

**EBRO PULEVA, S.A.**

**BYLAWS**

# **BYLAWS**

## **PART I**

### **NAME, DURATION, OBJECTS, FINANCIAL YEAR AND REGISTERED OFFICE**

- **Article 1: Name**

The name of the company is Ebro Puleva, S.A. and it is governed by these Bylaws, the Corporations Act and other applicable legal provisions.

- **Article 2: Objects**

The company has the following objects, on both Spanish and foreign markets:

- a) The manufacture, processing, marketing, research, exporting and importing of all kinds of food and dietary products, for human or animal consumption, and energy products, including by-products and waste products, especially sugar and products for agriculture, dairy products, rice, pasta and nutritional products of whatsoever nature, including enteral diets for hospital feeding, and formulas, products and special preparations for the pharmaceutical, health or veterinary markets, and biofuels.
- b) The production, exploitation and trading of all kinds of beverages: alimentary drinks, soft drinks and even alcoholic beverages.
- c) The exploitation of any by-products, services or recycling of the above, including cold stores, ice, industrial gases, steam, refrigeration and energy.
- d) The purchase, leasing, creation, installation, promotion, development and management of industrial, agricultural and livestock-breeding facilities in the sectors of food or nutrition and beverages, including alcoholic drinks.
- e) The design and development of projects, installations or whatsoever other form of technical assistance to other companies in those sectors; the creation, promotion, protection and exploitation of patents, trademarks, brand names and other industrial property.

- f) Training, programming or computer services, investment and achievement of returns on resources, advertising and image, transport, distribution and marketing activities accessory or complementary to those mentioned above.

The activities comprising the objects may be performed through the subscription or acquisition of stocks and shares in companies having identical or similar objects.

- **Article 3: Duration**

The company is organised for an indefinite duration, commencing its operations on the date of execution of its deed of incorporation.

- **Article 4: Financial year**

The financial year shall begin on the first of January and end on the thirty-first of December of each year.

- **Article 5: Registered office**

The registered office of the company is at Paseo de la Castellana no. 20, floors 3 and 4, Madrid. The Board of Directors is authorised to move this registered office within the same city.

The Board may resolve to open, move or close branches, agencies, delegations, representative offices or other offices of the company.

## PART II

### CAPITAL AND SHARES

- **Article 6: Capital**

The company has a capital of ninety-two million, three hundred and nineteen thousand, two hundred and thirty-five euro and twenty cents (92,319,235.20 €), fully subscribed and paid up.

- **Article 7: Shares**

The capital is divided into one hundred and fifty-three million, eight hundred and sixty-five thousand, three hundred and ninety-two (153,865,392) shares with a par value of sixty euro-cents (0.60 €) each, issued in book-entry form, all in the same series and class.

The shares in the capital are considered securities and subject to the prevailing Securities Market legislation.

## **PART III**

### **CORPORATE BODIES**

- **Article 8: Corporate bodies**

The corporate bodies of the company are the General Meeting of Shareholders and the Board of Directors.

## **CHAPTER I**

### **GENERAL MEETING**

- **Article 9: General Meeting**

The shareholders, assembled in a general meeting, shall decide by majority vote, of those cast by shareholders present or represented with voting rights, on all business assigned by law or these bylaws to the competence of the general meeting, without prejudice to those cases where the bylaws or the law requires a special resolution or quorum.

The resolutions adopted by the general meeting shall be binding on all shareholders, including those dissenting or absent at the meeting in question, without prejudice to the rights and remedies recognised to them in law.

General meetings may be annual and/or extraordinary. The Annual General Meeting, duly called, shall necessarily meet within the first six months of each year to review the management of corporate affairs, approve, if appropriate, the accounts of the previous year and resolve on the application of profits. The Annual Report on Corporate Governance shall be presented to the shareholders at the Annual General Meeting.

General meetings shall be called and held in accordance with the relevant provisions of law and these bylaws and, where appropriate, the Regulations for the Organisation and Functioning of the General Meeting approved by said body upon recommendation by the Board of Directors.

- **Article 10: Notice of call**

General meetings shall be called by the Board in a notice published in the Official Trade Registry Bulletin and one of the daily newspapers having the largest circulation in the province in which the

company has its registered office at least one month prior to the date of the meeting, save otherwise stipulated in law.

The notice shall specify the date and place of the meeting on first call and all the business to be transacted thereat.

Shareholders representing at least five per cent of the share capital may request the publication of a supplemental notice of call to a general meeting including one or several items on the agenda. This right shall be exercised by means of attested notice, to be received at the registered office within five days after publication of the notice of call.

The supplemental notice of call shall be published at least fifteen days prior to the date of the general meeting.

Failure to publish the supplemental notice of call within the time stipulated in law shall be valid grounds for declaring the general meeting null and void.

The notice of call may also indicate the date and place at which the general meeting is to be held on second call, if necessary.

There must be at least twenty-four hours between the meetings on first and second call.

If the general meeting, duly called, is not held on first call and no date has been indicated in the notice for convening on second call, the latter must be announced, subject to the same requisites as the notice of call to the first meeting, within fifteen days after the date of the inquorate meeting and eight days prior to the date of the meeting on second call.

Notices of call to general meetings and the documents put at the disposal of the shareholders therewith shall, whenever possible, be inserted on the company's web site, for the sole purpose of facilitating distribution among shareholders and on the markets in general, without prejudice to the shareholders' legal right to information.

- **Article 11: Quorum**

General meetings shall be quorate on first call when attended, in person or by proxy, by shareholders representing at least fifty per cent of the subscribed voting capital.

On second call, general meetings shall be quorate provided they are attended by shareholders representing at least twenty-five percent of the subscribed voting capital.

- **Article 12: Special resolutions: voting majorities and quorum**

In order to validly adopt resolutions at an annual or extraordinary general meeting on the issuance of debentures, increase or reduction of the capital, conversion, merger or demerger of the company and, in general, any alteration of the bylaws, the meeting must be attended, in person or by proxy, on first call, by shareholders representing at least sixty per cent of the subscribed voting capital. On second call the attendance of thirty per cent of that capital shall suffice.

The resolutions contemplated in the preceding paragraph shall be carried, on first call, with the votes in favour of fifty-five per cent of the voting capital; on second call, the votes in favour corresponding to two-thirds of the capital present or represented at the general meeting shall be required.

- **Article 13: Attendance**

General meetings may be attended by all shareholders who, individually or through pooling, hold at least one hundred shares, provided they have recorded their shares in the corresponding accounting record five days prior to the date of the meeting, evidenced with the appropriate attendance card or certificate issued by one of the entities legally authorised to do so. These attendance cards may be used by the shareholders as proxy documents for the relevant general meeting.

This notwithstanding, shareholders with a smaller number of shares may at any time delegate their representation to a shareholder entitled to attend the general meeting, or pool their shares with other shareholders in the same situation, to obtain the required number of shares, one of the pooled shareholders being nominated to represent them all. This pooling shall be made especially for each general meeting and evidenced in writing.

The members of the board are obliged to attend general meetings.

The Chairman may authorise attendance by such other persons as he may deem fit, although this authorisation may be overturned by the general meeting.

- **Article 14: Proxies**

Any shareholder entitled to attend may be represented at general meetings by another person. The proxy shall be made in writing or means of distance communication in pursuance of the relevant provisions of these Bylaws and especially for each general meeting, in all other aspects in accordance with the applicable legal provisions.

This right to representation is without prejudice to the legal provisions established for family representation, general powers of attorney and public requests for representation. In any case, no shareholder may have more than one representative at any general meeting.

Proxies may be revoked at any time. Personal attendance of the represented shareholder at a General Meeting shall be tantamount to revocation.

- **Article 15: Chairman and Secretary**

General meetings shall be presided by the Chairman of the Board, or, in his absence, by the Vice-Chairman, or otherwise by a director elected in each case by the shareholders attending the meeting.

The Chairman shall be assisted by a Secretary, who shall be the Secretary of the Board, or the Vice-Secretary, if any, or otherwise such person as may be appointed at the general meeting..

- **Article 16: Attendance list**

Before discussing the items on the agenda, an attendance list shall be drawn up, indicating the nature or representation of each shareholder attending and the number of own or third-party shares they represent.

The attendance list may also be drawn up in a file or included on a magnetic data carrier. In these cases, the means used shall be stated in the minutes of the meeting and the appropriate identification label, signed by the Secretary and countersigned by the Chairman, shall be affixed to the sealed case of the file or data carrier.

The number of shareholders present or represented and the amount of subscribed capital they hold shall be indicated at the end of the attendance list, specifying the capital corresponding to shareholders with voting rights.

The Chairman shall, if he deems fit, appoint two or more shareholders to act as scrutineers, assisting the presiding board in drawing up the attendance list and, if necessary, in the counting of votes.

Should any incident arise in connection with the attendance list, this shall not affect the normal progress of the General Meeting once the Chairman has declared it validly convened.

- **Article 17: Presiding board. Information, discussion and voting. Voting and proxies by means of distance communication**

1. The directors attending the general meeting shall form the Presiding Board. After drawing up the attendance list and declaring the meeting open, the Secretary shall read out the items on the agenda, which shall be duly debated. The Chairman shall speak first, followed by such persons as he may authorise, including the Chairmen of the Committees of the Board of Directors whenever necessary or convenient in respect of the business on the agenda. The Chairman shall then grant the floor to such shareholders as may so request, directing the debate and ensuring that it stays within the limits of the agenda.

From the date of publication of the notice of call to the general meeting up to seven days, inclusive, before the date scheduled for holding the general meeting on first call, shareholders may request in writing such reports or explanations as they may deem necessary, or submit such written questions as they may deem fit, on the items on the agenda. Within the same time and in the same form, shareholders may request reports or explanations or submit written questions on the information accessible to the public, supplied by the company to the National Securities Market Commission (CNMV) since the last General Meeting. In these cases, the directors shall be obliged to provide the information requested, in writing, up to the date of the General Meeting.

During the General Meeting, shareholders may orally request such information or explanations as they may deem fit on the items on the agenda, and if it is not possible to comply with the shareholders' right at that time, the directors shall be obliged to provide that information in writing within seven days prior to the end of the General Meeting.

Directors will not be obliged to provide any information requested in the terms of the preceding two paragraphs when, in the opinion of the Chairman, disclosure of the details requested could be detrimental to corporate interests, although this exception shall not be valid when the request is backed by shareholders representing at least one-quarter of the capital.

The Chairman shall close the debate when he considers the business sufficiently debated and shall then put the proposed resolutions to the vote.

Resolutions shall be carried with the votes in favour of the majority of voting capital present and represented at the general meeting, save as otherwise provided in these bylaws for special resolutions.

Unless another system is established by the Presiding Board for any particular vote, all shareholders present or represented who do not expressly declare their abstention, vote against or blank vote shall be deemed to vote for the proposed resolutions, approval of which shall be evidenced by recording the votes against, blank votes and abstentions. However, when voting on business not included on the agenda, all shareholders present or represented who do not expressly declare their abstention, vote in favour or blank vote shall be deemed to vote against the motion in question.

## 2. Voting and proxies by means of distance communication.

- a) Shareholders entitled to attend and vote may vote by post or electronic means on the motions relating to the agenda, on the terms stipulated in the Regulations of the General Meeting and any provisions passed by the Board in development of or supplementing those Regulations.

The Board is authorised to develop and supplement the regulation set forth in the Regulations of the General Meeting taking account of the technical and legal bases that make it possible and duly guarantee the identity of the person exercising his voting right. In this case the Board shall decide when shareholders may start voting through means of distance communication, according to the state and security offered by the available technical means.

The company shall publish on its web site all rules and regulations and any amendment thereof passed by the Board in development of and supplementing the Regulations of the General Meeting, pursuant to this provision, and the time specified by the Board as from which shareholders may vote at General Meetings through means of distance communication.

Shareholders entitled to attend General Meetings who vote through distance communication in pursuance of this article shall be counted as present for establishing the quorum of the relevant general meeting.

- b) The provisions of a) above shall also be applicable to the granting of proxies for General Meetings through electronic communication or whatsoever other means of distance communication.
- c) Personal attendance of the General Meeting by a given shareholder shall annul any postal or electronic vote cast by the same shareholder. Personal attendance by the represented shareholder shall be deemed to revoke the proxy granted by electronic means or any other

means of distance communication contemplated in the Regulations of the General Meeting.

- **Article 18: Minutes**

The minutes of each general meeting may be approved at the end of the meeting or within fifteen days thereafter by the Chairman of the General Meeting and two scrutineers, one representing the majority and the other representing the minority, who shall be appointed at the proposal of the Chairman after declaring the general meeting quorate.

The minutes thus approved shall be binding and enforceable as from the date of their approval.

Minutes issued by notary public shall be governed by the relevant terms of the Corporations Act and other applicable legal provisions in respect of their drafting and effects.

## **CHAPTER II**

### **BOARD OF DIRECTORS**

- **Article 19: Board of Directors. Composition and General Functions**

Save in any matters reserved by law or these bylaws to the general meeting and without prejudice to any delegations made to the Chairman, Executive Committee or other Committees of the Board, or to one or several Managing Directors, if any, and without prejudice also to the powers or competence assigned by law to certain Committees of the Board, the Board of Directors is the highest body of government and administration of the company, with full powers to direct, administer and represent the company in the performance of the activities comprising its objects.

The Board of Directors shall have no fewer than seven nor more than fifteen members, the General Meeting being competent to decide their exact number and to appoint and remove directors.

There shall be two types of directors: those permanently and professionally involved in the day-to-day management of the company (executive directors) and those who have no professional ties with the company apart from their status as director (non-executive directors).

The Board of Directors shall commission the ordinary management of the company to its executive members and the senior management, focusing its own activities on supervision. It shall, nevertheless, have the general duties, among others, of laying down the general strategies of the company and its group, approving the management guidelines, determining the bases of corporate organisation in order

to guarantee its best efficiency and effective supervision by the board, and monitoring transparency and truth of reporting in the company's relations with shareholders and the markets in general.

The appointment of directors may be declined or revoked, and directors shall be eligible for re-election.

- **Article 20: Term of office and cooptation**

Directors shall be appointed for a term of four years, after which they shall be eligible for re-election on one or several occasions for terms of an equal duration.

After this term, Directors' appointments shall end on the date of the next succeeding Annual General Meeting or upon expiry of the time stipulated in law for holding the General Meeting to approve the previous year's accounts.

Should any vacancies arise during the term for which directors were appointed, the Board may appoint one or several shareholders to fill such vacancies until the next succeeding general meeting.

- **Article 21: Representation of the company. Liability**

The Board of Directors shall represent the company in and out of court.

This representation shall be extended to all actions and activities comprising the objects as defined in these bylaws. The company shall be bound to any third parties who have acted in good faith without gross negligence, even when the action in question is not, according to these bylaws, included in the objects.

Board members shall perform their duties with due diligence, as of an orderly entrepreneur and loyal representative, assisting the Board in promoting and supervising the management of the company, acting at all times exclusively in the interests of the company.

Directors shall, by virtue of their office, be particularly obliged to:

- Compile such information as may be necessary and adequately prepare the meetings of the board and any other corporate bodies to which they belong.
- Attend the meetings of corporate bodies and committees to which they belong and participate actively in their discussions, in order to contribute effectively to the decision-making process.

- Keep all confidential information to which they may have access in the performance of their duties strictly secret, even after stepping down as directors.

The Regulations of the Board shall specify in greater detail the duties of diligence and loyalty of the directors, particularly their obligation regarding no competition, the use of non-public information and corporate assets, taking advantage of business opportunities, conflicts of interest and inter-company transactions.

- **Article 22: Directors' emoluments**

When approving the company's accounts for the previous year, the general meeting shall set aside for the directors a share of two and a half per cent (2.5%) of the consolidated profits attributable to the company, although this sum may only be taken from the net profit for the year of the company and after meeting the legal reserve requirements, setting aside for the shareholders the minimum dividend established in prevailing legislation and meeting all and any other priority assignments required by law. The directors may waive this remuneration, in full or in part, when drawing up the accounts. The board shall distribute the aforesaid sum among its members, annually and at its discretion, according to the duties assumed by each director on the board.

The directors shall also be entitled to a fee for attending meetings of the corporate bodies of the company, the amount of which shall be established every year by the general meeting.

Directors with executive duties in the company shall, regardless of the nature of their legal relationship with the latter, be entitled to remuneration for the performance of such duties, the amount of which shall be decided for each year at the Annual General Meeting. This remuneration may contemplate welfare payments to cover any public/private pension schemes and insurance systems considered necessary or retirement from office.

The board may establish the mandatory or voluntary application by directors of all or part of the remunerations contemplated in the preceding paragraphs to the purchase of shares in the company, and may also establish an obligation to keep the shares thus purchased for a specified time.

If executive directors waive their share in the profits, as contemplated in the first paragraph of this article, the sums that would correspond to them as a share in the profits of the company shall not be distributed among the remaining directors.

- **Article 23: Notice of call and place of meetings**

The Board shall meet as and when called by the Chairman or acting chairman, on his own initiative or whenever so requested by at least one-third of the directors, stating the business to be transacted.

Board meetings shall normally be held at the registered office, but may be held elsewhere at the decision of the Chairman.

Board meetings may also be held in several rooms simultaneously, provided that interactivity and intercommunication between them in real time and, therefore, the unity of the event, is guaranteed by audiovisual or telephonic means. In this case, the system of connection shall be indicated in the notice of call and, if appropriate, the places where the technical means are available to attend and participate in the meeting. The resolutions shall be deemed adopted at the place from which the Chairman of the meeting participates.

The above notwithstanding, written resolutions may be adopted, without assembly, whenever this is authorised in law and subject to the requisites and formalities established in the Trade Registry Regulations.

- **Article 24: Quorum**

Board meetings shall be quorate when attended, in person or by proxy, by one-half plus one of the members.

Board members may be represented by another director by virtue of a written proxy issued especially for each board meeting.

Board meetings may be attended by such persons as the Chairman may deem fit.

- **Article 25: Positions on the Board**

The Board shall elect one of its members to be Chairman. It may also appoint a Vice-Chairman to substitute the Chairman in the event of vacancy, absence or illness. Otherwise or in the absence of the Vice-Chairman, one of the Directors shall be elected to stand in as acting Chairman.

Notwithstanding his executive duties, if any, the Chairman of the Board shall have the highest institutional representation of the company and shall watch over the powers of the Board in respect of relations with shareholders and markets. The Chairman shall also be responsible for the efficient

functioning of the Board, encouraging discussion at meetings and organising and coordinating with the Committee Chairmen the regular assessment of the Board and the Managing Director, if any.

If the Chairman of the Board is also chief executive of the company, one of the non-executive directors shall necessarily be appointed Vice-Chairman, with the power to request the calling of Board meetings or the inclusion of new items on the agenda, organise meetings to coordinate non-executive directors and direct the regular assessment of the Chairman.

The Board shall also elect a Secretary, who may or may not be a director. It may also appoint a Vice-Secretary to assist the Secretary and substitute the latter in the event of vacancy, absence or illness; in the absence of the Vice-Secretary, the youngest director attending the meeting shall stand in as secretary.

- **Article 26: Discussion and adoption of resolutions**

The Board shall debate the issues included on the agenda and such others as the Chairman may bring up or as may be proposed by the majority of members present or represented, even though they may not be included on the agenda.

Resolutions shall be carried by the absolute majority of directors present or represented at each meeting.

The resolutions of the Board shall be set down in minutes, which shall be issued or transcribed in the corresponding minute book, indicating the details required by prevailing legislation.

The minutes shall be approved by the directors at the end of the meeting or at a subsequent meeting. The Board may authorise the Chairman and one Director to jointly approve the minutes of the meeting.

- **Article 27: Delegation of powers**

The Board of Directors may appoint some of its members to sit on an Executive Committee and a Managing Director, delegating to them all or part of the duties of the Board, save any which, by law, may not be delegated.

The rules indicating how the Managing Director is to act shall determine his powers of attorney. The scope of the powers of attorney of the delegated bodies shall at all times be as specified in section 129 of the Corporations Act in relation to the directors.

Resolutions on the permanent delegation of powers of the Board to the Executive Committee or Managing Director and the appointment of directors who are to hold these positions shall be validly carried with the votes in favour of two-thirds of the Board members and shall not be effective until recorded in the Trade Register.

- **Article 28: Executive Committee, Audit and Compliance Committee and other Committees**

1. The Executive Committee shall have no fewer than three nor more than seven directors, including the Chairman.

The Executive Committee shall be presided by the Chairman of the Board, assisted by the Secretary of the Board. The rules of substitution established for the Board shall also be applicable to the Chairman and Secretary of the Executive Committee.

2. An Audit and Compliance Committee shall be set up within the Board, with no fewer than three nor more than five directors appointed by the Board. All the members of this Committee shall be non-executive directors.

The Board shall appoint the Chairman of the Audit and Compliance Committee from among its members. That Chairman shall be replaced every four years and shall become eligible for re-election one year after his retirement as such. In the event of absence or temporary unavailability of the Chairman, he shall be substituted by a member of the Committee provisionally so nominated by the Board, or otherwise by the oldest Committee member.

The Audit and Compliance Committee shall meet as and when called by its Chairman, whenever decided by at least two of its members or at the request of the Board. Committee meetings shall be held at the registered office or wheresoever else may be decided by the Chairman and indicated in the notice of call, and shall be quorate when attended, in person or by proxy, by the majority of its members. Resolutions shall be carried with the votes in favour of the majority of members attending the meeting. In the event of a tie, the Chairman, or acting Chairman, shall have the casting vote. The Secretary of the Committee shall be appointed by the Board and shall issue minutes of the resolutions adopted, which shall be reported to the Board.

The Audit and Compliance Committee shall have the following powers:

- Report, through its Chairman, to the General Meeting on any issues raised by shareholders concerning matters within its competence.

- Propose to the Board, for submission to the General Meeting, the appointment of the external auditors contemplated in section 204 of the Corporations Act and, where appropriate, their terms of contract, the scope of their commission and the renewal or revocation of their appointment.
- Supervise the work of the internal audit department.
- Oversee the financial reporting process and internal control systems of the Company.
- Have contacts with the External Auditors to receive information on any issues that may jeopardise their independence, and any other issues relating to the auditing of accounts, and receive information from and exchange communications with the External Auditors in accordance with prevailing auditing standards and legislation.
- Ensure that all transactions between the Company and its subsidiaries or associated companies or between the Company and its directors and controlling shareholders are effected on arm's length terms, respecting the principle of equal treatment and controlling any conflicts of interest that may arise in inter-company transactions.

These duties shall be deemed without prejudice to any others that may be commissioned by the Board.

The Regulations of the Board may develop and complete the powers of this Committee and its rules of organisation and functioning, in accordance with the relevant provisions of Law and the Bylaws.

3. The Regulations of the Board shall also contemplate the existence of a Nomination and Remuneration Committee, consisting exclusively of non-executive directors, and a Strategy and Investment Committee, on which any director may sit.

- **Article 29: Regulations of the Board**

The Board of Directors shall regulate its own functioning and that of its Committees in accordance with the applicable provisions of law and these bylaws and by virtue of its power of self-organisation, approving a set of Regulations for this purpose, which shall be binding on all Board members, when acting in or on behalf of the Board or through any of its different Committees.

Without prejudice to the existence of the Executive Committee and Managing Director, as the case may be, the Regulations shall contemplate the creation, functioning and powers of the Committees required by law or the bylaws and such others as it may consider necessary or convenient to secure the best performance of its duties.

## **PART IV**

### **ANNUAL ACCOUNTS**

- **Article 30: Annual Accounts**

The annual accounts, forming a unit, shall consist of the balance sheet, profit and loss account and notes to the accounts, including both separate and consolidated, if appropriate. These documents shall be drawn up in such a way as to give a true and fair view of the net worth, financial position and results of the company, in accordance with the applicable legal provisions.

- **Article 31: Contents of the Annual Accounts**

The balance sheet shall set out, duly separated, the assets and rights comprising the assets of the company and the obligations representing its liabilities, specifying the shareholders' equity. The structure of the balance sheet shall conform to the specifications of the Corporations Act and other applicable legal provisions.

The profit and loss account shall set out, also duly separated, the income and expenses of the year and, as the difference, the profit or loss for the year. It shall distinguish between ordinary income obtained from operations and extraordinary income. The structure of the profit and loss account shall conform to that stipulated in the Corporations Act and other applicable legal provisions.

The notes to the accounts shall supplement, complete, expand and comment on the information contained in the balance sheet and profit and loss accounts. The notes to the accounts shall contain all indications stipulated in the Corporations Act and other applicable legal provisions.

- **Article 32: Directors' Report**

The directors' report shall contain at least an accurate review of the business and situation of the company. The report shall include indications of any major events occurring after the date of the balance sheet, the foreseeable development of the company, research and development activities and any trading in own shares, in accordance with the applicable legal provisions.

- **Article 33: Auditing of Annual Accounts**

The annual accounts and directors' report shall be checked by the external auditors appointed by the General Meeting before the end of the year to be audited, for an initial term of no less than three years

nor more than nine from the beginning of the first year to be audited. Auditors may be re-elected by the general meeting on a year-to-year basis after their initial term of appointment.

The auditors shall issue a detailed report on their actions, in accordance with the laws and regulations on auditing and the provisions of the Corporations Act.

- **Article 34: Approval of the Accounts. Application of Profit**

The annual accounts shall be approved by the General Meeting of Shareholders.

Once the general meeting has been called, any shareholder may obtain from the company, forthwith and free of charge, a copy of the documents that are to be laid before the general meeting for approval, and of the directors' report and auditors' report, if appropriate. This right shall be stated in the notice of call.

The general meeting shall resolve on the application of the profit for the year, as shown on the approved balance sheet and in pursuance of prevailing legislation. The general meeting may decide on the distribution in cash or in kind of dividends or the share premium, if any, provided that, in the case of distribution in kind, the assets or securities to be distributed are homogenous and have adequate liquidity. This regulation shall also be applicable to the refund of contributions in a reduction of capital.

## PART V

### ALTERATION OF BYLAWS. WINDING-UP AND LIQUIDATION

- **Article 35: Alteration of Bylaws**

Any alteration of the Bylaws shall require a resolution of the general meeting and the following conditions must be met:

- 1) The directors or shareholders, as the case may be, submitting the proposal shall issue a written report justifying the proposed alteration.
- 2) The proposed alterations shall be clearly indicated in the notice of call, mentioning the right of all shareholders to examine, at the registered office, the full text of the proposed alteration and the report issued in respect thereof, and to request the gratuitous delivery or remittance of such documents.
- 3) The corresponding resolution shall be adopted by the general meeting in accordance with Article 12 of these Bylaws.
- 4) The resolution shall be evidenced in a public deed, recorded in the Trade Register and published in the Official Trade Registry Bulletin.

- **Article 36: Merger and demerger**

Any merger or demerger of the company shall be decided at a general meeting of shareholders, called at least one month in advance and with the publicity required by law.

The resolution shall be adopted by the general meeting in accordance with the provisions of these Bylaws and subject to the requisites and formalities stipulated in law.

- **Article 37: Winding-up**

The company shall be wound up by resolution of the general meeting, adopted in accordance with these Bylaws, and in any other circumstances contemplated in prevailing legislation.

- **Article 38: Liquidation**

After the company has been wound up, a period of liquidation shall ensue, save in cases of merger or split up, or any other global transfer of the assets and liabilities.

The representation of the Board of Directors shall cease upon declaration of the company in liquidation, on the terms stipulated in the Corporations Act, and the general meeting resolving to wind up the company shall appoint an uneven number of persons to make the liquidation, laying down the corresponding rules, in strict compliance with the applicable legal provisions.

The shareholders shall continue throughout the liquidation period to hold annual general meetings and such extraordinary meetings as may be called, in accordance with the applicable legal provisions.

Upon conclusion of the liquidation, the liquidators shall draw up the final balance sheet, which shall be reviewed by the scrutineers, if appointed. The proportion of corporate assets to be distributed to each share shall also be determined.

This balance sheet shall be laid before the general meeting for approval and published in the Official Trade Registry Bulletin and one of the newspapers having the largest circulation in the province in which the registered office is situated.