

**CORPORATE BYLAWS OF LINEA DIRECTA ASEGURADORA SOCIEDAD  
ANÓNIMA COMPAÑÍA DE SEGUROS Y REASEGUROS**

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**CHAPTER I**  
**NAME, ADDRESS, OBJECT AND DURATION**

**Artículo 1º.- Company name and regulation**

The company is called “LINEA DIRECTA ASEGURADORA SOCIEDAD ANONIMA COMPAÑÍA DE SEGUROS Y REASEGUROS” (the “**Company**”) is bound by these Bylaws and, in all matters not provided for in them, by the revised text of the Corporate Enterprises Act and other applicable legal provisions. The Company has been using the company name indicated above peacefully and uninterruptedly since 1994.

**Artículo 2º.- Registered office**

1. The registered office is established in Tres Cantos (Madrid), Calle Isaac Newton, 7.
2. The Board of Directors may transfer the registered office within Spanish territory, and also agree to create, eliminate or transfer branches, agencies, delegations or representations in any other part of the national territory or abroad.
3. The Company's electronic headquarters shall be its corporate website, as under prevailing laws. The Board of Directors may resolve to delete, relocate or change the name of the Company's website in accordance with the law.

**Artículo 3º.- Corporate purpose**

1. The Company's purpose is to carry out insurance and reinsurance operations in the general lines of insurance for which it has obtained the corresponding administrative authorisation, and also to work alongside non-insurance entities to distribute the services produced by the latter. The Company may accept risk coverage and take out reinsurance without the intervention of a private insurance broker. Its CNAE (National Business Classification) Code is 6512, and refers to insurance other than life insurance.
2. The scope of the company's activity will include the entire national territory, although it will also be able to carry out insurance activity abroad, under the terms set out in prevailing private insurance laws. Since 1994, the company has been operating under the brands LINEA DIRECTA and LINEA DIRECTA ASEGURADORA, and certain others, using the logos, word and composite brands and brand elements associated with them.
3. The company may carry out the activities included in the corporate purpose, in whole or in part, indirectly, in any manner permitted by law and, in particular, through the ownership of shares or equity interests in companies or other legal entities with an identical or similar purpose.

**Artículo 4º.- Duration**

The duration of the Company is indefinite.

## **CHAPTER II SHARE CAPITAL AND SHARES**

### **Artículo 5º.- Share capital**

The Company has a share capital of FORTY THREE MILLION FIVE HUNDRED AND THIRTY SIX THOUSAND SIX HUNDRED AND SEVENTY THREE EUROS AND SIXTY CENTS (€43,536,673.60), represented by ONE BILLION EIGHTY-EIGHT MILLION FOUR HUNDRED AND SIXTEEN THOUSAND EIGHT HUNDRED AND FORTY (1,088,416,840) registered shares of 0.04 euros par value each, of a single class and series, fully subscribed and paid up.

### **Artículo 6º.- Representation regime for outstanding shares and disbursements**

1. The shares are represented by book entries and are governed by the provisions of securities market regulations and other applicable legal provisions.
2. The Company shall recognise persons who appear legitimised in the entries in the accounting register as shareholders. The successive transfers of shares and the constitution of rights in rem over the same shall be put down in such entries. Notwithstanding the foregoing, such books or registers as may be required or necessary by law shall also be kept.
3. If the shares have not been fully paid up, an entry will be recorded to that effect. The outstanding disbursements must be paid at the time determined by the Board of Directors, within a period of five years from the date of the capital increase resolution. The capital increase resolution shall stipulate the form and other circumstances of the disbursement, and it may provide for disbursements to be made either in cash or non-cash contributions.
4. The Company may at any time access the data necessary to fully identify its shareholders, including addresses and means of contact to be able to communicate with them.

### **Artículo 7º.- Shareholders' rights and submission to the Bylaws and corporate resolutions**

1. The shares and the economic rights deriving from them, including pre-emptive subscription and free allotment rights, are freely transferable in accordance with the provisions of the law.
2. Each share represents an aliquot part of the share capital, confers on its legitimate holder the status of shareholder and grants him/her the rights recognised by law and in these Bylaws, which include the following, inter alia: (i) the right to participate in the distribution of corporate profits and in the assets resulting from liquidation, (ii) the right to pre-emptive subscription in the issue of new shares or debentures convertible into shares, (iii) the right to challenge corporate resolutions, (iv) the right to information and (v) the right to attend and vote at General Meetings when holding the number of shares required for the exercise of this right by these Bylaws and under the conditions established therein. However, those

shareholders who are in arrears in the payment of outstanding disbursements may not exercise the right to vote.

3. Shareholders shall exercise their rights with the Company loyally and in good faith.
4. The fact that shareholders own one or more shares means that they accept and fully comply with the Company's Bylaws and the other rules that make up its corporate governance system, approved in the legally established manner, and that they submit to the legally adopted resolutions of the Company's governing and administrative bodies, without prejudice to the legal remedies available under the law.

#### **Artículo 8°.- Co-ownership, usufruct and rights in rem over the shares**

1. Prevailing laws shall apply for all questions of co-ownership, usufruct and pledge of shares.
2. Shares are indivisible, so joint holders of shares and joint holders of other rights in shares must designate a single person to exercise shareholder rights, and they are jointly and severally liable for all obligations arising from their status as shareholders.
3. In the case of the usufruct of the shares, the bare owners will be the shareholders, but invariably the usufructuary is entitled to the dividends agreed by the company during the usufruct.
4. If shares are pledged, the owner shall be entitled to exercise the rights of the shareholder, and the pledgee shall be obliged to allow such rights to be exercised.

### **CHAPTER III OF THE CORPORATE BODIES**

#### **Artículo 9°.- Corporate Bodies**

The Company shall be governed, managed and administered by the General Meeting and the Board of Directors, in accordance with the provisions of these Bylaws, the law and the regulations of the General Meeting and the Board of Directors of the Company approved in the manner established by law.

#### **Section I The General Meeting**

#### **Artículo 10°.- The General Meeting**

1. The General Meeting is the sovereign body of the Company. The duly convened shareholders meet there to deliberate and decide, by the majorities required in each case, on the matters in which they have a say.
2. All shareholders, including dissenting and absent members, are subject to the resolutions of the General Meeting, without prejudice to their right to challenge when legally

appropriate.

3. The General Meeting is governed by prevailing laws, these Bylaws and the regulations of the General Meeting, which must be approved by it.
4. The Company shall see to it that all shareholders in the same position are treated equally in terms of information, participation and the exercise of voting rights at the General Meeting.

#### **Artículo 11°.- Powers of the General Meeting**

1. The General Meeting shall decide on matters attributed to it by law, by these Bylaws and by its own regulations.
2. The General Meeting shall also decide on any other matter that the Board of Directors resolves to submit to it in light of its decision-making powers.

#### **Artículo 12°.- Types of General Meetings**

1. General Meetings may be ordinary or extraordinary.
2. The Ordinary General Meeting, previously called for this purpose, must meet on the day stipulated by the Board of Directors, within the first six months of each financial year, to review the company management, approve, where appropriate, the financial statements of the previous financial year and decide on how to appropriate earnings. It may also adopt resolutions on any other matter within its remit, provided that it is on the agenda or is legally appropriate and has been constituted with the required amount of share capital.
3. The Ordinary General Meeting shall be valid even if it has been called or is held after the deadline.
4. All General Meetings other than those described in the preceding paragraphs shall be considered to be extraordinary and shall meet at any time of the year whenever the Board of Directors deems it appropriate in the interests of the company, or if shareholders holding at least 3% of the share capital ask to hold one in writing, stating in the request the matters to be discussed. In this case, the General Meeting must be called to be held within the legally established period. The Board of Directors shall draw up the agenda, necessarily including, at least, the items for which the request to hold meeting was made.
5. Both ordinary and extraordinary General Shareholders' Meetings, duly called, shall be validly constituted with the minimum quorum required by law in accordance with the matters appearing on the agenda.

#### **Artículo 13°.- Calling of the General Meeting**

1. The Board of Directors must formally call the General Meeting by means of a notice published as far in advance as required by law.

2. The call must be announced using at least the following channels:
  - a) The Official Gazette of the Mercantile Registry or one of the newspapers with highest circulation numbers in Spain.
  - b) The website of the National Securities Market Commission (Comisión Nacional del Mercado de Valores).
  - c) The Company's corporate website.
3. The notice shall state the date of the meeting on first call and all the business to be addressed, as well as any other information required by law, these Bylaws or the regulations of the General Meeting. It may also refer to the date on which, if appropriate, the General Meeting will meet on second call; there must be at least 24 hours between the first and second call.
4. Shareholders representing at least 3% of the share capital may:
  - a) Ask that a supplement to the notice of an ordinary General Meeting be published, including one or more items on the agenda of the notice of meeting, provided that the new items are accompanied by a justification or, where appropriate, a justified proposed resolution.
  - b) Submit reasoned proposals for resolutions on matters already included or which should be included on the agenda of the called General Shareholders' Meeting, in the terms established by law.
5. Shareholders may exercise the rights referred to in the preceding section by means of a verifiable notification to be received at the registered office within 5 days following the publication of the call.

#### **Artículo 14º.- Venue**

General Shareholders' Meetings will take place at the Company's registered office, unless the notice of meeting expressly designates another location in either the municipalities of Tres Cantos or Madrid. If, as provided for under prevailing laws and Article 17 of these Bylaws, the General Meeting is held exclusively by electronic means without the physical attendance of the shareholders or their proxies, such General Meeting shall be deemed to be held at the registered office, no matter where the General Meeting actually takes place.

#### **Artículo 15º.- Right of information**

1. From the publication of the notice of call until the General Meeting is held, the information provided for by law, these Bylaws and the regulations of the General Meeting shall be published uninterruptedly on the Company's website.
2. Until the fifth day before the General Meeting is held, shareholders may request from the directors such information or clarifications as they deem necessary or submit in writing

such questions as they deem appropriate regarding the items on the agenda, the information accessible to the public that has been provided by the Company to the National Securities Market Commission since the General Meeting immediately preceding the present one was held and about the auditor's report.

3. During the General Shareholders' Meeting, shareholders may verbally ask for any information or clarifications as they deem appropriate regarding the matters included in the preceding section.
4. The Board of Directors shall be obliged to provide any information which shareholders may ask for in accordance with the two preceding paragraphs in the manner and within the time periods provided by law, in these Bylaws and in the regulations of the General Meeting, except in any of the following cases:
  - a) When the request does not comply with the requirements of the exercise period and scope determined by law, these Bylaws and the regulations of the General Shareholders' Meeting.
  - b) When the information requested is clearly and directly available to all shareholders on the Company's corporate website in question-answer format, before any request is made.
  - c) When the information is unnecessary to safeguard the shareholder's rights or there are objective reasons to consider that it could be used for purposes outside the scope of the company or its publication would be detrimental to the Company or related companies. In this latter case, if shareholders accounting for at least 25% of the share capital support the request, the information cannot be refused.
5. Prevailing laws and the regulations of the General Meeting shall apply for all other matters not provided for in these Bylaws regarding the exercise by shareholders of their right to information.

#### **Artículo 16º.- Attendance and voting rights**

1. Holders of at least 1,000 shares may attend the General Meetings in person and/or digitally, provided that such shares are registered in their name in the corresponding book-entry register five days before the date on which the General Meeting is to be held, and provided they can prove these facts by means of the appropriate attendance, proxy and voting card or certificate issued by one of the entities participating in the body that manages said register or directly by the Company or in any other manner permitted by law.
2. Shareholders holding a smaller number of shares may delegate their proxy to a shareholder entitled to attend, or may join together with other shareholders in the same situation until they have the necessary number of shares, in which case the shareholders that have joined together must appoint one of their number as proxy. They must join together as a group, and record it in writing, on a special basis for each General Meeting.
3. The directors of the Company must attend the General Meetings, unless there are duly justified reasons for not doing so. Their failure to attend does not however affect the

General Shareholders' Meeting's valid constitution.

4. Executives, technicians, experts and others who, in the opinion of the Chairman of the General Shareholders' Meeting, have a relationship with the Company, may also attend the General Meeting. The Chairman of the General Shareholders' Meeting may also authorise any other person he/she deems appropriate, including the media, analysts, etc. to attend the General Meeting, although the General Meeting may revoke such authorisation.
5. Any shareholder entitled to attend may be represented at the General Meeting by another person, whether or not he/she is a shareholder. To do so, they will have to meet the requirements and formalities required by prevailing laws, these Bylaws and the regulations of the General Meeting. Proxies must be granted for each General Meeting in writing or by any other digital/electronic means in accordance with the provisions of the regulations of the General Meeting, provided that they guarantee the authenticity and identification of the shareholder granting the proxy by these means, without prejudice to the legal provisions for cases of family representation and the granting of general powers of attorney.

#### **Artículo 17º.- Remote attendance by electronic or digital means**

1. Shareholders with the right to attend may attend the General Shareholders' Meeting using electronic or digital means of remote communication, provided that this is approved by the Board of Directors. In the notice of the Meeting, the Board shall indicate the means that may be used for this purpose, i.e. means which fulfil the security conditions required to guarantee the identity of the shareholders, the effectiveness of their rights and for the Meeting to be properly held. In all cases, shareholders attending the General Meeting using electronic or digital means must exercise their voting and information rights using electronic, digital or other means for remote communication considered suitable in accordance with the provisions of article 21 of these Bylaws.

In addition, to the extent permitted by applicable law and provided that the requirements established therein are met at all times, the Board of Directors may resolve to call General Meetings exclusively by electronic means to be held without the physical attendance of the shareholders or their proxies. If they do so, the notice of the call shall include information on methods and conditions of attendance in accordance with the provisions of the law, these Bylaws and the Regulations of the General Meeting, as the case may be.

2. If shareholders are indeed expected to attend using electronic or digital means in any of the cases envisaged in section 1 above, the notice of meeting shall describe the deadlines, forms and methods of exercising the shareholders' rights that have been envisaged by the Board of Directors to enable the meeting to proceed properly, providing information on the formalities and procedures to be followed for the registration and preparation of the list of attendees, for the exercise of their rights and for the proper recording of the proceedings of the General Meeting in the minutes. The Board of Directors may rule that people that, under applicable laws, are going to attend using electronic or digital channels, and who are going to make presentations or proposed resolutions, must send such presentations or proposed resolutions to the Company before the General Meeting is called to order.
3. Shareholders attending the General Meeting through electronic or digital channels must do so fulfilling the General Meeting regulations, which shall spell out in which cases these

channels are acceptable for attendance and voting rights.

4. If the Meeting were to be interrupted or terminated for technical or security reasons arising from unforeseen circumstances, this circumstance may not be invoked to unlawfully disqualify the shareholder from exercising his rights, nor as grounds for challenging the resolutions adopted by the General Meeting.

#### **Artículo 18°.- Quorum and majorities**

1. The General Meeting shall be validly constituted with the minimum quorum required by law or these Bylaws, taking into account the matters appearing on the agenda.
2. If, although the agenda includes items requiring a sufficient quorum, this quorum is not reached on second call, but a sufficient quorum is reached to validly discuss and deliberate the remaining items on the agenda, the General Meeting shall be deemed to be validly constituted to deal with those items for which a sufficient quorum has been reached.
3. The General Meeting shall adopt its resolutions with the majorities of votes required by law or by these Bylaws.
4. Each share present or represented at the General Meeting shall give the right to one vote, except in the case of non-voting shares under prevailing laws.

#### **Artículo 19°.- Chairman and Secretary of the General Meeting**

1. The General Meeting shall be chaired by the Chairman of the Board of Directors or, in his/her absence, by the Vice-Chairman of the Board of Directors, if one has been appointed. If several Vice-Chairmen attend the meeting, the General Meeting shall be chaired by the Vice-Chairman who has preferential rank established at the time of his/her appointment. If either of the above are absent, then the longest-serving director shall act as Chairman of the General Shareholders' Meeting and, if there are several directors, the oldest. If all of the above are absent, then the shareholder elected in each case by the shareholders present at the meeting shall act as Chairman of the General Meeting.
2. The Chairman of the General Meeting shall be assisted by the Secretary of the General Meeting. The Secretary of the General Meeting will be the Secretary of the Board of Directors or, in his/her absence, the Vice-Secretary to the Board of Directors, if one has been appointed. If the above are absent, then the director who has served for the shortest time shall act as Secretary of the General Shareholders' Meeting and, if there are several directors who fulfil that criterion, the youngest. If all of the above are absent, then the shareholder elected in each case by the shareholders present at the meeting shall be appointed as Secretary of the General Meeting.

#### **Artículo 20°.- Deliberation and voting**

1. The Chairman of the General Shareholders' Meeting shall direct the meeting so that the deliberations follow the agenda, and shall resolve any doubts about the content of the Meeting that may arise.
2. The Chairman of the General Meeting is responsible for directing and establishing the order of deliberations and interventions, ending debates when they consider that the matter has been adequately discussed, or that it is obstructing the course of the meeting, or if it is not included in the agenda. The Chairman is also responsible for resolving any incident that may arise in the course of the General Meeting, and for resolving doubts and complaints regarding the agenda, the requirements for the valid constitution and adoption of resolutions by the General Meeting, and about the ownership of shares and the representation of shareholders, as well as any other powers granted to the Chairman by the regulations of the General Meeting.
3. The Chairman of the General Meeting shall say when the resolutions are to be voted on and shall announce the results of the votes.
4. Voting on proposed resolutions shall follow the system of vote counting provided for in the rules of procedure of the General Shareholders' Meeting.

#### **Artículo 21°.- Remote voting prior to the General Shareholders' Meeting**

1. Before the General Meeting is held, shareholders may cast their vote on the proposals relating to the items included in the agenda of the notice of any General Meeting by postal delivery or correspondence, or by electronic communication. In both instances, they will be considered as being present for the purposes of the constitution of the General Meeting.
2. Shareholders must send or deliver to the Company, duly completed and signed, the attendance, proxy and voting card issued by the entity in charge of keeping the book-entry register in order to cast their vote by delivery or by post.
3. Shareholders attending the General Meeting using electronic or digital channels shall in all cases cast their vote using a recognised electronic signature or in such other form as the Board of Directors deems appropriate to ensure the authenticity and identification of the shareholder exercising their voting rights, accompanied by a copy in electronic format of the duly completed attendance, proxy and voting card.
4. The Board of Directors is authorised to implement and supplement the regulation provided for in the regulations of the General Meeting, establishing, depending on the state and security offered by the technical means available, the time from which shareholders may cast their vote by remote means of communication, using the technical and legal framework for remote voting and duly guaranteeing the identity of shareholders exercising their voting rights.

**Artículo 22°.- Minutes of the General Meeting and documenting resolutions**

1. The deliberations and resolutions of the General Meeting shall be recorded in the minutes, which shall contain at least all legally required information. Once the minutes have been approved in the manner provided by law, they shall be drawn up or transcribed in the minutes book and signed by the Secretary, with the approval of the Chairman, or by those persons who have acted in that capacity at the General Meeting.
2. The approved minutes, in any of the forms permitted by law, shall be enforceable from the date of their approval.
3. The Board of Directors may require that a notary be present to draw up the minutes of the General Meeting and shall be obliged to do whenever shareholders representing at least one per cent (1%) of the share capital request it five (5) days prior to the date scheduled for the meeting. The Company will bear all notary fees. The notarial minutes shall be deemed to be the minutes of the General Meeting, shall not be subject to approval and shall be enforceable from the date on which they are closed.

**Section II  
The Board of Directors**

**Artículo 23°.- The Board of Directors**

1. The Board of Directors is responsible for the management, governance and representation of the Company, except for those powers reserved to the General Shareholders' Meeting.
2. The Board of Directors shall approve regulations governing the internal rules and functioning of the Board of Directors, reporting to the General Meeting. These regulations shall determine, in accordance with the law and these Bylaws, the principles of action of the Board of Directors, the basic rules of its organisation and functioning and the rules of conduct of its members.
3. The Board of Directors shall have a minimum of 5 and a maximum of 15 directors. The General Shareholders' Meeting is responsible for setting the specific number of directors, within the limits indicated above.
4. Anybody who is prohibited or incompatible under the law may not be appointed as a director.
5. The General Meeting will appoint the members of the Board of Directors or, in the event of an early vacancy, the Board of Directors will do so itself by co-optation. If a vacancy arises following the time the General Meeting is called and before it is held, the Board of Directors may appoint a director until the next General Meeting.

**Artículo 24°.- Representing the Company**

1. The Board of Directors, its Chairman and, if appointed by the Board of Directors, the Chief Executive Officer, shall represent the Company in and out of court.

2. The Board of Directors has the power of representation acting collectively. The resolutions of the Board of Directors shall be implemented by its Chairman, its Secretary, a director or any third party designated in the resolution, acting jointly or individually.
3. The Chairman of the Board of Directors and, if applicable, the Chief Executive Officer shall have the power of representation acting individually.

**Artículo 25°.- General obligations of directors**

1. Directors shall discharge the duties imposed by law, these Bylaws, the Regulations of the Board of Directors and other applicable provisions with the diligence of an orderly businessman, taking into account the nature of the position and the duties ascribed to each of them. Directors shall perform their duties with the loyalty of a faithful representative, acting in good faith and in the best interests of the Company.
2. The regulations of the Board of Directors shall spell out the specific obligations of the directors concerning the duties of diligence and loyalty, paying particular attention to situations of conflict of interest.
3. The Company may take out third-party liability insurance for any director or former director of the Company, or of any related company, on terms that are common and reasonable, bearing in mind the Company's circumstances.

**Artículo 26°.- Duration**

1. The directors shall hold office for a term of 4 years. However, they may be re-elected one or more times for terms of the same maximum duration.
2. If vacancies arise during the term for which the directors were appointed, the Board of Directors may appoint the persons to fill such vacancies until the next General Meeting is held.
3. The regulations of the Board of Directors may regulate the causes and procedure for the removal and resignation of directors.

**Artículo 27°.- Chairman, Lead Director and Secretary of the Board of Directors**

1. The Board of Directors shall appoint a Chairman from among its members, following a report from the Appointments and Remuneration Committee, and may appoint one or more Vice-Chairmen, in which case it shall determine the order of preference among the latter. If the position of Chairman is vacant, or if the Chairman is absent, ill or unable to attend, the Board of Directors shall be chaired by one of the Vice-Chairmen, in the order of preference determined, and in the absence of all of them, by the oldest director.
2. If the Chairman is an executive director, the Board of Directors, with the abstention of the executive directors, will appoint one of the independent directors as the Lead Independent Director. The Lead Independent Director will have the powers granted to him/her by the

Board of Directors, in addition to those provided by law and by the regulations of the Board of Directors.

3. The Board of Directors shall appoint a Secretary to the Board of Directors, at the behest of the Chairman of the Board of Directors and following a report from the Appointments and Remuneration Committee. The Secretary may not be a director and shall be responsible for keeping the minutes of the discussions and all resolutions adopted by the Board of Directors in a minute book.

At the behest of the Chairman of the Board of Directors and following a report from the Appointments and Remuneration Committee, the Board of Directors may appoint a Vice-Secretary to replace the Secretary if the latter is not present at the meeting for any reason. The Vice-Secretary may attend meetings of the Board of Directors to assist the Secretary in his or her work, unless the Board of Directors decides otherwise.

4. The Board of Directors may also appoint, at the behest of its Chairman and following a report from the Appointments and Remuneration Committee, one or more Vice-Secretaries, who may not be directors and who shall perform the duties of the Secretary if he/she is absent, ill or unable to act.

#### **Artículo 28°.- Delegation of powers**

1. The Board of Directors may permanently delegate all or part of its powers, except those that by law or by provision of these Bylaws or the regulations of the Board of Directors are non-delegable, in an Executive Committee and/or in one or more Chief Executive Officers.
2. The permanent delegation of any of the powers of the Board of Directors to the Executive Committee or to the Chief Executive Officer(s) and the appointment of the directors to occupy such positions shall require the favourable vote of two thirds of the members of the Board of Directors.

#### **Artículo 29°.- Functioning of the Board of Directors**

1. The Board of Directors will meet whenever called by its Chairman or, when applicable, the Lead Independent Director, in the manner established in the regulations of the Board of Directors and in the other cases provided for by law.
2. In order for the Board of Directors to be validly constituted, more than half of its members must be present or represented.
3. Directors may, in their absence, be represented at meetings of the Board of Directors by another director by written proxy, which shall, as far as possible, contain instructions on how to vote. Invariably, non-executive directors may only delegate their representation to another non-executive director.
4. Resolutions of the Board of Directors shall be adopted by an absolute majority of directors present and represented, except in those cases where a greater number of directors is required for certain resolutions to be valid by law, these Bylaws or the Regulations of the

Board of Directors. In the event of a tie, the Chairman of the Board of Directors shall have the casting vote.

5. Written voting without actual meeting will only be admitted when no director opposes this procedure.
6. The Board meeting may be held with the participation of all or some of its members and the Secretary through electronic/digital channels, by video conference or by conference call, or by other means of remote communication, provided that the meeting may be followed interactively in real time, and information can be exchanged, thus ensuring the continuity of the act.
7. The resolutions of the Board of Directors shall be recorded in the minutes, which shall be drawn up or transcribed in the corresponding minute book, stating the circumstances required by law. The Secretary of the meeting shall sign the minutes, once approved in accordance with the following section, with the approval of the person acting as Chairman.
8. The Board of Directors will approve the minutes at the end of the meeting or at a subsequent meeting. They shall also be deemed to have been approved if no director has objected within 5 days of receipt of the draft minutes submitted by the Secretary. The Board of Directors may empower the Chairman and an independent director to jointly approve the minutes of the meeting.

#### **Artículo 30°.- Committees of the Board of Directors**

1. The Board of Directors may create such committees as it deems necessary to assist it on such matters within its remit and with such composition and functions as it may determine in each case, in accordance with the provisions of the law and the regulations of the Board of Directors, in order to better perform its functions.
2. Notwithstanding the above, the Board of Directors shall necessarily have the following Committees:
  - a) Audit and Compliance Committee.
  - b) Appointments, Remuneration and Corporate Governance Committee (or two separate committees, an Appointments Committee and a Remuneration and Corporate Governance Committee).
3. The committees of the Board of Directors shall be governed by prevailing laws, these Bylaws and the regulations of the Board of Directors.
4. In particular, the committees of the Board of Directors shall have the name, composition and functions established in the regulations of the Board of Directors, respecting in all cases the provisions of the law and these Bylaws.
5. If no specific provision is made, the procedures laid down in these Bylaws and in the Regulations of the Board of Directors in relation to the Board of Directors shall apply to

the committees of the Board of Directors, provided that they are compatible with the nature and function of the committees.

**Artículo 31º.- Directors' remuneration**

1. Directors receive remuneration for their duties.
2. Directors will receive a fixed annual allowance and per diems for attending each meeting of the Board of Directors and its committees. The remuneration that the Company may pay to all of its directors in their capacity as such may not exceed the maximum amount determined for this purpose by the General Shareholders' Meeting, which shall remain in force until such time as the General Meeting resolves to modify it. The Board of Directors is responsible for establishing the exact amount to be paid within this limit, the method of payment and the distribution among the different directors.
3. Independently of the provisions of the preceding section, remuneration systems indexed to the market value of the shares or involving the delivery of shares or stock options to directors may also be established. The General Meeting will agree on the application of such remuneration systems pursuant to prevailing laws.
4. Directors performing executive duties, whatever the nature of their relationship with the Company, shall be entitled to receive the remuneration agreed for the performance of such duties, including participation in the incentive systems, if any, that may be established in general for the senior management of the Company (which may include the delivery of shares or options thereon, or remuneration linked to the value of the shares, in all cases subject to the condition that the remuneration is linked to the value of the shares) and in the appropriate pension and insurance schemes. If such duties are terminated, they may be entitled, under the terms and conditions approved by the Board of Directors, to appropriate financial compensation. The remuneration for the items mentioned above and the other terms and conditions of the relationship shall be included in the relevant contract, which must be approved by the Board of Directors with the favourable vote of at least two thirds of its members. The director concerned shall abstain from attending the deliberations and from voting.
5. The director remuneration policy shall be in accordance with the remuneration system provided for in this article and shall be approved by the General Meeting in accordance with the law.

**CHAPTER IV  
FINANCIAL STATEMENTS, APPROPRIATION OF EARNINGS AND  
DISTRIBUTIONS**

**Artículo 32º.- Financial year and financial statements**

1. The Company's business year begins on 1 January and ends on 31 December of each year.

2. Within three months of the end of the financial year, the Board of Directors shall, as provided for by law, authorise for issue the financial statements, the management report and the proposed appropriation of earnings.
3. The financial accounts and, where appropriate, the management report, must be verified in the manner established by law, and must be subsequently submitted to the approval of the General Shareholders' Meeting, which shall also decide on the appropriation of earnings.
4. The provisions of this article shall apply, where appropriate and relevant, to the consolidated financial statements and management report.

**Artículo 33°.- Appropriation of earnings and distributions**

1. The General Meeting shall decide on the appropriation of earnings for the year in accordance with the approved balance sheet.
2. Once the conditions laid down in applicable legislation and the Company's Bylaws have been met, dividends may only be distributed against profit for the year or to freely available reserves, if equity is not less, or is not consequently reduced by the distribution to less, than share capital.
3. Dividends will be distributed to shareholders in proportion to the capital they have paid up.
4. Dividend payments will be as stipulated in prevailing laws. The General Meeting will set the dividend distribution date, while the Board of Directors will do so for interim dividends.
5. The General Meeting may resolve to distribute dividends or unrestricted reserves, including the share premium, in kind, provided that the assets or securities to be distributed are homogeneous and liquid. The latter requirement shall be deemed to be met when the securities are admitted to trading on a regulated market, multilateral trading facility or other organised market at the time the distribution agreement becomes effective, when they will be admitted to trading within the following year, or when the Company provides adequate liquidity guarantees.
6. If capital is reduced due to the return of contributions, shareholders may be paid, in whole or in part, in kind, provided that the conditions set forth in the preceding section are met.

**Artículo 34°.- Dividend statute of limitations**

Any dividend whose payment is not claimed within 5 years after it is due shall be deemed to have lapsed in favour of the Company.

**CHAPTER V  
DISSOLUTION AND LIQUIDATION**

**Artículo 35°.- Dissolution of the Company**

The Company shall be dissolved according to the grounds provided for by law.

**Artículo 36°.- Liquidation of the Company**

1. As soon as the Company is declared as being in liquidation, the Board of Directors shall cease its functions and the directors shall become liquidators of the Company. They shall set up a collegiate body, made up of an odd number of members. If necessary, the director with the least seniority in his/her appointment shall be removed and, if more than one fulfil that criterion, the director with the least seniority shall be removed. This is unless the General Shareholders' Meeting has appointed other liquidators in the dissolution ruling.
2. The liquidators shall have, in addition to the powers expressly conferred on them by the provisions in force, such other powers as the General Meeting itself may resolve to confer on them. They will establish the rules to be followed in dividing up the company's assets and approving the accounts of the liquidation until the liquidation is completed.
3. Until all liabilities have been discharged, the assets of the company may not be handed over to the shareholders unless an amount equal to the amount of the outstanding liabilities has been reserved and made available to the creditors.

**Artículo 37°.- Statute of limitations for the liquidation proceeds**

Without prejudice to the provisions of the law, after 3 years from the date of final liquidation, the shares and debentures of all kinds which have not been presented to claim the corresponding capital, profits and interest shall be considered forfeited and of no value, and their amount shall be distributed in full among the shareholders who have appeared.

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