

BY-LAWS
OF
APPLUS SERVICES, S.A.



INDEX

TITLE I GENERAL PROVISIONS.....	1
Article 1.- Corporate name.....	1
Article 2.- Corporate purpose	1
Article 3.- Registered office and corporate webpage	3
Article 4.- Duration	3
TITLE II SHARE CAPITAL AND SHARES	3
Article 5.- Share capital and shares.....	3
Article 6.- Shareholder rights and obligations	4
Article 7.- Share transfer regime	4
Article 8.- Joint ownership, usufruct, pledge and attachment.....	4
Article 9.- Issuance of Debentures	5
TITLE III GOVERNANCE OF THE COMPANY	5
Article 10.- Governing bodies	5
Section One	6
General Shareholders' Meeting	6
Article 11.- General Shareholders' Meeting	6
Article 12.- Call to the General Shareholders' Meetings.....	6
Article 13.- Types of meeting	7
Article 14.- Rights of shareholders in relation to call.....	7
Article 15.- Right to attend General Shareholders' Meetings	8
Article 16.- Proxies	9
Article 17.- Electronic communication and remote voting	9
Article 18.- Establishment of a quorum for the General Shareholders' Meeting	10
Article 19.- Adoption of resolutions	10
Article 20.- Shareholder rights to information.....	10
Article 21.- The Presiding Committee of the General Shareholders' Meeting	10
Section Two	11
Board of Directors	11
Article 22.- Structure of the Company's Management.....	11

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the this translation and the text of the original Spanish-language document, the text of the original Spanish-language document shall prevail.

Article 23.- Appointment	11
Article 24.- Composition of the Board of Directors.....	12
Article 25.- Remuneration.....	12
Article 26.- Calling meetings of the Board of Directors.....	13
Article 28.- Adoption of resolutions by the Board of Directors	14
Article 29.- Board delegated committees	15
Section Three	15
Board Committees	15
Article 30.- Supervisory Committee	15
Article 31.-Audit Committee.....	16
Article 32.- Appointment and Compensation Committee	17
Article 33.- Other Committees.....	18
TITLE IV THE FINANCIAL YEAR AND ANNUAL ACCOUNTS.....	18
Article 34.- Financial Year	18
Article 35.- Annual accounts	18
Article 36.- Profit distribution	18
TITLE V DISSOLUTION AND LIQUIDATION	19
Article 37.- Dissolution	19
Article 38.- Liquidation	19
TITLE VI BOND ISSUE.....	19
Article 39.- Bond issue	19
TITLE VII JURISDICTION	20
Article 40.- Jurisdiction.....	20

BY-LAWS OF APPLUS SERVICES, S.A.

TITLE I GENERAL PROVISIONS

Article 1.- Corporate name

The Company's name is APPLUS SERVICES, S.A. (hereinafter, "the **Company**"). The Company shall be governed by these By-laws and the legal provisions relating to companies and other applicable laws and regulations, in particular, the Royal Decree 1/2010 of July 2, which enacted the revised text of the Spanish Companies Act or any legislation that might replace it in future (hereinafter, the "**Spanish Companies Act**").

Article 2.- Corporate purpose

2. 1. The Company's purpose is:

- (a) To Provide services in relation to the transport sector and vehicle and highway safety (engineering processes, design, testing, approval and certification of used cars), as well as technical inspections in sectors other than the automotive sector, with a blanket exclusion of activities that are covered by special legislation.
- (b) The technical audits of all types of installations for technical inspection or control of vehicles located anywhere in Spain or abroad, as well as any other type of technical inspection other than vehicles.
- (c) The draw up and execution of all types of studies and projects in relation to the abovementioned activities: economic, industrial, property, information technology, market surveys and research, as well as the supervision, direction and provision of services and advice in the execution thereof. Provision of services, advice, administration, operation and management, whether technical, fiscal, legal or commercial.
- (d) Business intermediation services, both locally and abroad.
- (e) To provide all types of inspection services and quality and quantity control, regulatory inspection, collaboration with administration, consultancy, audit, certification, approval, personnel training and qualification, and technical assistance in general in order to improve

the organization and management of quality, safety and environmental aspects.

- (f) To carry out studies, works, measurements, tests, analyses and controls, in laboratories or in situ, and such other professional methods and actions considered necessary or advisable, in particular those related to manufacturing materials, equipment, products and installations, in the fields of mechanics, electricity, electronics and information technology, transport and communications, administrative organization and office automation, mining, food, environment, construction and civil works, performed during the stages of design, planning, manufacturing, construction and assembly and commissioning, maintenance and production for all types of companies and entities, both public and private, as well as before the Central State Administration, the Administrations of Autonomous Communities, Provinces and Municipalities, and all types of agencies, institutions and users, whether within the country or abroad.

- (g) The purchase, holding and administration, whether direct or indirect, of shares, corporate interests, quota shares and any other form of holding or interest in the capital and/or securities granting right to the obtaining of shares, corporate interests, quota shares, or other holdings or interests in companies of any type, with or without legal personality, established in accordance with Spanish law or any other applicable legislation, in accordance with Article 116 of the Consolidated Text of the Corporate Income Tax Law approved by means of Royal Decree 4/2004 dated March 5, or by such legislation as may replace it, as well as the administration, management and guidance of such companies and entities, whether directly or indirectly, by means of the membership, attendance and holding of positions on any governing and management bodies of such companies or entities, carrying out the aforementioned advisory, management and guidance services making use of the corresponding organization of material and personnel means. An exception is made for those activities expressly reserved by law for Collective Investment Institutions, as well as for that expressly reserved by the Securities Market Act for investment service companies.

2. 2. The aforementioned activities may be carried out either directly by the Company or through the ownership of shares or equity interest in other companies with an identical or related purpose, including the carrying out of all its activities in an indirect manner, therefore acting solely as a holding company.

2. 3. All activities for which the law establishes special requirements that cannot be carried out by the Company are excluded from the corporate purpose. Should legal provisions require a professional qualification, administrative authorization, or registration with a public registry to be able to perform any of the activities included in the corporate purpose, such activities must be performed by persons who hold such professional qualifications, and such tasks shall not be able to commence until the administrative requirements have been met.

Article 3.- Registered office and corporate webpage

3. 1. The Company's registered address is in Campus de la Universidad Autonoma de Barcelona, Ronda de la Font del Carme w/o number, Bellaterra, Cerdanyola del Vallés (Barcelona).
3. 2. The governing body will have authority to decide on transferring the registered office to another location in the same municipality and creating, eliminating or transferring branches, agencies and offices required or advisable for the corporate business in Spain or abroad.
3. 3. The address of the Company's website shall be www.applus.com.
3. 4. Changes, transfer or removal of the website may be determined by the governing body, in which case it shall be authorized to modify the previous paragraph of this Article. The agreement to modify, transfer or remove the webpage shall be placed on record as required by the Spanish Companies Act.

Article 4.- Duration

The Company is incorporated for an indefinite term.

TITLE II SHARE CAPITAL AND SHARES

Article 5.- Share capital and shares

5. 1. The share capital is THIRTEEN MILLION ONE THOUSAND SIX HUNDRED SEVENTY-FIVE EUROS AND FIFTY CENTS (€13,001,675.50), divided into ONE HUNDRED AND THIRTY MILLION SIXTEEN THOUSAND SEVEN HUNDRED AND FIFTY FIVE (130,016,755) common shares numbered consecutively from 1 to 130,016,755, inclusive all in the same class and

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the this translation and the text of the original Spanish-language document, the text of the original Spanish-language document shall prevail.

series, each having a par value of TEN CENTS (€0.10), fully subscribed and paid-up.

5. 2. The shares are represented in book-entry form and, as regards their nature as book entries, they shall be governed by the Securities Market Act and other complementary provisions.
5. 3. The register of book entries shall be carried by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) and its participating entities.
5. 4. The Company shall acknowledge as a shareholder any party that appears intitled thereto as owner in the entries of the corresponding book-entry register. Likewise, if the Company were to provide any service to the person shown as a shareholders according to the accounting record, it shall be released from the corresponding liability, even if that person were not to be the actual owner of the share, as long as the Company were to have acted in good faith.

Article 6.- Shareholder rights and obligations

6. 1. Each share of the Company confers upon its legitimate holder the status of shareholder, and vests such holder with the right and obligations established by the Spanish Companies Act and by these By-laws.
6. 2. Ownership of shares entails compliance with the articles of association and submission to the lawfully-adopted decisions of the decision-making bodies and management of the Company.

Article 7.- Share transfer regime

Shares and the economic rights derived from them, including that of preemptive subscription, can be freely transferred by all lawful means.

Article 8.- Joint ownership, usufruct, pledge and attachment

8. 1. The shares are indivisible. Co-owners of one or more shares shall be jointly and severally liable to the Company for all obligations arising from their status as shareholders and must designate a single person for the exercise fo shareholder rights. The same rule shall apply to all other instances of co-ownership of rights to the shares.
8. 2. In case of beneficially-owned shares (*usufructo de acciones*), the bare owner

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the this translation and the text of the original Spanish-language document, the text of the original Spanish-language document shall prevail.

shall be qualified as the designated shareholder, with the beneficial owner having the right in all cases to the dividends approved by the Company during the period of beneficial ownership. Share The beneficial owner shall be required to facilitate the bare owner its exercise of these rights. Relations between the beneficial owner and the bare owner shall be governed by the document creating the beneficially-owned shares (*usufructo de acciones*), or otherwise by the terms of the Spanish Companies Act, and on a supplementary basis, applicable civil legislation.

8. 3. In the event of a pledge of shares, or attachment of shares, the terms of the Spanish Companies Act shall apply.

Article 9.- Issuance of Debentures

9. 1. As a listed company, the governing body shall be able to issue simple or convertible and/or exchangeable debentures shares at its request, or at the shareholders request by acting at a General Shareholders' Meeting, or both, for a par value of no more than one quarter of the share capital, with the limitations and in the terms set at each moment by the Spanish Companies Act.
9. 2. The amortization of these type of shares should also take place in accordance with the Spanish Companies Act, which shall apply to all matters pertaining to such shares.

TITLE III GOVERNANCE OF THE COMPANY

Article 10.- Governing bodies

10. 1. The Company's governing bodies are the General Shareholders' Meeting and the Board of Directors, and matters not foreseen in these articles of association shall be governed by the terms of the Spanish Companies Act.
10. 2. Legal and statutory regulation by these bodies shall be developed and supplemented by the Regulations for the General Shareholders' Meeting and the Regulations for the Board of Directors, the approval and modification of which shall correspond to the Shareholders' Meeting and the Board of Directors respectively.
10. 3. Powers that have not been assigned by law or by the By-laws to the General Shareholders' Meeting shall correspond to the Board of Directors.

Section One
General Shareholders' Meeting

Article 11.- General Shareholders' Meeting

11. 1. The General Shareholders' Meeting is the Company's senior decision-making body on the matters within their power.
11. 2. Resolutions that are duly adopted at a General Shareholders' Meeting, adopted in accordance with the articles of association, the Regulations for the General Meeting and the legal provisions in force, shall bind all shareholders, including shareholders who are absent, dissenting, abstain from voting, or lack the right to vote, without prejudice to the rights they may have to challenge such resolutions.
11. 3. The General Shareholders' Meeting is governed by the provisions of law, these By-laws, the Regulations for the General Shareholders' Meeting, and other applicable provisions of the Corporate Governance System.

Article 12.- Call to the General Shareholders' Meetings

12. 1. The General Shareholders' Meeting, whether ordinary or extraordinary, must be formally called through an announcement published which must contain all statements required by the Spanish Companies Act, at least one month prior to the date indicated for the meeting, except in those instances in which the Spanish Companies Act requires a superior period notice.
12. 2. Notwithstanding the foregoing, when the Company offers all shareholders the possibility of voting by electronic means available to all of them, Extraordinary General Shareholders' Meetings shall be able to be called with a minimum notice of fifteen (15) calendar days with the prior approval of the ordinary General Shareholders' Meeting in the terms established by the Spanish Companies Act.
12. 3. The announcement of the call to meeting must set forth the day, place, date and time of the meeting and all matters to be dealt with. Moreover, it must include the right of shareholders to examine at the registered office, and if necessary to immediately obtain at no cost, a copy of the documents to be submitted to the approval of the meeting, and where appropriate, the report of the independent auditors and the corresponding technical reports.

The announcement may also, if appropriate, set forth the date on which the General Shareholders' Meeting shall proceed upon second call. At least

twenty-four (24) hours should elapse between the first and second meeting.

12. 4. The announcement of the call to meeting shall be disseminated through the following media, at a minimum:

(a) The Official Bulletin of the Commercial Registry or one of the more widely circulated newspapers in Spain.

(b) The website of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

(c) The Company's website.

12. 5. The General Shareholders' Meeting may be called in the municipality within the registered office, or when the Chairman considers it appropriate for reasons of logistics and need, in any location within the municipal boundaries of Barcelona. When not indicated in the call, the meeting shall be understood to be called to be held at the registered office.

Article 13.- Types of meeting

13. 1. General Shareholders' Meetings may be ordinary or extraordinary, and must be called by the Board of Directors.

13. 2. The shareholders acting at an annual General Shareholders' Meeting, which shall be previously called for such purpose, must meet within the first six (6) months of each financial year in order to review corporate management, approve the individual accounts and consolidated accounts, if appropriate, for the prior financial year, and decide upon the allocation of profits or losses from such financial year. Resolutions may also be adopted at the annual General Shareholders' Meeting regarding any other matter within the power of the shareholders, provided that such matter appears on the agenda of the call to meeting or is legally appropriate and that the General Shareholders' Meeting has been convened with the required share capital in attendance.

13. 3. The ordinary General Shareholders' Meeting shall be valid even if called or held beyond the deadline.

13. 4. Any General Shareholders' Meeting not provided for in the preceding section shall be deemed an extraordinary General Shareholders' Meeting.

Article 14.- Rights of shareholders in relation to call

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between this translation and the text of the original Spanish-language document, the text of the original Spanish-language document shall prevail.

14. 1. The Board of Directors must call a General Shareholders' Meeting if the meeting is requested, in the manner provided for by the By-laws, by shareholders holding or representing at least five percent (5%) of the share capital, which request sets forth the matters to be dealt with. In this event, the Board of Directors shall call for the General Shareholders' Meeting to be held within two (2) months following the date of notarial request to the Board of Directors for it to be called. The Board of Directors must include the requested matters in the agenda of the call to meeting.
14. 2. Furthermore, once the ordinary General Meeting has been called, the shareholders representing at least five percent (5%) of the share capital may request, by means of due notification to be received at the registered office within the following five (5) days of publication of the call, the publication of a supplement to the call to the Annual Shareholders' Meeting including one or more items in the agenda of the call to meeting, so long as the new items are accompanied by a rationale or, if applicable, by a duly substantiated proposal for a resolution. This supplement to the call must be published at least fifteen (15) days in advance of the date established for the holding of the General Shareholders' Meeting.
14. 3. Last, and in relation to any General Shareholders' Meeting, shareholders representing at least five percent (5%) of the share capital shall have the right to submit well-founded proposed resolutions regarding matters already included or that should be included in the agenda of the call to meeting of the General Shareholders' Meeting being called, with the Company being required to ensure communication of such proposals in the manner established in the Spanish Companies Act.

Article 15.- Right to attend General Shareholders' Meetings

15. 1. Shareholders entitled to attend General Shareholders' Meetings shall be the holders of one or more voting shares. In order to exercise the right to attend, shareholders must cause the shares to be registered in their name in the corresponding book-entry register at least five (5) days prior to the day on which the General Shareholders' Meeting is to be held. This circumstance must be evidenced with the appropriate attendance, proxy, and absentee voting card, validation certificate, or other valid form of verification accepted by law.
15. 2. Other persons shall also be able to attend General Shareholders' Meetings when their presence is required by the chair of the General Shareholders' Meeting or the Board of Directors. The members of the Board of Directors must attend the General Shareholders' Meeting.

15. 3. In addition, the chair of the General Shareholders' Meeting may authorize the attendance thereat of other persons when he deems appropriate, although the shareholders acting thereat may revoke such authorization.
15. 4. In all matters not dealt with in this article regarding the right of attendance at meetings, the Regulations for the General Shareholders' Meeting and the terms of the Spanish Companies Act shall apply.

Article 16.- Proxies

16. 1. All shareholders having the right to attend may be represented at a General Shareholders' Meeting by proxy through another person, whether or not such person is a shareholder, by complying with the requirements of the Spanish Companies Act, as recorded for the purpose in the Regulations for the General Shareholders' Meeting in force at each moment.
16. 2. The proxy shall also be able to be granted by electronic means of communication that duly guarantee the identity of the party being represented and the proxy, and that may be established by the Board of Directors upon the issue of the call to each Meeting, as laid down in the Regulations for the General Shareholders' Meeting.
16. 3. The chair and the secretary of the General Shareholders' Meeting, and the persons acting by delegation therefrom, shall have the broadest powers to verify the identity of the shareholders and their representatives, verify the ownership and status of their rights, and recognize the validity of the attendance at the Meeting.
16. 4. 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.

Article 17.- Electronic communication and remote voting

17. 1. Shareholders may attend the General Shareholders' Meeting and may cast their vote by means of electronic correspondence or remote means in accordance with the terms of the Regulations for the General Shareholders' Meeting.
17. 2. The conditions and limitations on this form of attendance and voting shall be detailed in the Regulations for the General Shareholders' Meeting, in accordance with the Spanish Companies Act at each moment.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between this translation and the text of the original Spanish-language document, the text of the original Spanish-language document shall prevail.

Article 18.- Establishment of a quorum for the General Shareholders' Meeting

18. 1. Ordinary or extraordinary General Shareholders' Meetings shall be validly established on first call when shareholders present or represented hold at least twenty-five percent (25%) of voting share capital; and on second call meetings shall be considered to be validly convened whatever the voting capital represented. Exception is made for those matters for which applicable regulations require a larger quorum.
18. 2. Shareholders qualifying to attend who issue their vote remotely using the means established by the Company shall be considered to be present for quorum purposes.
18. 3. The Shareholders' Meeting shall also be validly constituted to hear and resolve any matter provided that all the share capital is represented and those present unanimously agree to its holding.

Article 19.- Adoption of resolutions

19. 1. Each voting share is represented in person or by proxy at the General Shareholders' Meeting shall give the right to one vote.
19. 2. The shareholders acting at a General Shareholders' Meeting shall adopt resolutions with the favorable vote of more than one-half of the voting shares present in person or by proxy at the General Shareholders' Meeting. The foregoing does not apply to situations in which the law or these By-laws require a greater majority. The Regulations for the General Shareholders' Meeting shall detail the procedures and systems for calculating the voting of resolution proposals.

Article 20.- Shareholder rights to information

Shareholder rights to information and participation in relation to the General Shareholders' Meeting shall be governed by the regulations applicable to the Company at each moment, and by the terms of the Regulations for the General Shareholders' Meeting, which shall detail rules on the matter.

Article 21.- The Presiding Committee of the General Shareholders' Meeting

21. 1. The Presiding Committee (*Mesa*) of the General Shareholders' Meeting shall consist of the members of the Board of Directors, and shall be presided by

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between this translation and the text of the original Spanish-language document, the text of the original Spanish-language document shall prevail.

the Chairman of the Board of Directors or whoever is acting on his behalf, assisted by the Secretary of the Board of Directors or whoever is acting on his behalf.

21. 2. All matters not covered by this article in relation to the Board of the General Meeting shall be governed by the terms of the Regulations for the General Shareholders' Meeting and the Spanish Companies Act.

Section Two **Board of Directors**

Article 22.- Structure of the Company's Management

22. 1. Management of the Company is vested in a Board of Directors with the powers set forth in the provisions of law, except for those powers corresponding to the General Shareholders' Meeting according to the Spanish Companies Act and these articles of association.
22. 2. The Board of Directors has the broadest powers and authority to manage, direct, administer, and represent the Company, focusing its activities on the supervision and monitoring of the general strategies followed by the Company entrusted to the executive directors and senior management, as well as on consideration of all such matters of particular importance to the Company.

Article 23.- Appointment

23. 1. The members of the Board of Directors shall be appointed by the General Shareholders' Meeting, notwithstanding the possibility of co-opting members as established in the Spanish Companies Act.
23. 2. It is not necessary to be a shareholder to be elected member of the Board, except in the case of co-option.
23. 3. Tenure of office shall be six (6) years as from the date of acceptance, being able to be reelected one or more times for periods of equal duration.
23. 4. Individual or legal entities covered by any of the prohibitions established by current legislation for reasons of incapacity or incompatibility shall be disqualified from Board membership.
23. 5. As from their appointment, Board Members shall be included in one of the following categories: executive director, external proprietary director, or

external independent director. The definition of these categories shall take place in accordance with regulations or the recommendations of corporate governance applied at each moment in the Company, and shall be stated, or if advisable, further developed in the Regulations for the Board of Directors.

Article 24.- Composition of the Board of Directors

24. 1. The Board of Directors shall be composed of a minimum of seven (7) and a maximum of nine (9) directors, who shall be appointed or ratified at a General Shareholders' Meeting in accordance with the Spanish Companies Act. The determination of the number of directors shall be the purview of the shareholders acting at a General Shareholders' Meeting, within the mentioned minimum and maximum limits.
24. 2. The Board of Directors shall elect from among its members, a chairman of the Board of Directors and, if it so decides, one or more vice-chairs who shall stand in for the chairman in the event of vacancy, absence or sickness. Should there be several vice-chair, their order of precedence should be established at the time of their appointment. In the absence of the chairman and vice-chairs, the meeting shall be chaired by its oldest member.
24. 3. The Board of Directors shall also elect a secretary of the Board of Directors and, if applicable, one or more deputy secretaries to replace the secretary in the event of vacancy, absence or sickness. Both the secretary and the deputy secretary may or may not be directors, and when not, they shall have the right to speak but not to vote. In the absence of the secretary and deputy secretary, the director appointed by the Board of Directors from among those attending the meeting in question shall act as such.

Article 25.- Remuneration

25. 1. The office of director is remunerated.
25. 2. Notwithstanding the terms of the remaining sections of this same article, in general director's remuneration shall consist of a fixed annual allocation and attendance allowances for each board meeting or meeting of its Committees, according to the following detail:
 - (i) The fixed annual allocation shall consist of an amount for each of the directors to be set by the General Shareholders' Meeting. If not established by the General Shareholders' Meeting, its amount shall be that for the previous year, increased by the rise in the consumer price index or such index as may replace it in future.

- (ii) Attendance allowances for each meeting of the Company's Board of Directors or its committees shall be equivalent to an amount per director and meeting that will also be determined by the General Shareholders' Meeting. If not established by the General Shareholders' Meeting, its amount shall be that for the previous year, increased by the rise in the consumer price index or such index as may replace it in future.
25. 3. In addition, remuneration scheme linked to the share value, or which include the granting of stock or stock options are planned. Such remuneration systems must be approved by the General Shareholders' Meeting, which shall establish the value of the shares that will be taken as a reference, the number of shares to be granted, the share option exercise price, the duration of this remuneration scheme, and such other conditions as may be deemed necessary.
25. 4. In addition, the Company is authorized to take out civil liability insurance covering its directors.
25. 5. The amounts to be received according to this article shall be compatible and independent from salaries, remuneration, indemnification, pensions, contributions to social security systems, life insurance or compensation of any kind, whether fixed or variable, annual or multiple-year, established on a general basis or individually for those directors performing executive duties, whatever the nature of their relationship with the Company, whether it is employed – ordinary or special senior management – as a commercial or as a service provider, relationships which shall be compatible with the office of director, observing in each case the terms of applicable legislation in force.

Article 26.- Calling meetings of the Board of Directors

26. 1. The Board of Directors shall meet as often as needed to perform its functions, and whenever it is required to meet in the interest of the Company, following the calendar and agenda set at the beginning of the year. One-third of the directors may also call a meeting, establishing the agenda thereof, in order for the meeting to be held at the place where the registered office is located, if a prior petition has been submitted to the chairman of the Board of Directors and he has failed, without well founded reasons, to call the meeting within one month.
26. 2. When the chairman of the Board of Directors is also the chief executive of

the Company, the Board of Directors may also be convened by two (2) independent directors, or by the director acting as vice-chair.

26. 3. The meetings of the Board of Directors should be called with at least seven (7) business days' notice, and should be sent by letter, fax or e-mail or any other written or electronic form that ensures receipt. In an emergency, as determined by the chairman, the minimum notice will be twenty-four (24) hours. The notice should state the date, time and place of the meeting, as well as the agenda, and it should be accompanied by all the necessary information to prepare for the meeting, in accordance with the Regulations for the Board of Directors.
26. 4. The Board of Directors shall be deemed to have validly met without the need for a call if all the directors present in person or by proxy unanimously agree to hold the meeting and to the items of the agenda to be dealt with.

Article 27.- Quorum, representation and remote participation in the Board of Directors

27. 1. The Board of Directors is validly constituted when the meeting includes half the total directors plus one, in person or by proxy.
27. 2. Directors may only be represented at meetings of the Board of Directors by another director. In any case, representation shall be granted by a letter addressed to the chairman or by other means detailed in the Regulations for the Board of Directors.
27. 3. Meetings will be held at the Company's registered offices or in any other place designated by the chairman and stated in the meeting notice.
27. 4. Board of Directors meetings may be held by telephone conference call, video conference calls or any other such system that allows one or more of the directors to attend the meeting through the aforementioned system. To this end, the meeting notice should state the location where the meeting will take place. The notice should also specify that the meeting may be attended via conference call, video conference call or any such equivalent, with an indication of the exact means needed to attend the meeting in this manner, which must allow direct and simultaneous communication between all attendees.

Article 28.- Adoption of resolutions by the Board of Directors

28. 1. The adoption of resolutions of the Board of Directors shall require the

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between this translation and the text of the original Spanish-language document, the text of the original Spanish-language document shall prevail.

attendance at the meeting, in person or by proxy, of a majority of the directors, except under the circumstances given in the next paragraph. This does not exclude any majority votes as established by law.

28. 2. Voting by written procedure in lieu of a meeting is valid if no Director objects, following the procedures detailed in the Regulations of the Board of Directors.
28. 3. The resolutions adopted by the Board of Directors should be recorded in minutes, which shall be approved by the Board at the end of the meeting or during the next meeting. The minutes shall be signed by the Secretary of the Board of Directors or of that meeting, with the approval of the person acting as Chairman. The minutes shall be included in the Book of Minutes.

Article 29.- Board delegated committees

29. 1. The Board of Directors may delegate its functions, either in whole or in part, and in accordance with the law, to one or more Supervisory Committees, or to one or more Directors, on the terms and to the extent it deems appropriate. The delegation resolution, which shall be approved by at least two thirds (2/3) of Directors, shall set forth the authorities delegated and the regime applicable to the delegation.
29. 2. The Board of Directors may permanently delegate all the powers it holds, except the authorities are reserved to the Board of Directors pursuant to law, to the By-laws or to the Regulations of the Board of Directors.

Section Three **Board Committees**

Article 30.- Supervisory Committee

30. 1. The Board of Directors shall appoint the Directors who will hold the office of members of the Supervisory Committee, which will comprise at least three (3) and a maximum of five (5) Directors.
30. 2. All the powers of the Board of Directors will be delegated to the Supervisory Committee, except for those that may not be delegated in accordance with law or with the Regulations of the Board of Directors.
30. 3. The rules of operation of the Supervisory Committee will be set out in the Regulations of the Board of Directors and, if applicable, in a separate set of internal regulations agreed by such Committee.

Article 31.-Audit Committee

31. 1. The Company shall have an Audit Committee comprising a minimum of three (3) and a maximum of five (5) Directors, appointed by the Board of Directors. At least a majority of the members of the Audit Committee should be non-executive Directors, and at least one (1) of the members of the Audit Committee shall be required to be an independent Director, and shall be appointed on the basis of its knowledge and experience in matters of accounting or auditing, or in both these areas.
31. 2. The Audit Committee shall appoint a Chairman from among the non-executive Directors for a term not exceeding four (4) years. The members who have held the office of Chairman of the Audit Committee may not hold such position for one (1) year as of the end of their term as Chairman, even if they continue to hold the office or are re-appointed as members of the Audit Committee.
31. 3. The powers of the Audit Committee which are further detailed in the Regulations of the Board of Directors include the following, as a minimum:
 1. Reporting to the General Shareholders' Meeting about the issues raised within the scope of its functions.
 2. Monitoring the effectiveness of the Company's internal control systems, internal audit and risk management systems, as well as discussing with the auditors any significant weaknesses in the internal control system detected during the audit.
 3. Supervising the regulated financial information as it is drawn up and prepared.
 4. Proposing the appointment of auditors to the Board of Directors for submission to the approval the General Shareholders' Meeting, in accordance with applicable regulation.
 5. Establishing appropriate relationships with the auditors to share information on any issues that may jeopardize their independence, so that said information may be considered by the Audit Committee and any others involved in the audit, and including any other communications detailed in the audit legislation and in the audit regulations. In any case, the auditors should receive annual written confirmation of their independence from the company and any other

entities that are related either directly or indirectly, as well as information on additional services of any kind that are provided to these entities by auditors or by any persons or entities related to them, in accordance with the currently applicable legislation on auditing.

6. Issuing annually, prior to the issuance of the audit report, a report including an opinion on the independence of the auditors. This report shall, in any event, provide details on the provision of additional services as referred to in the previous section.

Article 32.- Appointment and Compensation Committee

32. 1. The Company shall have an Appointment and Compensation Committee comprised of a minimum of three (3) and a maximum of five (5) Directors appointed by the Board of Directors. All the members of the Appointment and Compensation Committee should be non-executive Directors, and, at least, a majority should be independent Directors.

32. 2. The powers of the Appointment and Compensation Committee, which are detailed in the Board Regulations, include the following, as a minimum:

1. Evaluating the skills, knowledge and experience of the Board of Directors, and subsequently defining the roles and capabilities required for any candidates to fill each vacancy, as well as deciding on the time and dedication required to effectively carry out such office.
2. Submitting appointment proposals of independent Directors to the Board of Directors, so that the appointment is approved on an interim basis or the decision is submitted to the General Shareholders' Meeting for approval. In addition, submitting proposals for the re-appointment or removal of such Directors by the General Shareholders' Meeting.
3. Reporting on appointment proposals of the remaining Directors so that the appointment is approved on an interim basis or the decision is submitted to the General Shareholders' Meeting for approval. In addition, submitting proposals for the re-appointment or removal of such Directors by the General Shareholders' Meeting.
4. Reporting on proposals for appointing or removing senior management and the basic conditions of their contracts.
5. Examining and organizing the succession of the Chairman and the chief executive of the Company and, where necessary, to make proposals to

the Board of Directors, so that such succession occurs in an orderly and well-planned manner.

6. Proposing to the Board of Directors the compensation policy for Directors and senior managers, and the individual compensation and other contractual conditions for executive Directors, and overseeing the compliance with the above.

Article 33.- Other Committees

In addition to the Supervisory Committee, the Audit Committee and the Appointment and Compensation Committee, as detailed in the preceding paragraphs, the Board of Directors may establish any other committees necessary so that the Board's responsibilities are properly implemented. The composition and functions of these committees shall be determined by the Board of Directors, with further details in the Board Regulations.

TITLE IV THE FINANCIAL YEAR AND ANNUAL ACCOUNTS

Article 34.- Financial Year

34. 1. The financial year shall last for one year and shall cover the period from January 1st to December 31st of the same year.
34. 2. As an exception, the first financial year began on the date the Company was founded, and ended on the following December 31st.

Article 35.- Annual accounts

No later than three (3) months from the end of each financial year, the Board of Directors shall prepare the annual accounts, a management report and the proposed distribution of profits and, where appropriate, the annual accounts and a consolidated management report in accordance with the evaluation criteria and the structure required by law and other regulations applicable to the Company.

Article 36.- Profit distribution

36. 1. Dividends may only be distributed in accordance with the profit for the year, or from unrestricted reserves, if all of the necessary allocations set forth by the law and the By-laws have been covered, and provided that the net equity is, or does not fall as a result of the distribution, lower than the share capital. If there are losses from previous financial years which cause the net

equity of the Company fall below the share capital amount, the profits shall be allocated to offset such losses.

36. 2. The remaining profits may be allocated at General Shareholders' Meeting choice. The dividend distribution resolution will be subject, in any case, to the legal requirements, and will set forth the time and manner of payment.
36. 3. The General Shareholders' Meeting may decide that the dividend be paid, in whole or in part, in kind, provided that all legal requirements are met.
36. 4. Both the General Shareholders' Meeting and the Board of Directors may decide to distribute an interim dividend, provided that all legal requirements are met.

TITLE V DISSOLUTION AND LIQUIDATION

Article 37.- Dissolution

The company shall be wound-up and liquidated upon occurrence of the causes and in accordance with the regime set forth in the Spanish Companies Act.

Article 38.- Liquidation

38. 1. The members of the Board of Directors, at the time of the company dissolution, shall become liquidators, unless upon approval of the winding-up the General Shareholders' Meeting designates others for the office. The liquidators shall hold office indefinitely. If three (3) years elapse from the beginning of the liquidation procedure without the final liquidation balance being submitted to the General Shareholders' Meeting, any shareholder or other person with a legitimate interest may apply to the Mercantile Courts for the liquidators to be removed in the manner provided by the Spanish Companies Act.
38. 2. Once all creditors have been paid or their debts with the Company have been duly consigned, and once other debts which are not due at such time have been secured, the remaining corporate assets will be divided between the shareholders in proportion to their respective shareholdings in the Company's share capital.

TITLE VI BOND ISSUE

Article 39.- Bond issue

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between this translation and the text of the original Spanish-language document, the text of the original Spanish-language document shall prevail.

39. 1. The Company may issue bonds or other securities that recognize or create debt, in accordance with the established legal regime and restrictions.
39. 2. The bonds may be represented by certificates or in book-entry form, the latter governed by the applicable laws, and they may be simple or mortgage bonds.

TITLE VII JURISDICTION

Article 40.- Jurisdiction

For all litigious disputes which may arise between the Company and the shareholders with regard to corporate matters, both the Company and the shareholders waive their own jurisdiction, and expressly submit to the jurisdiction of the courts where the registered offices of the Company is located, except in those cases in which another jurisdiction is imposed by law.
