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EDP RENOVÁVEIS, S.A.

ARTICLES OF ASSOCIATION

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EDP RENOVÁVEIS, S.A.

ARTICLES OF ASSOCIATION

TITLE I – NAME, REGISTERED OFFICE, OBJECT AND DURATION

ARTICLE 1 – NAME

The name of the Company is “EDP RENOVÁVEIS, SOCIEDADE ANÓNIMA”, which shall be governed by these Articles, by the Spanish Corporate Law (Ley de Sociedades Anónimas) and any further rules that may apply.

ARTICLE 2 – OBJECT

1. The object of the Company is mainly the development of activities relating to the electric sector, in particular the following:
 - a. The construction, maintenance and project management of installations for the production of electric energy and, in particular, those activities relating to the special regime including, but not limited to, hydraulic or minihydraulic power, wind power, solar power, thermic solar power, photovoltaic, biomass and the use of waste for the production of energy;
 - b. The promotion and development of all types of projects relating to energy resources and the production of electric energy and, in particular, those activities relating to the special regime including cogeneration, hydraulic and wind power generation, the use of industrial and urban waste for energy production, renewable energy, energy saving and similar activities through the building and exploitation of generation units and the marketing of the resulting products;
 - c. Carrying out research, the supervision of assemblies, quality controls, maintenance organization, maintenance, prevention, approval of products and process certifications, and the implementation of schemes to third parties for the use and production of energy;
 - d. The execution of construction public and private works, relating generally to energy savings, diversification of energy and various environmental sources and, in particular, with the production, use and transport of energy, the construction of hydraulic works, the building and assembling of all sorts of electrical air conditioning and mechanical installations, carrying out building works for the treatment of water, as well as any other kind of urban and industrial waste, and any associated civil works or complementary installations to these activities.

2. Additionally, the Company may render services to third parties, including:
 - a. Preparing reports on, analyzing and testing the use, production and transport of energy;
 - b. Preparing system models, methods and formulas relating to the aforementioned activities;
 - c. Providing consultancy, auditing, advising and training services relating to the aforementioned activities;
 - d. Providing services relating to the use and transport of energy and the investigation and development of all types of procedures relating to energy saving.
3. The different activities of the object may be developed by the Company either directly or indirectly, totally or partially, namely by holding ownership of shares or interests in companies with a similar or identical object, both in Spain and abroad.
4. The management and the administration of securities representing the capital base of non resident entities in Spain, through the corresponding organisation of material and personal means.
5. Should legal rules require a professional title, an administrative license or a registration in Public Records in order to engage in some of the activities comprised in the object, then the said activities shall be conducted by someone holding the said professional title and, depending on the case, such activities will not start before the required administrative requirements are fulfilled.

ARTICLE 3 – DURATION

The Company was incorporated for an indefinite term and started its activities the day its corresponding incorporation public deed was granted.

ARTICLE 4 – REGISTERED OFFICE

1. The Company's registered office is situated in Oviedo, Plaza de la Gesta, number 2.
2. Provided there is a prior agreement of the General Meeting, the registered office may be moved to any other place in the national territory.
3. The Board of Directors is entitled to decide moving the registered office within the same borough, as well as to create, suppress or transfer branches, agencies or delegations both in Spain and abroad.

TITLE II – SHARE CAPITAL. SHARES

ARTICLE 5 – SHARE CAPITAL

The value of the Company's issued share capital is € 4.361.540.810 and it is divided in 872.308.162 shares, numbered from 1 to 872.308.162 (including both numbers), with a nominal value of € 5,00 each, represented by book entries. All shares integrate a single class and series and are fully issued and paid.

ARTICLE 6 – SHARES

1. The shares are in book entry form and are governed by the applicable law.
2. The Company is entitled to request the listing of its shares both in national and in foreign stock exchanges.
3. The Company shall recognise as shareholder whoever is registered as the legal owner of the shares in the relevant book-entry records.
4. After the formalisation, any alteration of the shares' characteristics represented in book-entry form shall be published in the Commercial Registry's Official Gazette (*Boletín Oficial del Registro Mercantil*) and in one of the daily newspapers with wide circulation in the province where the Company is domiciled.

ARTICLE 7 – SHAREHOLDERS

1. The share grants to its legal holder the condition of shareholder and the rights recognised by the Law and the present Articles.
2. Ownership or possession of one or more Company shares implies absolute conformity of the Shareholders with the Articles, as well as with Shareholders Agreements, adjusted to their respective prerogatives, which will be enforceable and mandatory for everyone, including absentees, handicapped or dissidents, without prejudice of the right to reject, which, depending on the case, may be admissible.

ARTICLE 8 – TRANSFER OF SHARES

1. Shares are in book-entry form. Therefore, all transfers are carried out by an accounting transfer.
2. The registration of the transfer in favour of the person/entity acquiring the shares shall produce similar effects to that of transfer of titles.
3. The transfer will be effective against third parties from the moment of registration.

ARTICLE 9 – INCREASE OF SHARE CAPITAL

1. The Shareholders General Meeting may increase the share capital of the Company in accordance with the legal requirements, by any of the means authorised by Law.
2. The General Meeting may delegate to the Board of Directors the authority to authorise one or several increases in share capital. The said delegation, which, depending on the case, may be replaced, may include the authority to exclude pre-emption rights in respect of such allotment of shares, in accordance to what is provided in the law.
3. The General Meeting may also delegate to the Board of Directors the authority to implement an already approved share capital increase agreement, to indicate the date or the dates to implement it and to determine the conditions of the same that were not specified by the General Meeting. Depending on the case, this delegation may be object of replacement. The Board of Directors may use this delegation, in total or in part, or it may even not use it, taking into consideration the conditions of the Company, of the market or any other facts or circumstances that may be particularly relevant to justify such decision. The General Meeting shall be informed thereof, once expired the time period or time periods to complete such share capital increase(s).
4. In the event of an increase of share capital and a proposed allotment of new shares, namely ordinary or preference shares, in accordance with the law, the existing shareholders and holders of rights convertible into shares shall have pre-emption rights over such newly issued shares in proportion to the nominal value of the shares they hold or, as applicable, the number of shares they could convert their convertible rights into at that time, within the time period granted thereto by the Board of Directors, which will not be lower than the time period legally provided since the publishing of the notice of the offering of new shares in the Commercial Registry's Official Gazette (*Boletín Oficial del Registro Mercantil*).
5. Where the interests of the Company so require, in the cases and under the conditions provided by the Law, the General Meeting or, depending on the case, the Board of Directors, may resolve that all or part of the pre-emption rights shall not apply.
6. In case the share capital increase is due to a conversion of bonds into shares or to the take-over of another company or of part of another company's divided assets, pre-emption rights shall not apply. Pre-emption rights will also not apply when new shares are issued to deal with the exchange in a public offering formulated by the Company.

TITLE III – CORPORATE BODIES

ARTICLE 10 – CORPORATE BODIES

1. The Company's corporate bodies are the Shareholders General Meeting and the Board of Directors.
2. In accordance with these Articles, the Board of Directors may have delegate bodies, like the Executive Committee or Delegate Members of the Board, and may as well create any other committees, like the Auditing and Control Committee or the Appointments and Remuneration Committee, among others.

SECTION I – GENERAL MEETING OF SHAREHOLDERS

ARTICLE 11 – GENERAL MEETING OF SHAREHOLDERS

1. The General Meeting is governed by these Articles, the rules regulating general meeting of shareholders and by the Spanish corporate Law.
2. The General Meeting, called pursuant to the said legislation, represents the Company, with the full authority corresponding to its legal personality.
3. General Meetings are either ordinary or extraordinary.

ARTICLE 12 – NOTICE OF GENERAL MEETINGS

1. General Meetings shall be called by the Board of Directors, namely by the Chairman of the Board on its behalf.
2. The Board of Directors must call an Extraordinary General Meeting upon request of the Chairman of the General Meeting. In this case, the General Meeting shall be called within seven (7) days counted as of the date the Board would have been submitted to a notarised request thereto.
3. The Board of Directors must call the Extraordinary General Meeting in order to acknowledge matters proposed by shareholders in accordance with the law, if these represent at least five (5%) percent of the share capital; the request to call a General Meeting shall include ownership accreditation certificates of the shares representing the applicants' share capital percentage. In this case, after submitting a notarised request to the Board of Directors, the General Meeting shall be called to take place within the time period legally provided.
4. Notices of all General Meetings will be published in the Commercial Registry's Official Gazette (Boletín Oficial del Registro Mercantil) and in the website of the Company at least one (1) month prior to the meeting.
5. In case the Company is listed in a foreign country, the notice shall be published as well in accordance with the law of that country.
6. The notice shall contain all the information required by the Law and shall indicate the place, which could be any in Spain coincident or not with the registered office municipality, the date and the hour of the first call of the meeting and all the matters that will be dealt in the meeting. The notice may also include, should it be the case, the date in which the General Meeting will take place on second call."

ARTICLE 13 – ANNUAL AND EXTRAORDINARY GENERAL MEETINGS

1. The Ordinary General Meeting shall meet annually within the first six (6) months of the year and shall include the following matters:
 - a. Evaluation of the Company's management and approval of the annual accounts from the previous financial year, management report and decision on the application of the previous fiscal year's income or loss;

- b. Appointment and renewal of the Board of Directors in accordance with these Articles and the legal provisions in force, covering or eliminating vacancies that may occur or, as appropriate, ratifying the appointments of Directors made on a provisional basis by the Board of Directors;
 - c. Appointment of auditors;
 - d. Decision on the matters proposed by the Board of Directors;
 - e. All other matters provided in the law in force.
2. Any General Meeting which will include any other matters not provided in the previous number shall be deemed as an Extraordinary General Meeting and shall be convened in any time of the year, whenever the Board of Directors deems it appropriate.

ARTICLE 14 – INFORMATION RIGHT

1. Shareholders are entitled to request the Board of Directors information or explanations that they consider necessary, or submit in writing the questions that they deem relevant until the seventh (7th) day prior to the date on which the General Meeting is scheduled.
2. The Directors must provide the information in writing until the day on which the General Meeting is scheduled.
3. Shareholders may request verbally, during the General Meeting, the information or explanations that they consider relevant regarding the matters included in the Agenda.
4. The Directors must provide the information requested under the previous numbers, in accordance with the provisions of these Articles, of the rules regulating general meeting of shareholders and of the Spanish corporate Law, save in those cases where, according to the Chairman, disclosure of such requested information may endanger the Company's interests.

ARTICLE 15 – ATTENDANCE, REPRESENTATION AND VOTING RIGHTS

1. All Shareholders may attend the General Meetings.
2. In order to attend a General Meeting, a Shareholder must be registered as the legal owner of the shares in the relevant book-entry records at least five (5) days prior to the day on which the General Meeting is scheduled.
3. Any Shareholder entitled to attend may be represented in the General Meeting by another person (proxy), even when this person is not a shareholder. Proxies may always be revoked. Attendance by the shareholder at the meeting shall be considered as a revocation of his proxy. The Board of Directors may request in the General Meeting's notice that the proxies be provided to the Company at least two (2) days in advance of the meeting, indicating the name of the proxies.
4. Each Share entitles the holder to one vote except for Shares with non-voting rights, save in those cases provided in the law in force.

5. With the Chairman's permission, Directors, Managers and other persons that are part of the Company's organisation and guests may attend General Meetings.
6. Shareholders may cast their vote on the proposals relating to the points in the Agenda by mail or by electronic means. It is indispensable, however, in order for the vote to be valid, that the Company receives it at least twenty four (24) hours before the date on which the General Meeting is scheduled on first call.
7. The vote by mail shall be issued by sending a mail to the Company containing the vote and the attendance card issued by the entity or entities in charge of the registration in the book-entry records.
8. The vote by electronic means shall be issued with a recognised digital signature or with any other system approved by the Board of Directors to ensure its authenticity and the identity of the Shareholder exercising his voting right. In any case, an electronic copy of the attendance card and vote shall be attached to the electronic mail.
9. Distance voting mentioned in this article shall be null and void:
 - a. When the Shareholder subsequently and expressly revokes his vote using the same method that he used to vote, within the time period established for that effect;
 - b. When the Shareholder who issued the vote, or his proxy, personally attends the General Meeting.
10. Shareholders who make distance voting shall be deemed as attendees of the General Meeting.
11. The Board of Directors shall develop the voting system described above by setting out the rules, appropriate state of the technique means and procedures to instrument the issue of the vote and the granting of the representation by electronic means.

ARTICLE 16 – CHAIRMAN OF THE GENERAL MEETINGS

1. The Chairman of the General Meeting will correspond to the person appointed by the same, who must be an independent person, under the terms provided in article 20(2) of these Articles and not one of the Members of the Board.
2. The Chairman of the General Meeting will serve for a maximum term of three years and for a maximum of two terms which may be consecutive.
3. The following persons are not entitled to hold the position of Chairman:
 - a. Persons who are beneficiaries of advantages or special rights from the Company;
 - b. Persons who hold an administrative position in the Company;
 - c. Members of the Board of Directors of the Company who own Shares of the Company or who remain at the same group of the Company;

- d. Persons who, directly or indirectly, provide services to the Company or have a significant commercial arrangement with the latter or with companies in which the Company participates or which belong to the same group;
 - e. Persons who work at a competitor company, on behalf of a competitor company, that represent a competitor company or have an interest in such a competitor;
 - f. Spouses or persons with lineal or collateral – ascent or descent – family relations or next of kin, until the 3rd degree of consanguinity, including with any persons falling within a), b), c) and f) above, as well as spouses of the persons falling within e) above;
 - g. Persons who are directors of five or more companies, not including legal and financial advisors, and auditors;
 - h. Persons who have been disqualified or prohibited by law from being a director or a chairman, that are broke or bankrupt, and those that have been given sentences that imply disqualification, even temporary, to exercise civil service;
 - i. Persons who hold in their own name, or on account for another, more than 2% of the issued share capital of the Company;
 - j. Persons who have assumed two times the position of Chairman, on a continual or non continual basis, for a partial or a full term of office.
4. The Chairman of the General Meeting, together with the Chairman of the Board of Directors, or whoever substitutes him, and with the remaining members of the Board, shall constitute the Steering Committee. The Secretary of the Steering Committee will be the Secretary of the Board of Directors.
 5. The Board of Directors shall set the Agenda. The Chairman of the General Meeting may request, prior to the notice of such meeting, that additional subjects be included in the Agenda. General Meetings shall neither decide nor discuss any subjects not included in the Agenda.
 6. A list of the attendees will be made, expressing the character and the representation, depending on the case, of each one of them, and the number of their own Shares or the number of represented shares and, should this be the case, separating the shares with voting rights and the ones without. In the end, the list shall mention the number of the attending Shareholders and the number of represented ones (the calculation method may be mechanical or electronic) and the amount of the share capital held by them. Any doubts or claims that may arise in connection with these points will be solved by the Chairman who may resort to two (2) scrutineers appointed by the Board of Directors prior to the meeting. Subsequently, should this be required, the Chairman shall declare the meeting properly constituted.
 7. The Chairman of the General Meeting shall:
 - a. Verify whether the meeting was properly constituted, as well as the sufficiency of the proxies granted by the Shareholders;
 - b. Chair the meeting in order to decide the subjects contained in the Agenda;

- c. Give the floor to the Shareholders who request it but it may take back the floor should he consider that the matter has been sufficiently discussed;
- d. Organise the votes and announce the results; and
- e. Have, in general, all the powers required to duly conduct the meeting or recognised in the law in force.

ARTICLE 17 – CONSTITUTION OF THE GENERAL MEETING. ADOPTION OF RESOLUTIONS

1. Ordinary as well as Extraordinary General Meetings shall be validly constituted:
 - a. On the first call, if the Shareholders, either present or represented by proxy, represent at least twenty five percent (25%) of the subscribed voting capital.
 - b. On the second call will be validly constituted regardless of the amount of the capital present in it.
2. To validly approve the issuance of bonds, the increase or reduction of capital, the transformation, merger or spin-off of the Company, and in general any necessary amendment to the Articles of Association, the Ordinary or Extraordinary Shareholders' Meeting will need:
 - a. On the first call, that the Shareholders, either present or represented by proxy, represent at least fifty percent (50%) subscribed voting capital.
 - b. On the second call, that the Shareholders, either present or represented by proxy, represent at least twenty five percent (25%) of the subscribed voting capital.

In the event the shareholders attending represent less than fifty percent (50%) of the subscribed voting capital, the resolutions referred to in the present paragraph will only be validly adopted with the favourable vote of two-thirds(2/3) of the present or represented capital in the General Meeting.

3. Exception is made to any other requirements where these Articles or the applicable law requires a different quorum.
4. Resolutions at Ordinary or Extraordinary General Meetings shall be adopted with the simple majority of the votes corresponding to the Shares entitled to vote which are present or represented.
5. Resolutions shall be adopted by general agreement of the General Meeting, without prejudice of the provisions in force regarding the need to record in the minutes the opposition of Shareholders contesting such resolutions.

ARTICLE 18 – DOCUMENTS OF RESOLUTIONS

1. Regarding the documents, the conversion of resolutions into a public deed and the way to certify them will be made in accordance with the applicable law.

2. Mere appointment of the Secretary of the Board of Directors, even in case he is not a member of the Board, will entitle him to appear before the Notary to execute Public Deeds reflecting resolutions of the Board of Directors and of the Shareholders General Meeting; to request registration of the resolutions in the Commercial Registries and to remedy possible defects in public deeds, taking into consideration the classification made by the Registrar, acting on his own and, whenever necessary, executing remedying resolutions of the General Meeting and/or the Board of Directors.
3. The powers listed herein shall also apply to the Vice-Secretary, should there be one.

SECTION II – THE BOARD OF DIRECTORS

ARTICLE 19 – THE BOARD OF DIRECTORS

1. The Board of Directors shall be governed by these Articles, by its Regulation and by the Law.
2. The Board of Directors is vested with the broadest powers to manage, supervise and govern the Company, with no other limitations besides the powers expressly granted to the exclusive jurisdiction of General Meetings in article 13 above or in the applicable law. Within this context, it falls to the Board, which is hereby entitled to:
 - a. Acquire on a lucrative or onerous title basis personal and real property, rights, shares and interests that may suit the Company;
 - b. Sell and mortgage or charge personal and real property, rights, shares and interests of the Company and cancel mortgages and other rights *in rem*;
 - c. Negotiate and conclude as many loans and credit operations that it may deem appropriate;
 - d. Enter and formalise all sorts of acts or contracts with public entities or private persons;
 - e. Exercise civil and criminal actions and all further actions to be undertaken by the Company, representing it before governmental officers, authorities, corporations, governing, administrative, administrative-economic, administrative-litigation and judicial courts, labour courts and the labour sections (“*Juzgados de lo Social e Salas de lo Social*”) of the Supreme Court and of the High Courts of the Autonomous Communities, with no limitations whatsoever, including before the European Court of Justice, and in general before the Government, in all its levels and hierarchies; to intervene or promote, follow and terminate, through all procedures and instances, the processes, court sections or proceedings; to accept decisions, to file any kind of appeal, including the cassation one and other extraordinary appeals, to discontinue or confess, to agree an early termination of a proceeding, to submit litigious questions to arbitration judges, and to carry out all sorts of notices and requirements and to grant a power of attorney to Court Representatives and other representatives, with the case-related powers and the powers which are usually granted to litigation cases and all the special powers applicable, and to revoke such powers;
 - f. Agree the allotment of dividends;

- g. Call and convene General Meetings and submit to them the proposals that it deem appropriate;
- h. Direct the Company and organise its operations and exploitations by acknowledging the course of the company businesses and operations, managing the investment of funds, making extraordinary depreciations of bonds in circulation and realizing anything that it is considered appropriate to obtain maximum gains towards the object of the Company;
- i. Freely appoint and dismiss Directors and all the Company's technical and administrative personnel, defining their office and their retribution;
- j. Agree any changes of the registered office's address within the same borough;
- k. Incorporate under the law all sorts of legal persons; contribute and assign all sorts of assets and rights, as well as entering merger and cooperation agreements, association, grouping and temporary union agreements between companies or businesses and joint property agreements and agreeing their alteration, transformation and termination;
- l. All further powers expressly granted to the Board in these Articles or in the applicable law. This list is without limitations and has a mere indicative nature.

ARTICLE 20 – MEMBERS OF THE BOARD

1. The number of members shall not be less than five (5) nor more than seventeen (17).
2. Those that may exercise their office without being conditioned by relations with the Company, its significant Shareholders or its management officers, which, depending on the case, comply with the requirements under the applicable law, shall be deemed Independent Members.

ARTICLE 21 – TERM OF OFFICE

Each Director shall hold his office for a term of three years and may be re-elected one or more times for the same period of time.

ARTICLE 22 – CHAIRMAN AND SECRETARY OF THE BOARD

1. In case the General Meeting does not appoint one, the Board shall appoint one of their members to be the Chairman of the Board, who will hold this position as long as he holds the office of Director that he held the moment he was appointed.
2. The Board may, thus, appoint a Vice-Chairman and may grant him executive powers.
3. The Board shall appoint as well a Secretary of the Board and, depending on the case, should it deem appropriate, a Vice-Secretary. None of them will be required to be a Member of the Board. However, both will have to have high school

education ("Letrado"). In the absence of the Secretary or, depending on the case, of the Vice-Secretary, the youngest Member of the Board shall assume the role of Secretary.

4. The Chairman of the Board is the Chairman of the Company and has full powers to represent the Company and to sign under the Company's name in the execution of agreements of the General Meeting, of the Board of Directors and, depending on the case, of the Board's Executive Committee.

ARTICLE 23 – LIMITATIONS TO BE A MEMBER OF THE BOARD. VACANCIES.

1. The following persons are not entitled to hold the position of Members of the Board:
 - a. Persons who are directors or are related to a competitor company of EDP RENOVÁVEIS, S.A., as well as those persons that have family relations with the latter. For this effect, a company will be deemed a competitor company of EDP RENOVÁVEIS, S.A. whenever it is engaged, directly or indirectly, in the production, storage, transport, distribution, marketing or supply of electricity or fuel gas; as well as persons with opposing interests vis-à-vis EDP RENOVÁVEIS, S.A., the competitor company or any of the companies of its group, and the board members, employees, lawyers, consultants or representatives of any of those. Under no circumstance will companies belonging to the same group as EDP RENOVÁVEIS S.A., including abroad, be deemed as competitors;
 - b. Persons who have been disqualified or prohibited by law and by these Articles from being a director or a chairman.
2. If for any reason there are vacancies during the term for which the members were appointed, the Board is entitled to appoint, among the Shareholders, the persons who will assume those positions until the first General Meeting is gathered.
3. The election of the Members of the Board shall be made by vote. For this effect, Shares that voluntarily group themselves until they reach a value of the share capital equal or higher than the one resulting from dividing the share capital by the number of Members of the Board will be entitled to appoint those that, surpassing whole fractions, may be deducted from the corresponding proportion.
4. Should this power of proportional representation be used, then the Shares thus grouped shall have no vote in the election of the remaining Members of the Board.

ARTICLE 24 – BOARD MEETINGS

1. The Board of Directors shall meet at least four (4) times a year and it will seek to meet once every quarter.
2. The Chairman may, and the Secretary at the request of the Chairman shall, call a Board Meeting.
3. Board Meetings will be valid when at least half of the Directors plus one attend or are represented at the meeting.

4. Resolutions shall be taken by absolute majority between those attending. Each Director present or represented has one vote and the Chairman, on his own, has a casting vote.
5. Should it be deemed necessary, distance Board Meetings may take place by such telematic means as multi-conference or video-conference, whenever these allow the communications' privacy, the recognition and identification of those attending, their intervention and the issue of their votes - all this in real time. Attendance by telematic means is equal to being physically present at the Board Meeting. Such meeting will be deemed to have taken place at the place where it could have been formally called and convened or, depending on the case, at the place where the majority of the members are found or, should there be a draw, wherever the Chairman or whoever replaces him finds himself.
6. In case none of the Directors opposes thereto, it will be possible to adopt resolutions in writing and without a meeting.
7. Directors may be represented in each meeting by another Member of the Board. The representation shall be granted by letter addressed to the Chairman.

ARTICLE 25 – THE DIRECTORS’ BASIC DUTIES

1. Directors shall hold office with the diligence of a well organised entrepreneur and of a loyal representative.
2. Directors shall keep the secrecy of agreements, of confidential information and of resolutions, even after leaving office.
3. Representation of the Company, judicially and extra-judicially, falls to the Directors in accordance with that provided in the Articles.
4. Representation will extend to all acts comprised in the object defined in these Articles. Any limitation of the Directors’ representation powers, even when registered in the Commercial Registry, shall be ineffective before third parties.
5. The Company shall remain obliged before third parties who have acted in good faith and without wilful abuse, even when it results from the Articles registered in the Commercial Registry that the act is not comprised in the object of the Company.

ARTICLE 26 – REMUNERATION OF THE DIRECTORS

1. Directors shall be entitled to a remuneration which will consist of (i) a fixed amount to be determined annually by the General Meeting for the whole Board of Directors and of (ii) attendance fees regarding the Board Meetings.
2. Furthermore, it is expressly provided that Directors may be remunerated with Shares of the Company, stock options or options regarding other securities granting the right to obtain shares, or through remuneration schemes referenced to the value of the shares. Nonetheless, applying the said remuneration schemes shall require a resolution of the Shareholders General Meeting, in accordance with the terms and conditions pursuant to the legal provisions in force.

3. The total amount of the remunerations that the Company will pay to its Directors under the terms provided in the previous paragraphs shall not exceed the amount determined for that effect by the Shareholders General Meeting.
4. The rights and duties of any kind derived from the condition of Board Member shall be compatible with any other rights and obligations either fixed or variable that could correspond to the Board Members as a consequence of other employment or professional engagements, if any, carried out in the Company. Variable remuneration resulting from said contracts or from any other relationship, including being a Board Member, will be limited to a maximum annual amount to be established by the General Shareholders' Meeting".
5. The amounts determined by the General Meeting shall remain unchanged until they are modified by another resolution of the General Meeting.
6. The distribution and the exact amount corresponding to each Director, as well as the periodicity and all further details of the earnings shall be determined by the Board of Directors, subject to a prior proposal of the Appointments and Remunerations Committee, which will be vested with the broadest powers for that effect, whenever these have not been fixed by the General Meeting.

SECTION III – BOARD OF DIRECTORS' COMMITTEES

ARTICLE 27 – EXECUTIVE COMMITTEE

1. The Board of Directors has the authority to, should it deem it appropriate, form from among its members an Executive Committee, whose composition, object and operation rules it will establish. The Executive Committee may be delegated all powers of the Board of Directors that may be delegated according to law and these Articles. The Executive Committee will be made up of Directors appointed by the Board with the favourable vote of two thirds of the Directors and their reappointment will be made in the time, form and number provided in the Executive Committee's operation rules.
2. Without prejudice of that provided in the application rule, under no circumstance will the following powers be delegated by the Board of Directors to the Executive Committee:
 - a. Election of the Chairman of the Board of Directors;
 - b. Appointment of the Directors by cooptation;
 - c. Requesting to call or calling General Meetings;
 - d. Preparation of the Annual Reports and of the Management Reports and their presentation to the General Meeting;
 - e. Alteration of the registered office;
 - f. Preparation and approval of merger, splitting or transformation projects of the Company.

3. The Executive Committee is made up of at least four (4) Directors and not more than seven (7). The Board of Directors will be in charge of fixing the exact number of its members. The Chairman of the Executive Committee will be the Chairman of the Board of Directors or the Director appointed for such purpose by the Board of Directors, and in his absence, a member of the Executive Committee appointed for such purpose by the Board of Directors. The Secretary of the Executive Committee will be the same one of the Board of Directors and, in his absence, the Vice-Secretary. In the absence of both, the Secretary will be the one appointed by the Executive Committee for each meeting.
4. The Executive Committee will meet at least once (1) a month, and whenever the Chairman deems it appropriate. The Chairman will also be entitled to suspend or postpone the meetings, as he may deem appropriate. The Executive Committee will meet as well upon request of at least two (2) of its members. The Executive Committee, within its authority, shall deal with all the issues that it considers that should be dealt with without delay, save the preparation of the accounts report, the presentation of the balances to the General Meeting, the powers granted by the General Meeting to the Board of Directors without authorisation to delegate and the non delegable powers of the Board of Directors according to the law or to these Articles. The Executive Committee shall inform the Board of Directors regarding the resolutions that it may adopt and this will have to be made in the first Board Meeting after each Committee's meeting.
5. The meetings of the Executive Committee shall be valid when at least half of the Directors that form the Committee plus one attend or are represented at the meeting.
6. Resolutions taken by the majority of the Directors that form the Committee and that are present or represented. Should there be a draw, then the Chairman will have a casting vote.
7. The provisions of these Articles relating to the Board of Directors' operation and, in particular, those relating to the calling of its meetings, the representation of its members, the meetings held with universal nature, the adoption of resolutions in writing and without meeting, the approval of the minutes of the meetings, shall apply to the Executive Committee, provided that they are not incompatible with their nature.

ARTICLE 28 – AUDIT AND CONTROL COMMITTEE

1. The General Meeting shall constitute a permanent Audit and Control Committee, which will be made up of between three (3) and five (5) of its members, the majority of which should be Independent Members
2. The Audit and Control Committee shall carry out supervision powers independently from the Board of Directors' actions.
3. This Committee will have a Chairman and a Secretary. It will not be required that the latter be a Company Director. Both positions will be appointed by the Board.
4. The term of office of member of the Audit and Control Committee shall coincide with the each member's quality of Director. Members of the Audit and Control Committee may be reappointed and dismiss at the Board of Directors' will.

5. The Chairman shall hold his office for a maximum term of three (3) years, after which he may be re-elected for another term of three (3) years. Depending on the case, the outgoing Chairman may remain as members of the Audit and Control Committee.
6. The Audit and Control Committee's competences are the following:
 - a. To inform, through its Chairman, in the General Meetings, regarding all the questions that fall within its purview;
 - b. To propose to the Board of Directors to submit to the General Meeting the appointment of the Company's Auditors, as well as the conditions to contract them, the range of their work and the revocation and renewal of their office;
 - c. To supervise the activities of internal audit;
 - d. To know the financial information process and the internal control systems;
 - e. To maintain relations with the Auditors on the questions that could endanger their independence and any other questions related to the auditing process, as well as to receive and maintain information on any other questions provided in the auditing laws and in the auditing techniques in force at any given moment;
 - f. Any other competences that the Board of Directors or these Articles may grant it.
7. The Audit and Control Committee shall meet at least once (1) every quarter and whenever the Chairman deems it appropriate. The Audit and Control Committee will be valid when at least half of its members plus one attend or are represented at the Committee.
8. Thus, the resolutions of the Audit and Control Committee shall be adopted with the favourable vote of the majority of its members. In case of draw, the Chairman will have a casting vote.
9. The Audit and Control Committee's operation rules shall be developed by the Board of Directors.

ARTICLE 29 – APPOINTMENTS AND REMUNERATION COMMITTEE

1. The Board of Directors shall constitute a permanent Appointments and Remuneration Committee.
2. The Appointments and Remuneration Committee will be an information and advisory body, which will hold no executive powers.
3. The Appointments and Remuneration Committee will be made up of between three (3) and six (6) Directors, one of which – an independent one – will be the Chairman of the Committee. The members of the Executive Committee cannot be members of the Appointments and Remuneration Committee. The appointment of the Appointments and Remuneration Committee's members falls to the Board of Directors.

4. This Committee will have a Chairman and a Secretary. It will not be required that the latter be a Company Director. Both positions will be appointed by the Board.
5. The main powers of the Appointments and Remuneration Committee consist of advising and informing the Board of Directors regarding appointments (including by cooptation), re-elections, dismissal and remuneration of the Board and of its office, as well as regarding the composition of the several Committees of the Board, and the appointment, remuneration and dismissal of top management officers. Thus, the Appointments and Remuneration Committee will inform the Board of Directors regarding the general remuneration and incentives policy for the Board and for the said top management officers. These powers include the following:
 - a. To define the principles and criteria relating to the composition of the Board of Directors, the selection and the appointment of its members;
 - b. To propose appointments and re-elections of Directors, when the same must be made by cooptation, or in any other case, to have them submitted by the Board of Directors to the General Meeting;
 - c. To propose to the Board of Directors the members of the various Committees;
 - d. To propose to the Board of Directors, under that provided in these Articles, the remuneration scheme, distribution and amount for the Directors. Thus, depending on the case, the Committee will propose to the Board of Directors the conditions of the Directors' contracts;
 - e. To inform and, depending on the case, propose to the Board of Directors the appointment and/or the dismissal of top management officers, as well as the conditions of their contracts and, in general, the definition of the top management officers' hiring and remuneration policies;
 - f. To review and inform regarding incentive schemes, pension benefits and remuneration programmes.
 - g. Any other powers granted by these Articles or by the Board of Directors.
6. The Appointments and Remuneration Committee shall meet at least once a quarter, and whenever its Chairman deems it appropriate. The Appointments and Remuneration Committee will be valid when at least half of its members plus one attend or are represented at the Committee. Thus, the resolutions of the Appointments and Remuneration Committee shall be adopted with the favourable vote of the majority of its members. Should there be a draw, the Chairman will have a casting vote.
7. The Appointments and Remuneration Committee's operation rules shall be developed by the Board of Directors.

ARTICLE 30 – OTHER COMMITTEES

The Board of Directors is entitled to, should it deem it appropriate, create any other Committees, as well as to define its name, composition, powers and further characteristics.

SECTION IV – CORPORATE GOVERNANCE ANNUAL REPORT

ARTICLE 31 – CORPORATE GOVERNANCE ANNUAL REPORT

1. Without prejudice of that provided in the regulations of the specific jurisdictions in which the Company is quoted, the Board of Directors will prepare every year a Corporate Governance Annual Report, which will at least include the legal references, specifically, the following:
 - a. The Company's property structure, with information relating to the Shareholders with significant interests, indicating the percentages of the interests and the existing family, commercial, contract or corporate relations, as well as their representation in the Board of Directors; the shareholding interests of the Members of the Board, which will have to be communicated to the Company, and the existence of shareholding agreements communicated to the Company and to the National Securities Market Commission and, depending on the case, deposited in the Commercial Registry. Furthermore, the holding of the Company's own shares shall also be reported, as well as any significant variations;

Structure of the Company's administration, with information relating to the composition, organisation and operation rules of the Board of Directors and its committees; identity and remuneration of its members, powers and positions within the Company, their relations with Shareholders with significant interests, indicating the existence of cross or inter-company Directors and the selection, dismissal or re-election procedures;
 - b. Inter-company operations with the Shareholders and its Directors and management positions and inter-group operations;
 - c. Risk control schemes;
 - d. Operation of the General Meeting with information relating to the development of the meetings;
 - e. Follow up of the recommendations in respect of corporate governance or, depending on the case, the explanation of the failure to follow the said recommendations.
2. The said report will be made available to the Shareholders together with all the documents that must be disclosed due to the notice calling the Ordinary General Meeting. Additionally, the said report must be published according to the requirements of the law.

TITLE IV – ANNUAL REPORT AND DISTRIBUTION OF PROFITS

ARTICLE 32 – ANNUAL REPORT. CONTENTS AND APPROVAL OF THE ANNUAL REPORT

1. The book year starts on the first (1) of January and ends on the thirty first (31) of December each year.
2. The Annual Report comprises (i) the Balance, (ii) the Profit and Loss Statement, (iii) a statement reflecting changes in the net equity in the book year, (iv) a cash flow

statement and (v) the annual report, and/or other documents provided by the law in force at any given moment.

3. The Annual Report and the Management Report will be prepared in accordance with principles and structures set out in the provisions in force.
4. The Board of Directors will formulate not later than three (3) months counted as of the year end the Annual Report and the Management Report and the Proposal for the Use of Funds, as well, depending on the case, the Consolidated Annual Report and Management Report.
5. The Annual Report and the Management Report shall be signed by all the Directors. Should the signature of one of them be missing in one of such reports, then this shall be signalled in every document where it is missing with express reference to the cause.
6. The Annual Report and the Management Report shall be reviewed by auditors. The persons in charge of the audit shall be appointed by the General Meeting before the term of the book year to be audited, for an initial period that should never be less than three (3) years and not more than nine (9), counted as of the start of the first book year to be audited. These persons may be re-elected by the General Meeting for maximum periods of three (3) years, once completed the initial period.
7. The General Meeting shall not revoke the auditors before the term of the initial period for which they were appointed, or before they complete each of the works for which they were hired, once completed the initial period, save in case of just cause.
8. Annual Reports shall be approved by the General Meeting. As of the notice calling the General Meeting, any Shareholder will be entitled to obtain from the Company, immediately and free of charge, the documents that will be submitted to the meeting's approval, as well as, depending on the case, the management report and the auditors' report. The notice shall mention this right.

ARTICLE 33 – APPLICATION OF RESULTS

1. The General Meeting shall decide on how to use funds in accordance with the approved balance.
2. Profits will be distributed as follows:
 - a. The amounts required to allocate to legal reserves;
 - b. The amount agreed by the same General Meeting to allocate to dividends of the outstanding shares;
 - c. The amount agreed by the General Meeting to constitute or increase reserve funds or free reserves;
 - d. The remaining amount shall be booked as surplus.

ARTICLE 34 – INTERIM DIVIDENDS

1. The Board of Directors or the Executive Committee of the Board of Directors, depending on the case, may agree the anticipated distribution of dividends under the following conditions:
 - a. The Board shall make an accounting statement evidencing that there is sufficient liquidity for the distribution. The said statement will subsequently be included in the Annual Report;
 - b. The amount to be distributed shall not exceed the earnings obtained since the term of the last book year, all losses from previous book years deducted, and the amounts to be allocated by law or under these Articles to mandatory reserves, as well as the estimate of the taxes to be paid regarding the said results.

ARTICLE 35 – PAYMENT OF DIVIDENDS

The payment of the interests and dividends shall be made in the registered office or where the Board of Directors or, depending on the case, the Executive Committee of the Board of Directors agrees to. The same bodies will establish the period and the time to make such payment.

TITLE V – WINDING UP AND LIQUIDATION OF THE COMPANY

ARTICLE 36 – WINDING UP OF THE COMPANY

1. The Company shall be wound up in case the causes provided in the law in force for that effect occur, namely:
 - a. With the agreement of the General Shareholders Meeting, in accordance with the quorum and the majorities required to change the Articles;
 - b. With the completion of the term set out in the Articles;
 - c. By the termination of the Company that constituted its object or when it becomes manifestly impossible to fulfil its object, or when its corporate bodies are paralysed, making it impossible to operate;
 - d. Due to losses that reduce the Company's net assets to a value lower than half the share capital – save if the share capital is sufficiently increased or decreased – and whenever the request of the declaration of bankruptcy, in accordance with the bankruptcy law is not granted;
 - e. By reducing the share capital to a value below the legal minimum;
 - f. By fully merging or splitting up the Company;
 - g. Whenever one of the causes provided in paragraphs c), d) and the previous ones occurs, the winding up of the Company shall require the agreement of the General Meeting, which will have to meet the regulations in terms of the ordinary quorum.

ARTICLE 37 – LIQUIDATION OF THE COMPANY

1. Once wound up, the liquidation period will be opened, save in the cases of full merger or split up, or in any other case of global assignment of assets and liabilities.
2. As of the moment the Company declares itself in liquidation, the Board of Directors and its members will cease representing the Company and will become Liquidators.
3. The number of liquidators shall always be uneven. Should it be necessary, the less senior Director shall cease holding office
4. During the liquidation period, the provisions of these Articles in respect of calling Ordinary and Extraordinary General Meetings shall be complied with and the liquidators shall report to the General Meeting the march of events, which will decide what is more convenient for common interest.
5. The liquidation operations shall develop in accordance with the provisions in force.

FINAL PROVISIONS

ARTICLE 38 – JURISDICTION

1. The disputes that may arise between the Company and any of its Shareholders – independently of whoever starts suing – shall be brought to the Courts of Justice.
2. Anyway, and for all proper effects, Shareholders shall expressly submit themselves to the jurisdiction of the Courts where the Company's registered office is located.

ARTICLE 39 – NEED FOR A PREVIOUSLY SUBMITTED COMPLAINT

No Shareholder may file an action against the Company without previously submitting a complaint to the Board of Directors.