNIVERSAL" SHAREHOLDERS' MEETING**

Notwithstanding the provisions of the preceding articles, the shareholders' meeting shall be deemed to have been called and shall be validly constituted to transact any business where all of the share capital is present and those present unanimously agree to hold the meeting.

## **ARTICLE 22. MEETING VENUE AND TIME**

1. Shareholders' meetings shall be held in the place and on the date indicated in the call notice, within the municipality in which the registered office is located.
2. Remote attendance at the shareholders' meeting by simultaneous telematic means and electronic distance voting during the meeting may be admitted if so established in the shareholders' meeting regulations, subject to fulfillment of the requirements

provided for therein.

In such case, the shareholders' meeting regulations may attribute to the board of directors the power to determine, having regard to the state of the art, when the appropriate conditions of security and simplicity permit, with the due guarantees, remote attendance at the shareholders' meeting by simultaneous telematic means and electronic distance voting during the meeting. The shareholders' meeting regulations may also attribute to the board of directors the regulation, in observance of the law, the bylaws and the shareholders' meeting regulations, of all necessary procedural aspects, including, among other matters, the minimum period in advance that the connection must be established in order to consider the shareholder to be present, the applicable procedure and rules to ensure that shareholders attending remotely can exercise their rights, the ID requirements to be met by those attending remotely, and their influence on the system of drawing up the list of attendees.

3. The shareholders' meeting, provided there is just cause to do so, may resolve on its extension over one or more consecutive days, at the proposal of its chairman, of the majority of directors attending the meeting or at the request of a number of shareholders representing at least one quarter (1/4) of the share capital present at the meeting. Regardless of the number of sessions, the shareholders' meeting shall be considered a single meeting and a single set of minutes shall be drawn up for all sessions. Accordingly, it shall not be necessary to reiterate the fulfillment of the requirements provided for in the law or in the bylaws for its valid constitution in successive sessions. The shareholders' meeting may also be temporarily suspended in the scenarios and manner provided for in the shareholders' meeting regulations.
4. Where so permitted under the law in force at any time and in the conditions established by law, shareholders' meetings may be called to be held exclusively through electronic means, without the physical attendance of shareholders or their proxies.

## **ARTICLE 23. CONSTITUTION OF THE SHAREHOLDERS' MEETING**

The shareholders' meeting shall be validly constituted on first call where the shareholders present in person or by proxy own at least twenty-five percent (25%) of the subscribed voting capital. It shall be validly constituted on second call regardless of the capital in attendance.

In order for the annual or special shareholders' meeting to be able to validly resolve on a capital increase or reduction or on any other amendment to the bylaws, the issue of debentures, the elimination or restriction of the preemptive right to acquire new shares, or on an alteration of legal form, merger, spin-off or global transfer of assets and liabilities, the winding-up or liquidation of the Company or the transfer abroad of the registered office, shareholders owning at least fifty percent (50)% of the subscribed voting capital must be present, in person or by proxy, on first call. On second call, the presence of twenty-five percent (25%) of the subscribed voting capital shall be sufficient, although where shareholders representing less than fifty percent (50)% of the subscribed voting capital are present, the resolutions referred to in this paragraph may only be validly

adopted with the favorable vote of two-thirds (2/3) of the capital present, in person or by proxy, at the meeting.

Any absences arising after the shareholders' meeting has been constituted shall not affect its valid constitution.

#### **ARTICLE 24. RIGHT OF ATTENDANCE**

1. Company shareholders who hold, individually or in a group with other shareholders, a number of shares at least equal to the lesser of: (i) five hundred (500) shares; or (ii) a number of shares representing one-thousandth (1/1,000) of the share capital shall have the right to attend shareholders' meetings.
2. In order to exercise the right of attendance, shareholders must have registered the shares in their name on the corresponding register of book entries five (5) days in advance of the date on which the shareholders' meeting is to be held. This circumstance must be evidenced by means of the relevant attendance, proxy and distance voting card, certificate of standing or any other valid means of accreditation admitted by the Company.
3. The members of the board of directors must attend shareholders' meetings, although if any of them cannot attend for whatever reason, this shall not prevent the valid constitution of the meeting under any circumstances.
4. The chairman of the shareholders' meeting may authorize attendance by executives, managers and technical personnel of the Company and other persons who have an interest in the sound running of corporate affairs, as well as invite any persons he sees fit, on the terms and conditions established in the shareholders' meeting regulations.

#### **ARTICLE 25. PROXY TO ATTEND SHAREHOLDERS' MEETING**

1. Without prejudice to attendance by legal entity shareholders through the corresponding person, all shareholders who have the right to attend may be represented at the shareholders' meeting by another person, who need not be a shareholder, and such proxies must be specially granted in writing for each meeting.
2. The power of representation is understood to be without prejudice to the provisions of the law in cases of family representation and the grant of general powers.
3. A proxy for any kind of shareholders' meeting may be granted by the shareholder by mail, electronic communication or any other means of distance communication, provided that the proxy conferred, the identity of the proxy and the principal, and the security of electronic communications can be adequately guaranteed in the matter determined in the shareholders' meeting regulations. The Company shall establish the system for electronic notification of the appointment, with the formal, necessary and proportionate requirements to guarantee the identification of the shareholder and of the proxy or proxies appointed by it and the security of electronic communications.

4. Proxies may represent more than one shareholder with no limit on the number of shareholders represented. When a proxy represents various shareholders, it may cast differing votes according to the instructions given by each shareholder. In all cases, the number of shares represented shall count towards the valid constitution of the shareholder's meeting.
5. Prior to their appointment, proxies must provide detailed information to the shareholder on whether there is any conflict of interest, in accordance with the applicable corporate legislation. If the conflict arises after their appointment and the represented shareholder has not been notified of its potential existence, the proxy must inform the shareholder immediately. In both cases, if no new specific voting instructions have been received for each of the items on which the proxy has to vote on behalf of the shareholder, it must abstain from voting.
6. For representation by the directors of the Company, or by financial intermediaries or by any other person on behalf of or in the interests of any of them or of a third party and for exercise of the right to vote by any of them, the provisions of the law, the shareholders' meeting regulations and any other applicable regulations shall apply.
7. The chairman of the shareholders' meeting is authorized to determine the validity of the proxies granted and the fulfillment of the requirements for attendance of the shareholders' meeting and may delegate this function to the secretary.
8. Proxies may be revoked at all times and the attendance in person of the principal at the meeting shall have the effect of revocation.

#### **ARTICLE 26. DISTANCE VOTING**

1. Company shareholders may cast their vote on the proposals relating to the items on the agenda of any shareholders' meeting by postal correspondence or by electronic communication, provided that the identity of the shareholder exercising his/her right to vote and the security of electronic communications is duly guaranteed.
2. Votes cast by postal correspondence shall be sent to the Company in writing, stating the direction the vote is cast, and in fulfillment of all formalities determined by the board of directors by means of a resolution and subsequent notification in the call notice of the shareholders' meeting in question.
3. Votes cast by means of electronic communication with the Company shall only be admitted, once the appropriate security and simplicity conditions have been checked, where so determined by the board of directors by means of a resolution and subsequent notification in the call notice of the shareholders' meeting in question. In such resolution, the board of directors shall define the applicable conditions for distance voting by means of electronic communication, necessarily including conditions that adequately guarantee the authenticity and identity of the shareholder exercising his/her vote.
4. In order to be valid, votes cast using any of the distance means referred to in the

preceding subarticles must be received by the Company at least five (5) days in advance of the date scheduled for the meeting on first call. The board of directors may reduce this advance notice period to twelve midnight (24:00) on the business day prior to the date of the meeting on first call, giving it the same amount of publicity as is given to the call notice.

5. The board of directors may expand on and supplement the regulations on distance voting and proxies provided for in these bylaws, establishing the instructions, means, rules and procedures it sees fit for the casting of votes and grant of proxies using means of distance communication.
6. Shareholders who cast their vote using distance means in accordance with the provisions of this article shall be considered present for the purposes of the constitution of the shareholders' meeting in question. As a result, any proxies granted prior to the casting of such vote shall be deemed revoked and those conferred subsequently shall be deemed ineffective.
7. Any vote cast using distance means shall be rendered ineffective by the physical attendance at the meeting of the shareholder who cast it, or by any disposal of his/her shares of which the Company is aware.

#### **ARTICLE 27. RIGHT OF INFORMATION**

1. Shareholders shall enjoy the right to information on the terms provided for in the law.
2. The board of directors shall be obliged to provide, in the manner and within the time periods provided for in the law, any information requested by shareholders in accordance with such provisions, save for cases in which it is unlawful or the legislation in force allows for such information not to be provided. This exception shall not apply where the request is supported by shareholders representing at least one quarter (1/4) of the share capital.

#### **ARTICLE 28. CHAIRMAN AND SECRETARY OF THE MEETING**

1. Shareholders' meetings shall be chaired by the chairman of the board of directors or by any person that the chairman may delegate, who must be a director in all cases, or, where the chairman of the board of directors is absent and no delegation has been made, by the longest-serving director in attendance and, in the event of an equal period of service, by the eldest of such directors.
2. The meeting secretary shall be the secretary of the board of directors and, failing that, the deputy secretary, if any. Failing that, it shall be the shortest-serving director and, in the event of an equal period of service, the youngest of such directors.

#### **ARTICLE 29. LIST OF ATTENDEES**

1. Before moving on to the agenda, the secretary of the shareholders' meeting shall draw up the list of attendees, stating the nature or representative authority of each

of them and the number of shares, owned or represented, with which they attend the meeting.

2. At the end of the list, the total number of shareholders present, in person or by proxy, shall be stated, as well as the amount of capital they own or represent, specifying the capital corresponding to shareholders with the right to vote.
3. If the list of attendees does not appear at the start of the minutes of the shareholders' meeting, it shall be attached to the minutes by means of an exhibit signed by the secretary and countersigned by the meeting chairman.
4. The list of attendees may also be drawn up in a file or included in computerized format. In such cases, the medium used shall be recorded in the minutes and the appropriate identification stamp, signed by the secretary and countersigned by the meeting chairman, shall be affixed to the sealed cover of the file or medium.

#### **ARTICLE 30. CONDUCT OF MEETINGS**

1. The chairman shall submit for deliberation the items on the agenda and shall chair the debate with a view to ensuring that the meeting progresses in an orderly manner.
2. During the course of the meeting, shareholders may request information on the terms provided for in article 27 above and in the shareholders' meeting regulations.
3. Any shareholder may take the floor during deliberations on the items on the agenda, although the chairman, in exercise of his powers, is authorized to take order-related measures, such as setting a time limit for speeches, establishing turns or bringing an end to the speeches, in accordance with the provisions of the shareholders' meeting regulations.
4. Once an item has been sufficiently debated in the opinion of the chairman, it shall be submitted to a vote. The chairman shall establish the voting system he deems most appropriate and direct the corresponding process, adjusting the implementing rules provided for in the shareholders' meeting regulations where necessary.

#### **ARTICLE 31. ADOPTION OF RESOLUTIONS**

1. Each voting share present, in person or by proxy, at the shareholders' meeting, confers the right to one vote.
2. Shareholders' meeting resolutions shall be adopted with the favorable vote of the majority of the share capital present, in person or by proxy, notwithstanding any scenarios in which the law or these bylaws stipulate a higher majority.
3. For each resolution submitted to a vote by the shareholders' meeting, the number of shares with respect to which votes were validly cast, the proportion of the share capital represented by such votes, the total number of valid votes, the votes for and against each resolution and any abstentions must be determined, at minimum.

4. Resolutions approved and the outcome of the voting shall be published in full on the Company's website as soon as possible and, in all cases, within the five (5) days following the end of the shareholders' meeting.

#### **ARTICLE 32. MINUTES OF THE MEETING AND CERTIFICATES**

1. The minutes of annual and special shareholders' meetings must indicate the items debated, the votes cast and the resolutions adopted. The minutes must be clearly recorded in a special book and shall be signed the chairman and secretary of the meeting.
2. The minutes of shareholders' meetings must be approved in any of the ways provided for in the law and shall be binding as from the date of their approval.
3. Certificates of the minutes shall be issued by the secretary or, failing that, the deputy secretary of the board of directors and countersigned by the chairman or deputy chairman, as the case may be, and resolutions shall be notarized by the persons with authority to do so.

### **SECTION II THE BOARD OF DIRECTORS**

#### **ARTICLE 33. BOARD OF DIRECTORS**

1. The Company shall be managed and governed by a board of directors.
2. The board of directors shall be governed by the applicable legislation and by these bylaws. The board of directors shall expand on and supplement such provisions by means of the board regulations, the initial approval of which and any subsequent amendments thereto shall be notified to the shareholders' meeting.

#### **ARTICLE 34. FUNCTIONS OF THE BOARD OF DIRECTORS**

1. The board of directors has the broadest powers to manage the Company and, save with respect to the matters reserved to the shareholders' meeting, is the supreme decision-making body of the Company, with the authority to do and perform all things comprising the corporate purpose.
2. The representation of the Company in and out of court falls to the board of directors, acting as a collective body. The board may also confer the power to represent the Company on persons who are not directors by means of a power of attorney containing a specific list of the powers conferred.
3. The secretary and, as the case may be, the deputy secretary of the board of directors, has the necessary powers of representation to request the notarization and registration of the resolutions of the shareholders' meeting and of the board of

directors.

4. In all cases, the board shall assume, on a non-delegable basis, any powers legally reserved for its direct consideration, as well as any other powers necessary for the responsible exercise of its general supervisory function and those specified in the Regulations of the Board of Directors, at any given time, as non-delegable matters.
5. The board shall discharge its functions independently of the management of the Company and shall be guided by the general interest of the Company.

#### **ARTICLE 35. COMPOSITION OF THE BOARD OF DIRECTORS**

1. The board of directors shall be made up of a minimum of three (3) and a maximum of fifteen (15) members.
2. The number of directors shall be set by the shareholders' meeting.
3. Directors need not be shareholders of the Company.

#### **ARTICLE 36. BALANCE OF THE BOARD**

1. The board of directors shall be composed so that non-executive directors represent a majority over executive directors. This instruction, as well as those established in these bylaws and in the board regulations regarding the composition of the board committees, shall be binding on the board of directors and must be observed in the exercise of its powers to propose appointments and re-appointments to the shareholders' meeting, appoint by co-option in order to fill vacancies and appoint the members of the board committees, and shall merely serve as guidance for the shareholders' meeting, as appropriate.
2. The definitions of the different types of directors shall be those established in the legislation in force or, failing that, in the good corporate governance recommendations applicable to the Company from time to time.
3. The nature of each director shall be justified by the board of directors to the shareholders' meeting, which must carry out or ratify the appointment or resolve on the re-appointment and shall maintain or, as the case may be, modify the Annual Corporate Governance Report, following a report by the appointments committee.

#### **ARTICLE 37. TERM OF OFFICE**

1. Directors shall hold office, save in the event of removal, resignation, death or incapacity, for a period of two (2) years, and may be re-appointed one or more times for periods of equal duration.
2. The appointment of directors shall expire, following the end of the term, once the next shareholders' meeting has been held or once the statutory period has elapsed for holding the shareholders' meeting that is to resolve on the approval of the previous year's financial statements.

3. Directors appointed by co-option shall hold office until the first meeting of the shareholder's meeting is held. Notwithstanding the above, where the vacancy arises after the shareholders' meeting is called but before it is held, the director designated by co-option shall hold office until the next shareholders' meeting is held.

#### **ARTICLE 38. DIRECTORS' COMPENSATION**

1. Members of the board of directors who are classed as non-executive directors (independent, nominee or other non-executive directors) shall be entitled to receive compensation (i) for the office of director (and as directors), and (ii) for membership of board committees.

The compensation to which the preceding paragraph refers shall consist of (i) a fixed amount, and (ii) attendance fees. The maximum amount of the annual compensation for directors, for the office of director and for membership of board committees, and in respect of both (i) the fixed amount and (ii) the attendance fees, must be approved by the shareholders' meeting and shall remain in force until its modification is approved.

The board of directors shall specifically determine the amounts corresponding to each director for each of these items in accordance with the directors' compensation policy.

2. When a member of the board of directors is appointed managing director or is assigned executive functions by virtue of another title, he or she shall be compensated for the performance of executive functions subject to the provisions of (i) article 249 of the Capital Companies Law and (ii) the directors' compensation policy. The compensation system for these executive directors may consist of, or include, the delivery of shares, stock options or compensation systems linked to the value of the shares and/or assets of the Company.

The board of directors shall ensure that the compensation takes into account the responsibilities and degree of commitment entailed by the executive office discharged by each executive director.

#### **ARTICLE 39. APPOINTMENT OF OFFICES ON THE BOARD OF DIRECTORS**

1. The board of directors, following a report by the appointments committee, shall appoint from among its members a chairman and may appoint one or more deputy chairmen, at the proposal of the chairman and following a report by the appointments committee. The first deputy chairman, if any, shall stand in for the chairman when he/she is absent or unable to attend, and shall be substituted, if necessary, by the second deputy chairman, and so on, successively. The chairman or deputy chairman must be a member of the board of directors.
2. The board of directors, at the proposal of the appointments committee, shall appoint (by requirement or voluntarily) one director from among the independent directors as lead director (the "Lead Director"), who shall be specially empowered to:

- (a) ask the chairman of the board of directors to call a board meeting whenever he/she sees fit;
  - (b) request the inclusion of new items on the agenda for a board meeting that has already been called;
  - (c) coordinate and call together the non-executive directors;
  - (d) head the evaluation of the chairman of the board of directors;
  - (e) chair the board in the absence of the chairman and of the deputy chairmen, if any;
  - (f) voice the concerns of the non-executive directors;
  - (g) maintain contact with investors and shareholders to ascertain their points of view in order to form an opinion on their concerns; and
  - (h) coordinate the chairman succession plan.
3. Following a report by the appointments committee, the board shall appoint a secretary and may, following a report by the appointments committee, appoint a deputy secretary, neither of whom need be directors. The secretary shall attend board meetings with the right to speak but not to vote, unless he/she is a director. The deputy secretary, if any, shall substitute the secretary in the event the secretary is not present at the meeting for whatever reason and, unless otherwise decided by the board, he/she may attend board meetings to assist the secretary with his/her work.

#### **ARTICLE 40. BOARD MEETINGS**

1. The board of directors shall meet as often as is necessary to effectively perform its functions and at least once (1) per quarter and eight (8) times a year, following the schedule of dates and matters to be established at the start of the year and, at the initiative of its chairman, whenever the chairman sees fit. The board of directors must meet whenever so requested by at least one-third (1/3) of its members, by the director specially authorized for such purpose or by two (2) independent directors, in which case it shall be called by the chairman, by means of any written communication addressed individually to each director, to be held within the fifteen (15) days following the request.
2. Directors constituting at least one-third (1/3) of the board members may call a board meeting, indicating the agenda, to be held in the place where the registered office is located if, following a request made to the chairman, the chairman fails to call the meeting within one month without just cause.
3. Ordinary meetings shall be called by order of the chairman, by mail, fax, telegram, email or any other means that allows for its receipt by the board secretary or acting board secretary. The call notice shall be sent at least five (5) days in advance. The information deemed necessary shall be sent or made available to the directors

along with the call notice, which shall include the meeting agenda at all times, save for just cause.

Without prejudice to the above, the board of directors shall be deemed validly constituted without the need for a call if all of its members are present, in person or by proxy, and unanimously agree to hold a board meeting and on the meeting agenda.

4. The chairman of the board of directors may call special board meetings when, in his opinion, the circumstances so dictate and the advance notice period and other requirements indicated in the preceding section shall not apply. This notwithstanding, efforts shall be made to ensure that any documentation to be provided to directors is delivered sufficiently in advance.
5. Ordinary board meetings shall be held at the registered office but meetings may also be held at any other venue determined by the chairman, whether in Spain or abroad.
6. In addition, provided there are justified reasons to explain the inability to attend by any director, the chairman may authorize the simultaneous holding of board meetings at different venues connected by audiovisual or telephonic means, provided that the identification of the directors present and real-time interactivity and intercommunication and, consequently, the integrity of the meeting, is guaranteed, and provided that none of the directors object.
7. The board of directors may adopt resolutions in writing and without holding a meeting where no director objects to the procedure, as established in the legislation in force.

#### **ARTICLE 41. CONDUCT OF MEETINGS**

1. The board shall be deemed validly constituted when half plus one of its members are present at the meeting, in person or represented by another director.
2. All directors may grant their vote to, and confer a proxy on, another director. Non-executive directors may only grant a proxy to another non-executive director. Proxies shall be granted in writing and specifically for each meeting by means of a letter addressed to the chairman.
3. The chairman shall chair the debates, grant the floor and conduct the vote.
4. Resolutions shall be adopted by an absolute majority of the directors present at the meeting, in person or by proxy, save in cases where a reinforced majority is established in the law, these bylaws or the board regulations. In the event of a tie, the chairman shall have the casting vote.
5. The chairman may invite to board meetings or to certain items on the agenda any individuals who may enhance the information available to directors.

#### **ARTICLE 42. MINUTES OF THE BOARD MEETING AND CERTIFICATES**

1. The discussions and resolutions of the board of directors shall be recorded in minutes, to be taken in or transcribed into a minutes book and signed by the chairman, or deputy chairman, as the case may be, and the secretary, or deputy secretary, as the case may be.
2. The minutes shall be approved by the board of directors at the end of the relevant meeting or at the immediately subsequent meeting.
3. Certificates of the minutes shall be issued by the secretary of the board of directors or, failing that, by the deputy secretary of the board of directors, if any, and countersigned by the chairman or deputy chairman, as the case may be.

### **SECTION III DELEGATE AND CONSULTATIVE BODIES OF THE BOARD**

#### **ARTICLE 43. DELEGATION OF POWERS**

1. Without prejudice to the powers of attorney that may be conferred on any individual, the board of directors may appoint a permanent Executive Committee from among its number, determining the members of such committee, and may also appoint a managing director at the proposal of the chairman of the board of directors, and may delegate to them, in whole or in part, on a permanent or temporary basis, all powers that may be delegated in accordance with the law, the bylaws and the board regulations. In order for the delegation and appointment of the board members who are to hold such positions to be valid, the favorable vote of two-thirds (2/3) of the members of the board of directors shall be required and such appointments shall not be effective until they have been registered at the Commercial Registry.
2. The board of directors shall appoint from among its number an audit and control committee, an appointments committee and a compensation committee (or a sole appointments and compensation committee, in which case, the references made in these bylaws to the appointments committee and/or to the compensation committee shall be deemed made to the same committee, that is, to the appointments and compensation committee) and may delegate to them, in whole or in part, on a permanent or temporary basis, the powers it sees fit and which may be delegated according to the law.
3. The above committees shall be governed by the provisions of the law, these bylaws and the board regulations and shall be deemed to be validly constituted when the majority of their members are present at meetings, in person or by proxy. Resolutions adopted by these committees shall be adopted by a majority of those present, in person or by proxy.
4. The board of directors may also appoint other committees made up of directors with the functions deemed appropriate.

5. The board of directors may also appoint representatives or attorneys-in-fact and revoke such appointments.

#### **ARTICLE 44. AUDIT AND CONTROL COMMITTEE**

The board of directors shall form from among its number an audit and control committee made up of the number of members established at any given time by the board of directors, within the minimum and maximum number of members included in the board regulations (for such committee) or in its specific regulations. The members of the audit and control committee shall be appointed by the board of directors at the proposal of the appointments committee.

The audit and control committee shall be governed by and have the powers established in the board regulations and in its own regulations (provided that it has regulations and they have been approved by the board of directors) and, in any case, it shall exercise those powers established in the law that correspond to it by reason of its nature. The audit and control committee shall be governed, secondarily, insofar as they are not incompatible with its nature and with what is indicated in its own regulations, by the provisions relating to the functioning of the board of directors..

#### **ARTICLE 45. APPOINTMENTS COMMITTEE AND COMPENSATION COMMITTEE**

The board of directors shall form from among its number an appointments committee and a compensation committee (or a sole appointments and compensation committee, in which case, the references made in these bylaws to the appointments committee and/or to the compensation committee shall be deemed made to the same committee, that is, to the appointments and compensation committee) as internal reporting and consultative bodies, with no executive function, with powers to report, advise and make proposals on matters falling within their scope of activities.

The appointments committee and the compensation committee shall be made up of the number of members established at any given time by the board of directors, within the minimum and maximum number of members included in the board regulations (for such committees) or in their specific regulations. The members of the appointments committee and the compensation committee shall be appointed by the board of directors at the proposal of the appointments committee.

The appointments committee and the compensation committee shall be governed by and have the powers established in the board regulations and in their own regulations (provided that they have regulations and they have been approved by the board of directors) and, in any case, they shall exercise those powers established in the law that correspond to them by reason of their nature. The appointments committee and the compensation committee shall be governed, secondarily, insofar as they are not incompatible with their nature and with what is indicated in their own regulations, by the provisions relating to the functioning of the board of directors.

**SECTION IV**  
**ANNUAL CORPORATE GOVERNANCE REPORT, ANNUAL REPORT ON**  
**DIRECTORS' COMPENSATION, AND CORPORATE WEBSITE**

**ARTICLE 46. ANNUAL CORPORATE GOVERNANCE REPORT**

1. The board of directors shall prepare an annual corporate governance report with the content determined by the applicable legislation in force from time to time.
2. The annual corporate governance report shall be made available to shareholders on the Company's website no later than the date of publication of the call notice for the annual shareholders' meeting that is to resolve on the financial statements for the year referred to in the report.

**ARTICLE 47. ANNUAL REPORT ON DIRECTORS' COMPENSATION**

1. The board of directors shall prepare an annual report on directors' compensation with the content provided for in the law or regulations.
2. The annual report on directors' compensation shall be made available to shareholders on the Company's website no later than the date of publication of the call notice for the annual shareholders' meeting that is to resolve on the financial statements for the year referred to in the report and shall be subject to a vote, on a consultative basis and as a separate item on the agenda, at the annual shareholders' meeting.

**ARTICLE 48. CORPORATE WEBSITE**

1. The Company shall have a corporate website through which it shall inform its shareholders, investors and the market in general of any material or significant events that occur in relation to the Company.
2. The board of directors may resolve on the modification, elimination or relocation of the website.
3. Without prejudice to any additional documentation that may be required by the applicable legislation, the Company's website shall include, at minimum, the information and documents contained in the board regulations.

**TITLE VI**  
**FINANCIAL STATEMENTS**

#### **ARTICLE 49. FISCAL YEAR**

The fiscal year shall coincide with the calendar year and consequently shall start on January 1 and end on December 31 each year, except for the Company's first fiscal year which shall start on the day of its formation and shall end on the following December 31.

#### **ARTICLE 50. ACCOUNTING DOCUMENTATION**

The Company must keep orderly accounting records, suitable for its activity, which permit its transactions to be monitored chronologically, and its inventories and balance sheets to be prepared.

The accounting records shall be legalized by the Commercial Registry pertaining to the place where the registered office is located.

#### **ARTICLE 51. FINANCIAL STATEMENTS**

1. The board of directors must prepare within not more than three (3) months after the fiscal year-end, the financial statements, the directors' report and the proposed appropriation of income/loss, as well as, if applicable, the consolidated financial statements and directors' report. The financial statements and the directors' report must be signed by all of the directors. If the signature of any of them is missing, such circumstance shall be stated in each one of the documents in which it is missing, expressly indicating the reason why.
2. The financial statements shall comprise the balance sheet, the income statement, a statement of changes in equity for the year, a cash flow statement (which shall not be necessary in the cases envisaged in the legislation in force from time to time) and the notes to the financial statements. These documents, which form a whole, must be drafted in a clear manner and provide a true and fair view of the net worth, the financial position and the results of the Company, in accordance with the statutory provisions, and must be signed by the directors of the Company.
3. Once the shareholders' meeting has been called, any shareholder may obtain from the Company, immediately and free of charge, the documents to be submitted to the shareholders' meeting for approval and, if applicable, the auditors' report. The call notice of the shareholders' meeting shall expressly mention this right.

#### **ARTICLE 52. DIRECTORS' REPORT**

The directors' report shall contain, at minimum, a fair presentation of the business performance and position of the Company, together with a description of the main risks and uncertainties faced by it, as well as, if applicable, a report on any significant events for the Company that have occurred since year-end, the outlook for the Company, the research and development activities and any acquisitions of treasury stock on the terms established by law.

#### **ARTICLE 53. AUDITORS**

1. The financial statements and the directors' report, as well as, if applicable, the

consolidated financial statements and directors' report, must be audited by the auditors where there is a statutory audit requirement. The auditors shall have at least one (1) month after the Company has provided them with the financial statements to submit a detailed report on the findings of their audit, in accordance with the relevant audit legislation.

2. The persons who are to perform the audit of the financial statements shall be appointed by the shareholders' meeting before the year to be audited ends, for a given period of time which may not be less than three (3) years or more than nine (9) years, to be reckoned from the date on which the first year to be audited commences, notwithstanding the provisions of the legislation regulating audits of financial statements with respect to the possibility of an extension.
3. The shareholders' meeting may appoint one or more individuals or legal entities who shall act jointly. Where the appointees are individuals, the shareholders' meeting must appoint as many substitute auditors as principal auditors.
4. The shareholders' meeting may not revoke the auditors' appointment before the end of the period for which they were appointed, unless there is just cause for doing so.

#### **ARTICLE 54. APPROVAL OF THE FINANCIAL STATEMENTS**

1. The financial statements, as well as the consolidated financial statements, if applicable, shall be submitted to the shareholders' meeting for approval.
2. The shareholders' meeting shall resolve on the appropriation of income/loss for the year per the approved balance sheet.
3. Dividends may only be distributed out of income for the year, or out of unrestricted reserves, if the reserves established by the law and bylaws have been covered and the net worth per books is not or does not become, as a result of the distribution, less than the share capital. If there are prior years' losses that make the net worth of the Company less than the share capital figure, the income shall be allocated to offsetting losses.
4. If the shareholders' meeting resolves to distribute dividends, it shall determine the time and the payment method subject to the provisions of these bylaws. The determination of these items may be delegated to the board of directors, as may any other item that may be necessary or advisable to implement the resolution.
5. The board of directors may resolve to distribute interim dividends, subject to the restrictions and requirements established by law and these bylaws.
6. The shareholders' meeting may resolve to have the dividend paid wholly or partly in kind, provided that the assets or securities being distributed are of the same kind, are admitted to trading on an official market when the resolution is implemented or it is duly guaranteed by the Company that liquidity will be obtained within not more than a year and they are not distributed at a value that is lower than that recorded on the balance sheet.

## ARTICLE 55. SPECIAL RULES ON DIVIDEND DISTRIBUTIONS

1. The authorized persons appearing on the corresponding accounting records or register of shareholders on the date determined by the shareholders' meeting or, as the case may be, the board of directors, in the relevant distribution resolution, shall be entitled to receive the dividend.
2. Unless resolved otherwise, the dividend shall be claimable and payable 30 days after the date of the resolution whereby the shareholders' meeting or, as the case may be, the board of directors has approved its distribution.
3. In cases where the distribution of a dividend triggers the obligation of the Company to pay the special levy envisaged in article 9.2 of the SOCIMI Law, or such law as may replace it (**SOCIMI Law**), the board of directors of the Company may require the shareholders who have triggered such levy to indemnify the Company.

The amount of the indemnification shall be equal to the corporate income tax expense that arises for the Company from paying the dividend that serves as the basis for calculating the special levy, plus the amount which, after deducting the corporate income tax that is levied on the total amount of the indemnification, manages to offset the expense arising from the special levy and from the relevant indemnification.

The amount of the indemnification shall be calculated by the board of directors, although such calculation may be delegated to one or more directors. Unless resolved otherwise by the board of directors, the indemnification shall be claimable on the day before the dividend is paid.

For illustration purposes, included as an **Exhibit** to these bylaws is a sample calculation of the indemnification in two different cases, in order to show how the effect of the indemnification on the Company's income statement is nil in both cases.

4. The indemnification shall be offset against the dividend to be received by the shareholder who has triggered the obligation to pay the special levy.
5. In cases where the dividend is paid before the periods granted for fulfillment of the ancillary obligations, the Company may withhold from those shareholders or holders of economic rights over the shares of the Company who have yet to provide the information and documentation required under article 8.1 above, an amount equal to the amount of the indemnification that must, if applicable, be paid. Once the ancillary obligation has been fulfilled, the Company shall return the amounts withheld from any shareholder who is not obliged to indemnify the Company.

In addition, if the ancillary obligation is not fulfilled within the stipulated periods, the Company may also withhold the payment of the dividend and offset the withheld amount against the amount of the indemnification, paying the shareholder any positive difference.

6. In cases where the total amount of the indemnification may be detrimental to the

Company, the board of directors may seek an amount that is lower than the amount calculated pursuant to the provisions of subarticle 3 of this article.

#### **ARTICLE 56. FILING OF THE FINANCIAL STATEMENTS**

1. Within the month following the approval of the financial statements, they shall be filed, together with any other documentation required by law and with the relevant certificate evidencing such approval and the appropriation of income/loss, at the Commercial Registry in the manner determined by law.
2. The board of directors shall file at the Commercial Registry pertaining to the registered office, the financial statements and the directors' report of the Company, as well as the consolidated financial statements and directors' report, together with the related auditors' reports and other mandatory documentation subject to the terms and time periods established by the law for their filing at such Commercial Registry.

### **TITLE VII WINDING-UP AND LIQUIDATION**

#### **ARTICLE 57. GROUNDS FOR WINDING UP**

The Company shall be wound up:

- (a) by a resolution of the shareholders' meeting expressly called for the purpose and adopted pursuant to the provisions of these bylaws; and
- (b) in any of the other cases envisaged in the law.

#### **ARTICLE 58. LIQUIDATION**

1. The winding-up of the Company shall commence the liquidation period.
2. The same shareholders' meeting that resolves to wind up the Company shall determine the basis for the liquidation, which shall be carried out by an odd number of liquidators, appointed for the purpose by the shareholders' meeting.
3. From the moment that the Company is declared to be in liquidation, the board of directors shall no longer have representative authority to enter into new contracts and obligations, and the liquidators shall assume the functions envisaged in the law. Where the winding-up has resulted from the commencement of the liquidation phase of the Company in an insolvency proceeding, no liquidators shall be appointed.
4. In order to carry out the liquidation, the division of the corporate assets and cancellation at the registry regard shall be had to the provisions of the law.

## **TITLE VIII INCOMPATIBILITIES**

### **ARTICLE 59. PROHIBITIONS AND INCOMPATIBILITIES**

Persons declared as incompatible to the extent and on the terms established by the current legislation are prohibited from holding or, as the case may be, discharging, positions at the Company.

### **ARTICLE 60. EMERGENCE OF ASSETS AND LIABILITIES**

1. Once the entries relating to the Company have been canceled, if corporate assets emerge, the liquidators must allocate to the former shareholders the additional liquidation dividend applicable to them, after converting the assets into money where necessary.

Where six months have elapsed since the liquidators were required to comply with the provisions of the preceding paragraph and the former shareholders have not been allocated the additional liquidation dividend, or in the absence of liquidators, any interested party may ask the commercial court pertaining to the last registered office to appoint a person to replace them in the discharge of their functions or to appoint a liquidator.

2. The former shareholders shall be jointly and severally liable for unpaid corporate debts up to the limit of what they would have received as a liquidation dividend, notwithstanding the liability of the liquidators in the event of willful misconduct or fault.
3. To comply with formal requirements relating to legal transactions before the Company's entries are canceled, or where necessary, the former liquidators may formalize legal transactions on behalf of the wound-up Company after the Company has been canceled at the Registry. In the absence of liquidators, any interested party may request such formalization from the commercial court pertaining to the Company's last registered office.

### **ARTICLE 61. JURISDICTION FOR RESOLVING DISPUTES**

For any disputes that may arise between the Company and the shareholders by reason of the corporate affairs, both the Company and the shareholders, waiving their own jurisdictions, expressly submit to the jurisdiction of the registered office of the Company, unless the applicable legislation imposes another jurisdiction.

## **EXHIBIT Sample calculation of indemnification**

There follows a sample calculation of the indemnification in two different cases, showing how the effect of the indemnification on the Company's income statement is nil in both cases:

(a) Assuming a gross dividend of 100 and a special corporate income tax levy of 19% and a corporate income tax rate 0% for the income obtained by the Company, the indemnification would be calculated as follows:

Dividend: 100

Special levy:  $100 \times 19\% = 19$

CIT expense due to special levy ("CITESl"): 19

Indemnification ("I"): 19

CIT base due to the indemnification ("CITBi"): 19

CIT expense associated with the indemnification ("CITEi"): 0 Effect on the Company: I  
 $- \text{CITESl} - \text{CITEi} = 19 - 19 - 0 = 0$

(b) Assuming a gross dividend of 100 and special corporate income tax levy of 19% and a corporate income tax rate of 10% for income obtained by the Company, the indemnification, rounded to the nearest cent, would be calculated as follows:

Dividend: 100

Special levy:  $100 \times 19\% = 19$

CIT expense due to special levy ("CITESl"): 19

Indemnification ("I"):  $19 + (19 \times 0.1/1-0.1) = 21.1119$

CIT base due to the indemnification ("CITBi"): 21.11

CIT expense associated with the indemnification ("CITEi"):  $21.11 \times 10\% = 2.11$

Effect on the Company: I – CITESl– CITEi =  $21.11 - 19 - 2.11 = 0$