

**ARTICLES OF ASSOCIATION OF COMPAÑÍA ESPAÑOLA DE  
PETRÓLEOS, S.A. (“CEPSA”)**

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## ARTICLES OF ASSOCIATION OF COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A. (“CEPSA”)

### 1. DEFINITIONS AND INTERPRETATION

For the purposes of these Articles of Association, terms defined in **Schedule 1** will have the meanings assigned therein. Other terms may be defined elsewhere in these Articles of Association.

### 2. COMPANY NAME

The Company's corporate name (*denominación social*) is “COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A.” (the **Company**), as an anagram that is not part of the corporate name “CEPSA”. The Company was incorporated in Madrid on 26 September 1929, for an indefinite period, and started operating on the date of its incorporation.

The Company is governed by these Articles of Association, by the internal regulations that, if applicable, may be approved from time to time, and the applicable legal provisions at any given time.

### 3. PURPOSE

The purpose of the Company is to perform, in Spain and abroad, all manner of extractive, industrial, commercial, service, corporate, or promotional activities mainly referring to crude oil and other hydrocarbons in solid, liquid, or gaseous form; to petroleum, petrochemical, chemical, and associated products; to polymers, fibres, and other derivative, compound, or synthetic materials; to all manner of mineral or hydrocarbon reserves, subterranean structures, rocks and geological or mining resources and, additionally, any other raw materials, substances, products, energy, or waste which are associated, connected, substitutive, derived, supplementary, or related to the above. In particular, the Company will perform, by itself or through the creation of or the acquisition of a shareholding in other companies with an identical or similar purpose, on its own or through third parties, the following activities:

- (a) Mining or Extraction Activities, through the surveying, exploration, or exploitation of all manner of mineral or hydrocarbon fields, subterranean structures, rocks, and other geological or mining resources.
- (b) Industrial Activities, entailing the operation of refineries, chemical and petrochemical plants, and other manufacturing facilities for the production, mixing, refining, packaging, synthesising, and any other kind of industrial transformation or handling of the raw materials products, energies, or substances described above. In particular, the Company may also perform activities for the generation or production of electricity by means of the use of all kinds of energy and fuels, as well as the co-generation of energy and electricity, solar, renewable and thermal in any state, and their marketing, as well as in the management and removal of waste and effluents.
- (c) Commercial Activities, and, within it, the acquisition, exchange, import, export, provisioning, storage, deposit, distribution, marketing, retail and wholesale selling, supply, and in general any other lawful commercial transaction with respect to fossil fuels and other products, raw materials, substances, or energies specified (excluding the distribution of electricity and natural gas from the corporate purpose of the Company in compliance with article 12 of Law 24/2013 of 26 December on the electricity sector). The Company will be able to operate both in the national and international markets of the aforementioned products and will acquire, run, or exploit, under any title, pump appliances, fuel stations and service areas as well as any other kind of similar public or related establishment intended for the sale of all manner of products and/or the provision of services to drivers, catering, hospitality, or related services.

- (d) Service Providing Activities, and within it, transport of hydrocarbons and the other products mentioned above (excluding the distribution of electricity and natural gas from the corporate purpose of the Company in compliance with article 12 of Law 24/2013 of 26 December on the electricity sector); the supply, servicing and maintenance of vessels, aircrafts, or means of transport; the maintenance, repair, and operation of industrial facilities; and engineering, design, IT, planning, industrial organisation, consultancy or brokerage services related to the products or activities mentioned in this article or to the companies in which the Company holds a stake, as well as administration and management services of the Company's support functions, such as economic-financial services, human resources, general services and any other support function.
- (e) Technological Activities, and more specifically, basic or applied research tasks; advisory and IT assistance services and management and commercial exploitation of the industrial and intellectual property rights held by the Company or its subsidiaries.

The corporate purpose also includes the investment, ownership, management and administration of shares (*acciones*) or quota shares (*participaciones sociales*) in any companies and entities with the same or a different corporate purpose as that of the Company, or securities that confer the right to their subscription or acquisition, as well as the purchase, sale, and performance of any businesses involving shares, quota shares, or securities that confer the right to their subscription or acquisition, excluding the activities that the securities market legislation or any other special legislation exclusively reserves for certain subjects or entities.

Should any applicable law require professional qualification, administrative authorisation, registration in any Public Registry, or, in general, any other requirements for the performance of any or all of the activities set out above, such activities may not start until the relevant administrative requirements have been met, and, if applicable, must be performed by individuals holding the required qualifications. In these cases, the Company shall act as a professional intermediation company, and therefore, is excluded from the scope of application of Law 2/2007 of 15 March on professional companies.

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

The Company's registered office is Madrid, Paseo de la Castellana nº 259 A.

The Board of Directors may resolve to move the registered office within the Spanish territory. It may also decide to create, eliminate, or transfer subsidiaries, agencies, delegations, industrial facilities, commercial or administrative departments and centres both in the Spanish territory and abroad.

#### **5. FINANCIAL YEAR**

The financial year begins on 1 January and ends on 31 December of each year.

#### **6. CORPORATE WEBSITE**

The Company has a corporate website under the terms of the Spanish Companies Act ([www.cepsa.com](http://www.cepsa.com)), in which it will publish the mandatory informative documents under the applicable legal provisions.

#### **7. SHARE CAPITAL**

The Company's share capital is 268,175,000 (two hundred and sixty eight million one hundred and seventy five thousand) euros, represented by 536,350,000 (five hundred and thirty six million three hundred and fifty thousand) ordinary shares (each, a Share), numbered consecutively from 1 (one) to

536,350,000 (five hundred and thirty six million three hundred and fifty thousand) inclusive, each with a nominal value of fifty cents of a euro, all of them belonging to the same class and series. All Shares are fully subscribed and paid-up and grant the same rights to their holders.

The Shares and dividend and distribution rights deriving from the Shares, including pre-emptive rights, are subject to the transfer restrictions referred to in Articles 10 and 11 below and are therefore registered in accordance with Article 113 of the Spanish Companies Act.

The Shares confer their legitimate owners with the status of Shareholder and entail the acceptance by their owners of these Articles of Association and of the agreements validly reached by the governing bodies of the Company.

## **8. REPRESENTATION OF SHARES**

The Shares are represented by certificates, which may be ordinary (*simple*) or consolidated (*múltiples*) and shall contain the mandatory references under the Spanish Companies Act. All Shareholders are entitled to receive their certificates at no cost.

The Company shall keep the corresponding register of members (*Libro Registro de Acciones Nominativas*) recording successive transfers of the Shares, as well as the creation of security and charges over them. The Company will only consider as Shareholders those recorded in the register of members.

## **9. JOINT OWNERSHIP, USUFRUCT AND PLEDGE OF SHARES**

The co-ownership, usufruct and pledge of Shares will be governed by the provisions of the applicable legislation from time to time.

Since the Shares are indivisible, co-owners of Shares and co-owners of other rights attached to them should designate one sole person for the exercise the corresponding rights and provide certified notice of their identity to the Company. The co-owners will be jointly liable towards the Company for any obligations derived from their status of Shareholders.

In the event of the usufruct of Shares, the status of shareholder is given to the bare owner, however, the usufructuary will be entitled to receive the dividends resolved by the Company during the usufruct.

In case of pledge over Shares of the Company, all economic and voting rights of the Shares will be held by the Shareholder. However, the economic and voting rights shall correspond to the pledgee as from the moment in which the pledgor and the Company are notified by notarial means (*conducto notarial*) the existence of a breach of any of the secured obligations, provided that the judicial enforcement of the pledge has been started or, in the case of notarial enforcement, it is evidenced that the debtor has been called pursuant to section 1,872 of the Spanish Civil Code or pursuant to the applicable rules.

## **10. PERMITTED TRANSFERS OF SHARES**

The following transfers of Shares may be freely made by the Shareholders (the **Permitted Transfers**):

- (a) transfers of all (but not less than all) of the Shares held by a Shareholder to a Permitted Transferee; or
- (b) those consented in writing by all other Shareholders.

## 11. PRE-EMPTIVE RIGHTS ON SALE

### 11.1 Sale Notice

If any Shareholder wishes to Dispose of some or all of its Shares other than pursuant to a Permitted Transfer, that Shareholder (the **Selling Shareholder**) must first give written notice to each other Shareholder, copied to the Company (a **Sale Notice**). A Sale Notice must:

- (a) specify the number of Shares the Selling Shareholder proposes to Dispose of (which may be some or all of its Shares) (the **Sale Shares**), the proposed sale price per Share (including all related elements of price including any contingent payments or deferred payments) which must be a cash price in either Euros or US Dollars (the **Sale Price**) and any other terms and conditions of the proposed sale (the **Sale Terms**);
- (b) state the name of the person to whom the Selling Shareholder proposes to Dispose of the Sale Shares, if any;
- (c) state that, subject to the provisions of these Articles of Association, the Sale Notice constitutes an offer by the Selling Shareholder to sell to each other Shareholder its Equity Proportion (adjusted to exclude the Sale Shares) of the total number of Sale Shares at the Sale Price and on the Sale Terms (the **Pre-Emption Entitlement**);
- (d) confirm the number of Sale Shares in each Shareholder's Pre-Emption Entitlement;
- (e) specify a period, which must be at least thirty Business Days, during which the recipients of the Sale Notice may agree to acquire the Sale Shares (the **Sale Period**);
- (f) state that each Shareholder may offer to buy more Sale Shares than its Pre-Emption Entitlement and will be liable to buy up to the number of Sale Shares it offers to buy if other Shareholders do not take up in full their Pre-Emption Entitlement;
- (g) invite each Shareholder or a party nominated by that Shareholder to:
  - (i) accept the offer made in the Sale Notice in full and offer to buy an additional number of Sale Shares, if the other Shareholders do not take up their Pre-Emption Entitlement; or
  - (ii) make a counter-offer to the Sale Price to the Selling Shareholder to acquire all the Sale Shares (the **Counter-Offer**),

by giving written notice to the Selling Shareholder no later than 5.00 pm (United Arab Emirates time) on the last day of the Sale Period stating:

- (A) in respect to Article 11.1(g)(i), the number of Sale Shares which the Shareholder wishes to buy (which may be greater than or equal to the Shareholder's Pre-Emption Entitlement) (an **Acceptance Notice**); or
  - (B) in respect to Article 11.1(g)(ii), the proposed terms of the Counter-Offer (the **Counter-Offer Notice**) (and where a Counter-Offer Notice is issued pursuant to this Article 11.1(g)(ii)(B), the provisions of Article 11.2 shall apply); and
- (h) not be revoked, unless otherwise agreed by the other Shareholder(s), except in circumstances where Article 11.2(c)(iii) applies.

## 11.2 Counter-Offers

- (a) On receipt of any Counter-Offer Notice from any Shareholder (the **Offeror Shareholder**) pursuant to Article 11.1(g)(ii)(B), the Selling Shareholder shall have fifteen Business Days to notify the Offeror Shareholder whether it intends to accept or reject the Counter-Offer.
- (b) If the Selling Shareholder rejects the Counter-Offer:
  - (i) it shall provide written notice to the Offeror Shareholder of its decision to reject the Counter-Offer including such detail as to allow the Offeror Shareholder to gain a reasonable understanding of the reasons for the rejection; and
  - (ii) it shall permit the Offeror Shareholder a period of five Business Days from the date of the Selling Shareholder's rejection of the Counter-Offer to issue an Acceptance Notice in respect of the Sale Notice originally offered by the Selling Shareholder in accordance with Article 11.1(g)(ii)(A) (and the Sale Period shall be deemed extended accordingly).
- (c) If the Selling Shareholder accepts the Counter-Offer:
  - (i) it shall reissue the Sale Notice to all Shareholders with an amended Sale Price and Sale Terms to reflect the terms of the Counter-Offer (the **Second Sale Notice**) subject to prior approval by the Offeror Shareholder as to the content of the Second Sale Notice;
  - (ii) the provisions of Article 11.1 relating to the contents of the Sale Notice shall apply *mutatis mutandis* to the Second Sale Notice, except that the Shareholders shall not be entitled to make any other counter-offer in respect of the Second Sale Notice and, for the avoidance of doubt, the Offeror Shareholder shall be obligated to issue an Acceptance Notice in respect to all Shares subject to the Second Sale Notice; and
  - (iii) the Sale Notice (and any Acceptance Notices issued under the Sale Notice) shall be deemed revoked and shall have no further force or effect.

## 11.3 Allocation of Sale Shares

- (a) Subject to Article 11.3(b) the Selling Shareholder must sell to each Shareholder who accepts the offer made in the Sale Notice or the Second Sale Notice in accordance with the provisions of these Articles of Association and the terms of the Sale Notice or the Second Sale Notice (an **Accepting Shareholder**), and each Accepting Shareholder must buy, the number of Sale Shares calculated under this Article 11.3.
- (b) If the total number of Sale Shares that all Accepting Shareholders wish to buy is less than the total number of Sale Shares, the Selling Shareholder may, but is not obliged to, sell to each Accepting Shareholder and, if the Selling Shareholder elects to sell in such a case, each Accepting Shareholder must buy the number of Sale Shares stated in the Acceptance Notice given by that Accepting Shareholder, and, in any case, the Selling Shareholder may sell all (but not part) of the remaining Sale Shares to a third party in accordance with Article 11.6.
- (c) If the total number of Sale Shares that all Accepting Shareholders wish to buy is equal to the total number of Sale Shares, the Selling Shareholder must sell and each Accepting Shareholder must buy the number of Sale Shares stated in the Acceptance Notice given by that Accepting Shareholder.

- (d) If the total number of Sale Shares that all Accepting Shareholders wish to buy is greater than the total number of Sale Shares, the Selling Shareholder must sell all of the Sale Shares to the Accepting Shareholders, so far as practicable, in proportion to the number of Shares then held by them, but so that no Accepting Shareholder will be sold more Sale Shares than the number stated in the Acceptance Notice given by such Accepting Shareholder.
- (e) A Shareholder that does not give an Acceptance Notice in accordance with Article 10.1(g) by 5.00 pm (United Arab Emirates time) on the last day of the Sale Period is not entitled to buy any of the Sale Shares.

#### **11.4 Notice of outcome of sale process**

Within five Business Days after the end of the Sale Period, the Selling Shareholder must give notice to each Accepting Shareholder, specifying:

- (a) the number of Sale Shares to be sold to that Accepting Shareholder calculated under Article 11.3 (the **Accepted Shares**);
- (b) the purchase price payable by that Accepting Shareholder for its Accepted Shares; and
- (c) the proposed date for completion of the sale of the Accepted Shares, which must, subject to applicable law, be no fewer than ten Business Days and no more than fifteen Business Days after expiry of the Sale Period (the **Sale Completion Date**).

#### **11.5 Completion of the sale**

On the Sale Completion Date:

- (a) each Accepting Shareholder must pay to the Selling Shareholder the purchase price for its Accepted Shares; and
- (b) the Selling Shareholder must (i) deliver to each Accepting Shareholder a duly executed transfer document in favour of the Accepting Shareholder of that Accepting Shareholder's Accepted Shares; (ii) deliver to the Company share certificates representing all the Accepted Shares; and (iii) do all other acts and things as may be necessary in order to ensure that the legal and beneficial ownership of the Accepted Shares vests with the Accepting Shareholder.

#### **11.6 Sale of Sale Shares to third parties**

The Selling Shareholder may sell to any third party all (but not part) of the Sale Shares not allocated to Accepting Shareholders under Article 11.3, so long as:

- (a) in circumstances where a Counter-Offer Notice was issued, those Shares are sold at a price per Share which is not less than the Sale Price in the Counter-Offer Notice (or at any price, in all other circumstances);
- (b) binding legal documentation is entered into between the Selling Shareholder and the third party in respect of such Sale Shares within nine months after expiry of the Sale Period, with the only conditions precedent included in such documentation being:
  - (i) those that must be obtained by the Selling Shareholder or the third party in relation to the acquisition of the Sale Shares; or



(ii) conditions that will be satisfied (or deemed to be satisfied) by the time that the conditions set out in (i) above have actually been satisfied; and

(c) those Shares are not sold to a Prohibited Transferee.

## **12. COMPANY BODIES**

The Company's governing bodies are the General Shareholders' Meeting and the Board of Directors, which have the powers attributed to them by law, and which may be delegated in the form and to the extent established therein and in these Articles of Association.

## **13. THE GENERAL SHAREHOLDERS' MEETING**

The General Shareholders' Meeting shall decide on the business under its authority in accordance with legal provisions and these Articles of Association.

The General Shareholders' Meeting will be called by the Board of Directors by means of an announcement published in advance in the Company's corporate website. The announcement of the notice of the meeting shall also be made personally and in writing by any means which ensures reception of the announcement by the Shareholders at the address established for such purposes at the Company's shares registrar. Without prejudice to any other meetings that must be mandatorily called by law, the Board of Directors will call at least one General Shareholders' Meeting to be held during the first four months of each calendar year.

From the publication of the conveyance notice to the General Shareholders' Meeting, the Company will make the information required by applicable law available to the Shareholders in the registered office as well as accessible at all times through its corporate website.

Ordinary and extraordinary General Shareholders' Meetings, duly convened, will be validly held on first call when Shareholders representing at least sixty-six per cent (66%) of the Company's share capital are present or represented at the meeting on the first call, or with the minimum quorum as required by law on the second call. At the start of the meeting, the General Shareholders' Meeting board (*mesa de la junta*) will be formed, and will be made up by a Chairperson and a Secretary. The Chairperson and the Secretary of the General Shareholders' Meeting board will be those of the Board of Directors, and, in their absence, the Deputy Chairperson and the Deputy Secretary. In the absence of all the above, the Chairperson and the Secretary of the General Shareholders' Meeting will be the individuals designated by simple majority of the Shareholders in attendance to the meeting.

## **14. RIGHT OF ATTENDANCE AND REPRESENTATION IN GENERAL SHAREHOLDERS' MEETINGS**

All shareholders have the right to attend the General Shareholders' Meeting.

Shareholders may be represented at the General Shareholders' Meeting by proxy through another person, whether or not such person is a Shareholder, by complying with the requirements of applicable law.

Proxies shall be given in writing and shall include all Shares held by the represented Shareholder.

A proxy is always revocable. Attendance by the Shareholder granting the proxy at the general shareholders' meeting shall have the effect of revoking the proxy.

The Chairperson may authorise the attendance of any individual he or she deems convenient, although the General Shareholders' Meeting may revoke such authorisation.

## **15. ADOPTION OF RESOLUTIONS BY THE GENERAL SHAREHOLDERS' MEETING**

Every Share with a voting right attending a General Shareholders' Meeting (whether personally or by proxy), will entitle its holder to one vote.

In the General Shareholders' Meeting, those points that are substantially independent will be voted separately. Each of the points in the agenda must be individually put to vote.

Resolutions of the General Shareholders' Meeting will be adopted by simple majority, except for those issues for which applicable law requires a higher majority.

Meetings may also be held if all the Shareholders are in attendance and unanimously agree to hold a General Shareholders Meeting and approve the agenda.

Resolutions of the General Shareholders' Meeting may be adopted in writing and without a meeting provided that no Shareholder opposes to such process.

Remote attendance at the General Shareholders' Meeting by data transmission and simultaneous means and the casting of electronic absentee votes during the course of the General Shareholders' Meeting is allowed.

## **16. THE BOARD OF DIRECTORS**

The Company's management is entrusted to a Board of Directors.

The Board of Directors has competence over any matters not attributed by law or these Articles of Association to the authority of the General Shareholders' Meeting, and it shall under no circumstances delegate any powers which cannot be delegated pursuant to law or these Articles of Association.

## **17. COMPOSITION OF THE BOARD OF DIRECTORS**

The Board of Directors will be composed of twelve (12) members. Appointment of Directors will be made with the majority required under law and these Articles of Association.

Without prejudice to the applicability of the proportional appointment rule set out in section 243 of the Spanish Companies Act (which will be respected at all times), appointment of Directors will be made by the General Shareholders' Meeting so as to ensure that Shareholders holding (on their own or grouped with others): (i) between 10% and 20% of the share capital, are represented by one (1) Director; (ii) more than 20% and less than 30% of the share capital, are represented by two (2) Directors; (iii) between 30% and 50% of the share capital, are represented by (3) Directors; and (iv) more than 50% of the share capital, are represented by five (5) Directors.

Alternate directors (*consejeros suplentes*) may be appointed in accordance with section 216 of the Spanish Companies Act.

## **18. TERM**

Members of the Board of Directors will exercise their post for a period of six (6) years, and may be re-elected one or more times for periods of equal duration. It is not necessary to be a Shareholder in order to be a member of the Board of Directors.

## **19. REMUNERATION OF DIRECTORS OF THE COMPANY**

The position and performance of the office of Director will be paid. Subject to the limits and conditions set out in this Article 19, Directors shall receive a specific and annual fixed sum as remuneration,

which shall be approved by the General Shareholders' Meeting in accordance with applicable law. The General Shareholders' Meeting shall approve the distribution of any remuneration among the Directors. Additionally, the Company will reimburse Directors all reasonable and duly documented expenses incurred in the discharge of their offices.

Directors in whose favour executive functions are delegated shall be entitled to receive remuneration for the performance of such functions (irrespective of the remuneration described in the preceding paragraph).

When a member of the Board of Directors is assigned executive functions under any title (in such capacity, the **Executive Director**), he or she shall enter into a contract with the Company, which must be previously approved by the Board of Directors. The Executive Director must refrain from attending the deliberation and from participating in the voting. The approved contract must be incorporated as an annex to the minutes of the meeting.

Such contract shall provide for all the concepts by which the Executive Director may obtain remuneration for the performance of executive functions (which can include, where applicable, remuneration, incentives, variable remuneration or bonuses, remuneration in kind, exclusivity covenants, tenure or loyalty, contributions to pension plans, contribution to systems and savings products, insurance or mixed, personal and family coverage through life insurance, illness, death and/or disability, car and gas allowances, post-contract non-compete covenant and severance compensation for early termination). The Executive Director may not receive any compensation for the performance of executive functions whose amounts or concepts are not provided for in that contract.

The General Shareholders' Meeting will approve the maximum amount of remuneration to be perceived by the Executive Director(s) in accordance with applicable law.

The Company shall contract civil liability insurance for all its Directors under the usual conditions and proportionate to the circumstances of the Company and the Group.

## **20. NOTICE OF BOARD OF DIRECTORS MEETINGS**

The Board of Directors will meet as often as suitable for proper performance of its duties, considering the Company's interest, and at least six (6) times per year. Meetings of the Board of Directors will be convened by the Chairperson, or in the event of his or her death, absence, incapacity or inability to attend, by the Deputy Chairperson, provided it is considered necessary or advisable. Without prejudice to the provisions of section 246.2 of the Spanish Companies Act, the Board will be also convened whenever requested by one Director, in which case, the Chairperson, or in the event of his or her death, absence, incapacity or inability to attend, the Deputy Chairperson, shall call the meeting within ten days of receipt of the request. In any event, the Directors' right to directly call the meeting in the terms established by law is maintained.

The conveyance notice, which will always include the agenda for the meeting and all the information required for deliberation, will be sent by any means that allows its reception, to each of the Board members included in the Company's records, at least five Business Days prior to the date scheduled for the meeting (except in the case of an emergency, in which case the notice convening the meeting must indicate the nature of, and the reasons for, the emergency).

Any Director may propose a matter for the agenda in advance of a Board of Directors meeting and such matter shall be raised at the meeting. Any matter not on the agenda may not be raised at a meeting unless all the Directors agree.

The Board of Directors will be considered validly held without the need for a call if all of its members attend (whether personally or by proxy) and they unanimously agree to hold the meeting and accept the items in the agenda.

The Board of Directors will hold its meetings at the registered office unless the conveyance notice indicates another venue.

Directors may attend meetings from different locations connected by systems that enable the recognition and identification of the attendees, the ongoing communication among such attendees regardless of their location, as well as their participation in the meeting or casting of their votes, all in real time. Subject to the foregoing, Board meetings may be held by conference call, video conference, or any similar system. Those attending at any of the venues will be considered, for all purposes relating to the Board of Directors, as attendees of one same meeting. The meeting will be considered to have been held, and resolutions will be regarded as having been passed, in the registered office or in any location in Spain or abroad from which the Chairperson attends or at such other place, where at least one Director is physically present for the duration of the meeting, as the Chairperson may decide. If a technological link fails, the Board meeting will be adjourned until the failure is rectified.

## **21. HOLDING OF BOARD OF DIRECTORS MEETINGS**

Meetings of the Board of Directors will be validly held to deliberate and pass resolutions on any matter when at least eight Directors attend the meeting, present or represented. If a quorum is not present at a Board meeting within 60 minutes of the time appointed for the start of the meeting, the meeting will be adjourned to the same time and place on the same day in the following week. If a quorum is not present at the reconvened meeting within 60 minutes of the time appointed for the start of the meeting, the meeting will be adjourned (for a second time) to the same time and place on the same day in the following week. The quorum at such adjourned meeting is the presence, either in person or duly represented, of the absolute majority (more than half) of the Directors.

Each Director may be represented by another.

Resolutions of the Board of Directors may be adopted in writing and without a meeting provided that no Director opposes to such process.

## **22. MANNER OF DELIBERATION AND PASSING OF RESOLUTIONS BY THE BOARD OF DIRECTORS**

Board of Directors resolutions will be passed by an absolute majority (more than half) of Board members who attend the meeting in person or through a representative, unless a higher majority is required by law.

## **23. DELEGATION OF POWERS OF THE BOARD OF DIRECTORS**

The Board of Directors may appoint one Chief Executive Officer (*Consejero Delegado*) from within its members, without prejudice to any powers that it may grant to any other person.

Under no circumstances those powers that cannot be delegated by law or under the Articles of Association can be delegated. Notwithstanding the delegation, the Board of Directors will preserve the delegated faculties.

## **24. CHAIRPERSON, DEPUTY CHAIRPERSON, SECRETARY, AND DEPUTY SECRETARY**

The Chairperson of the Board of Directors will be elected by the Board of Directors from among its members. The Board of Directors may also appoint from among its members one or several Deputy

Chairpersons, who will replace the Chairperson in the event of vacancy or absence. Should several Deputy Chairpersons be appointed, they will alternate for the purposes of replacing between each other for one-year periods following the order in which they were appointed, unless the Board establishes otherwise.

The Board of Directors will appoint a Secretary and may also appoint a Deputy Secretary. Both the Secretary and the Deputy Secretary can be Directors or not.

**25. PREPARATION AND VERIFICATION OF THE ANNUAL ACCOUNTS**

In the maximum period of three months from the end of the financial year, the Board of Directors will prepare and sign, in accordance with the legislation in force, the annual accounts, the management report, and the proposal for distribution of earnings, and, if applicable, the consolidated annual accounts and management report.

The Company's annual accounts and management report shall be reviewed by external auditors under the terms established by law.

**26. APPROVAL OF THE ANNUAL ACCOUNTS AND DISTRIBUTION OF EARNINGS**

The Company's annual accounts will be submitted for the approval of the ordinary General Shareholders' Meeting within the first six months of each financial year.

Once the annual accounts have been approved, the General Shareholders' Meeting will resolve on the allocation of the earnings of the year.

The General Shareholders' Meeting will decide on the amount, time, and form of payment of the Dividends, which will be distributed to Shareholders proportionally to the share capital which they have disbursed. The General Shareholders' Meeting and the Board of Directors may resolve on the distribution of amounts corresponding to interim Dividends with the restrictions and pursuant to the requirements established by law.

The General Shareholders' Meeting may decide that the Dividend be paid totally or partially in kind.

**27. DISSOLUTION OF THE COMPANY**

The Company will be dissolved:

- (a) by resolution of the General Shareholders' Meeting expressly called for this purpose and passed by the majority at each time required by law and these Articles of Association to approve amendments to these Articles; and
- (b) in any of the other cases established in the applicable legislation.

**28. LIQUIDATION**

Once the Company has been dissolved, the liquidation period will begin, except in those cases of merger or total spin-off or any other type of global assignment of assets and liabilities.

The same General Shareholders' Meeting that decides on the dissolution of the Company will establish the base for the liquidation, which will be performed by an odd number of liquidators, appointed for these purposes by the General Shareholders' Meeting.

Applicable legislation will be followed for the performance of the liquidation, division of corporate assets, registry cancellation and as regards any assets and liabilities which arise after the liquidation of the Company, as well as the formalisation of legal acts after the cancellation of the Company.

## **SCHEDULE 1 DEFINITIONS**

**Affiliate** means:

- (a) in respect of any entity, a second entity that:
  - (i) Controls the first entity;
  - (ii) is under the Control of the first entity; or
  - (iii) is under the Control of a third entity that Controls the first entity;
- (b) in respect of an entity that is a subsidiary of, or is participated by, one or several funds or investment vehicles:
  - (i) the manager of such funds and investment vehicles (the **Manager**); or
  - (ii) any entity or vehicle advised or managed by such entity, the Manager, or any of their affiliates;excluding any direct or indirect portfolio companies of such entity.
- (c) in respect of any individual:
  - (i) any Relative of that individual;
  - (ii) any entity Controlled by that individual or one or more Relatives of that individual;
  - (iii) the executor of that individual's estate; or
  - (iv) any trust for the benefit of that individual or one or more Relatives of that individual;
- (d) in respect of a Director:
  - (i) any Affiliate within the meaning of paragraph (c) above; and
  - (ii) any Shareholder at the request of which the relevant Director has been appointed and any Affiliates thereof within the meaning of paragraphs (a) and (b) above;
- (e) in respect of any body corporate:
  - (i) any Affiliate within the meaning of paragraph (a) above; and
  - (ii) any shareholder or director of that body corporate.

**Business Days** means a day other than a Friday, Saturday, Sunday or public holiday on which banks are generally open in Abu Dhabi, London, New York and Madrid for normal business.

**Control** means: (a) owning or controlling (directly or indirectly) more than 50% of the voting share capital of the relevant undertaking; or (b) being able to direct the casting of more than 50% of the votes exercisable at general meetings of the relevant undertaking on all, or substantially all, matters; or (c) having the right to appoint or remove directors of the relevant undertakings holding a majority of the voting rights at meetings of the board on all, or substantially all, matters; or (d) having the power to determine the conduct of business

affairs of an undertaking (whether through ownership of equity interest or partnership or other ownership interest, by contract or otherwise). The terms **Controlled** and **Controlling Interest** shall have a corresponding meaning.

**Dispose** means, in relation to any Share:

- (a) to sell, transfer, assign, swap, surrender, gift, declare a trust over, or otherwise dispose of, deal with or Encumber, any legal or equitable interest in the Share;
- (b) to do any thing which has the effect of placing a person in substantially the same position as that person would have been in, had any of the things mentioned in paragraph (a) above been done; or
- (c) to authorise, agree to or attempt to do any of the things mentioned in paragraph (a) or (b) above,

and the term **Disposal** shall have a corresponding meaning. Notwithstanding the foregoing:

- (a) the creation of any Encumbrance over any Shares registered in the name of a Shareholder or any nominee thereof in favour of a bank or financial institution or any nominee thereof for the purpose of securing any debt finance; and
- (b) the enforcement of any security entered into in connection with such debt finance,

shall not, and shall not be deemed to be, a Disposal for any purpose under these Articles of Association.

**Dividend** includes any dividend, bonus issue or other distribution in kind or in cash made by the Company to the Shareholders.

**Encumbrance** means any security interest and any option, right to acquire, right of pre-emption, assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind, and any agreement to create any of the above, and the term **Encumber** shall have a corresponding meaning.

**Equity Proportion** means, in relation to a Shareholder, the total number of Shares held by that Shareholder divided by the total number of Shares in issue adjusted to exclude the Shares issued through the Management Incentive Plan, expressed as a percentage.

**Group** means the Company and its Subsidiaries from time to time. A company is a **Subsidiary** of another company if that other company:

- (a) holds a majority of the voting rights in it; or
- (b) is a member of it and has the right to appoint or remove a majority of its board of directors; or
- (c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it,

or if it is a Subsidiary of a company that is itself a Subsidiary of that other company.

**Management Incentive Plan** means any management incentive plan relating to the management of the Company or any management incentive plan the adoption of which has been approved at a General Shareholders' Meeting.

**Permitted Transferee** means, in relation to a shareholder, a Related Body Corporate of that shareholder.

**Prohibited Transferee** means a Sanctioned Person.



**Related Body Corporate** means, in relation to a body corporate, any other body corporate that is an Affiliate within the meaning of paragraph (a) of the definition of Affiliate above.

**Relative** means, in relation to an individual:

- (a) the spouse, parent, son, daughter, brother or sister (whether by blood or adoption) of that individual; or
- (b) any person married to any of the persons specified in paragraph (a) above.

**Sanctioned Person** means any person who is currently (i) a target of, (ii) operates, is organised or is resident in a country or territory which is the subject or target of, and/or (iii) is owned or controlled by a target of, any economic sanctions administered by the Foreign Assets control of the U.S. Treasury Department (OFAC) or any other United States, European Union, United Nations, United Kingdom or other applicable economic sanctions or any person who is banned or prohibited from undertakings any form of business in the United Arab Emirates.

**Share** means an ordinary share in the capital of the Company.

**Spanish Companies Act** means the consolidated text of the Spanish companies act, approved by the Royal Decree 1/2010, of 2 July, as amended from time to time.