



REPORT DRAWN UP BY THE BOARD OF DIRECTORS OF DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A., JUSTIFYING THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY, AS PER ITEM TWO OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING SCHEDULED FOR 24 APRIL 2015 ON SECOND CALL

1. OBJECT OF THE REPORT

This report has been drafted by the Board of Directors of Distribuidora Internacional de Alimentación, S.A. (hereinafter the "**Company**" or "**DIA**") in compliance with -Article 286 of the Amended Text of the Capital Stock Companies Act approved by Royal Legislative Decree 1/2010 of 2 July (the "**Companies Act**"), which requires a written report by the Company's Board of Directors justifying the proposal to amend the Articles of Association, which, under item two on the Agenda, will be subjected to vote by the General Shareholders' Meeting scheduled for 23 April 2015 at 12:00 hours, at first call, and 24 April at the same time at second call.

The Articles of Association set forth the organisational rules governing the Company, and at the same time set out and specify the rights and obligations of the shareholders to the extent permitted by the relevant laws. In view of the changes in the Company's corporate governance, included as a result of the changes introduced by Law 31/2014 of 3 December, amending the Companies Act to improve corporate governance ("**Law 31/2014**"), and the recommendations identified in the Good Governance Code approved by the National Stock Market Committee dated 18 February 2015 ("**Good Governance Code**"), the Board of Directors of DIA has agreed to review its organisational structure and operating regime defined in the Articles of Association in order to include the aforementioned changes and to technically update and perfect the rules therein.

With this objective, it has been deemed to be in the interests of the Company to propose the amendment of certain articles to the General Shareholders' Meeting of DIA, including some new items or amending others currently in force.

2. STRUCTURE OF THE PROPOSAL

In order to facilitate the shareholders the comprehension of the proposed changes, a description of the purpose and justification of the proposed amendments to the Articles of Association is provided as follows, including the proposals to be subjected to approval by the General Shareholders' Meeting.

Additionally, and in order to permit a view of the scope of the amendment and to compare the new wording of the articles that is proposed, and the one currently in force, **Annex I** hereto includes a comparison version of both texts, for informative purposes only. Likewise, and in order to provide a joint outlook on the proposed amendments and further knowledge about the new wording that will be included in the Articles of Association, if approved, **Annex II** is attached hereto with the new text of the Company's Articles of Association which will be subjected to vote by the General Shareholders' Meeting with the proposed amendments already included.

3. GENERAL JUSTIFICATION FOR THE PROPOSAL

The proposed amendment of the Articles of Association that the Board of Directors presents to the General Meeting seeks the following objectives:

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- To adapt the Articles of Association to the changes stemming from Law 31/2014, with the main aim of creating an adequate regulation framework to encourage shareholder's participation in DIA;
- To review and strengthen the Company's corporate governance system, taking into account the recommendations for good governance recognised in Spain, and
- To include certain technical improvements with the objective of clarifying the meaning of some issues, perfecting their drafting and facilitating their comprehension.

It is noted that the framework of the Articles of Association's amendment covered by this report is that of a project which aims to reform all the internal corporate governance regulations of the Company, including, in addition to the amendment of the Articles of Association of the Company, an amendment of the General Meeting's Regulations and Board of Directors' Regulations, the object of which is to guarantee that said internal documentation is consistent as a whole.

4. DETAILED JUSTIFICATION OF THE PROPOSAL

Having described the general lines of this reform, the proposed amendments are described in greater detail as follows:

Amendment of "Title I. Chapter I. – General Provisions"

4.1 Proposal for amendment of Articles 2 ("Corporate object") and 3 ("Registered address")

A proposal is made to amend section 2 of Article 2 regarding the corporate purpose, in order to clarify the territorial scope in which the Company can conduct the activities included in its corporate purpose, stating that these activities can be carried out both in Spain and abroad, in view of the current practices implemented by the Company, completing the wording of the article in this regard.

The proposed amendment of section 2 of Article 3 includes a minor change to clarify the procedure required to transfer the registered address to another municipality or abroad.

Amendment of "Title I. Chapter II. – Capital stock and shares"

4.2 Proposal for amendment of Article 5 ("Capital stock")

It is proposed to amend section 2 of said article to clarify its wording and to adapt it to the legal terminology.

4.3 Proposal for amendment of Article 8 ("Shareholder status")

Although the change suggested in this provision does not entail a legislative amendment, since it was already provided for in the Companies Act, advantage of this opportunity has been taken to include it in the Company's Articles of Association in order to complete usufruct and co-ownership regulations, with the literal wording of Articles 126, 127 and 129 of the Companies Law, and, particularly, regarding specialities established for listed joint stock companies in order to clarify how these legal institutions work.

4.4 Proposal for amendment of Article 9 ("Outstanding payments and defaulting shareholders")

It is proposed to amend this article to clarify and perfect its wording.

4.5 Proposal for amendment of Article 11 (“Authorised capital stock”)

A proposal is made to include a minor clarification in section 2 of this article, which stems from the provision contained in Article 506 of the Companies Act, which intends to clarify the cases in which the General Meeting can delegate to the Board of Directors the power to exclude preferential subscription rights of share issues that are delegated, specifying that said delegation may be carried out if the interests of the Company require so. Likewise, improvements in the wording of the article are introduced.

4.6 Proposal for amendment of Article 13 (“Capital decrease”)

It is proposed to amend section 2 of this article to clarify and perfect its wording.

Amendment of “Title I. Chapter IV. – Issue of obligations”

4.7 Proposal for amendment of Article 14 (“Issue of obligations and other securities”)

It is proposed to amend this article to clarify and perfect its wording.

Amendment to “Title II. The Company’s government. Chapter I.- The General Meeting”

4.8 Proposal for amendment of Article 15 (“The general meeting”)

It is proposed to amend this article to clarify and perfect its wording.

4.9 Proposal for amendment of Article 16 (“Competences of the general meeting”)

The amendments proposed for Article 16 pretend to adapt its contents to the amendments introduced by Law 31/2014 regarding the competences of the General Meeting as envisaged in the Companies Act.

To this end, it is proposed (i) to introduce new sections in order to include the new competences envisaged by Law 31/2014 in Articles 160 and 511 bis of the Companies Act, (ii) to clarify the list of powers by introducing competences which, although been exercised *de facto* by the General Meeting and not entailing a legislative change, were not expressly defined in the Articles of Association; or (iii) to adapt the wording of the Articles of Association to the terminology of the law.

In particular, among the new competences that Law 31/2014 confers to the General Meeting, that of approving the remuneration of the Directors is particularly noteworthy, together with the one regarding the granting of exemptions of those prohibitions affecting directors that stem from the duty of loyalty, and that regarding the acquisition, disposal or contribution to another company of essential assets, by eliminating the provision that established that such transactions must involve an amendment of the corporate object (new letter f) of Article 160 of the Capital Stock Companies Act.

Finally, it is proposed to add two paragraphs in order to include the criteria that allow to determine when the disposal of an asset or conversion of essential activities or subsidiarisation transactions are considered essential, according to the guidelines provided for in Articles 160. f) and 511 bis. 2 of the Companies Act.

4.10 Proposal for amendment of Article 17 (“Types of meetings”)

It is proposed to amend section 2 of this article to clarify and perfect its wording.

4.11 Proposal for amendment of Article 18 (“Call of a general meetings”)

The first amendment of this article affects sections 4, 6 and 7, (after the suggested reform) and its main objective is adapting said sections to the specialities introduced for listed joint stock companies by Law 31/2014 in Article 495.2. a) of the Companies Act, regarding the rights of shareholders, which envisages a reduction from 5% to 3% of the minimum percentage to be met by shareholders of listed joint stock companies in order to exercise certain minority rights, such as requesting a call for General Meetings (section 4 after the suggested reform), to propose an addition to the agenda in calls for General Meetings already called (section 6 after the suggested reform) or to submit new agreement proposals (section 7 after the suggested reform).

On the other hand, it is proposed to add a new section 2 which, although not a legislative change, it stems from Article 516 of the Companies Act concerning publishing calls to meetings, with the objective of enhancing faster access to information in a non-discriminatory way among shareholders, promoting the use of communication means that ensure an effective and public announcement of the call to meetings. This suggestion has the aim of improving the transparency and dissemination of the calls to General Meetings, in order to enhance active participation by shareholders.

Likewise, new section 5 introduces a wording in order to introduce the provisions about the minimum contents of General Meeting announcements as stated in Article 517 of the Companies Act. Although this does not entail a legislative change, it intends to set out the minimum legal contents for announcing calls to meetings in the Articles of Association in order to complete regulations concerning this matter and to avoid any doubts in their interpretation.

Finally, a technical improvement is introduced in the new section 6 to adjust the consequences of failing to publish the addition within the legally established deadline for the call (which now will not entail annulment of the General Meeting, but only it being challengeable), in accordance with the new rules for challenging corporate agreements introduced by Law 31/2014.

4.12 Proposal for amending article 19 (“Right to information”)

The proposed amendment to this article affects two different sections with the essential objective of adapting their contents to the new requirements of Law 31/2014 regarding the right to information of shareholders (Articles 197 and 529 of the Companies Act, the latter being specifically applicable to listed joint stock companies).

On the one hand, amendment of section 1 enlarges by two days the period during which shareholders can exercise their right to information before General Meetings (until the fifth day before the date the General Meeting is scheduled), in line with the provisions of section 1 of Article 520 of the Companies Act. Some wording improvements are also introduced to adapt it to the literality of the law.

On the other hand, the amendment proposed for section 3 deals with the new regulations under said law regarding the listing of the specific cases in which the Board of Directors is not obliged to provide information to shareholders. Furthermore, a clarification is added concerning valid applications for information, clarifications or questions in writing and the replies provided in writing, which will be included on the Company’s website.

The rest of the changes are technical improvements and adjustments to the aforementioned drafting, with the objective of simplifying and clarifying the wording of the provision.

4.13 Proposal for amendment of article 23 (“Incorporation of a General meeting”)

The amendment proposed in section 1 of Article 23 of the Articles of Association has the objective of recording the changes introduced by article 201.2 of the Companies Act in relation to agreements for which the law requires a special qualified quorum (such as amendments to Articles of Association or structural modifications). In view of this provision, reaching said agreements as referred to in Article 194 of the Companies Act will require an absolute majority when the share capital that is either present or represented exceeds 50%.

The reform of this statutory regulation is completed with other minor wording changes.

4.14 Proposal for amendment of Article 26 (“Discussion and vote”)

It is proposed to add a new provision as section 3 of Article 26 in order to refer to the new regulations concerning conflict of interests in the General Shareholders' Meeting, as stated in Article 190 of the Companies Act, after its amendment by Law 31/2014. The aim of this is to propose a general referral to the governing regulations contained in the relevant applicable law at any time.

4.15 Proposal for amendment of Article 27 (“Adoption of resolutions”)

The new wording proposed in Article 27 intends to adapt the Articles of Association’s regime which deals with reaching corporate agreements by the General Meeting to Law 31/2014 in reference to Article 201 of the Companies Act, adapting the term "simple majority". Furthermore, it is proposed to add specific criteria for computing the simple majorities for validly reaching agreements by the General Meeting, being specified that the applicable majority by default is reached when there are more votes in favour than against a specific motion.

Amendment of “Title II. The Company’s government. Chapter II. Company administration. Section 1. The board of directors”

4.16 Proposal for amendment of Article 31 (“Authority of the board of directors”)

The amendment suggested for in section 4 of this article has the intention of meeting three objectives: (i) to complete the list of powers of the Board of Directors with the new changes introduced by Law 31/2014 concerning the competences that the Board cannot delegate; (ii) to introduce competences already attributed *de facto* to the Board, but which are not specifically stated in the Articles of Association; and (iii) to adapt the contents of the article to the wording and terminology of the law.

More specifically, it is proposed to redefine the list of powers that the Board of Directors may not delegate to include those set forth in Articles 249 bis and 529 ter of the Companies Act, such as (i) supervision of the Committees’ performance, (ii) appointment and dismissal of the executive director and other members of the Company’s senior management, (iii) approval of directors’ annual remuneration report; and (iv) establishing the Company’s tax strategy, among other powers which are modified, clarified and adapted.

Additionally, it is proposed to introduce a new section 5 which literally transcribes section 2 of Article 529 ter of the Companies Act and which permits delegated bodies or persons to make decisions concerning issues related to competences that the Board cannot delegate, in cases of duly justified urgent circumstances, provided that these decisions are duly ratified at the first Board meeting that is held after the decision is made.

Finally, in section 6 the definition of “corporate interest” is adapted to the concept laid down in Recommendation 12 of the Good Governance Code, which understands this to be achievement of profitable, sustainable long-term business, promoting the continuity of the Company and maximising its economic value whilst considering the legitimate interests of its employees, suppliers, clients and other groups of interest, all of which under the terms set forth in the aforementioned Recommendation 12.

4.17 Proposal for amendment of Article 33 (“Categories of directors and composition of the board”)

In section 1 of this article it is proposed to include the changes introduced by Law 31/2014 in the definition of director categories and, in particular, to explain the difference between executive directors and non-executive directors.

Likewise, with the objective of encouraging diversity in the composition of the Board of Directors, it is proposed to amend section 2 of the aforementioned article in order to state the Board’s function of ensuring that the director selection processes favour diversity in the composition and do not entail any bias causing discrimination of any kind, in application of the provision set forth in Article 529 bis section 2 of the Companies Act.

4.18 Proposal for amendment of Article 34 (“Term”)

The objective of the proposed change in the final paragraph of this article intends to clarify the procedure for appointing directors by co-optation, in cases of vacancies envisaged by the Board, stating that in such cases when vacancies occur once the meeting is called but before it is held, the Board may appoint a director until the next meeting takes place in accordance with the provisions established in Article 529 decies of the Companies Act.

4.19 Proposal for amendment of Article 35 (“Designation of posts”)

The amendment proposed in section 1 has the objective of clarifying the wording of the article, whereas the change proposed in section 2 has the objective of clarifying the functions exercised by the Secretary, stating that they will be those defined by the Law, the Articles of Association and the Board of Director Regulation.

4.20 Proposal for amendment of Article 36 (“Board of director’s meetings”)

The proposed new wording of section 6 of Article 36 of the Articles of Association has the objective of including a leading director, as stated in Article 529 septies of the Companies Act, introduced by Law 31/2014, whose appointment is compulsory in the case of the Chairperson also being an executive director and whose functions are similar to those already held by independent executives as per this Article. This figure pursues the objective of imposing the existence of mechanisms that prevent the Chairperson of the Board of Directors of having powers of decision not subjected to suitable checks and balances.

Amendment of section 4 of this article proposes changing the wording in order to include the competences attributed to the leading director, who will be entitled to call a Board meeting.

Furthermore, in the same article, it is proposed to introduce Recommendation 26 of the new Good Governance Code permitting each director to individually propose other additional items to be included on the agenda than those initially set out.

4.21 Proposal for amendment of Article 37 (“Incorporation and majority for the adoption of resolutions”)

It is proposed to add a new point to section 2 of Article 37 of the Articles of Association, concerning Board of Directors meeting attendance, in order to include the provision that non-executive directors may only be represented by another non-executive board member in accordance with the provisions of Article 529 quater of the Companies Act, introduced by Law 31/2014. This limitation in delegation matters will be added to the limitation already included in Article 18.2 of the Board of Directors Regulations compelling independent directors to delegate representation to another independent director.

4.22 Proposal for amendment of Article 39 (“Director’s compensation”)

The changes proposed in this article are to deal with the need to include new changes that have been implemented regarding directors’ compensation in listed joint stock companies. In this sense, it is proposed to amend this article in order to adapt the provisions of the Articles of Association to the changes introduced by Law 31/2014 concerning director’s compensation.

More specifically, the proposal’s aim is to adapt the current remuneration system for directors, consisting of a fixed monthly stipend and per diems for attending Board meetings and its committees, to the relevant limitations and provisions included in the Companies Law such as, for example, expressly establishing that the General Meeting will determine the maximum annual amount for the board members as a whole, in their condition as such.

Moreover, it is proposed to include the criteria set forth in section 1 of Article 529 septdecies of the Companies Act that will be taken into account by the Board of Directors in order to determine the specific amount to be received in each financial year by each director.

In section 3 reference is made to the compensation that, within the framework of the Articles of Association, can be received by executive directors, which will be determined by the Board. Furthermore, it is proposed to record the basic terms and conditions of director’s remuneration due to the performance of executive functions, including the different parameters for establishing variables, particularly compensation for early severance, pensions, insurance, welfare systems, deferred remuneration compensation and remuneration formulae consisting of rendering shares, or options thereon or any other compensation indexed to their value., thus adapting it to the newly introduced legal rules.

Section 4 includes a proposal to include Recommendation 57 of the new Good Governance Code, which allows the rendering of shares as remuneration for non-executive directors when this is conditioned to them shares being held until they are no longer directors, permitting their disposal when the director needs to draw from them to cover costs related to the purchase thereof, as and when applicable.

Other changes entail technical amendments to the wording to bring them into line with the new remuneration system envisaged by the law.

4.23 Proposal for amendment Article 39 bis (“Directors’ remuneration policy”)

It is proposed to introduce a new article numbered 39 bis which aims to record in the Articles of Association the provisions of Articles 529 septdecies, 529 octodecies and 529 novodecies of the Companies Act, laying down the contents for the director’s remuneration policy, differentiating between remuneration by directors in their condition as such, and the performance of executive duties, as and when applicable.



In particular, section 1 of the new article 39 bis establishes the requirement for the directors' remuneration policy to be approved by the General Meeting, at least every three years, as a separate item on the agenda.

Section 2 establishes the principle that the remuneration policy must be in line with the remuneration system envisaged in the Articles of Association and must establish the maximum annual amount of the remuneration to be received by board members in their condition as such, as provided for in article 529 septdecies of the Companies Act.

On the other hand, section 3 regulates the minimum content of the directors' remuneration policy, as set forth in the new Article 529 octodecies of the Companies Act.

Finally, section 4 regulates the consequences stemming from the rejection of the annual report on directors' remuneration when voted on a consultative basis at the General Meeting, in which case it is envisaged that the applicable remuneration policy for the following year must be subjected to the approval of the General Meeting prior to its application, even if a three year period has not elapsed.

Amendment of “Title II. The Company’s government. Chapter II. Company administration. Section 2. Delegate bodies of the board of directors”

4.24 Proposal for amendment of Article 41 (“The Audit and Compliance Committee”)

The changes proposed for Article 41 of the Articles of Association have the objective of adapting said article to the new demands stemming from article 529 quaterdecies of the Companies Act, after the reform implemented by Law 31/2014, as well as introducing certain recommendations set forth in the new Good Governance Code that the Company has deemed suitable to voluntarily include.

In particular, it is proposed to amend section 1 of said article to bring it in line with the composition recommendations set forth in Recommendation 39 of the Good Governance Code, thus assuming the commitment to stricter composition than that established in the Companies Act, which only obliges two members of the Committee to be independent. In this sense, the Company wishes the majority of the aforementioned members to be independent and to state it in the Articles of Association.

Likewise, it is proposed to amend section 2 of Article 41 in order to adapt it to the catalogue of functions introduced in the legal regime by Law 31/2014. In particular, the supervision functions for tax risk control systems and obtaining information about auditing plans have been included, among other changes consisting of technical improvements or wording that do not entail any substantial amendments to the current Audit and Compliance Committee of DIA.

On the other hand, it is proposed to include the function set forth in section 4 (g) of Article 529 quaterdecies of the Companies Act, which deals with the obligation of reporting to the Board of Directors about, particularly, the financial information that the Company must publish periodically and the creation or acquisition of shares in entities with special purposes or domiciled in countries or territories that are considered as tax havens, functions that were previously envisaged as good governance recommendations and that the committee had assumed *de facto*.

Finally, it is proposed to amend section 3 of Article 41 in order to establish that the Chairperson of the Audit and Compliance Committee will be appointed from among the

independent directors, in accordance with the provisions of Article 529.2 “quaterdecies” of the Capital Stock Companies Act.

4.25 Proposal for amendment of Article 42 (“The Nomination and Remuneration Committee”)

Similarly to the preceding section, the changes proposed for in Article 42 of the Articles of Association have the aim of adapting said rule to Recommendation 47 stemming from the recently approved Good Governance Code in relation to the composition of the Committee (section 1) and to the demands stemming from Article 529 quinquedecies of the Companies Act, in relation to the functions assigned to the Nomination and Remuneration Committee (section 3).

In particular, it is proposed to set forth in section 3 the new functions which, in accordance with article 529 quinquedecies of the Companies Act, the nomination and remuneration committee must take on, including an special reference to the objective of representation that the Committee must determine in relation to the least represented sex and the preparation and organisation of the succession of the Committee’s Chairperson and the first executive of the Company. Furthermore, the competences concerning decisions about remuneration to be taken by the committee are amended to bring them in line with the new system pursuant to the new remuneration system introduced by Law 31/2014.

The rest of the changes deal with improvements to the wording, in order to make the rules easier to understand and to adapt them to the terminology of the law, without entailing any substantial amendments.

Amendment of “Title II. The Company’s government. Chapter II. Company administration. Section 3. Annual corporate governance report and website”

4.26 Proposal for amendment of Article 43 (“Annual corporate governance report”)

The amendments proposed in this article are minor wording changes, which consist of simple adjustments in order to adapt it to the new wording and the terminology used in the law. In particular, some of the items that the Annual Corporate Governance Report must contain are specified, such as the structure of ownership and administration of the Company, information about transactions with related parties and the extent of follow-up on the good governance recommendations.

4.27 Proposal for introducing a new article 43 bis (“Annual report on directors’ remuneration”)

It is proposed to introduce a new article, 43 bis, in order to include in the Articles of Association the provisions concerning the annual report on remuneration of directors introduced by Law 31/2014 in Article 541 of the Companies Act.

This new article proposes recording the wording and terminology used in the law. In this sense, said article includes the obligation of approving an annual remuneration report, together with the annual corporate governance report, which will include the compensations paid or payable to the directors as such, and where applicable, for the undertaking of executive duties. Furthermore, it must provide complete, clear and comprehensible information about the policy of the relevant financial year and a general summary about the policy applied in the preceding financial year, all of which must be in accordance with the provisions established in the Companies Act.

4.28 Proposal for amendment of Article 44 (“Website”)

A new point is introduced in section 1 of Article 44 to include the provision that the corporate website must publish the average period of payment to suppliers, as well as, if applicable, measures to be taken in order to reduce said period until the maximum foreseen by the law is reached. This intends to complete the contents of the corporate website in accordance with the new requirements introduced in Article 539.2 of the Companies Act.

5. AGREEMENT PROPOSAL TO BE SUBJECTED TO THE GENERAL SHAREHOLDERS' MEETING

The agreement proposal to be subjected to approval by the General Shareholders' Meeting is as follows:

“ITEM TWO ON THE AGENDA

Amendment of the following articles of the Articles of Association of the Company in order to adjust them to the amendments introduced by recently approved regulation and to introduce certain technical improvements

- 2.1 Proposed amendment of the following articles in “Title I. Company and capital stock. Chapter I.- General provisions”: article 2 (“Corporate object”) and article 3 (“Registered address”)
- 2.2 Proposed amendment of the following articles in “Title I. Chapter II.- Capital stock and shares”: article 5 (“Capital stock”), article 8 (“Shareholder status”) and article 9 (“Outstanding payments and defaulting shareholders”)
- 2.3 Proposed amendment of the following articles in “Title I. Chapter III.- Capital increase and decrease”: article 11 (“Authorised capital stock”) and article 13 (“Capital decrease”)
- 2.4 Proposed amendment of the following article in “Title I. Chapter IV.- Issue of obligations”: article 14 (“Issue of obligations and other securities”)
- 2.5 Proposed amendment of the following articles in “Title II. The Company’s government. Chapter I.- The general meeting”: article 15 (“The general meeting”), article 16 (“Competences of the general meeting”), article 17 (“Types of meetings”), article 18 (“Call of a general meeting”), article 19 (“Right of information”), article 23 (“Incorporation of a general meeting”), article 26 (“Discussion and vote”) and article 27 (“Adoption of resolutions”)
- 2.6 Proposed amendment of the following articles in “Title II. The Company’s government. Chapter II. - Company administration. Section 1.- The board of directors”: article 31 (“Authority of the board of directors”), article 33 (“Categories of directors and composition of the board”), article 34 (“Term”), article 35 (“Designation of posts”), article 36 (“Board of Director’s meetings”), article 37 (“Incorporation and majority for the adoption of resolutions”) and article 39 (“Director’s compensation”). Proposal of introduction of a new article 39 bis (“Director’s remuneration policy”)
- 2.7 Proposed amendment of the following articles in in “Title II. The Company’s government. Chapter II.- Company administration. Section 2.- Delegated bodies of the board of directors”: article 41 (“The audit and compliance committee”) and article 42 (“The nomination and compensation committee”)



2.8 Proposed amendment of the following articles in in “Title II. The Company’s government. Chapter II.- Company administration. Section 3.- Annual corporate governance report and website”: article 43 (“Annual corporate governance report”) and article 44 (“Website”). Proposal of introduction of a new article 43 bis (“Annual report on director’s remuneration”)

PROPOSAL FOR RESOLUTION ON ITEM TWO

It is proposed that the General Meeting approves the modifications to the Articles of Association under the terms of the proposal included in the Board of Directors’ Report drawn up for this purpose and justifying the amendments proposed, which has been made available for the shareholders as from the call of this General Meeting.

The purpose of the modifications to the Articles of Association are (i) to incorporate the regulatory changes introduced as a result of the entry into force, on 4 December 2014, of Law 31/2014, amending the Companies Act to improve corporate governance (“**Law 31/2014**”) and (ii) to introduce improvements in the wording and to actualise the texts whose modification is proposed in order to clarify certain provisions.

Specifically, it is proposed that modifications be introduced into the following articles of the Articles of Association, grouped under each Title of said Articles which bring together the articles which are considered substantially independent:

2.1 Proposed amendment of the following articles in “Title I. Company and capital stock. Chapter I.- General provisions”: article 2 (“Corporate object”) and article 3 (“Registered address”)

- Amendment of sections 2 and 3 of article 2 (“Corporate object”), in such a manner that hereinafter they will read as follows:

“Article 2.- Corporate object

[...]

2. *The Company may execute the activities covered by the corporate object, either in Spain or abroad, directly or indirectly, by holding shares or participations in companies with an identical or similar object, or through any other form permitted by law.*
3. *If the law were to require any professional qualifications, administrative permit or registration at the Public Registries in order to execute any of the activities covered by the corporate object described in the foregoing paragraph, said activities must be carried out by duly qualified persons and may not commence until the necessary administrative requirements are met or the relevant licences obtained.”*

- Amendment of section 2 of article 3 (“Registered address”), in such a manner that hereinafter it will read as follows:

“Article 3.- Registered address

[...]

2. *The registered address may be transferred elsewhere within the same municipality further to a resolution adopted by the board of directors. In order to be transferred*

to another municipality or abroad the agreement of the general shareholders' meeting will be necessary.”

2.2 Proposed amendment of the following articles in “Title I. Chapter II.- Capital stock and shares”: article 5 (“Capital stock”), article 8 (“Shareholder status”) and article 9 (“Outstanding payments and defaulting shareholders”)

- Amendment of section 2 of article 5 (“Capital stock”), in such a manner that hereinafter it will read as follows:

“Article 5.- Capital stock

[...]

2. The capital stock consists of SIX HUNDRED AND FIFTY-ONE MILLION SEVENTY THOUSAND FIVE HUNDRED AND FIFTY-EIGHT (651,070,558) shares, with a face value each of ten cents of a euro (0.10 Euros), belonging to the same class and series.”

- Amendment of article 8 (“Shareholder status”), in such a manner that hereinafter it will read as follows:

“Article 8.- Shareholder status

- 1. Each share will confer shareholder status to its legitimate owner and will entrust it with the rights acknowledged in the Act and in these articles of association.*
- 2. The necessary standing to exercise any shareholder rights, including transfers, will be obtained through a registration in the accounting records, which will entail a presumption of legal ownership and will entitle the registered owner to demand that the Company recognises the latter as shareholder. This standing may be verified by presenting the relevant accrediting certificates, issued by the entity in charge of the accounting records.*
- 3. All shares will be indivisible. The co-owners of one or several shares will designate a single person to exercise any member rights and will be jointly and severally liable vis-à-vis the Company for any obligations arising from their shareholder status. The same rule will be applicable to all other events of co-ownership of shares rights.*
- 4. In the case of a usufruct over shares, member status will rest in the bare legal owner; in any case, the usufructuary will be entitled to the dividends agreed by the Company throughout the term of the usufruct. The exercise of all other shareholder rights is incumbent upon the owner, being the usufructuary bound to enable the bare legal owner to exercise such rights.*
- 5. If new shares are subscribed either by the bare legal owner or by the usufructuary, the usufruct will extend to the shares that could have been paid up with the average listing value during the subscription period. The amounts outstanding in case of usufruct termination or in case the bare legal owner did not exercise its pre-emption rights in a share capital increase scenario will be settled taking into consideration the average listing value of the previous quarter in which the aforementioned facts took place.*
- 6. In the event of a pledge over shares, shareholder rights may be exercised by the share owner.*

7. *Share ownership entails the acceptance of these articles of association and subjection to the decisions duly adopted by the Company's government and administration bodies within their remit.*"

- Amendment of section 2 of article 9 ("Outstanding payments and defaulting shareholders"), in such a manner that hereinafter it will read as follows:

"Article 9.- Outstanding payments and defaulting shareholders

[...]

2. *All outstanding payments will be paid within the term agreed by the board of directors. In the event of default, the board of directors will adopt the relevant resolutions, as the case may be, according to the provisions of current regulations.*"

2.3 Proposed amendment of the following articles in "Title I. Chapter III.- Capital increase and decrease": article 11 ("Authorised capital stock") and article 13 ("Capital decrease")

- Amendment of article 11 ("Authorised capital stock"), in such a manner that hereinafter it will read as follows:

"Article 11.- Authorised capital stock

1. *The general meeting may entrust the board of directors with the power to determine the effective date of the resolution already adopted to increase the capital stock by the agreed amount, as well as to determine its conditions if not foreseen by the meeting, all within the limits established by the Act.*

2. *Furthermore, the general meeting may entrust the board of directors with the power to agree, once or several times, to increase the capital stock by debiting monetary contributions, up to a certain figure that may not exceed half the capital stock at the authorisation date, for a maximum term of five (5) years, at the time and in the amount decided by the board. The general meeting may also entitle the board of directors to exclude the shareholders' preferential subscription rights in relation to any delegated issues, if required by the corporate interest."*

- Amendment of section 2 of article 13 ("Capital decrease"), in such a manner that hereinafter it will read as follows:

"Article 13.- Authorised capital stock

[...]

2. *A capital decrease may be carried out by decreasing the face value of the shares, through their redemption or grouping for a subsequent exchange, and may be used to return the value of any contributions, to condone an obligation to settle outstanding payments, to establish or increase legal or voluntary reserves, or to re-establish the balance between the capital stock and the Company's net wealth, if reduced due to losses."*

2.4 Proposed amendment of the following article in "Title I. Chapter IV.- Issue of obligations": article 14 ("Issue of obligations and other securities")

- Amendment of sections 1 and 3 of article 14 ("Issue of obligations and other securities"), in such a manner that hereinafter they will read as follows:

“Article 14.- Issue of obligations and other securities

[...]

1. *The Company may issue obligations in the terms and with the limits foreseen by law for listed joint stock companies.*

[...]

3. *In the case of convertible obligations or any other security entailing a share subscription right, the general meeting may also empower the board of directors to agree to exclude the preferential subscription right held by the shareholders in relation to any delegated issue, with the requirements legally set forth.”*

2.5 Proposed amendment of the following articles in “Title II. The Company’s government. Chapter I.- The General Meeting”: article 15 (“The General Meeting”), article 16 (“Competences of the General Meeting”), article 17 (“Types of meetings”), article 18 (“Call of a General Meeting”), article 19 (“Right of information”), article 23 (“Incorporation of a General Meeting”), article 26 (“Discussion and vote”) and article 27 (“Adoption of resolutions”)

- Amendment of section 1 of article 15 (“General Meeting”), in such a manner that hereinafter it will read as follows:

“Article 15.- General Meeting

1. *The shareholders, convened at a duly called general meeting, will decide by the majority required in each case, as set forth by the Act or these articles of association, on any matters within the competence of the general meeting. [...]*

- Amendment of article 16 (“Competences of the General Meeting”), in such a manner that hereinafter it will read as follows:

“Article 16.- Competences of the General Meeting

1. *The general meeting will decide on any matters attributed thereto by the Act or these articles of association and, in particular, on the following:*
 - (a) *Appointment and removal of directors, as well as the ratification of directors designated through a co-option procedure.*
 - (b) *Appointment and removal of accounts auditors and, if applicable, of the liquidators.*
 - (c) *Approval of the statements of the previous year, of the allocation of results and of the corporate management.*
 - (d) *Any increase or decrease in the capital stock, including a delegation to the board of directors of the power to increase the capital stock.*
 - (e) *Elimination or limitation of preferential subscription rights.*
 - (f) *Issue of obligations and other securities and delegation of the right of issue to the board of directors.*
 - (g) *Authorisation for the derivative acquisition of own shares.*
 - (h) *Approval and amendment of the regulations of the general meeting.*
 - (i) *Amendments of the articles of association.*

- (j) *Approval of the policy on directors' remunerations, in accordance with the terms set out in the Act.*
 - (k) *Approval of the Company's directors remuneration systems, in the form of shares or rights over shares or linked to the value of the shares.*
 - (l) *Granting the directors the exemptions regarding the prohibitions deriving from the duty of loyalty, when the granting of said exemptions lies with the general meeting, as well as the exemption regarding non-compete obligation duties.*
 - (m) *A merger, spin-off, transformation, dissolution and global assignment of the Company's assets and liabilities.*
 - (n) *A transfer of the Company's registered address abroad.*
 - (o) *Transformation of the Company into a holding company, through "subsidiarisation", the incorporation or transfer into dependent companies of essential activities developed by the Company itself until then, even if the latter remains as the full legal owner thereof. An activity is presumed to be essential when the relevant amount of the transaction exceeds twenty-five per cent (25%) of the total assets in the balance sheet .*
 - (p) *The acquisition, disposal or contribution of essential assets to another company. An asset is presumed to be essential when the relevant amount of the transaction exceeds twenty-five per cent (25%) of the value of the total assets according to the last balance sheet approved.*
 - (q) *The winding up of the Company.*
 - (r) *Operations with an effect equivalent to the Company's liquidation and the approval of the liquidation balance sheet.*
2. *Furthermore, the general shareholders meeting will resolve on any other issue, as required by the Act or these articles of association, or when so required by the board of directors."*

- Amendment of section 2 of article 17 ("Types of meetings"), in such a manner that hereinafter it will read as follows:

"Article 17.- Types of meetings

[...]

2. *An ordinary general meeting will necessarily convene within the first six (6) months of each financial year in order to approve, if applicable, the corporate management, the statements of the previous year and to resolve on the allocation of results."*

- Amendment of article 18 ("Call of a General Meeting"), in such a manner that hereinafter it will read as follows:

"Article 18.- Call of a General Meeting

1. *General meetings will be called by the board of directors by publishing an announcement (i) in the Official Gazette of the Commercial Registry or in one of Spain's most widely distributed newspapers, (ii) on the Company's website (www.diacorporate.com), and (iii) on the website of the Spanish Securities Market Commission ("CNMV"), with the notification of a material disclosure, at least one*

month prior to the date scheduled for the meeting, unless a different timeframe is established by law.

- 2. The Company will convene the general meeting, either ordinary or extraordinary, in such way that rapid and non-discriminatory access for information is granted for all shareholders. To this end, media that ensure effective and public dissemination of the announcement must be guaranteed, as well as free access by the shareholders within the whole European Union.*
- 3. The board of directors may call the general shareholders' meeting if it considers this appropriate in the corporate interest.*
- 4. Furthermore, the board of directors will call a general meeting if it is requested by shareholders who hold, at least, three per cent (3%) of the capital stock, indicating in the request the issues to be discussed at the meeting.*

In this case, the meeting will be called in order to be held within the timeframe foreseen by the Act. The board of directors will draw up the agenda, and will necessarily include the matter or matters covered by the request.

- 5. The call announcement will contain any references required by the Act, in each case, and will indicate the Company's name, the date, place and time of the meeting at first call, the agenda, including all the matters to be discussed, and the post of the person or persons calling the meeting.*

The general shareholders meeting's announcement will contain, in addition to the contents legally required, the date in which the shareholder must have the shares registered under its name in order to participate and vote at the general meeting, the place and form required to obtain the full text of the documents and proposals, and the Company's website address on which the information will be available.

Additionally, the announcement will provide clear and exact information on the proceedings that shareholders must follow in order to participate and vote at the meeting.

The announcement may also indicate the date on which the general meeting will convene at second call, as the case may be. Between the first and second meetings at least twenty-four (24) hours must elapse.

- 6. Any shareholders representing, at least, three per cent (3%) of the capital stock may request that an addition be published to the call of an ordinary general shareholders' meeting, including one or more points in the agenda, as long as these new points include a justification or, as the case may be, a justified proposal for a resolution.*

This right will be exercised by providing a notification by authentic means, to be received at the registered address within five (5) days following publication of the call.

The addition to the call will be published, at least, fifteen (15) days before the date scheduled for the meeting. The failure to publish an addition to the call within the timeframe that is legally established will render the meeting challengeable.

- 7. Furthermore, any shareholders representing at least three per cent (3%) of the capital stock, within this same period of five (5) days following publication of the*

call, may present justified proposals for a resolution on matters already included or to be included in the agenda of the called meeting. The Company will ensure that these resolution proposals are distributed amongst the remaining shareholders, as well as any documentation attached.

8. *The general meeting may not discuss or decide on any matters that are not included in the agenda, unless otherwise provided by the Act.*
9. *In order for the courts to call a meeting, the provisions of the Act will apply.*
10. *The provisions of this article will apply without prejudice to what is foreseen by law for specific situations.”*

- Amendment of article 19 (“Right of information”), in such a manner that hereinafter it will read as follows:

“Article 19.- Right of information

1. *As of the very publication date of the call of a general meeting and until the fifth day preceding the date scheduled for the meeting, inclusive, the shareholders may request any information or clarification they deem appropriate regarding any issues included in the agenda, or present in writing the questions they deem relevant. Furthermore, with the same prior notice and in the same manner, the shareholders may request the directors any clarifications they deem appropriate on any information accessible to the public that the Company may have provided to the CNMV since the last general meeting was held and in relation to the auditor’s report.*
2. *During the general meeting, the shareholders may verbally request any information or clarification they deem appropriate on the matters included in the agenda, as well as on any information accessible to the public that the Company may have provided the CNMV since the last general meeting was held and in relation to the auditor’s report. If the relevant shareholder’s right cannot be settled at that time, the board of directors will provide the requested information in writing within seven (7) days following the end of the general meeting.*

The valid requests for information, clarifications or questions presented in writing, and the answers presented in writing by the directors will be included in the Company’s website. The board of directors will be obliged to provide the information requested according to the two preceding sections, in the manner and within the timeframes foreseen in these articles of association, the regulation of the general meeting and the Act, except for those cases in which:

- a) the requested information is unnecessary for the protection of the shareholder’s rights, there are objective reasons to believe that the requested information may be used for non-corporate purposes or its disclosure may damage the Company or related companies; ;*
- b) the request for information or clarification requested does not refer to matters included in the agenda or to information accessible to the public, provided by the Company to the CNMV since the last general meeting was held;*
- c) before the question was made, the information requested is clearly, expressly and directly available to all shareholders on the Company’s website, as FAQ; or*

d) this is foreseen in legal or regulatory provisions or judicial resolutions.

Notwithstanding the foregoing, the exception indicated in point (a) above will not apply in those cases where a request for information is backed up by shareholders representing, at least, twenty-five per cent (25%) of the capital stock.

- 3. The call of an ordinary general meeting will indicate the means through which a shareholder may obtain from the Company, immediately and cost-free, any documents to be presented for approval by the meeting.*
- 4. If the general meeting has to discuss an amendment of the articles of association, the announcement of the call, apart from the references required by the Act in each case, will indicate the right to which all shareholders are entitled to examine at the registered address the full text of the amendment proposed and the relevant report, and to request that said documents be handed over or delivered at no cost.*
- 5. In all those cases foreseen by the Act, the shareholders will be provided with any additional information and documentation that may be necessary, including any other that the board of directors deems appropriate in order to form the Company's will. This information and documentation will be made available to the shareholders through the website, without shareholders being entitled to request this information in printed form.*

- Amendment of sections 1 and 2 of article 23 (“Incorporation of a General Meeting”), in such a manner that hereinafter they will read as follows:

“Article 23.- Incorporation of a General Meeting

- 1. A general meeting will be validly convened, at first call, whenever the shareholders present or by proxy hold, at least, twenty-five per cent (25%) of the voting capital stock subscribed. At second call, a meeting may be incorporated irrespective of the capital stock in attendance.*
- 2. Pursuant to article 194 of the Capital Companies Act, in order for an ordinary or extraordinary general meeting to validly agree to increase or decrease the capital stock or any other amendment of the articles of association, the issue of obligations, the removal or limitation of a preferential subscription right over new shares, as well as a transformation, merger, spin-off or global assignment of assets and liabilities and a transfer of the registered address abroad, it will be necessary, at first call, for shareholders to attend, in person or by proxy, holding at least fifty per cent (50%) of the voting capital stock subscribed. At second call, it will suffice for twenty-five per cent (25%) of said capital stock to attend, present or by proxy. However, if shareholders attend who represent fifty per cent (50%) or less of the voting capital stock subscribed, the resolutions referred to in this paragraph may only be validly adopted with the favourable vote of two thirds (2/3) of the capital stock present or by proxy at the meeting. In any case, if the share capital, present or by proxy, exceeds fifty per cent (50%), in first or second call, an absolute majority shall suffice to deem the resolution passed.[...]*

- Amendment of article 26 (“Discussion and vote”), introducing a new section 3, in such a manner that hereinafter it will read as follows:

“Article 26.- Discussion and vote

[...]

3. *The exercise of voting rights in the general meeting by shareholders affected by a conflict of interest shall be subject to the provisions set forth in the applicable law.[...]*”

- Amendment of section 2 of article 27 (“Adoption of resolutions”), in such a manner that hereinafter it will read as follows:

“Article 27.- Adoption of resolutions

[...]

2. *All resolutions of the meeting will be adopted by simple majority of the votes of the capital stock present or by proxy; deeming passed a resolution when more favourable votes than against have been obtained of the share capital, present or by proxy. The foregoing will not include any cases for which the Act or these articles of association require a higher majority.”*

2.6 Proposed amendment of the following articles in “Title II. The Company’s government. Chapter II.- Company administration. Section 1.- The Board of Directors”: article 31 (“Authority of the Board of Directors”), article 33 (“Categories of directors and composition of the board”), article 34 (“Term”), article 35 (“Designation of posts”), article 36 (“Board of Director’s meetings”), article 37 (“Incorporation and majority for the adoption of resolutions”) and article 39 (“Director’s compensation”). Proposal of introduction of a new article 39 bis (“Director’s remuneration policy”)

- Amendment of sections 4, 5 and 6 of article 31 (“Authority of the Board of Directors”), in such a manner that hereinafter they will read as follows:

“Article 31.- Authority of the Board of Directors

[...]

4. *In any event, the board will assume, without delegation, such authority as is legally reserved directly to it, and such other authority as may be necessary for effective exercise of the general supervision function. In particular, by way of illustration and not limitation, the following are non-delegable powers of the board:*

(a) call of the general meeting of shareholders, drafting of the agenda and of the proposals for resolutions;

(b) appointment of directors by way of co-option and referring proposals to the general meeting regarding appointment, ratification, re-election and removal of directors, as well as acceptance of director resignations;

(c) appointment and renewal of those in the internal positions within the board of directors, and the members of the committees constituted within the board;

(d) definition of the corporate governance policy of the Company and its group, its organisation and functioning, and the definition of the structure of the group of companies of which the Company is the parent;

(e) supervision of the performance of the board committees and acts carried out by delegated bodies and senior managers;

- (f) appointment and removal of executive directors and senior managers reporting to the board, as well as the establishment of basic conditions of their contracts, including their remuneration;*
- (g) granting an authorisation or exemption of the obligations deriving from the duty of loyalty, when the granting of such authorisation lies with the board in accordance with legally set forth;*
- (h) preparation of the financial statements, management report and proposal for application of profits of the Company, as well as the consolidated financial statements and management report, if applicable, and their submission to the general meeting for approval;*
- (i) approval of the financial information that the Company, being a listed company, must periodically disclose;*
- (j) preparation of the annual corporate governance report and of the annual report on directors' remuneration, both to be presented to the general meeting and the other reports and documents that must be submitted to it;*
- (k) drafting any other report required by the Act, when the transaction to which the report refers to cannot be delegated.*
- (l) determination and specification of the policy applied by the Company to its own shares, further to the authorisations granted by the general meeting;*
- (m) delegation of powers to any of its members, in the terms established in the Act and articles of association, including any revocation;*
- (n) approval and amendment of its own organisation and functioning and, particularly, the approval and amendment of the board of directors regulation;*
- (o) approval of the Company's policies and general strategy and, particularly, the approval of the strategic or business plan, the management objectives and the annual budget, the investments and financial policies, the corporate social responsibility policy and the dividends policy, as well as determining the necessary organisation for its implementation, supervising and ensuring that the delegate bodies and executives meet the targets established and uphold the company's object and corporate interest;*
- (p) approval of the investments or transactions that, due to the amount or special features, have strategic nature or special tax risks, except when their approval lies with the general meeting;*
- (q) creation or acquisition of shares in entities with special purposes or domiciled in countries or territories that are considered as tax havens, as well as any other similar transactions of similar nature that, due to their complexity, may undermine the transparency of the Company or its group;*
- (r) decisions concerning the remuneration of the board members, in accordance with the articles of association and, if applicable, the remuneration policy as approved by the general meeting;*
- (s) determination of the risk control and management policy, including tax risks, and the supervision of the information control internal systems;*

(t) approval of the transactions entered into by the Company or companies of its group with directors, as defined by the Act, or with shareholders who own, individually or jointly, a significant stake, including shareholders represented in the board of directors of the Company or companies of its group or individuals linked to them. The directors concerned or represented or linked to the relevant shareholders must refrain from participating in the deliberation and voting of the resolution in question. The board of directors regulation will foresee, according to the Act, the transactions for which this approval shall not be necessary;

(u) approval of the Company's tax strategy;

(v) the powers that the general meeting vested on the board of directors, save for those that the latter has been expressly authorised to subdelegate;

(w) any other matter reserved by the Act or the regulation to an examination of the plenary meeting of the board.

5. *When urgency circumstances, duly justified, arise, decisions concerning the aforementioned issues may be adopted by the delegated organs or persons, provided that they are ratified in the first meeting of the board that takes place after the adoption of said decisions.*
6. *The board of directors at all times will exercise its authority in the interest of the Company, that being understood to be the achievement of a profitable and long-term sustainable business, which may promote the continuance and the maximizing of the Company's economic value, albeit at the same time considering other legitimate interests, public or private, involved in the conduct of any business activity, particularly those of workers, suppliers, clients and any other interest groups."*

- Amendment of sections 1 and 2 of article 33 ("Categories of directors and composition of the board") and elimination of section 3, in such a manner that hereinafter they will read as follows:

"Article 33.- Categories of directors and composition of the board

1. Deemed to be

(a) Inside directors (or executive directors) are those directors who perform management functions in the Company or its group, irrespective of the legal link they have with it. For these purposes, those treated as inside directors are the chairperson, if he has delegated management functions, the managing director, if any, and those that in any other way have management responsibilities within the Company or any of its subsidiaries.

The above notwithstanding, directors who are, as well, senior managers or directors of companies which are part of the group of companies where the Company's parent is dominant will be considered as inside directors.

Whenever a director performs managing functions, and, at the same time, is or represents a significant shareholder or a shareholder represented at the board of directors of the Company, it will be considered as an inside director.

(b) Proprietary outside directors (or non-executive) are the directors who hold a shareholding interest not less than the legally determined threshold for significant

holdings, or are otherwise appointed due to their status as shareholders, although their shareholding interest does not reach such relevant thresholds, and the persons who represent such shareholders;

(c) Independent outside directors (or non-executive) are those directors appointed for their personal or professional qualities who are in a position to perform their duties without being influenced by any connection with the Company or its group, its significant shareholders or its management;

(d) Other outside directors are the outside directors that cannot be classified as proprietary or independent.

2. *The board of directors must ensure that the selection process for board members encourages diversity of gender, experiences and knowledge, and therefore it will not include implicit bias causing any kind of discrimination, in particular, against women.”*

- Amendment of section 2 of article 34 (“Term”), in such a manner that hereinafter it will read as follows:

“Article 34.- Term

[...]

2. *The appointment of directors will expire when, after the term has elapsed, the next general meeting is held or the legal timeframe has elapsed in which to hold a meeting to resolve on the approval of the statements of the previous financial year.*

In the event of a vacancy once the general meeting has been called but before it is held, the board of directors may appoint a director until the next general meeting.”

- Amendment of sections 1 and 3 of article 35 (“Designation of posts”), in such a manner that hereinafter they will read as follows:

“Article 35.- Designation of posts

1. *The board will select from amongst its members a chairperson and vice chairperson, who will replace the chairperson in the event of impossibility or absence.*

[...]

3. *The board will appoint a secretary and may appoint a vice secretary, who need not be directors. The secretary will attend the board meetings with a right to speak but not to vote, unless he holds director status, and will perform the duties set forth by the Act, these articles of association, and the board of directors regulation. The vice secretary, if any, will replace the secretary if the latter is not present at the meeting for any reason and, unless otherwise decided by the board, may attend the board meetings to assist the secretary in his task.”*

- Amendment of sections 4 and 6 of article 36 (“Board of Director’s meetings”), in such a manner that hereinafter they will read as follows:

“Article 36.- Board of Director’s meetings

[...]

4. *The board of directors also will meet when so requested by at least one third (1/3) of its members, two (2) of the independent directors or, if any, the lead director, in which case it must be called by order of the chairperson or the lead director. Additionally, any director will be entitled to require the president to include certain matters in the call for any meeting of the board.*
6. *If the chairperson is, at the same time, the managing director of the Company, the board of directors will appoint a lead director among the independent directors, with the abstention to vote of the executive directors, who will be especially entitled to request a call of the board of directors or the inclusion of points on the agenda of a convened meeting, to coordinate and meet outside directors, and to direct the periodic examination of the chairperson of the board of directors.[...]*

- Amendment of section 2 of article 37 (“Incorporation and majority for the adoption of resolutions”), in such a manner that hereinafter it will read as follows:

“Article 37.- Incorporation and majority for the adoption of resolutions

[...]

2. *All directors may issue their vote and confer a proxy to another director. However, outside directors shall only confer a proxy to another outside director. Such proxy will be specifically granted for the board of directors’ meeting it refers to and will include instructions, to the extent possible.[...]*

- Amendment of article 39 (“Director’s compensation”), in such a manner that hereinafter it will read as follows:

“Article 39.- Director’s compensation

1. *The members of the board of directors will receive, as such directors, a compensation which will amount to an annual quantity which will be determined by the general meeting for board of directors as a whole. This compensation will consist of a fixed monthly stipend and per diems for attending meetings of the board of directors and its committees. The maximum amount of compensation to be paid by the Company to its directors in these categories will be the amount determined for that purpose by the general shareholders meeting, which will remain in effect until an amending resolution is adopted.*
2. *The board of directors, within the maximum set by the general shareholders meeting, will fix each financial year the specific amount to be received by each of the directors, it being permissible for it to vary the amount to be received by each of them taking into consideration the duties and responsibilities conferred on each director, the membership of board committees and any other objective circumstance that the board of directors deems relevant.*
3. *Executive directors will receive, for the performance of executive duties, or any other that may be conferred on them irrespective of the title, the compensation that the board determines. Such compensation will be adjusted to the policy on directors’ remuneration approved by the general meeting, and will be reflected in the relevant contract entered into by the director and the Company.*

In particular, and without limitation, the compensation foreseen in this section, subjected to the aforementioned remuneration policy, may consist of fixed salaries, variable compensations (depending on the achievement of corporate objectives

and/or individual performance), dismissal compensations for reasons other than the noncompliance of duties, pensions, insurances, welfare systems, deferred remuneration concepts and compensation formulas in the form of shares or options thereon or indexed to the value of the shares, set forth for those members of the board of directors who perform executive duties.

4. *In the framework of the remuneration policy, inside or executive directors may be compensated with the delivery of shares of the Company or another group company, options thereon or instruments or any other compensation indexed to their value.*

All other directors may be compensated with the delivery of shares, as long as they undertake to hold the shares until expiration of their office. Nevertheless, this rule will not be applicable to the shares which the directors need to transfer, as the case may be, to pay any costs related to their acquisition.

When dealing with shares of the Company or instruments indexed to the value thereof, the compensation must be resolved by the general shareholders meeting. The resolution, if applicable, will state the maximum number of shares to be delivered, the price of exercise or the system to determine the price of exercise of the stock options, the value of the shares, if applicable, to be taken as a reference and the term of the plan.

5. *The compensation of directors will be stated in the report, broken down by each director.”*

- Introduction of article 39 bis (“Director’s remuneration policy”), in such a manner that hereinafter it will read as follows:

“Article 39 bis.- Director’s remuneration policy

1. *The director’s remuneration policy will be submitted to the general meeting for its approval, at least every three (3) years, as a separate item of the agenda, as foreseen in the Act.*
2. *The remuneration policy, in the framework of the provisions of article 39 above, will determine the annual amount to be paid to the directors as such.*
3. *Regarding the compensation due to executive duties, the remuneration policy will set forth the amount of the annual fixed compensation and its variations in the period of time to which the policy refers to, the different parameters to determine the variable components and the main terms and conditions of the contracts of the inside directors, comprising, in particular, their term, compensations for early retirement or early termination and exclusivity, post-contractual non-competence and permanency agreements.*
4. *If the annual report on the director’s remuneration is rejected in the consultative voting by the general shareholders meeting, the remunerations’ policy to be applied for the following financial year must be submitted to the decision of the general meeting, prior to its implementation, even if a three (3) year period of time has not elapsed. The previous rule will not be applicable if the remuneration’s policy has been passed in said same general meeting.*

5. *The Company will encourage all shareholders and, in particular, institutional shareholders to attend general meetings and prudently exercise their votes therein when dealing with compensation of the directors.”*

2.7 Proposed amendment of the following articles in in “Title II. The Company’s government. Chapter II.- Company administration. Section 2.- Delegated bodies of the board of directors”: article 41 (“The audit and compliance committee”) and article 42 (“The nomination and compensation committee”)

- Amendment of article 41 (“The audit and compliance committee”), in such a manner that hereinafter it will read as follows:

“Article 41.- The audit and compliance committee

1. *The board of directors will establish an audit and compliance committee, of a permanent nature, which will be comprised of a minimum of three (3) directors and a maximum of five (5), appointed by the board of directors itself from among its outside or non-inside directors. The majority of the members of the audit and compliance committee will be independent and, at least, one (1) of them will be appointed based on his knowledge and experience in accounting or auditing matters, or both.*
2. *Without prejudice to such other tasks as may be assigned to it from time to time by the board of directors, the audit and compliance committee in any event will have the following authority:*
 - (a) *reporting to the general shareholders meeting in answer to questions related to issues within the scope of its responsibilities;*
 - (b) *supervising and reviewing the process of preparation and presentation of required financial information;*
 - (c) *supervising the effectiveness of the Company's internal control, internal audit and risk management systems, including fiscal risks; and discussing with the Company's auditors such significant weaknesses in the internal control system as may be discovered in the conduct of the audit;*
 - (d) *submitting to the board of directors the proposal for the selection, appointment, re-election and removal of the outside auditors, as well as the conditions for hiring them and the scope of their professional assignment, and receiving information about the audit plan and its execution, as well as ensuring the auditors’ independence;*
 - (e) *establishing the appropriate relationships with the outside auditors to receive information regarding such questions as may compromise their independence, for examination by the committee, and any other questions related to the process of auditing accounts, and such other communications as may be contemplated in the accounting and auditing legislation and audit standards.*

In any event, they must annually receive from the outside auditors a statement of their independence as regards the entity or directly or indirectly related entities, and information on additional services of any kind and the relevant retribution received from these entities by the aforesaid outside, or by the persons or entities related thereto, in accordance with the provisions of the accounting and auditing legislation.

(f) annually, prior to the issue of the audit report, issuing a report stating an opinion regarding the independence of the auditors. This report must comprise, in any event, the assessment of the provision of additional services referred to in the point above, individually and globally considered, different from the legal audit and in relation to the independence system or the legal provisions on auditing;

(g) prior reporting to the board regarding any matters foreseen by the Act, these articles of association, the board of directors regulation, and, in particular:

- the financial information that the Company must periodically disclose,*
- the creation or acquisition of shares in entities with special purposes or domiciled in countries or territories that are considered as tax havens;*

(h) supervising compliance with the rules regarding related party transactions with directors or major shareholders or shareholders represented on the board; in particular, it will report to the board regarding such related party transactions and, in general, regarding transactions that imply or may imply conflicts of interest, for their approval, and will see to it that information in respect thereof is communicated to the market as required by law;

(i) supervising compliance with internal codes of conduct, in particular the code of conduct for the securities market;

(j) any such others as may be attributed to it by the Act and other regulations applicable to the Company.

- 3. The chairperson of the audit and compliance committee will be appointed from among the independent directors, members of the committee.*
- 4. The chairperson must be replaced every four (4) years, and may be re-elected after a term of one (1) year elapses since he/she left office.*
- 5. Also, the committee will appoint a secretary and may appoint a vice secretary, neither being required to be a member thereof. If these appointments are not made, those holding those positions on the board will act as such.*
- 6. When exercising its tasks, the committee may request the assistance of executive directors and senior managers of the Company. Also, if it deems this appropriate, it may hire the services of external advisors.”*

- Amendment of article 42 (“The nominating and compensation committee”), in such a manner that hereinafter it will read as follows:

“Article 42.- The nomination and remuneration committee

- 1. The board of directors will establish a nomination and remuneration committee, on a permanent basis, which will be solely comprised of outside or non-inside directors, the majority independent, in a number determined by the board of directors, with a minimum of three (3) and a maximum of five (5). The members of the nomination and remuneration committee will be appointed by the board of directors.*
- 2. At least one (1) of the members of the nomination and remuneration committee must have knowledge and experience regarding compensation policies.*

3. *Without prejudice to such other tasks as may be assigned to it from time to time by the Act, these articles of association and the board of directors regulation, the nomination and remuneration committee in any event will have the following authority:*
- (a) evaluating the competence, knowledge, and experience required in the board. To this end, the committee will determine the functions and skills required for the candidates to cover a vacancy, and will evaluate the precise time and dedication in order to carry out their tasks effectively;*
 - (b) making proposals to the board of directors of independent directors to be appointed by co-option, for submission to decision by the general meeting, and proposals for re-election and removal of those directors by the general meeting;*
 - (c) reporting on proposals for the appointment of other directors to be appointed by co-option, for submission to decision by the general shareholders meeting, and proposals for re-election and removal of those directors by the general meeting;*
 - (d) reporting on the senior management appointments and removals and the basic conditions of their contracts;*
 - (e) reporting to the board on matters of gender diversity and, in particular, seeing to it that procedures for selection of directors and senior managers do not suffer from implicit bias preventing selection of women. In particular, the committee shall set a target for representation on the board for the least represented gender, establishing guidelines to achieve such target;*
 - (f) examining and organising the succession plan for the president of the board and for the executive director of the Company and, if applicable, suggesting proposals to the board of directors to ensure a smooth and organised transition;*
 - (g) proposing to the board of directors (i) the policy for remuneration of directors and senior managers or any other person who perform senior management duties reporting to the board, the committees or the managing director, (ii) the individual compensation of inside directors and the other terms of their contracts, supervising their implementation, and (iii) the basic terms of contracts of senior managers;*
 - (h) overseeing compliance with the compensation policy set by the Company; and*
 - (i) generally supervising compliance with the Company's applicable corporate governance rules.*
4. *The nomination and remuneration committee will designate a chairperson from amongst its members, who must be an independent director.*
5. *When exercising its tasks, the committee may request the assistance of executive directors and senior managers of the Company. Also, if it deems this appropriate, it may hire the services of external advisors."*

2.8 Proposed amendment of the following articles in in "Title II. The Company's government. Chapter II.- Company administration. Section 3.- Annual corporate governance report and website": article 43 ("Annual corporate governance report") and article 44 ("Website"). Proposal of introduction of a new article 43 bis ("Annual report on director's remuneration")



- Amendment of section 1 of article 43 (“Annual corporate governance report”), in such a manner that hereinafter it will read as follows:

“Article 43.- Annual corporate governance report

1. *The board of directors annually will approve an annual corporate governance report of the Company, referring to the matters contemplated by law, together with those, if applicable, it deems to be appropriate. The report must offer a detailed explanation of the structure of the company's governance scheme (ownership structure and management) and its functioning in practice, including in particular, transactions with related parties, a description of the principal characteristics of the internal risk control and management systems related to the process of issuance of financial information and its degree of compliance.[...]”*

- Introduction of article 43 bis (“Annual report on director’s remuneration”), in such a manner that hereinafter it will read as follows:

“Article 43 bis.- Annual report on director’s remuneration

1. *In addition to the annual report on corporate governance, the board of directors will draft and publish an annual report on the director’s remuneration, which will include the compensations the directors receive or should receive as such directors, and, if applicable, for the performance of execution duties.*
2. *Said report will include complete, clear and comprehensible information on the director’s remuneration policy applicable to the current financial year, as well as a global summary of the implementation of the remuneration policy during the previous financial year and the breakdown of the individual remunerations received by each of the directors under any concepts in said financial year.*
3. *Said report will be disclosed and submitted to a vote by the shareholder’s ordinary general meeting, on a consultative basis and as a separate item on the agenda.”*

- Amendment of section 1 of article 44 (“Website”), to introduce an (n) point, which will read as follows:

“Article 44.- Website

[...]

- n) *The Company’s average period for payment to suppliers and, if applicable, the measures to be taken in the following financial year in order to reduce it and reach the maximum determined in the relevant regulations. [...]*

* * *

In Madrid, on 17 March 2015



ANNEX I

TEXT OF THE ARTICLES OF ASSOCIATION WITH HIGHLIGHTED CHANGES

ARTICLES OF ASSOCIATION OF DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.

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TITLE I.- COMPANY AND CAPITAL STOCK

Chapter I. General provisions

Article 1.- Company name

The Company will be called "**DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN S.A.**" and will be governed by these articles of association, by the Capital Companies Act (*“Ley de Sociedades de Capital, [the “Companies Act”](#)*) and by any other applicable legal provisions.

Article 2.- Corporate object

1. The object of the Company is to execute the following activities, both in Spain and abroad:
 - (a) The wholesale and retail commercialisation in the internal and external market of food products and any other products for consumer use.
 - (b) The provision of business collaboration services of all kinds for the commercialisation of telecommunications products and services, including telephony in particular, by executing the relevant agreements with companies entitled to supply and distribute all of these products and services. This collaboration, in any case and to the extent allowed by applicable law, will include the commercialisation of said telecommunications products and services.
 - (c) The execution of activities related to the commercialisation and/or sale through the Internet or any other telematic means of all type of products and services that are legally traded, including in particular food and household products and small appliances, multimedia and computer products, photography items, telephony and image or sound products, including the provision of all types of services through the Internet or any other telematic means.
 - (d) The execution of activities inherent to wholesale and retail travel agencies, including amongst others the organisation and sale of package holidays.
 - (e) The retail distribution of oil products and the exploitation of service stations and retail trade of gasoline and fuels sold to the public.
 - (f) The purchase, holding, enjoyment, management, administration and disposal of securities representing the capital stock of Spanish resident and non-resident entities, through the necessary arrangement of material and human resources.
 - (g) The management, coordination, advice and support provided to investee companies or other collaborating companies by virtue of contractual relations, e.g. franchise agreements and others.
 - (h) The deposit and storage of all types of merchandise and products, both for the Company and other enterprises.
2. The Company may execute the activities covered by the corporate object, [either in Spain or abroad](#), directly or indirectly, by holding shares or participations in companies with an identical or similar object, or through any other form permitted by law.

3. If the law were to require any professional qualifications, administrative permit or registration at the Public Registries in order to execute any of the activities covered by the corporate object described in the foregoing paragraph, said activities must be carried out by duly qualified persons and may not commence until the necessary administrative requirements are met or the relevant licences obtained.
4. In any case, the corporate object will not include any activities for which the law imposes special requirements in order to be exercised, which are not met by the Company.

Article 3.- Registered address

1. The Company's registered address is located in the municipality of Las Rozas (Madrid), Parque Empresarial de Las Rozas, Edificio Tripark, calle Jacinto Benavente nº 2-A.
2. The registered address may be transferred elsewhere within the same municipality further to a resolution adopted by the board of directors. In order to be transferred to another municipality or abroad the agreement of the general shareholders' meeting will be necessary.
3. The Company's board of directors may agree to create, remove or transfer branch offices, representations, agencies, representative offices, offices and other facilities, whether in Spain or abroad, in compliance with any applicable requirements and guarantees in each case.

Article 4.- Term

The Company will be incorporated for an indefinite term.

Chapter II.- Capital stock and shares

Article 5.- Capital stock

1. The capital stock amounts to SIXTY-FIVE MILLION ONE HUNDRED AND SEVEN THOUSAND AND FIFTY-FIVE EUROS AND EIGHTY CENTS (65,107,055.80 Euros) and is fully subscribed and paid up.
2. The capital stock consists of SIX HUNDRED AND FIFTY-ONE MILLION SEVENTY THOUSAND FIVE HUNDRED AND FIFTY-EIGHT (651,070,558) shares, with a face value each of ten cents of a euro (0.10 Euros), belonging to the same class and series.

Article 6.- Representation of the shares

1. The shares will be represented by book entries and will be established as such by virtue of their registration in the relevant accounting records. They will be governed by securities market regulations.
2. The Company's book entry register will be held by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) and its participating entities.
3. The Company will acknowledge shareholder status in favour of whoever appears as entitled in the entries included in the relevant book entry register.

4. Pursuant to the provisions established in applicable regulations, the Company may at any time request from the entity in charge of the book entry register the information required to identify its shareholders, including any address and contact details available, for communication purposes.

Article 7.- Share transfer

The shares and all economic rights derived from the same, including rights of preferential subscription and gratuitous allocation, may be freely transferred by all the means recognised by law.

Article 8.- Shareholder status

1. Each share will confer shareholder status to its legitimate owner and will entrust it with the rights acknowledged in the Act and in these articles of association.
2. The necessary standing to exercise any shareholder rights, including transfers, will be obtained through a registration in the accounting records, which will entail a presumption of legal ownership and will entitle the registered owner to demand that the Company ~~recognise~~recognises the latter as shareholder. This standing may be verified by presenting the relevant accrediting certificates, issued by the entity in charge of the accounting records.
3. All shares will be indivisible. The co-owners of one or several shares will designate a single person to exercise any member rights and will be jointly and severally liable vis-à-vis the Company for any obligations arising from their shareholder status. The same rule will be applicable to all other events of co-ownership of shares rights.
4. In the case of a usufruct over shares, member status will rest in the bare legal owner; in any case, the usufructuary will be entitled to the dividends agreed by the Company throughout the term of the usufruct. ~~In the case of a pledge over shares, shareholder rights may be exercised by the share owner.~~The exercise of all other shareholder rights is incumbent upon the owner, being the usufructuary bound to enable the bare legal owner to exercise such rights.
5. If new shares are subscribed either by the bare legal owner or by the usufructuary, the usufruct will extend to the shares that could have been paid up with the average listing value during the subscription period. The amounts outstanding in case of usufruct termination or in case the bare legal owner did not exercise its pre-emption rights in a share capital increase scenario will be settled taking into consideration the average listing value of the previous quarter in which the aforementioned facts took place.
6. In the event of a pledge over shares, shareholder rights may be exercised by the share owner.
7. ~~5.~~ Share ownership entails the acceptance of these articles of association and subjection to the decisions duly adopted by the Company's government and administration bodies within their remit.

Article 9.- Outstanding payments and defaulting shareholders

1. If the shares are not fully paid up, this circumstance will be recorded in the relevant entry.
2. All outstanding payments will be paid within the term ~~determined in the articles of association or as~~ agreed by the board of directors. In the event of default, the board of

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directors will adopt the relevant resolutions, as the case may be, according to the provisions of current regulations.

3. A shareholder will be in default if, upon expiration of the term determined for payment of the unpaid capital stock, the latter remains outstanding.
4. Any shareholder in default of outstanding payments may not exercise its voting rights. The value of its shares will be deducted from the capital stock when calculating the quorum. Nor will it be entitled to receive dividends or to any preferential subscription of new shares or convertible obligations.
5. Once the outstanding payments are settled, together with accrued interest, the shareholder may claim payment of any dividends not lapsed, but may not claim a preferential subscription if the term in which to exercise this right has expired.

Chapter III.- Capital increase and decrease

Article 10.- Capital increase

1. The capital stock may be increased by means of a resolution adopted by the general shareholders' meeting, according to the provisions established in the Act and in these articles of association.
2. Unless otherwise expressly foreseen in the resolution, if the capital stock is not fully subscribed within the term established to this effect, the capital stock will be increased by the value of the subscriptions made.

Article 11.- Authorised capital stock

1. The general meeting may entrust the board of directors with the power to determine the effective date of the resolution already adopted to increase the capital stock by the agreed amount, as well as to determine its conditions if not foreseen by the meeting, all within the limits established by the Act.
2. Furthermore, the general meeting may entrust the board of directors with the power to agree, once or several times, to increase the capital stock by debiting monetary contributions, up to a certain figure that may not exceed half the capital stock at the authorisation date, for a maximum term of five (5) years, at the time and in the amount decided by the board. The general meeting may also entitle the board of directors to exclude the shareholders' preferential subscription rights in relation to any delegated issues, if required by the corporate interest.

Article 12.- Creation and removal of preferential subscription rights

1. In the event of a capital increase with the issue of new shares to be debited to monetary contributions, the existing shareholders, within the term granted to this effect by the board of directors, which may not be less than fifteen (15) days following publication of the offer announced to subscribe in a new issue, in the Official Gazette of the Commercial Registry, may exercise their right to subscribe a number of shares that is proportional to the face value of the shares held at the time.
2. The general meeting or board of directors, as the case may be, may totally or partly exclude this preferential subscription rights if required ~~in~~ by the corporate interest, in the cases and with the conditions foreseen by the Act. In particular, the corporate interest may justify a removal of preferential subscription rights if this is necessary to enable (i) a placement of the shares in foreign markets, allowing access to sources of

financing or to new investors; (ii) the incorporation of industrial, technological or financial partners; (iii) the implementation of loyalty programmes and the remuneration paid to ~~Directors~~directors, executives or employees; (iv) the use of techniques to sell and place the new shares, in order to maximise their issue price; and (v) in general, any other operation that is suitable for the Company.

3. Preferential subscription rights may be transferred in the same conditions as the original shares. In a capital increase debited to reserves, the same rule will apply to the right to a gratuitous allocation of new shares.

Article 13.- Capital decrease

1. The capital stock may be decreased by virtue of a resolution adopted by the general shareholders' meeting, according to the provisions foreseen in the Act and in these articles of association.
2. A capital decrease may be carried out by decreasing the face value of the shares, through their redemption or grouping for a subsequent exchange, and may be used to return the value of any contributions, to condone an obligation to settle outstanding payments, to establish or increase legal or voluntary reserves, or to re-establish ~~at~~the balance between the capital stock and the Company's net wealth, if reduced due to losses.

Chapter IV.- Issue of obligations

Article 14.- Issue of obligations and other securities

1. The Company may issue obligations in the terms and with the limits foreseen by law for listed joint stock companies.
2. The general meeting may delegate to the board of directors the power to issue ordinary or convertible obligations. It may also authorise ~~he~~the board of directors to determine the effective date of the issue agreed and to determine any other conditions not foreseen in the ~~Meeting~~general meeting's resolution.
3. In the case of convertible obligations or any other security entailing a share subscription right, the general meeting may also empower the board of directors to agree to exclude the preferential subscription right held by the shareholders in relation to any delegated issue, with the requirements legally set forth.
4. The Company may issue promissory notes, preferential participations, warrants or other similar securities in any of the forms foreseen by law.

The ~~General Meeting~~general meeting may entrust the ~~Board~~board of ~~Directors~~directors with the task of issuing said securities and may authorise it to determine the moment when the issue agreed should be launched, including any other conditions not foreseen in the resolution of the ~~General Meeting~~general meeting, in the terms legally foreseen.

TITLE II.- THE COMPANY'S GOVERNMENT

Chapter I.- The ~~General Meeting~~general meeting

Article 15.- The ~~General Meeting~~general meeting

1. The shareholders, convened at a duly called general meeting, will decide by the majority required in each case, as set forth by the Act or these articles of association, on any matters within the competence of the general meeting.
2. Any duly adopted resolutions of the general meeting will bind all the shareholders, even those that are absent, against the decision and those abstaining, without prejudice to any rights of objection they may be entitled to.
3. The general meeting will be governed by the provisions of the Act, these articles of association and its own ~~regulation~~regulations.

Article 16.- Competences of the ~~General Meeting~~general meeting

1. The ~~General Meeting~~general meeting will decide on any matters attributed thereto by the Act or these articles of association and, in particular, on the following:
 - (a) Appointment and removal of directors, as well as the ratification of directors designated through a co-option procedure.
 - (b) Appointment and removal of accounts auditors and, if applicable, of the liquidators.
 - (c) Approval of the ~~corporate management and, if applicable of the~~ statements of the previous year, ~~and a proposal for~~of the allocation of results and of the corporate management.
 - (d) Any increase or decrease in the capital stock, including a delegation to the board of directors of the power to increase the capital stock.
 - (e) Elimination or limitation of preferential subscription rights.
 - (f) ~~(e)~~ Issue of obligations and other securities and delegation of the right of issue to the board of directors.
 - (g) ~~(f)~~ Authorisation for the derivative acquisition of own shares.
 - (h) ~~(g)~~ Approval and amendment of the ~~regulation~~regulations of the ~~General Meeting~~general meeting.
 - (i) ~~(h)~~ Amendments of the articles of association.
 - (j) Approval of the policy on directors' remunerations, in accordance with the terms set out in the Act.
 - (k) Approval of the Company's directors remuneration systems, in the form of shares or rights over shares or linked to the value of the shares.
 - (l) Granting the directors the exemptions regarding the prohibitions deriving from the duty of loyalty, when the granting of said exemptions lies with the general meeting, as well as the exemption regarding non-compete obligation duties.

- (m) ~~(i)~~ A merger, spin-off, transformation, dissolution and global assignment of the Company's assets and liabilities.
 - (n) ~~(j)~~ A transfer of the Company's registered address abroad.
 - (o) ~~(k)~~ Transformation of the Company into a holding company, through "subsidiarisation" ~~or~~ the incorporation or transfer into dependent companies of ~~basic~~ essential activities developed by the Company itself until then, even if the latter remains as the full legal owner thereof. An activity is presumed to be essential when the relevant amount of the transaction exceeds twenty-five per cent (25%) of the total assets in the balance sheet.
 - (p) ~~(l)~~ The acquisition ~~or disposal of basic operating assets, if this entails an effective change in the corporate object,~~ disposal or contribution of essential assets to another company. An asset is presumed to be essential when the relevant amount of the transaction exceeds twenty-five per cent (25%) of the value of the total assets according to the last balance sheet approved.
 - (q) The winding up of the Company.
 - (r) ~~(m)~~ Operations with an effect equivalent to the Company's liquidation and the approval of the liquidation balance sheet.
2. Furthermore, the ~~General Meeting~~ general shareholders meeting will resolve on any other issue ~~for which a decision is,~~ as required by the Act or these articles of association, or when so required by the board of directors.

Article 17.- Types of meetings

1. A general shareholders' meeting may be ordinary or extraordinary.
2. An ordinary general meeting will necessarily convene within the first six (6) months of each financial year in order to approve ~~the corporate management and~~, if applicable, the corporate management, the statements of the previous year; and to resolve on the allocation of results.
3. Any other meeting not foreseen in the foregoing paragraph will be considered as an extraordinary general meeting.

Article 18.- Call of a ~~General Meeting~~ general meeting

1. General ~~Meetings~~ meetings will be called by the ~~Board~~ board of ~~Directors~~ directors by publishing an announcement (i) in the Official Gazette of the Commercial Registry or in one of Spain's most widely distributed newspapers, (ii) on the Company's website (www.diacorporate.com), and (iii) on the website of the Spanish Securities Market Commission ("CNMV"), with the notification of a material disclosure, at least one month prior to the date scheduled for the meeting, unless a different timeframe is established by law.
2. The Company will convene the general meeting, either ordinary or extraordinary, in such way that rapid and non-discriminatory access for information is granted to all shareholders. To this end, media that ensure effective and public dissemination of the announcement must be guaranteed, as well as free access by the shareholders within the whole European Union.

3. ~~2.~~The board of directors may call the general shareholders' meeting if it considers this appropriate in the corporate interest.

4. ~~3.~~Furthermore, the board of directors will call a general meeting if ~~this~~it is requested by shareholders who hold, at least, ~~five~~three per cent (~~53~~33%) of the capital stock, indicating in the request the issues to be discussed at the meeting.

In this case, the meeting will be called in order to be held within the timeframe foreseen by the Act. The board of directors will draw up the agenda, and will necessarily include the matter or matters covered by the request.

5. ~~4.~~The call announcement will contain any references required by the Act, in each case, and will indicate the Company's name, the date, place and time of the meeting at first call, the agenda, including all the matters to be discussed, and the post of the person or persons calling the meeting.

The general shareholders meeting's announcement will contain, in addition to the contents legally required, the date in which the shareholder must have the shares registered under its name in order to participate and vote at the general meeting, the place and form required to obtain the full text of the documents and proposals, and the Company's website address on which the information will be available.

Additionally, the announcement will provide clear and exact information on the proceedings that shareholders must follow in order to participate and vote at the meeting.

The announcement may also indicate the date on which the general meeting will convene at second call, as the case may be. Between the first and second meetings at least twenty-four (24) hours must elapse.

6. ~~5.~~Any shareholders representing, at least, ~~five~~three per cent (~~53~~33%) of the capital stock may request that an addition be published to the call of an ordinary general shareholders' meeting, including one or more points in the agenda, as long as these new points include a justification or, as the case may be, a justified proposal for a resolution.

This right will be exercised by providing a notification by authentic means, to be received at the registered address within five (5) days following publication of the call.

The addition to the call will be published, at least, fifteen (15) days before the date scheduled for the ~~Meeting~~meeting. The failure to publish an addition to the call within the timeframe that is legally established will render the ~~Meeting null and void~~meeting challengeable.

7. ~~6.~~Furthermore, any shareholders representing at least ~~five~~three per cent (~~53~~33%) of the capital stock, within this same period of five (5) days following ~~publication~~publication of the call, may present justified proposals for a resolution on matters already included or to be included in the agenda of the called meeting. The Company will ensure that these resolution proposals are distributed amongst the remaining shareholders, as well as any documentation attached.

8. ~~7.~~The ~~General Meeting~~general meeting may not discuss or decide on any matters that are not included in the agenda, unless otherwise provided by the Act.

9. ~~8.~~In order for the courts to call a ~~Meeting~~meeting, the provisions of the Act will apply.

10. ~~9.~~ The provisions of this article will apply without prejudice to what is foreseen by law for specific situations.

Article 19.- Right of information

1. As of the very publication date of the call of a ~~General Meeting~~general meeting and until the ~~seventh~~fifth day preceding the date scheduled for the meeting ~~at first call~~, inclusive, the shareholders may request ~~in writing~~ any information or clarification they deem appropriate regarding any issues included in the agenda, or present in writing the questions they deem relevant, ~~on the issues included in the agenda~~. Furthermore, with the same prior notice and in the same manner, the shareholders may request ~~information or~~the directors any clarifications ~~or present questions in writing~~they deem appropriate on any information accessible to the public that the Company may have provided to the ~~Spanish Securities Market Commission (CNMV)~~ since the last ~~General Meeting~~general meeting was held and in relation to the auditor's report.
2. During the ~~General Meeting~~general meeting, the shareholders may verbally request any information or clarification they deem appropriate on the matters included in the agenda, as well as on any information accessible to the public that the Company may have provided the CNMV since the last ~~General Meeting~~general meeting was held and in relation to the auditor's report. If the relevant shareholder's right cannot be settled at that time, the ~~Board~~board of ~~Directors~~directors will provide ~~this~~the requested information in writing within seven (7) days following the end of the ~~General Meeting~~general meeting.

3. ~~—~~ The valid requests for information, clarifications or questions presented in writing, and the answers presented in writing by the directors will be included in the Company's website. The board of directors will be obliged to provide the information requested according to the two preceding sections, in the manner and within the timeframes foreseen in these articles of association, the ~~regulation~~regulations of the ~~General Meeting~~general meeting and the Act, except for those cases in which:

a) ~~in the chairman's opinion, the publicity of this information would be detrimental to the corporate interest;~~ the requested information is unnecessary for the protection of the shareholder's rights, there are objective reasons to believe that the requested information may be used for non-corporate purposes or its disclosure may damage the Company or related companies; ;

b) the request for information or clarification requested does not refer to matters included in the agenda or to information accessible to the public, provided by the Company to the CNMV since the last general meeting was held;

c) before the question was made, the information requested ~~by clear~~is clearly, expressly and directly available to all shareholders on the Company's website, as FAQ; or

d) this is foreseen in legal or regulatory provisions or judicial resolutions.

Notwithstanding the foregoing, the exception indicated in point (a) above will not apply in those cases where a request for information is backed up by shareholders representing, at least, twenty-five per cent (25%) of the capital stock.

3. ~~4.~~ The call of an ~~Ordinary General Meeting~~ordinary general meeting will indicate the means through which a shareholder may obtain from the Company, immediately and cost-free, any documents to be presented for approval by the ~~Meeting~~meeting.

- ~~4.~~ ~~5.~~ If the ~~General Meeting~~general meeting has to discuss an amendment of the articles of association, the announcement of the call, apart from the references required by the Act in each case, will indicate the right to which all shareholders are entitled to examine at the registered address the full text of the amendment proposed and the relevant report, and to request that said documents be handed over or delivered at no cost.
- ~~5.~~ ~~6.~~ In all those cases foreseen by the Act, the shareholders will be provided with any additional information and documentation that may be necessary, including any other that the board of directors deems appropriate in order to ~~constitute~~form the Company's ~~wish~~will. This information and documentation will be made available to the shareholders through the ~~web site~~website, without ~~the~~ shareholders' ~~right~~ being entitled to request this information in printed form.

Article 20.- Right of attendance

1. A ~~General Meeting~~general meeting may be attended by all the shareholders, regardless of the number of shares they own.
2. In order to exercise their right of attendance, all shareholders must have recorded their shares in the relevant book entry register, at least five (5) days before the date scheduled for the ~~Meeting~~meeting.

Article 21.- Right of representation

1. Any shareholder entitled to attend may be represented at a ~~General Meeting~~general meeting through another person, even if not a shareholder, meeting the requirements and formalities imposed by the articles of association, the ~~regulation~~regulations of the ~~General Meeting~~general meeting and the Act.
2. A proxy will be conferred in writing or by post or electronic mail, in which case the provisions foreseen in ~~Article~~article 28 herein will apply for the issue of votes through these means, to the extent that this is not incompatible with the nature of the proxy.
3. The ~~Chairman~~chairperson and ~~Secretary~~the secretary of the ~~General Meeting~~general meeting will enjoy the broadest powers to recognise the validity of the document or means to accredit the proxy.
4. A proxy may always be revoked. Attendance at the ~~General Meeting~~general meeting by the represented shareholder, either in person or by issuing a long-distance vote, will be deemed to revoke the proxy granted, regardless of its date.

Article 22.- Place and time of the ~~Meeting~~meeting

1. A ~~General Meeting~~general meeting will be held at the place indicated in the call, which may be within the municipality where the Company has its registered address or in any other municipality of the province of Madrid. If the call does not indicate the place of the meeting, it will be deemed as convened at the registered address.
2. If proposed by the directors or at the request of shareholders representing, at least, a fourth of the capital stock present at the ~~General Meeting~~general meeting, the attendants may agree to extend the meeting for one or more consecutive days. Regardless of the number of meetings, only one ~~General Meeting~~general meeting will be deemed as convened and a single minute will be issued for all meetings.

Article 23.- Incorporation of a ~~General Meeting~~general meeting

1. A ~~General Meeting~~general meeting will be validly convened, at first call, whenever the shareholders present or ~~represented~~by proxy hold, at least, twenty-five per cent (25%) of the voting capital stock subscribed. At second call, a meeting may be incorporated irrespective of the capital stock in attendance.
2. Pursuant to article 194 of the ~~Capital~~ Companies Act, in order for an ~~Ordinary or Extraordinary General Meeting~~ordinary or extraordinary general meeting to validly agree to increase or decrease the capital stock or any other amendment of the articles of association, the issue of obligations, the removal or limitation of a preferential subscription right over new shares ~~or convertible obligations~~, as well as a transformation, merger, spin-off or global assignment of assets and liabilities and a transfer of the registered address abroad, it will be necessary, at first call, for shareholders to attend, in person or ~~represented~~by proxy, holding at least fifty per cent (50%) of the voting capital stock subscribed. At second call, it will suffice for twenty-five per cent (25%) of said capital stock to attend, present or by proxy. However, if shareholders attend who represent fifty per cent (50%) or less than 50% of the voting capital stock subscribed, the resolutions referred to in this paragraph may only be validly adopted with the favourable vote of two thirds (2/3) of the capital stock present or ~~represented at the Meeting~~by proxy at the meeting. In any case, if the share capital, present or by proxy, exceeds fifty per cent (50%), in first or second call, an absolute majority shall suffice to deem the resolution passed.
3. If, in order to validly adopt a resolution on any or several points of the agenda of the ~~General Meeting~~general meeting, it were necessary, according to law or applicable provisions in the articles of association, for a certain percentage of the capital stock to be present, and this percentage is not reached or the consent of certain interested shareholders is required and the latter are not present or represented, the ~~General Meeting~~general meeting will only discuss those issues of the agenda which, in order to be approved, do not require the attendance of said percentage of the capital stock or these shareholders.
4. Any absences that may arise once the ~~General Meeting~~general meeting has convened will not affect its validity.

Article 24.- ~~Chairman, Secretary and Board~~Chairperson, secretary and board of the ~~Meeting~~meeting

1. The board of the ~~General Meeting~~general meeting will consist of the ~~Chairman~~chairperson and ~~Secretary~~secretary of the ~~General Meeting~~general meeting and those members of the board of directors in attendance at the meeting.
2. The ~~General Meeting~~general meeting will be chaired by the ~~Chairman~~chairperson of the ~~Board~~board of ~~Directors~~directors and, otherwise, by the ~~Vice Chairman~~vice chairperson designated in order of priority. In the absence of both and without any delegation being made, the director in attendance with the lowest seniority in the post will act as ~~chairman~~chairperson and, in the event of a draw, the oldest director.
3. The ~~Secretary~~secretary will be the person holding this post on the ~~Board~~board of ~~Directors~~directors or, otherwise, the ~~Vice Secretary~~vice secretary, if any, and, in his/her absence, the attending director who has most recently held the post, and, if there is a tie, the youngest director.

Article 25.- List of attendants

1. The list of attendants will include, as shareholders present: (i) those individual shareholders who attend in person; (ii) shareholder legal entities that attend through representatives who are legally empowered to do so; (iii) the Company, in relation to the shares it still owns in the capital stock; and (iv) those shareholders who have exercised their right to a long-distance vote, pursuant to the provisions established in ~~Article~~article 28 of the articles of association and the ~~regulation~~regulations of the ~~General Meeting~~general meeting.
2. At the end of the list the total number of shareholders present or ~~represented~~by proxy will be indicated, as well as the amount of capital stock represented, specifying which part is held by shareholders with voting rights.
3. Any issues that may arise in relation to the attendance, representation and drawing up of the list of attendants will be resolved by the ~~Chairman~~chairperson, and this task may be entrusted to the ~~Secretary~~secretary.
4. The list of attendants may also be drawn up in a file or attached in electronic support. In these cases, the minute itself will indicate the means used and the necessary official identification, signed by the ~~Secretary~~secretary with the approval of the ~~Chairman~~chairperson, will be issued on the sealed cover of the file or support.

Article 26.- Discussion and vote

1. The ~~Chairman~~chairperson will be in charge; of directing the meeting in such a way that discussions are held according to the agenda; he/she may accept or reject new proposals in relation to the matters included in the agenda; direct the discussions and grant the floor to any shareholders who ~~so~~-request so, withdrawing or not granting it if he/she considers that a certain issue has been sufficiently discussed, is not included in the agenda or hinders progress of the meeting; arrange the time for voting; carry out, together with the ~~Secretary~~secretary of the ~~General Meeting~~general meeting, a calculation of the votes; ~~announcing~~announce the voting results; provisionally suspend the ~~General Meeting~~general meeting, declare it ~~as~~ ended and, in general, any duties, including those of order and discipline, required for the adequate progress of the ~~General Meeting~~general meeting.
2. The ~~Chairman~~chairperson, even if present at the meeting, may entrust the directing of discussions to the director he/she deems appropriate or to the ~~Secretary~~secretary, who will carry out these duties on behalf of the ~~Chairman~~chairperson.
3. ~~The exercise of voting rights in the general meeting by shareholders affected by a conflict of interest shall be subject to the provisions set forth in the applicable law.~~
4. ~~3-~~All votes on resolutions adopted by the ~~General Meeting~~general meeting will be held according to the provisions established in the articles below and in the ~~regulation~~regulations of the ~~General Meeting~~general meeting.

Article 27.- Adoption of resolutions

1. Each share with a right to vote, in person or ~~represented~~by proxy at a ~~General Meeting~~general meeting, will confer the right to one vote.
2. All resolutions of the ~~Meeting~~meeting will be adopted by ~~ordinary~~simple majority of the votes of the capital stock present or ~~represented~~by proxy; ~~deeming passed a~~

resolution when more favourable votes than against have been obtained of the share capital, present or by proxy. The foregoing will not include any cases for which the Act or these articles of association require a higher majority.

Article 28.- Issue of long-distance votes

1. Shareholders with a right to attend may issue their vote on any proposals related to the points included in the agenda of any ~~General Meeting~~general meeting, by post or by electronic means, as long as the identity of the shareholder exercising its right to vote is duly guaranteed.
2. Votes cast by post will be sent to the Company in writing, stating whether the vote is favourable or unfavourable, and meeting the formalities determined by the ~~Board~~board of ~~Directors~~directors in a resolution and subsequent communication in the announced call of the meeting in question.
3. Votes sent by electronic means will be issued under a recognised electronic signature or other type of guarantee, which the ~~Board~~board of ~~Directors~~directors deems appropriate to assure the authenticity and identification of the shareholder exercising its right to vote, as determined in a resolution and subsequent communication in the announced call of the meeting in question.
4. In order to be deemed valid, a vote issued by either of the long-distance means referred to in the foregoing sections must be received by the Company at least twenty-four (24) hours before the date scheduled for the ~~Meeting~~meeting at first call.
5. The ~~Board~~board of ~~Directors~~directors may implement and complement any regulations regarding votes and long-distance delegation, foreseen in these articles of association, establishing the instructions, means, rules and procedures deemed appropriate to instrument the issue of a vote and the granting of a proxy through long-distance means of communication. Any implementing rules adopted by the ~~Board~~board of ~~Directors~~directors pursuant to the provisions of this section will be published on the Company's website.
6. Any shareholders issuing a long-distance vote pursuant to what is foreseen in this article will be deemed as present for the purposes of convening the ~~General Meeting~~general meeting in question. Consequently, any future proxies made prior to the issue of this vote will be deemed as revoked and those subsequently conferred will be deemed as not made.
7. A vote issued through long-distance means of communication will be invalidated by the attendance in person at the meeting of the voting shareholder, or by a disposal of its shares, of which the Company becomes aware at least five (5) days before the date scheduled for the ~~Meeting~~meeting at first call.

Article 29.- Documentation of resolutions

1. Documentation of any resolutions adopted by the ~~General Meeting~~general meeting, their formalisation in a public deed and registration at the Commercial Registry, will be carried out as foreseen in the Act and Commercial Registry Regulations.
2. Any total or partial certifications that are necessary to accredit resolutions adopted by the ~~General Meeting~~general meeting will be issued and signed by the ~~Secretary~~secretary of the ~~Board~~board of ~~Directors~~directors or by the ~~Vice Secretary~~vice

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secretary, if appointed, with the approval of the ~~Chairman or Vice Chairman or Vice Chairmen~~chairperson or vice chairperson or vice chairpersons, if several have been appointed.

Chapter II.- Company administration

Section 1.- The ~~Board~~board of ~~Directors~~directors

Article 30.- The ~~Board~~board of ~~Directors~~directors

1. The Company will be administered and governed by a ~~Board~~board of ~~Directors~~directors.
2. The ~~Board~~board of ~~Directors~~directors will be governed by applicable legal rules, by these articles of association and by the ~~Board of Directors Regulation~~board of directors regulation.

Article 31.- Authority of the ~~Board~~board of ~~Directors~~directors

1. The board of directors has authority to adopt resolutions regarding all kinds of matters not attributed by the Act or the articles of association to the general meeting.
2. The board of directors has the broadest power and authority to manage, direct, and represent the Company. As a general rule it entrusts ordinary management of the Company to the delegated administrative bodies, and concentrates its actions on the general function of supervision and on consideration of those matters that are of particular importance to the Company.
3. Judicial and other representation of the Company will correspond to the board of directors, its ~~chairman~~chairperson, the ~~managing director~~chief executive officer and, if applicable, the executive committee.
4. In any event, the board will assume, without delegation, such authority as is legally reserved directly to it, and such other authority as may be necessary for effective exercise of the general supervision function. In particular, by way of illustration and not limitation, the following are non-delegable powers of the board:
 - (a) call of the general meeting of shareholders, drafting of the agenda and of the proposals for resolutions;
 - (b) appointment of directors by way of co-option and referring proposals to the general meeting regarding appointment, ratification, re-election and removal of directors, as well as acceptance of director resignations;
 - (c) appointment and renewal of those in the internal positions within the board of directors, and the members of ~~and positions on~~the committees constituted within the board;
 - (d) definition of the corporate governance policy of the Company and its group, its organisation and functioning, and the definition of the structure of the group of companies of which the Company is the parent;
 - (e) supervision of the performance of the board committees and acts carried out by delegated bodies and senior managers;

- (f) appointment and removal of executive directors and senior managers reporting to the board, as well as the establishment of basic conditions of their contracts, including their remuneration;
- (g) granting an authorisation or exemption of the obligations deriving from the duty of loyalty, when the granting of such authorisation lies with the board in accordance with legally set forth;
- (h) preparation of the financial statements, management report and proposal for application of profits of the Company, as well as the consolidated financial statements and management report, if applicable, and their submission to the general meeting for approval;
- (i) approval of the financial information that the Company, being a listed company, must periodically disclose;
- (j) ~~(e)~~ preparation of the annual corporate governance report and of the annual report on directors' remuneration, both to be presented to the general meeting and the other reports and documents that must be submitted to it;
- (k) drafting any other report required by the Act, when the transaction to which the report refers to cannot be delegated.
- (l) ~~(f)~~ determination and specification of the policy applied by the Company to its own shares, further to the authorisations granted by the general meeting;
- (m) ~~(g)~~ delegation of powers to any of its members, in the terms established in the Act and articles of association, including any revocation;
- (n) ~~(h)~~ approval and amendment of its own organisation and functioning and, particularly, the approval and amendment of the board of directors' regulation;
- (o) ~~(i)~~ approval of the Company's ~~general strategy and~~ policies and general strategy and, particularly, the approval of the strategic or business plan, the management objectives and the annual budget, the investments and financial policies, the corporate social responsibility policy and the dividends policy, as well as determining the necessary organisation for its implementation, supervising and ensuring that the delegate bodies and executives meet the targets established and uphold the company's object and corporate interest;
- (p) ~~(j)~~ approval of the ~~remuneration policy applied to directors and executives;~~ and investments or transactions that, due to the amount or special features, have strategic nature or special tax risks, except when their approval lies with the general meeting;
- (q) creation or acquisition of shares in entities with special purposes or domiciled in countries or territories that are considered as tax havens, as well as any other similar transactions of similar nature that, due to their complexity, may undermine the transparency of the Company or its group;
- (r) decisions concerning the remuneration of the board members, in accordance with the articles of association and, if applicable, the remuneration policy as approved by the general meeting;

- (s) determination of the risk control and management policy, including tax risks, and the supervision of the information control internal systems;
- (t) approval of the transactions entered into by the Company or companies of its group with directors, as defined by the Act, or with shareholders who own, individually or jointly, a significant stake, including shareholders represented in the board of directors of the Company or companies of its group or individuals linked to them. The directors concerned or represented or linked to the relevant shareholders must refrain from participating in the deliberation and voting of the resolution in question. The board of director's regulation will foresee, according to the Act, the transactions for which this approval shall not be necessary;
- (u) approval of the Company's tax strategy;
- (v) the powers that the general meeting vested on the board of directors, save for those that the latter has been expressly authorised to subdelegate;
- (w) ~~(k)~~ any other matter reserved by the ~~regulation~~Act or the regulations to an examination of the plenary meeting of the board.

5. When urgency circumstances, duly justified, arise, decisions concerning the aforementioned issues may be adopted by the delegated organs or persons, provided that they are ratified in the first meeting of the board that takes place after the adoption of said decisions.

6. ~~5.~~The board of directors at all times will exercise its authority in the interest of the Company, that being understood to be the ~~common interest of the shareholders~~achievement of a profitable and long-term sustainable business, which may promote the continuance and the maximizing of the Company's economic value, albeit at the same time considering ~~the~~ other legitimate interests, public or private, involved in the conduct of any business activity, particularly those of workers, ~~among other stakeholders. In this regard, the actions of the board of directors and its delegated bodies at all times will be aimed at maximising the economic value of the Company on a sustained basis~~suppliers, clients and any other interest groups.

Article 32.- Number of ~~Directors~~directors

1. The board of directors will consist of a minimum of five (5) and a maximum of fifteen (15) members.
2. The general shareholders meeting determines the number of directors. The general meeting may fix that number by express resolution or, indirectly, by resolutions filling vacancies and appointing new directors adopted within the aforesaid maximum and minimum.
3. The board will propose to the general meeting such number of directors as, based on the circumstances existing from time to time, is most appropriate to ensure proper representation and effective functioning of the board.

Article 33.- ~~Classes~~Categories of directors and composition of the board

1. Deemed to be
 - (a) ~~inside~~Inside directors (or executive directors) are those directors who ~~are senior managers or employees of the company~~perform management functions in the

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Company or its group, irrespective of the legal link they have with it. For these purposes, those treated as inside directors are the ~~chairman~~chairperson, if he has delegated management functions, the ~~managing director~~chief executive officer, if any, and those that in any other way have management responsibilities within the Company or any of its subsidiaries;

The above notwithstanding, directors who are, as well, senior managers or directors of companies which are part of the group of companies where the Company's parent is dominant will be considered as inside directors.

Whenever a director performs managing functions, and, at the same time, is or represents a significant shareholder or a shareholder represented at the board of directors of the Company, it will be considered as an inside director.

- (b) ~~proprietary~~Proprietary outside directors (or non-executive) are the directors who hold a shareholding interest not less than the legally determined threshold for significant holdings, or are otherwise appointed due to their status as shareholders, although their shareholding interest does not reach such relevant thresholds, and the persons ~~the appointment of which is proposed by~~who represent such shareholders;
 - (c) ~~independent~~Independent outside directors (or non-executive) are those directors appointed for their personal or professional qualities who are in a position to perform their duties without being influenced by any connection with the Company or its group, its significant shareholders or its management;
 - (d) ~~other~~Other outside directors are the outside directors that cannot be classified as proprietary or independent.
2. The board of directors, ~~in the exercise of its authority to propose to the general meeting and its co-option authority to fill vacancies, will see to it that in this body outside directors represent a broad majority of the board and, in particular, the number of independent directors represents at least one third of the total number of directors. must ensure that the selection process for board members encourages diversity of gender, experiences and knowledge, and therefore it will not include implicit bias causing any kind of discrimination, in particular, against women.~~
3. ~~The board will also see to it that, among outside directors, the ratio of proprietary directors to independent directors reflects the ratio of the capital of the Company represented by proprietary directors and the remainder of capital.~~

Article 34.- Term

1. Directors will hold their post for a three (3) year term, unless they resign or are removed, and may be re-elected once or several times for periods of equal duration, except as regards independent directors, who may only hold their post for a maximum of four (4) mandates.
2. The appointment of directors will expire when, after the term has elapsed, the next general meeting is held or the legal timeframe has elapsed in which to hold a meeting to resolve on the approval of the statements of the previous financial year.

In the event of a vacancy once the general meeting has been called but before it is held, the board of directors may appoint a director until the next general meeting.

Article 35.- Designation of posts

1. The board will select from amongst its members a ~~chairman~~chairperson and vice ~~chairman~~chairperson, who will replace the ~~chairman~~chairperson in the event of impossibility or absence.
2. The board may also appoint more vice ~~chairmen~~chairpersons, in which case the tasks described will be entrusted to the first vice ~~chairman~~chairperson who, in turn, will be replaced if necessary by the second vice ~~chairman~~chairperson, and so on.
3. The board will appoint a secretary and may appoint a vice secretary, who need not be directors. The secretary will attend the board meetings with a right to speak but not to vote, unless he holds director status, and will perform the duties set forth by the Act, these articles of association, and the board of director's regulation. The vice secretary, if any, will replace the secretary if the latter is not present at the meeting for any reason and, unless otherwise decided by the board, may attend the board meetings to assist the secretary in his task.

Article 36.- Board of directors' meetings

1. The board of directors will meet, when previously called by the ~~chairman~~chairperson, with the necessary frequency to adequately perform its tasks and, in any case, at least once a quarter.
2. In any event, the board must necessarily meet within a maximum term of three (3) months after the close of the financial year, to prepare the financial statements, management report and proposal for application of profits.
3. The call of meetings will be made on each director by letter, fax, telegram or e-mail, and will be authorised by the signature of the ~~chairman~~chairperson or, if applicable, by the secretary or ~~assistant~~vice secretary by order of the ~~chairman~~chairperson. The call will be sent a minimum of five (5) days in advance, except as regards urgent matters, for which the call will be by the ~~chairman~~chairperson forty-eight (48) hours in advance. Also, the call always will include the place, date and time for the holding of the meeting, and the agenda for the meeting, if applicable attaching such information as is deemed to be necessary.
4. The board of directors also will meet when so requested by at least one third (1/3) of its members ~~or~~, two (2) of the independent directors or, if any, the lead director, in which case it must be called by order of the ~~chairman~~chairperson ~~The same directors~~chairperson or the lead director. Additionally, any director will be entitled to require the president to include certain matters in the call for any meeting of the board.
5. Furthermore, any directors representing at least one third (1/3) of the members of the ~~Board~~board of ~~Directors~~directors may call a board meeting, indicating the agenda, to be held in the ~~city~~municipality where the registered address is located if, further to the ~~Chairman~~chairperson's request, the latter is unable to call the meeting within a term of one month, without justified cause.
6. If the ~~chairman~~chairperson is, at the same time, the ~~managing director~~chief executive officer of the Company, the board of directors will ~~authorise one of~~appoint a lead director among the independent directors, with the abstention to vote of the executive directors, who will be especially entitled to request a call of the board of directors or ~~include~~the inclusion of points on the agenda of a convened meeting, ~~in order~~ to

coordinate and ~~voice the concerns of~~meet outside directors, and to direct the periodic examination conducted byof the chairperson of the board of directors.

7. Without prejudice to the foregoing, the board will be deemed to have been validly constituted, without need of call, when all directors are present or represented and unanimously accept the holding of the meeting on a universal basis, and the matters to be dealt with at the meeting.
8. If no director objects, the board also may adopt written resolutions without need of holding a meeting, in accordance with the provisions of the ~~Capital~~ Companies Act, the Commercial Registry ~~Regulation~~Regulations and the articles of association, in which case the vote may be issued in writing or by e-mail, provided that the identity of the director issuing the vote is assured.
9. The meetings of the board and its committees will be held at the registered office of the Company or at the place, within Spain or abroad, indicated in the call.
10. Notwithstanding the foregoing, meetings of the board and its committees may be held using remote means of communication if any of the members cannot attend the place fixed for the meeting in the call, provided that in the judgment of the ~~Chairman~~chairperson there are no circumstances making that inadvisable.
11. Directors not physically attending the meeting that use means of communication allowing it to be held on a simultaneous and reciprocal basis with the place of the meeting and with the other members using remote means of communication will be considered to be in attendance for all purposes and may issue their votes by way of the means of communication used.

Article 37.- Incorporation and majority for the adoption of resolutions

1. In order for resolutions within the authority of the board of directors to be valid, it will be necessary for at least the majority of the board members to attend, either present or ~~represented~~by proxy, at the meetings at which they are adopted.
2. All directors may issue their vote and confer a proxy to another director. However, outside directors shall only confer a proxy to another outside director. Such proxy will be specifically granted for the board of directors' meeting it refers to and will include instructions, to the extent possible.
3. The ~~chairman~~chairperson will organise the discussion, ensuring and encouraging the participation of all directors in the deliberations of the body.
4. Except in cases in which the Act or articles specifically establish other voting majorities, resolutions will be adopted by absolute majority of the directors present at the meeting in person or by proxy. In the event of a tie, the ~~chairman~~chairperson will not have a casting vote.

Article 38.- Formalisation of resolutions

1. The secretary will prepare the minutes of the meetings of the board of directors, which will be signed at least by the ~~chairman~~chairperson or vice ~~chairmen~~chairpersons, if applicable, and the secretary or ~~assistant~~vice secretary, if applicable. Minutes will be transcribed or inserted, as provided by law, in a special book of board minutes.

2. The minutes will be approved by the board of directors itself, at the end of the meeting or at the next following meeting, unless the immediacy of scheduling of the meetings does not so allow, in which case they will be approved at a later meeting.

Article 39.- Directors' compensation

1. The ~~compensation of directors~~members of the board of directors will receive, as such directors, a compensation which will amount to an annual quantity which will be determined by the general meeting for board of directors as a whole. This compensation will consist of a fixed monthly stipend and per diems for attending meetings of the board of directors and its committees. The maximum amount of compensation to be paid by the Company to its directors in these categories will be the amount determined for that purpose by the general shareholders meeting, which will remain in effect until an amending resolution is adopted.
2. The board of directors, within the maximum set by the general shareholders meeting, will fix each financial year ~~will fix~~ the specific amount to be received by each of the directors, it being permissible for it to vary the amount to be received by each of them ~~based on:~~taking into consideration the duties and responsibilities conferred on each director, the membership of board committees and any other objective circumstance that the board of directors deems relevant.
 - ~~(a) the director's membership or lack of membership on a delegated body of the board;~~
 - ~~(b) the positions the director occupies therein or, in general,~~
3. ~~(c) the director's dedication to administration tasks or service to the Company.~~Executive directors will receive, for the performance of executive duties, or any other that may be conferred on them irrespective of the title, the compensation that the board determines. Such compensation will be adjusted to the policy on directors' remuneration approved by the general meeting, and will be reflected in the relevant contract entered into by the director and the Company.
3. ~~The compensation foreseen in the preceding sections, deriving from membership on the board of directors, will be compatible with and independent of such other professional or employment compensation as may correspond to the directors for the performance of management work or for advice other than the group supervision and decision-making inherent in their capacities as directors, which will be subject to the applicable legal scheme. In particular, and without limitation, the compensation foreseen in this section, subjected to the aforementioned remuneration policy, may consist of fixed salaries, variable compensations (depending on the achievement of corporate objectives and/or individual performance), dismissal compensations for reasons other than the noncompliance of duties, pensions, insurances, welfare systems, deferred remuneration concepts and compensation formulas in the form of shares or options thereon or indexed to the value of the shares, set forth for those members of the board of directors who perform executive duties.~~
4. Inside In the framework of the remuneration policy, inside or executive directors may be compensated by with the delivery of shares of the Company or another group company ~~to which they belong,~~ options thereon or instruments or any other compensation indexed to their ~~price.~~value.

All other directors may be compensated with ~~at~~the delivery of shares, as long as they undertake to hold the shares until expiration of their office. Nevertheless, this rule will not be applicable to the shares which the directors need to transfer, as the case may be, to pay any costs related to their acquisition.

When dealing with shares of the Company or instruments indexed to the ~~price~~value thereof, the compensation must be resolved by the general shareholders meeting. The resolution, if applicable, will state the maximum number of shares to be delivered, the price of exercise ~~of the option rights~~or the system to determine the price of exercise of the stock options, the value of the shares, if applicable, to be taken as a reference and the term of ~~this form of compensation.~~ the plan.

5. The compensation of directors will be stated in the ~~Report~~report, broken down by each director.

Article 39bis.- Directors' remuneration policy

- ~~1. 6. Together with the annual corporate governance report, the board of directors must prepare and disseminate an annual report on compensation of directors, which is to include complete, clear and comprehensible information regarding the Company's compensation policy, approved by the board for the year in course and, if applicable, the policy contemplated for future years. It also will include an overall summary of how the compensation policy was applied during the financial year, and details of the individual compensation earned by each of the directors. This report is to be disseminated and submitted to vote on a consultative basis, as a separate point of the agenda, by the ordinary general shareholders meeting. The director's remuneration policy will be submitted to the general meeting for its approval, at least every three (3) years, as a separate item of the agenda, as foreseen in the Act.~~
2. The remuneration policy, in the framework of the provisions of article 39 above, will determine the annual amount to be paid to the directors as such.
3. Regarding the compensation due to executive duties, the remuneration policy will set forth the amount of the annual fixed compensation and its variations in the period of time to which the policy refers to, the different parameters to determine the variable components and the main terms and conditions of the contracts of the inside directors, comprising, in particular, their term, compensations for early retirement or early termination and exclusivity, post-contractual non-competence and permanency agreements.
4. If the annual report on the director's remuneration is rejected in the consultative voting by the general shareholders meeting, the remunerations' policy to be applied for the following financial year must be submitted to the decision of the general meeting, prior to its implementation, even if a three (3) year period of time has not elapsed. The previous rule will not be applicable if the remuneration's policy has been passed in said same general meeting.
- ~~5. 7.—~~The Company will encourage all shareholders and, in particular, institutional shareholders to attend general meetings and prudently exercise their votes therein when dealing with compensation of the ~~Directors~~directors.

Section 2.- Delegated bodies of the board of directors

Article 40.- Delegated bodies

1. The board of directors will appoint an audit and compliance committee and a ~~nominating~~nomination and ~~compensation~~remuneration committee from among its members, to which may be delegated, in whole or in part, on a provisional or permanent basis, the ~~rights~~powers deemed advisable and that are able to be delegated according to the Act.
2. The board of directors may appoint a delegate committee and one or several managing directors from among its members, determining the persons who will hold said posts and their activity, to whom may be delegated, in whole or in part, on a provisional or permanent basis, all the ~~rights~~powers that are able to be delegated according to the Act. If a delegate committee is established, the board will appoint its members and ensure that the participation structure of the various categories of directors is similar to that of the board.
3. Furthermore, the board of directors may establish other committees consisting of directors entrusted with the relevant powers.
4. The foregoing committees will be governed by the provisions of the Act, these articles of association and the ~~regulation~~regulations of the Company's board of directors.

Article 41.- The audit and compliance committee

1. The board of directors will establish an audit and compliance committee, of a permanent nature, which will be comprised of a minimum of three (3) directors and a maximum of five (5), appointed by the board of directors itself from among its outside or non-inside directors. ~~In this regard, at least one (1)~~The majority of the members of the audit and compliance committee will be independent and, at least, one (1) of them will be appointed based on his knowledge and experience in accounting or auditing matters, or both.
2. Without prejudice to such other tasks as may be assigned to it from time to time by the board of directors, the audit and compliance committee in any event will have the following authority:
 - (a) reporting to the general shareholders meeting in answer to questions ~~raised by shareholders that fall~~related to issues within the scope of its responsibilities;
 - (b) supervising and reviewing the process of preparation and presentation of ~~regulated~~required financial information;
 - (c) supervising the effectiveness of the Company's internal control ~~procedures~~, internal audit and risk management systems, including fiscal risks; and discussing with the Company's auditors such significant weaknesses in the internal control system as may be discovered in the conduct of the audit;
 - (d) ~~proposing~~submitting to the board of directors, ~~for submission to the general shareholders meeting,~~ the proposal for the selection, appointment, re-election and removal of the outside auditors, as well as the conditions for hiring them; and the scope of their professional assignment ~~and, if applicable, revocation or non-renewal of the appointment;~~ and receiving information about the audit plan and its execution, as well as ensuring the auditors' independence;

- (e) establishing the appropriate relationships with the outside auditors ~~or audit companies~~ to receive information regarding such questions as may compromise their independence, for examination by the committee, and ~~those of anyone else involved in~~ any other questions related to the process of auditing accounts, and such other communications as may be contemplated in the accounting and auditing legislation ~~regarding auditing~~ and audit standards.
- In any event, ~~annually~~ they must annually receive from the outside auditors ~~or audit companies written confirmation~~ a statement of their independence as regards the entity or directly or indirectly related entities, and information on additional services of any kind ~~provided to~~ and the relevant retribution received from these entities by the aforesaid ~~auditors or companies~~ outside, or by the persons or entities related thereto, in accordance with the provisions of the ~~Audit Act~~ accounting and auditing legislation.
- (f) annually, prior to the issue of the audit report, issuing a report stating an opinion regarding the independence of the auditors ~~or audit companies~~. This report must comprise, in any event ~~must opine on~~, the assessment of the provision of additional services referred to in ~~section e) above~~ the point above, individually and globally considered, different from the legal audit and in relation to the independence system or the legal provisions on auditing;
- (g) prior reporting to the board regarding any matters foreseen by the Act, these articles of association, the board of directors regulation, and, in particular:
- the financial information that the Company must periodically disclose,
 - the creation or acquisition of shares in entities with special purposes or domiciled in countries or territories that are considered as tax havens;
- (h) ~~(g)~~ supervising compliance with the rules regarding related party transactions with directors or major shareholders or shareholders represented on the board; in particular, it will report to the board regarding such related party transactions and, in general, regarding transactions that imply or may imply conflicts of interest, for ~~purposes of~~ their approval, and will see to it that information in respect thereof is communicated to the market as required by law;
- (i) ~~(h)~~ supervising compliance with internal codes of conduct, in particular the code of conduct for the securities market;
- (j) ~~(i)~~ any such others as may be attributed to it by the Act and other regulations applicable to the Company.
3. The ~~chairman~~ chairperson of the audit and compliance committee will be appointed from among the ~~outside independent~~ directors ~~or members that have no management functions within the Company, and have no contractual relationship other than the status on the basis of which they are appointed,~~ members of the committee.
4. The ~~chairman~~ chairperson must be replaced every four (4) years, and may be re-elected after a term of one (1) year elapses since he/she left office.
5. Also, the committee will appoint a secretary and may appoint ~~an assistant~~ a vice secretary, neither being required to be a member thereof. If these appointments are not made, those holding those positions on the board will act as such.

6. When exercising ~~isits~~ tasks, the committee may request the assistance of executive directors and senior managers of the Company. Also, if it deems this appropriate, it may hire the services of external advisors.

Article 42.- The ~~nominating~~nomination and ~~compensation~~remuneration committee

1. The board of directors will establish a ~~nominating~~nomination and ~~compensation~~remuneration committee, on a permanent basis, which will be solely comprised of outside ~~or non-inside~~ directors, the majority independent, in a number determined by the board of directors, with a minimum of three (3) and a maximum of five (5). The members of the ~~nominating~~nomination and ~~compensation~~remuneration committee will be appointed by the board of directors.
2. At least one (1) of the members of the ~~nominating~~nomination and ~~compensation~~remuneration committee must have knowledge and experience regarding compensation policies.
3. Without prejudice to such other tasks as may be assigned to it from time to time by the Act, these articles of association and the board of ~~directors~~director regulation, the ~~nominating~~nomination and ~~compensation~~remuneration committee in any event will have the following authority:
 - (a) evaluating the competence, knowledge, and experience ~~and level of dedication required of members of the board of directors~~required in the board. To this end, the committee will determine the functions and skills required for the candidates to cover a vacancy, and will evaluate the precise time and dedication in order to carry out their tasks effectively;
 - (b) making proposals to the board of directors of independent directors to be appointed by co-option ~~or, if applicable~~, for submission to decision by the general meeting, and proposals for re-election and ~~dismissal~~removal of those directors by the ~~Company~~general meeting;
 - (c) reporting on proposals ~~offor~~ the ~~board of directors for~~ appointment of other directors to be appointed by co-option ~~or, if applicable~~, for submission to decision by the general shareholders meeting, and proposals for re-election and ~~dismissal~~removal of those directors by the general meeting;
 - (d) reporting on the senior management appointments and removals ~~that the chief executive of the Company proposes to the board~~and the basic conditions of their contracts;
 - (e) reporting to the board on matters of gender diversity and, in particular, seeing to it that procedures for selection of directors and senior managers do not suffer from implicit bias preventing selection of women. In particular, the committee shall set a target for representation on the board for the least represented gender, establishing guidelines to achieve such target;
 - (f) examining and organising the succession plan for the president of the board and for the executive director of the Company and, if applicable, suggesting proposals to the board of directors to ensure a smooth and organised transition;
 - (g) ~~(f)~~ proposing to the board of directors (i) the ~~system for and amount of annual compensation of directors~~policy for remuneration of directors and senior

managers or any other person who performs senior management duties reporting to the board, the committees or the chief executive officer, (ii) the individual compensation of inside directors and ~~senior managers and~~ the other terms of their contracts, supervising their implementation, and (iii) the basic terms of contracts of senior managers;

- (h) ~~(g)~~ overseeing compliance with the compensation policy set by the Company; and
 - (i) ~~(h)~~ generally supervising compliance with the Company's applicable corporate governance rules.
4. The ~~nominating nomination~~ and ~~compensation remuneration~~ committee will designate a ~~chairman chairperson~~ from amongst its members, who must be an independent director.
 5. When exercising its tasks, the committee may request the assistance of executive directors and senior managers of the Company. Also, if it deems this appropriate, it may hire the services of external advisors.

Section 3.- Annual corporate governance report and website

Article 43.- Annual corporate governance report

1. The board of directors annually will approve an annual corporate governance report of the Company, referring to the matters contemplated by law, together with those, if applicable, it deems to be appropriate. The report must offer a detailed explanation of the structure of the company's governance scheme (ownership structure and management) and its functioning in practice, including in particular ~~including~~, transactions with related parties, a description of the principal characteristics of the internal risk control and management systems related to the process of issuance of financial information and its degree of compliance.
2. The annual corporate governance report will be approved prior to publication of the notice of call of the ordinary general meeting of the Company for the financial year in question, and will be made available to the shareholders together with the other documentation of the general meeting.
3. In addition, the annual corporate governance report will be included in the management report, in a separate section, and will also be publicised as contemplated in the securities market regulations. In particular, the report will be published as a material disclosure.

Article 43bis.- Annual report on director's remuneration

1. In addition to the annual report on corporate governance, the board of directors will draft and publish an annual report on the director's remuneration, which will include the compensations the directors receive or should receive as such directors, and, if applicable, for the performance of execution duties.
2. Said report will include complete, clear and comprehensible information on the director's remuneration policy applicable to the current financial year, as well as a global summary of the implementation of the remuneration policy during the previous financial year and the breakdown of the individual remunerations received by each of the directors under any concepts in said financial year.

3. Said report will be disclosed and submitted to a vote by the shareholder's ordinary general meeting, on a consultative basis and as a separate item on the agenda.

Article 44.- Website

1. The Company will maintain a website (*www.diacorporate.com*) to ~~respond to~~ facilitate the exercise ~~to~~ of the shareholders' right of information and to disseminate the material information of the Company to investors. The website will include the documents and information contemplated by the Act, otherwise required by the CNMV and any others determined by the board of directors, at least the following, in the terms foreseen by law:
 - a) the articles of association;
 - b) the general shareholders meeting ~~regulation~~ regulations;
 - c) the board of directors regulation;
 - d) the internal code of conduct on securities markets;
 - e) the annual corporate governance report for the most recent closed financial year and prior financial years;
 - f) the composition of the board of directors and its committees, identifying their members, positions, status and possible relationships with significant shareholders of the Company;
 - g) the financial statements, together with the management report, and the periodic public information sent to the ~~National Securities Market Commission~~ CNMV;
 - h) information regarding the call, agenda and proposed resolutions of any ordinary or extraordinary general meeting, as well as any material information that may be required by shareholders in order to cast their votes;
 - i) information regarding the development of general shareholders meetings already held, in particular regarding the agenda, attendance at the general meeting at the time it was held, resolutions adopted stating the number of votes cast and the sense thereof for each of the proposals included on the agenda;
 - j) the ~~communications~~ communication channels existing between the Company and the shareholders, in particular the pertinent explanations regarding the exercise of the shareholders' information right, indicating the postal and e-mail addresses to which they may be sent;
 - k) the resources and procedures for granting proxies for the general meeting;
 - l) the resources and procedures for the exercise of remote voting at the general meeting including, if applicable ~~including~~, forms to show attendance and voting, by proxy and by remote means, through ~~telematic~~ telematics procedures; ~~and~~
 - m) the material disclosures notified to the ~~National Securities Market Commission~~ CNMV during the current financial year and the last closed financial year; and
 - n) The Company's average period for payment to suppliers and, if applicable, the measures to be taken in the following financial year in order to reduce it and reach the maximum determined in the relevant regulations.

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2. The board of directors may agree to modify, remove or transfer the website. This resolution will be recorded at the Commercial Registry or will be notified to all the shareholders and, in any case, will be published in the Official Gazette of the Commercial ~~Regsitry~~[Registry](#) and the website itself will announce a resolution to modify, remove or transfer within thirty (30) days following the insertion of the resolution.

TITLE III.- ANNUAL STATEMENTS, ALLOCATION OF PROFIT, DISSOLUTION AND LIQUIDATION

Chapter I. Annual statements

Article 45.- Financial year

The financial year will begin on 1 January each year and will end on 31 December.

Article 46.- Annual statements and management report

1. The annual statements will include the balance sheet, profit and loss account, statement reflecting changes in net wealth over the financial year, a cash flow statement and an annual report.

These documents, as a single unit, will be drawn up in clear terms and will provide an accurate image of the Company's wealth, financial position and results, according to applicable law.
2. The management report will contain, at least, an accurate description of business performance and the Company's position, as well as a description of the main risks and uncertainties it is facing and, if applicable, information on significant events for the Company occurring since the closure of the financial year, the Company's expected performance, R&D activities and the purchase of own shares, in the terms established by the Act.
3. The board of directors, ~~during~~within the first three (3) months of the year, will draw up the annual statements, management report and proposed allocation of results and, if applicable, the consolidated statements and management report. The annual statements and management report will be signed by all the directors.

Article 47.- Account auditors

1. The annual statements and management report will be audited by account auditors.
2. The persons who will audit the annual statements will be appointed by the general meeting before the end of the financial year to be audited, for a specific period of time, which must be at least three (3) years and no longer than nine (9), as of the date of commencement of the first financial year to be audited; these persons may be re-elected by the general meeting for maximum periods of three years upon expiration of the initial period.
3. The general meeting may not revoke the auditors before expiration of the term to which they were appointed, except in the event of justified cause.

Article 48.- Approval of annual statements and allocation of results

1. The Company's annual statements and , if applicable, consolidated annual statements; ~~if applicable,~~ will be presented to the general shareholders' meeting for ~~its~~their approval.
2. The general meeting will resolve on the allocation of the year results according to the approved balance sheet.
3. After meeting the requirements foreseen in the Act, dividends may only be distributed by debiting the year profit or unrestricted reserves, if the net book value of the Company's equity is not, or is not eventually, as a result of the distribution, lower than the capital stock. If there are losses from previous years that reduce the net book value of the Company's wealth below the capital stock figure, the profit will be used to offset losses.
4. If the general meeting agrees to distribute dividends, it will determine the time and method of payment. Determination of these issues may be delegated to the board of directors, including any other that may be necessary or appropriate to render the resolution effective.
5. The board of directors and general meeting may agree to distribute amounts on account of dividends, with the limitation and fulfilling the requirements foreseen in the Act.
6. Distribution of dividends to the shareholder will be carried out in proportion to the capital stock paid up.

Article 49.- Deposit of approved annual statements

The board of directors will proceed ~~with a~~to deposit ~~of~~ the Company's annual statements and management report, including, if necessary, the consolidated statements and management report, together with the relevant reports issued by the account auditors and other documentation required, in the terms and timeframes foreseen in the Act.

Chapter II. Dissolution and liquidation of the Company

Article 50.- Events of dissolution

The Company will be dissolved:

1. by means of a resolution adopted by the general shareholders' meeting, expressly called for this purpose, pursuant to the provisions of these articles of association; and
2. in any other event foreseen by law.

Article 51.- Liquidation of the Company

1. Dissolution of the Company will begin the liquidation period.
2. As soon as the Company is declared to be involved in liquidation proceedings, the board of directors will cease its activity and the directors will become the Company's receivers. They will represent a collegiate body, which must have an uneven number of members. To this effect, if necessary, the director holding the least seniority will be removed and, if there are several, the youngest director.
3. If the dissolution is a consequence of commencement of the liquidation stage of the Company in bankruptcy proceedings, the appointment of receivers indicated in the foregoing paragraph will not apply.

4. In order to conduct the liquidation, divide the company's credits and cancel the relevant registrations, the provisions foreseen in the ~~Capital~~ Companies Act and Commercial Registry Regulations will apply.



ANNEX II

**NEW VERSION OF THE ARTICLES OF ASSOCIATION OF THE COMPANY
WITH THE AMENDMENTS PROPOSED TO THE MEETING**

ARTICLES OF ASSOCIATION OF DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN, S.A.

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TITLE I.- COMPANY AND CAPITAL STOCK

Chapter I. General provisions

Article 1.- Company name

The Company will be called "**DISTRIBUIDORA INTERNACIONAL DE ALIMENTACIÓN S.A.**" and will be governed by these articles of association, by the Capital Companies Act (*Ley de Sociedades de Capital*, the "**Companies Act**") and by any other applicable legal provisions.

Article 2.- Corporate object

1. The object of the Company is to execute the following activities, both in Spain and abroad:
 - (a) The wholesale and retail commercialisation in the internal and external market of food products and any other products for consumer use.
 - (b) The provision of business collaboration services of all kinds for the commercialisation of telecommunications products and services, including telephony in particular, by executing the relevant agreements with companies entitled to supply and distribute all of these products and services. This collaboration, in any case and to the extent allowed by applicable law, will include the commercialisation of said telecommunications products and services.
 - (c) The execution of activities related to the commercialisation and/or sale through the Internet or any other telematic means of all type of products and services that are legally traded, including in particular food and household products and small appliances, multimedia and computer products, photography items, telephony and image or sound products, including the provision of all types of services through the Internet or any other telematic means.
 - (d) The execution of activities inherent to wholesale and retail travel agencies, including amongst others the organisation and sale of package holidays.
 - (e) The retail distribution of oil products and the exploitation of service stations and retail trade of gasoline and fuels sold to the public.
 - (f) The purchase, holding, enjoyment, management, administration and disposal of securities representing the capital stock of Spanish resident and non-resident entities, through the necessary arrangement of material and human resources.
 - (g) The management, coordination, advice and support provided to investee companies or other collaborating companies by virtue of contractual relations, e.g. franchise agreements and others.
 - (h) The deposit and storage of all types of merchandise and products, both for the Company and other enterprises.
2. The Company may execute the activities covered by the corporate object, either in Spain or abroad, directly or indirectly, by holding shares or participations in

companies with an identical or similar object, or through any other form permitted by law.

3. If the law were to require any professional qualifications, administrative permit or registration at the Public Registries in order to execute any of the activities covered by the corporate object described in the foregoing paragraph, said activities must be carried out by duly qualified persons and may not commence until the necessary administrative requirements are met or the relevant licences obtained.
4. In any case, the corporate object will not include any activities for which the law imposes special requirements in order to be exercised, which are not met by the Company.

Article 3.- Registered address

1. The Company's registered address is located in the municipality of Las Rozas (Madrid), Parque Empresarial de Las Rozas, Edificio Tripark, calle Jacinto Benavente nº 2-A.
2. The registered address may be transferred elsewhere within the same municipality further to a resolution adopted by the board of directors. In order to be transferred to another municipality or abroad the agreement of the general shareholders' meeting will be necessary.
3. The Company's board of directors may agree to create, remove or transfer branch offices, representations, agencies, representative offices, offices and other facilities, whether in Spain or abroad, in compliance with any applicable requirements and guarantees in each case.

Article 4.- Term

The Company will be incorporated for an indefinite term.

Chapter II.- Capital stock and shares

Article 5.- Capital stock

1. The capital stock amounts to SIXTY-FIVE MILLION ONE HUNDRED AND SEVEN THOUSAND AND FIFTY-FIVE EUROS AND EIGHTY CENTS (65,107,055.80 Euros) and is fully subscribed and paid up.
2. The capital stock consists of SIX HUNDRED AND FIFTY-ONE MILLION SEVENTY THOUSAND FIVE HUNDRED AND FIFTY-EIGHT (651,070,558) shares, with a face value each of ten cents of a euro (0.10 Euros), belonging to the same class and series.

Article 6.- Representation of the shares

1. The shares will be represented by book entries and will be established as such by virtue of their registration in the relevant accounting records. They will be governed by securities market regulations.
2. The Company's book entry register will be held by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) and its participating entities.

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3. The Company will acknowledge shareholder status in favour of whoever appears as entitled in the entries included in the relevant book entry register.
4. Pursuant to the provisions established in applicable regulations, the Company may at any time request from the entity in charge of the book entry register the information required to identify its shareholders, including any address and contact details available, for communication purposes.

Article 7.- Share transfer

The shares and all economic rights derived from the same, including rights of preferential subscription and gratuitous allocation may be freely transferred by all the means recognised by law.

Article 8.- Shareholder status

1. Each share will confer shareholder status to its legitimate owner and will entrust it with the rights acknowledged in the Act and in these articles of association.
2. The necessary standing to exercise any shareholder rights, including transfers, will be obtained through a registration in the accounting records, which will entail a presumption of legal ownership and will entitle the registered owner to demand that the Company recognises the latter as shareholder. This standing may be verified by presenting the relevant accrediting certificates, issued by the entity in charge of the accounting records.
3. All shares will be indivisible. The co-owners of one or several shares will designate a single person to exercise any member rights and will be jointly and severally liable vis-à-vis the Company for any obligations arising from their shareholder status. The same rule will be applicable to all other events of co-ownership of shares rights.
4. In the case of a usufruct over shares, member status will rest in the bare legal owner; in any case, the usufructuary will be entitled to the dividends agreed by the Company throughout the term of the usufruct. The exercise of all other shareholder rights is incumbent upon the owner, being the usufructuary bound to enable the bare legal owner to exercise such rights.
5. If new shares are subscribed either by the bare legal owner or by the usufructuary, the usufruct will extend to the shares that could have been paid up with the average listing value during the subscription period. The amounts outstanding in case of usufruct termination or in case the bare legal owner did not exercise its pre-emption rights in a share capital increase scenario will be settled taking into consideration the average listing value of the previous quarter in which the aforementioned facts took place.
6. In the event of a pledge over shares, shareholder rights may be exercised by the share owner.
7. Share ownership entails the acceptance of these articles of association and subjection to the decisions duly adopted by the Company's government and administration bodies within their remit.

Article 9.- Outstanding payments and defaulting shareholders

1. If the shares are not fully paid up, this circumstance will be recorded in the relevant entry.

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2. All outstanding payments will be paid within the term agreed by the board of directors. In the event of default, the board of directors will adopt the relevant resolutions, as the case may be, according to the provisions of current regulations.
3. A shareholder will be in default if, upon expiration of the term determined for payment of the unpaid capital stock, the latter remains outstanding.
4. Any shareholder in default of outstanding payments may not exercise its voting rights. The value of its shares will be deducted from the capital stock when calculating the quorum. Nor will it be entitled to receive dividends or to any preferential subscription of new shares or convertible obligations.
5. Once the outstanding payments are settled, together with accrued interest, the shareholder may claim payment of any dividends not lapsed, but may not claim a preferential subscription if the term in which to exercise this right has expired.

Chapter III.- Capital increase and decrease

Article 10.- Capital increase

1. The capital stock may be increased by means of a resolution adopted by the general shareholders' meeting, according to the provisions established in the Act and in these articles of association.
2. Unless otherwise expressly foreseen in the resolution, if the capital stock is not fully subscribed within the term established to this effect, the capital stock will be increased by the value of the subscriptions made.

Article 11.- Authorised capital stock

1. The general meeting may entrust the board of directors with the power to determine the effective date of the resolution already adopted to increase the capital stock by the agreed amount, as well as to determine its conditions if not foreseen by the meeting, all within the limits established by the Act.
2. Furthermore, the general meeting may entrust the board of directors with the power to agree, once or several times, to increase the capital stock by debiting monetary contributions, up to a certain figure that may not exceed half the capital stock at the authorisation date, for a maximum term of five (5) years, at the time and in the amount decided by the board. The general meeting may also entitle the board of directors to exclude the shareholders' preferential subscription rights in relation to any delegated issues, if required by the corporate interest.

Article 12.- Creation and removal of preferential subscription rights

1. In the event of a capital increase with the issue of new shares to be debited to monetary contributions, the existing shareholders, within the term granted to this effect by the board of directors, which may not be less than fifteen (15) days following publication of the offer announced to subscribe in a new issue, in the Official Gazette of the Commercial Registry, may exercise their right to subscribe a number of shares that is proportional to the face value of the shares held at the time.
2. The general meeting or board of directors, as the case may be, may totally or partly exclude this preferential subscription rights if required by the corporate interest, in the cases and with the conditions foreseen by the Act. In particular, the corporate interest may justify a removal of preferential subscription rights if this is necessary to enable

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(i) a placement of the shares in foreign markets, allowing access to sources of financing or to new investors; (ii) the incorporation of industrial, technological or financial partners; (iii) the implementation of loyalty programmes and the remuneration paid to directors, executives or employees; (iv) the use of techniques to sell and place the new shares, in order to maximise their issue price; and (v) in general, any other operation that is suitable for the Company.

3. Preferential subscription rights may be transferred in the same conditions as the original shares. In a capital increase debited to reserves, the same rule will apply to the right to a gratuitous allocation of new shares.

Article 13.- Capital decrease

1. The capital stock may be decreased by virtue of a resolution adopted by the general shareholders' meeting, according to the provisions foreseen in the Act and in these articles of association.
2. A capital decrease may be carried out by decreasing the face value of the shares, through their redemption or grouping for a subsequent exchange, and may be used to return the value of any contributions, to condone an obligation to settle outstanding payments, to establish or increase legal or voluntary reserves, or to re-establish the balance between the capital stock and the Company's net wealth, if reduced due to losses.

Chapter IV.- Issue of obligations

Article 14.- Issue of obligations and other securities

1. The Company may issue obligations in the terms and with the limits foreseen by law for listed joint stock companies.
2. The general meeting may delegate to the board of directors the power to issue ordinary or convertible obligations. It may also authorise the board of directors to determine the effective date of the issue agreed and to determine any other conditions not foreseen in the general meeting's resolution.
3. In the case of convertible obligations or any other security entailing a share subscription right, the general meeting may also empower the board of directors to agree to exclude the preferential subscription right held by the shareholders in relation to any delegated issue, with the requirements legally set forth.
4. The Company may issue promissory notes, preferential participations, warrants or other similar securities in any of the forms foreseen by law.

The general meeting may entrust the board of directors with the task of issuing said securities and may authorise it to determine the moment when the issue agreed should be launched, including any other conditions not foreseen in the resolution of the general meeting, in the terms legally foreseen.

TITLE II.- THE COMPANY'S GOVERNMENT

Chapter I.- The general meeting

Article 15.- The general meeting

1. The shareholders, convened at a duly called general meeting, will decide by the majority required in each case, as set forth by the Act or these articles of association, on any matters within the competence of the general meeting.
2. Any duly adopted resolutions of the general meeting will bind all the shareholders, even those that are absent, against the decision and those abstaining, without prejudice to any rights of objection they may be entitled to.
3. The general meeting will be governed by the provisions of the Act, these articles of association and its own regulations.

Article 16.- Competences of the general meeting

1. The general meeting will decide on any matters attributed thereto by the Act or these articles of association and, in particular, on the following:
 - (a) Appointment and removal of directors, as well as the ratification of directors designated through a co-option procedure.
 - (b) Appointment and removal of accounts auditors and, if applicable, of the liquidators.
 - (c) Approval of the statements of the previous year, of the allocation of results and of the corporate management.
 - (d) Any increase or decrease in the capital stock, including a delegation to the board of directors of the power to increase the capital stock.
 - (e) Elimination or limitation of preferential subscription rights.
 - (f) Issue of obligations and other securities and delegation of the right of issue to the board of directors.
 - (g) Authorisation for the derivative acquisition of own shares.
 - (h) Approval and amendment of the regulations of the general meeting.
 - (i) Amendments of the articles of association.
 - (j) Approval of the policy on directors' remunerations, in accordance with the terms set out in the Act.
 - (k) Approval of the Company's directors remuneration systems, in the form of shares or rights over shares or linked to the value of the shares.
 - (l) Granting the directors the exemptions regarding the prohibitions deriving from the duty of loyalty, when the granting of said exemptions lies with the general meeting, as well as the exemption regarding non-compete obligation duties.
 - (m) A merger, spin-off, transformation, dissolution and global assignment of the Company's assets and liabilities.
 - (n) A transfer of the Company's registered address abroad.

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- (o) Transformation of the Company into a holding company, through “subsidiarisation”, the incorporation or transfer into dependent companies of essential activities developed by the Company itself until then, even if the latter remains as the full legal owner thereof. An activity is presumed to be essential when the relevant amount of the transaction exceeds twenty-five per cent (25%) of the total assets in the balance sheet.
 - (p) The acquisition, disposal or contribution of essential assets to another company. An asset is presumed to be essential when the relevant amount of the transaction exceeds twenty-five per cent (25%) of the value of the total assets according to the last balance sheet approved.
 - (q) The winding up of the Company.
 - (r) Operations with an effect equivalent to the Company’s liquidation and the approval of the liquidation balance sheet.
2. Furthermore, the general shareholders meeting will resolve on any other issue, as required by the Act or these articles of association, or when so required by the board of directors.

Article 17.- Types of meetings

1. A general shareholders’ meeting may be ordinary or extraordinary.
2. An ordinary general meeting will necessarily convene within the first six (6) months of each financial year in order to approve, if applicable, the corporate management, the statements of the previous year and to resolve on the allocation of results.
3. Any other meeting not foreseen in the foregoing paragraph will be considered as an extraordinary general meeting.

Article 18.- Call of a general meeting

1. General meetings will be called by the board of directors by publishing an announcement (i) in the Official Gazette of the Commercial Registry or in one of Spain’s most widely distributed newspapers, (ii) on the Company’s website (www.diacorporate.com), and (iii) on the website of the Spanish Securities Market Commission (“CNMV”), with the notification of a material disclosure, at least one month prior to the date scheduled for the meeting, unless a different timeframe is established by law.
2. The Company will convene the general meeting, either ordinary or extraordinary, in such way that rapid and non-discriminatory access for information is granted to all shareholders. To this end, media that ensure effective and public dissemination of the announcement must be guaranteed, as well as free access by the shareholders within the whole European Union.
3. The board of directors may call the general shareholders’ meeting if it considers this appropriate in the corporate interest.
4. Furthermore, the board of directors will call a general meeting if it is requested by shareholders who hold, at least, three per cent (3%) of the capital stock, indicating in the request the issues to be discussed at the meeting.

In this case, the meeting will be called in order to be held within the timeframe foreseen by the Act. The board of directors will draw up the agenda, and will necessarily include the matter or matters covered by the request.

5. The call announcement will contain any references required by the Act, in each case, and will indicate the Company's name, the date, place and time of the meeting at first call, the agenda, including all the matters to be discussed, and the post of the person or persons calling the meeting.

The general shareholders meeting's announcement will contain, in addition to the contents legally required, the date in which the shareholder must have the shares registered under its name in order to participate and vote at the general meeting, the place and form required to obtain the full text of the documents and proposals, and the Company's website address on which the information will be available.

Additionally, the announcement will provide clear and exact information on the proceedings that shareholders must follow in order to participate and vote at the meeting.

The announcement may also indicate the date on which the general meeting will convene at second call, as the case may be. Between the first and second meetings at least twenty-four (24) hours must elapse.

6. Any shareholders representing, at least, three per cent (3%) of the capital stock may request that an addition be published to the call of an ordinary general shareholders' meeting, including one or more points in the agenda, as long as these new points include a justification or, as the case may be, a justified proposal for a resolution.

This right will be exercised by providing a notification by authentic means, to be received at the registered address within five (5) days following publication of the call.

The addition to the call will be published, at least, fifteen (15) days before the date scheduled for the meeting. The failure to publish an addition to the call within the timeframe that is legally established will render the meeting challengeable.

7. Furthermore, any shareholders representing at least three per cent (3%) of the capital stock, within this same period of five (5) days following publication of the call, may present justified proposals for a resolution on matters already included or to be included in the agenda of the called meeting. The Company will ensure that these resolution proposals are distributed amongst the remaining shareholders, as well as any documentation attached.
8. The general meeting may not discuss or decide on any matters that are not included in the agenda, unless otherwise provided by the Act.
9. In order for the courts to call a meeting, the provisions of the Act will apply.
10. The provisions of this article will apply without prejudice to what is foreseen by law for specific situations.

Article 19.- Right of information

1. As of the very publication date of the call of a general meeting and until the fifth day preceding the date scheduled for the meeting, inclusive, the shareholders may request any information or clarification they deem appropriate regarding any issues included

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in the agenda, or present in writing the questions they deem relevant. Furthermore, with the same prior notice and in the same manner, the shareholders may request the directors any clarifications they deem appropriate on any information accessible to the public that the Company may have provided to the CNMV since the last general meeting was held and in relation to the auditor's report.

2. During the general meeting, the shareholders may verbally request any information or clarification they deem appropriate on the matters included in the agenda, as well as on any information accessible to the public that the Company may have provided to the CNMV since the last general meeting was held and in relation to the auditor's report. If the relevant shareholder's right cannot be settled at that time, the board of directors will provide the requested information in writing within seven (7) days following the end of the general meeting.

The valid requests for information, clarifications or questions presented in writing, and the answers presented in writing by the directors will be included in the Company's website. The board of directors will be obliged to provide the information requested according to the two preceding sections, in the manner and within the timeframes foreseen in these articles of association, the regulations of the general meeting and the Act, except for those cases in which:

- a) the requested information is unnecessary for the protection of the shareholder's rights, there are objective reasons to believe that the requested information may be used for non-corporate purposes or its disclosure may damage the Company or related companies; ;
- b) the request for information or clarification requested does not refer to matters included in the agenda or to information accessible to the public, provided by the Company to the CNMV since the last general meeting was held;
- c) before the question was made, the information requested is clearly, expressly and directly available to all shareholders on the Company's website, as FAQ; or
- d) this is foreseen in legal or regulatory provisions or judicial resolutions.

Notwithstanding the foregoing, the exception indicated in point (a) above will not apply in those cases where a request for information is backed up by shareholders representing, at least, twenty-five per cent (25%) of the capital stock.

3. The call of an ordinary general meeting will indicate the means through which a shareholder may obtain from the Company, immediately and cost-free, any documents to be presented for approval by the meeting.
4. If the general meeting has to discuss an amendment of the articles of association, the announcement of the call, apart from the references required by the Act in each case, will indicate the right to which all shareholders are entitled to examine at the registered address the full text of the amendment proposed and the relevant report, and to request that said documents be handed over or delivered at no cost.
5. In all those cases foreseen by the Act, the shareholders will be provided with any additional information and documentation that may be necessary, including any other that the board of directors deems appropriate in order to form the Company's will. This information and documentation will be made available to the shareholders

through the website, without shareholders being entitled to request this information in printed form.

Article 20.- Right of attendance

1. A general meeting may be attended by all the shareholders, regardless of the number of shares they own.
2. In order to exercise their right of attendance, all shareholders must have recorded their shares in the relevant book entry register, at least five (5) days before the date scheduled for the meeting.

Article 21.- Right of representation

1. Any shareholder entitled to attend may be represented at a general meeting through another person, even if not a shareholder, meeting the requirements and formalities imposed by the articles of association, the regulations of the general meeting and the Act.
2. A proxy will be conferred in writing or by post or electronic mail, in which case the provisions foreseen in article 28 herein will apply for the issue of votes through these means, to the extent that this is not incompatible with the nature of the proxy.
3. The chairperson and the secretary of the general meeting will enjoy the broadest powers to recognise the validity of the document or means to accredit the proxy.
4. A proxy may always be revoked. Attendance at the general meeting by the represented shareholder, either in person or by issuing a long-distance vote, will be deemed to revoke the proxy granted, regardless of its date.

Article 22.- Place and time of the meeting

1. A general meeting will be held at the place indicated in the call, which may be within the municipality where the Company has its registered address or in any other municipality of the province of Madrid. If the call does not indicate the place of the meeting, it will be deemed as convened at the registered address.
2. If proposed by the directors or at the request of shareholders representing, at least, a fourth of the capital stock present at the general meeting, the attendants may agree to extend the meeting for one or more consecutive days. Regardless of the number of meetings, only one general meeting will be deemed as convened and a single minute will be issued for all meetings.

Article 23.- Incorporation of a general meeting

1. A general meeting will be validly convened, at first call, whenever the shareholders present or by proxy hold, at least, twenty-five per cent (25%) of the voting capital stock subscribed. At second call, a meeting may be incorporated irrespective of the capital stock in attendance.
2. Pursuant to article 194 of the Companies Act, in order for an ordinary or extraordinary general meeting to validly agree to increase or decrease the capital stock or any other amendment of the articles of association, the issue of obligations, the removal or limitation of a preferential subscription right over new shares, as well as a transformation, merger, spin-off or global assignment of assets and liabilities and a transfer of the registered address abroad, it will be necessary, at first call, for

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shareholders to attend, in person or by proxy, holding at least fifty per cent (50%) of the voting capital stock subscribed. At second call, it will suffice for twenty-five per cent (25%) of said capital stock to attend, present or by proxy. However, if shareholders attend who represent fifty per cent (50%) or less of the voting capital stock subscribed, the resolutions referred to in this paragraph may only be validly adopted with the favourable vote of two thirds (2/3) of the capital stock present or by proxy at the meeting. In any case, if the share capital, present or by proxy, exceeds fifty per cent (50%), in first or second call, an absolute majority shall suffice to deem the resolution passed.

3. If, in order to validly adopt a resolution on any or several points of the agenda of the general meeting, it were necessary, according to law or applicable provisions in the articles of association, for a certain percentage of the capital stock to be present, and this percentage is not reached or the consent of certain interested shareholders is required and the latter are not present or represented, the general meeting will only discuss those issues of the agenda which, in order to be approved, do not require the attendance of said percentage of the capital stock or these shareholders.
4. Any absences that may arise once the general meeting has convened will not affect its validity.

Article 24.- Chairperson, secretary and board of the meeting

1. The board of the general meeting will consist of the chairperson and secretary of the general meeting and those members of the board of directors in attendance at the meeting.
2. The general meeting will be chaired by the chairperson of the board of directors and, otherwise, by the vice chairperson designated in order of priority. In the absence of both and without any delegation being made, the director in attendance with the lowest seniority in the post will act as chairperson and, in the event of a draw, the oldest director.
3. The secretary will be the person holding this post on the board of directors or, otherwise, the vice secretary, if any, and, in his/her absence, the attending director who has most recently held the post, and, if there is a tie, the youngest director.

Article 25.- List of attendants

1. The list of attendants will include, as shareholders present: (i) those individual shareholders who attend in person; (ii) shareholder legal entities that attend through representatives who are legally empowered to do so; (iii) the Company, in relation to the shares it still owns in the capital stock; and (iv) those shareholders who have exercised their right to a long-distance vote, pursuant to the provisions established in article 28 of the articles of association and the regulations of the general meeting.
2. At the end of the list the total number of shareholders present or by proxy will be indicated, as well as the amount of capital stock represented, specifying which part is held by shareholders with voting rights.
3. Any issues that may arise in relation to the attendance, representation and drawing up of the list of attendants will be resolved by the chairperson, and this task may be entrusted to the secretary.

4. The list of attendants may also be drawn up in a file or attached in electronic support. In these cases, the minute itself will indicate the means used and the necessary official identification, signed by the secretary with the approval of the chairperson, will be issued on the sealed cover of the file or support.

Article 26.- Discussion and vote

1. The chairperson will be in charge of directing the meeting in such a way that discussions are held according to the agenda; he/she may accept or reject new proposals in relation to the matters included in the agenda; direct the discussions and grant the floor to any shareholders who request so, withdrawing or not granting it if he/she considers that a certain issue has been sufficiently discussed, is not included in the agenda or hinders progress of the meeting; arrange the time for voting; carry out, together with the secretary of the general meeting, a calculation of the votes; announce the voting results; provisionally suspend the general meeting, declare it ended and, in general, any duties, including those of order and discipline, required for the adequate progress of the general meeting.
2. The chairperson, even if present at the meeting, may entrust the directing of discussions to the director he/she deems appropriate or to the secretary, who will carry out these duties on behalf of the chairperson.
3. The exercise of voting rights in the general meeting by shareholders affected by a conflict of interest shall be subject to the provisions set forth in the applicable law.
4. All votes on resolutions adopted by the general meeting will be held according to the provisions established in the articles below and in the regulations of the general meeting.

Article 27.- Adoption of resolutions

1. Each share with a right to vote, in person or by proxy at a general meeting, will confer the right to one vote.
2. All resolutions of the meeting will be adopted by simple majority of the votes of the capital stock present or by proxy; deeming passed a resolution when more favourable votes than against have been obtained of the share capital, present or by proxy. The foregoing will not include any cases for which the Act or these articles of association require a higher majority.

Article 28.- Issue of long-distance votes

1. Shareholders with a right to attend may issue their vote on any proposals related to the points included in the agenda of any general meeting, by post or by electronic means, as long as the identity of the shareholder exercising its right to vote is duly guaranteed.
2. Votes cast by post will be sent to the Company in writing, stating whether the vote is favourable or unfavourable, and meeting the formalities determined by the board of directors in a resolution and subsequent communication in the announced call of the meeting in question.
3. Votes sent by electronic means will be issued under a recognised electronic signature or other type of guarantee, which the board of directors deems appropriate to assure the authenticity and identification of the shareholder exercising its right to vote, as

determined in a resolution and subsequent communication in the announced call of the meeting in question.

4. In order to be deemed valid, a vote issued by either of the long-distance means referred to in the foregoing sections must be received by the Company at least twenty-four (24) hours before the date scheduled for the meeting at first call.
5. The board of directors may implement and complement any regulations regarding votes and long-distance delegation, foreseen in these articles of association, establishing the instructions, means, rules and procedures deemed appropriate to instrument the issue of a vote and the granting of a proxy through long-distance means of communication. Any implementing rules adopted by the board of directors pursuant to the provisions of this section will be published on the Company's website.
6. Any shareholders issuing a long-distance vote pursuant to what is foreseen in this article will be deemed as present for the purposes of convening the general meeting in question. Consequently, any future proxies made prior to the issue of this vote will be deemed as revoked and those subsequently conferred will be deemed as not made.
7. A vote issued through long-distance means of communication will be invalidated by the attendance in person at the meeting of the voting shareholder, or by a disposal of its shares, of which the Company becomes aware at least five (5) days before the date scheduled for the meeting at first call.

Article 29.- Documentation of resolutions

1. Documentation of any resolutions adopted by the general meeting, their formalisation in a public deed and registration at the Commercial Registry, will be carried out as foreseen in the Act and Commercial Registry Regulations.
2. Any total or partial certifications that are necessary to accredit resolutions adopted by the general meeting will be issued and signed by the secretary of the board of directors or by the vice secretary, if appointed, with the approval of the chairperson or vice chairperson or vice chairpersons, if several have been appointed.

Chapter II.- Company administration

Section 1.- The board of directors

Article 30.- The board of directors

1. The Company will be administered and governed by a board of directors.
2. The board of directors will be governed by applicable legal rules, by these articles of association and by the board of directors regulation.

Article 31.- Authority of the board of directors

1. The board of directors has authority to adopt resolutions regarding all kinds of matters not attributed by the Act or the articles of association to the general meeting.
2. The board of directors has the broadest power and authority to manage, direct, and represent the Company. As a general rule it entrusts ordinary management of the Company to the delegated administrative bodies, and concentrates its actions on the general function of supervision and on consideration of those matters that are of particular importance to the Company.

3. Judicial and other representation of the Company will correspond to the board of directors, its chairperson, the chief executive officer and, if applicable, the executive committee.
4. In any event, the board will assume, without delegation, such authority as is legally reserved directly to it, and such other authority as may be necessary for effective exercise of the general supervision function. In particular, by way of illustration and not limitation, the following are non-delegable powers of the board:
 - (a) call of the general meeting of shareholders, drafting of the agenda and of the proposals for resolutions;
 - (b) appointment of directors by way of co-option and referring proposals to the general meeting regarding appointment, ratification, re-election and removal of directors, as well as acceptance of director resignations;
 - (c) appointment and renewal of those in the internal positions within the board of directors, and the members of the committees constituted within the board;
 - (d) definition of the corporate governance policy of the Company and its group, its organisation and functioning, and the definition of the structure of the group of companies of which the Company is the parent;
 - (e) supervision of the performance of the board committees and acts carried out by delegated bodies and senior managers;
 - (f) appointment and removal of executive directors and senior managers reporting to the board, as well as the establishment of basic conditions of their contracts, including their remuneration;
 - (g) granting an authorisation or exemption of the obligations deriving from the duty of loyalty, when the granting of such authorisation lies with the board in accordance with legally set forth;
 - (h) preparation of the financial statements, management report and proposal for application of profits of the Company, as well as the consolidated financial statements and management report, if applicable, and their submission to the general meeting for approval;
 - (i) approval of the financial information that the Company, being a listed company, must periodically disclose;
 - (j) preparation of the annual corporate governance report and of the annual report on directors' remuneration, both to be presented to the general meeting and the other reports and documents that must be submitted to it;
 - (k) drafting any other report required by the Act, when the transaction to which the report refers to cannot be delegated.
 - (l) determination and specification of the policy applied by the Company to its own shares, further to the authorisations granted by the general meeting;
 - (m) delegation of powers to any of its members, in the terms established in the Act and articles of association, including any revocation;

- (n) approval and amendment of its own organisation and functioning and, particularly, the approval and amendment of the board of directors' regulation;
 - (o) approval of the Company's policies and general strategy and, particularly, the approval of the strategic or business plan, the management objectives and the annual budget, the investments and financial policies, the corporate social responsibility policy and the dividends policy, as well as determining the necessary organisation for its implementation, supervising and ensuring that the delegate bodies and executives meet the targets established and uphold the company's object and corporate interest;
 - (p) approval of the investments or transactions that, due to the amount or special features, have strategic nature or special tax risks, except when their approval lies with the general meeting;
 - (q) creation or acquisition of shares in entities with special purposes or domiciled in countries or territories that are considered as tax havens, as well as any other similar transactions of similar nature that, due to their complexity, may undermine the transparency of the Company or its group;
 - (r) decisions concerning the remuneration of the board members, in accordance with the articles of association and, if applicable, the remuneration policy as approved by the general meeting;
 - (s) determination of the risk control and management policy, including tax risks, and the supervision of the information control internal systems;
 - (t) approval of the transactions entered into by the Company or companies of its group with directors, as defined by the Act, or with shareholders who own, individually or jointly, a significant stake, including shareholders represented in the board of directors of the Company or companies of its group or individuals linked to them. The directors concerned or represented or linked to the relevant shareholders must refrain from participating in the deliberation and voting of the resolution in question. The board of director's regulation will foresee, according to the Act, the transactions for which this approval shall not be necessary;
 - (u) approval of the Company's tax strategy;
 - (v) the powers that the general meeting vested on the board of directors, save for those that the latter has been expressly authorised to subdelegate;
 - (w) any other matter reserved by the Act or the regulations to an examination of the plenary meeting of the board.
5. When urgency circumstances, duly justified, arise, decisions concerning the aforementioned issues may be adopted by the delegated organs or persons, provided that they are ratified in the first meeting of the board that takes place after the adoption of said decisions.
6. The board of directors at all times will exercise its authority in the interest of the Company, that being understood to be the achievement of a profitable and long-term sustainable business, which may promote the continuance and the maximizing of the

Company's economic value, albeit at the same time considering other legitimate interests, public or private, involved in the conduct of any business activity, particularly those of workers, suppliers, clients and any other interest groups.

Article 32.- Number of directors

1. The board of directors will consist of a minimum of five (5) and a maximum of fifteen (15) members.
2. The general shareholders meeting determines the number of directors. The general meeting may fix that number by express resolution or, indirectly, by resolutions filling vacancies and appointing new directors adopted within the aforesaid maximum and minimum.
3. The board will propose to the general meeting such number of directors as, based on the circumstances existing from time to time, is most appropriate to ensure proper representation and effective functioning of the board.

Article 33.- Categories of directors and composition of the board

1. Deemed to be
 - (a) Inside directors (or executive directors) are those directors who perform management functions in the Company or its group, irrespective of the legal link they have with it. For these purposes, those treated as inside directors are the chairperson, if he has delegated management functions, the chief executive officer, if any, and those that in any other way have management responsibilities within the Company or any of its subsidiaries.

The above notwithstanding, directors who are, as well, senior managers or directors of companies which are part of the group of companies where the Company's parent is dominant will be considered as inside directors.

Whenever a director performs managing functions, and, at the same time, is or represents a significant shareholder or a shareholder represented at the board of directors of the Company, it will be considered as an inside director.
 - (b) Proprietary outside directors (or non-executive) are the directors who hold a shareholding interest not less than the legally determined threshold for significant holdings, or are otherwise appointed due to their status as shareholders, although their shareholding interest does not reach such relevant thresholds, and the persons who represent such shareholders;
 - (c) Independent outside directors (or non-executive) are those directors appointed for their personal or professional qualities who are in a position to perform their duties without being influenced by any connection with the Company or its group, its significant shareholders or its management;
 - (d) Other outside directors are the outside directors that cannot be classified as proprietary or independent.
2. The board of directors must ensure that the selection process for board members encourages diversity of gender, experiences and knowledge, and therefore it will not include implicit bias causing any kind of discrimination, in particular, against women.

Article 34.- Term

1. Directors will hold their post for a three (3) year term, unless they resign or are removed, and may be re-elected once or several times for periods of equal duration, except as regards independent directors, who may only hold their post for a maximum of four (4) mandates.
2. The appointment of directors will expire when, after the term has elapsed, the next general meeting is held or the legal timeframe has elapsed in which to hold a meeting to resolve on the approval of the statements of the previous financial year.

In the event of a vacancy once the general meeting has been called but before it is held, the board of directors may appoint a director until the next general meeting.

Article 35.- Designation of posts

1. The board will select from amongst its members a chairperson and vice chairperson, who will replace the chairperson in the event of impossibility or absence.
2. The board may also appoint more vice chairpersons, in which case the tasks described will be entrusted to the first vice chairperson who, in turn, will be replaced if necessary by the second vice chairperson, and so on.
3. The board will appoint a secretary and may appoint a vice secretary, who need not be directors. The secretary will attend the board meetings with a right to speak but not to vote, unless he holds director status, and will perform the duties set forth by the Act, these articles of association, and the board of director's regulation. The vice secretary, if any, will replace the secretary if the latter is not present at the meeting for any reason and, unless otherwise decided by the board, may attend the board meetings to assist the secretary in his task.

Article 36.- Board of directors' meetings

1. The board of directors will meet, when previously called by the chairperson, with the necessary frequency to adequately perform its tasks and, in any case, at least once a quarter.
2. In any event, the board must necessarily meet within a maximum term of three (3) months after the close of the financial year, to prepare the financial statements, management report and proposal for application of profits.
3. The call of meetings will be made on each director by letter, fax, telegram or e-mail, and will be authorised by the signature of the chairperson or, if applicable, by the secretary or vice secretary by order of the chairperson. The call will be sent a minimum of five (5) days in advance, except as regards urgent matters, for which the call will be by the chairperson forty-eight (48) hours in advance. Also, the call always will include the place, date and time for the holding of the meeting, and the agenda for the meeting, if applicable attaching such information as is deemed to be necessary.
4. The board of directors also will meet when so requested by at least one third (1/3) of its members, two (2) of the independent directors or, if any, the lead director, in which case it must be called by order of the chairperson or the lead director. Additionally, any director will be entitled to require the president to include certain matters in the call for any meeting of the board.

5. Furthermore, any directors representing at least one third (1/3) of the members of the board of directors may call a board meeting, indicating the agenda, to be held in the municipality where the registered address is located if, further to the chairperson's request, the latter is unable to call the meeting within a term of one month, without justified cause.
6. If the chairperson is, at the same time, the chief executive officer of the Company, the board of directors will appoint a lead director among the independent directors, with the abstention to vote of the executive directors, who will be especially entitled to request a call of the board of directors or the inclusion of points on the agenda of a convened meeting, to coordinate and meet outside directors, and to direct the periodic examination of the chairperson of the board of directors.
7. Without prejudice to the foregoing, the board will be deemed to have been validly constituted, without need of call, when all directors are present or represented and unanimously accept the holding of the meeting on a universal basis, and the matters to be dealt with at the meeting.
8. If no director objects, the board also may adopt written resolutions without need of holding a meeting, in accordance with the provisions of the Companies Act, the Commercial Registry Regulations and the articles of association, in which case the vote may be issued in writing or by e-mail, provided that the identity of the director issuing the vote is assured.
9. The meetings of the board and its committees will be held at the registered office of the Company or at the place, within Spain or abroad, indicated in the call.
10. Notwithstanding the foregoing, meetings of the board and its committees may be held using remote means of communication if any of the members cannot attend the place fixed for the meeting in the call, provided that in the judgment of the chairperson there are no circumstances making that inadvisable.
11. Directors not physically attending the meeting that use means of communication allowing it to be held on a simultaneous and reciprocal basis with the place of the meeting and with the other members using remote means of communication will be considered to be in attendance for all purposes and may issue their votes by way of the means of communication used.

Article 37.- Incorporation and majority for the adoption of resolutions

1. In order for resolutions within the authority of the board of directors to be valid, it will be necessary for at least the majority of the board members to attend, either present or by proxy, at the meetings at which they are adopted.
2. All directors may issue their vote and confer a proxy to another director. However, outside directors shall only confer a proxy to another outside director. Such proxy will be specifically granted for the board of directors' meeting it refers to and will include instructions, to the extent possible.
3. The chairperson will organise the discussion, ensuring and encouraging the participation of all directors in the deliberations of the body.
4. Except in cases in which the Act or articles specifically establish other voting majorities, resolutions will be adopted by absolute majority of the directors present at

the meeting in person or by proxy. In the event of a tie, the chairperson will not have a casting vote.

Article 38.- Formalisation of resolutions

1. The secretary will prepare the minutes of the meetings of the board of directors, which will be signed at least by the chairperson or vice chairpersons, if applicable, and the secretary or vice secretary, if applicable. Minutes will be transcribed or inserted, as provided by law, in a special book of board minutes.
2. The minutes will be approved by the board of directors itself, at the end of the meeting or at the next following meeting, unless the immediacy of scheduling of the meetings does not so allow, in which case they will be approved at a later meeting.

Article 39.- Directors' compensation

1. The members of the board of directors will receive, as such directors, a compensation which will amount to an annual quantity which will be determined by the general meeting for board of directors as a whole. This compensation will consist of a fixed monthly stipend and per diems for attending meetings of the board of directors and its committees. The maximum amount of compensation to be paid by the Company to its directors in these categories will be the amount determined for that purpose by the general shareholders meeting, which will remain in effect until an amending resolution is adopted.
2. The board of directors, within the maximum set by the general shareholders meeting, will fix each financial year the specific amount to be received by each of the directors, it being permissible for it to vary the amount to be received by each of them taking into consideration the duties and responsibilities conferred on each director, the membership of board committees and any other objective circumstance that the board of directors deems relevant.
3. Executive directors will receive, for the performance of executive duties, or any other that may be conferred on them irrespective of the title, the compensation that the board determines. Such compensation will be adjusted to the policy on directors' remuneration approved by the general meeting, and will be reflected in the relevant contract entered into by the director and the Company.

In particular, and without limitation, the compensation foreseen in this section, subjected to the aforementioned remuneration policy, may consist of fixed salaries, variable compensations (depending on the achievement of corporate objectives and/or individual performance), dismissal compensations for reasons other than the noncompliance of duties, pensions, insurances, welfare systems, deferred remuneration concepts and compensation formulas in the form of shares or options thereon or indexed to the value of the shares, set forth for those members of the board of directors who perform executive duties.

4. In the framework of the remuneration policy, inside or executive directors may be compensated with the delivery of shares of the Company or another group company, options thereon or instruments or any other compensation indexed to their value.

All other directors may be compensated with the delivery of shares, as long as they undertake to hold the shares until expiration of their office. Nevertheless, this rule will

not be applicable to the shares which the directors need to transfer, as the case may be, to pay any costs related to their acquisition.

When dealing with shares of the Company or instruments indexed to the value thereof, the compensation must be resolved by the general shareholders meeting. The resolution, if applicable, will state the maximum number of shares to be delivered, the price of exercise or the system to determine the price of exercise of the stock options, the value of the shares, if applicable, to be taken as a reference and the term of the plan.

5. The compensation of directors will be stated in the report, broken down by each director.

Article 39bis.- Directors' remuneration policy

1. The director's remuneration policy will be submitted to the general meeting for its approval, at least every three (3) years, as a separate item of the agenda, as foreseen in the Act.
2. The remuneration policy, in the framework of the provisions of article 39 above, will determine the annual amount to be paid to the directors as such.
3. Regarding the compensation due to executive duties, the remuneration policy will set forth the amount of the annual fixed compensation and its variations in the period of time to which the policy refers to, the different parameters to determine the variable components and the main terms and conditions of the contracts of the inside directors, comprising, in particular, their term, compensations for early retirement or early termination and exclusivity, post-contractual non-competence and permanency agreements.
4. If the annual report on the director's remuneration is rejected in the consultative voting by the general shareholders meeting, the remunerations' policy to be applied for the following financial year must be submitted to the decision of the general meeting, prior to its implementation, even if a three (3) year period of time has not elapsed. The previous rule will not be applicable if the remuneration's policy has been passed in said same general meeting.
5. The Company will encourage all shareholders and, in particular, institutional shareholders to attend general meetings and prudently exercise their votes therein when dealing with compensation of the directors.

Section 2.- Delegated bodies of the board of directors

Article 40.- Delegated bodies

1. The board of directors will appoint an audit and compliance committee and a nomination and remuneration committee from among its members, to which may be delegated, in whole or in part, on a provisional or permanent basis, the powers deemed advisable and that are able to be delegated according to the Act.
2. The board of directors may appoint a delegate committee and one or several managing directors from among its members, determining the persons who will hold said posts and their activity, to whom may be delegated, in whole or in part, on a provisional or permanent basis, all the powers that are able to be delegated according to the Act. If a delegate committee is established, the board will appoint its members

and ensure that the participation structure of the various categories of directors is similar to that of the board.

3. Furthermore, the board of directors may establish other committees consisting of directors entrusted with the relevant powers.
4. The foregoing committees will be governed by the provisions of the Act, these articles of association and the regulations of the Company's board of directors.

Article 41.- The audit and compliance committee

1. The board of directors will establish an audit and compliance committee, of a permanent nature, which will be comprised of a minimum of three (3) directors and a maximum of five (5), appointed by the board of directors itself from among its outside or non-inside directors. The majority of the members of the audit and compliance committee will be independent and, at least, one (1) of them will be appointed based on his knowledge and experience in accounting or auditing matters, or both.

2. Without prejudice to such other tasks as may be assigned to it from time to time by the board of directors, the audit and compliance committee in any event will have the following authority:

- (a) reporting to the general shareholders meeting in answer to questions related to issues within the scope of its responsibilities;
- (b) supervising and reviewing the process of preparation and presentation of required financial information;
- (c) supervising the effectiveness of the Company's internal control, internal audit and risk management systems, including fiscal risks; and discussing with the Company's auditors such significant weaknesses in the internal control system as may be discovered in the conduct of the audit;
- (d) submitting to the board of directors the proposal for the selection, appointment, re-election and removal of the outside auditors, as well as the conditions for hiring them and the scope of their professional assignment, and receiving information about the audit plan and its execution, as well as ensuring the auditors' independence;
- (e) establishing the appropriate relationships with the outside auditors to receive information regarding such questions as may compromise their independence, for examination by the committee, and any other questions related to the process of auditing accounts, and such other communications as may be contemplated in the accounting and auditing legislation and audit standards.

In any event, they must annually receive from the outside auditors a statement of their independence as regards the entity or directly or indirectly related entities, and information on additional services of any kind and the relevant retribution received from these entities by the aforesaid outside, or by the persons or entities related thereto, in accordance with the provisions of the accounting and auditing legislation.

- (f) annually, prior to the issue of the audit report, issuing a report stating an opinion regarding the independence of the auditors. This report must comprise, in any event, the assessment of the provision of additional services

referred to in the point above, individually and globally considered, different from the legal audit and in relation to the independence system or the legal provisions on auditing;

- (g) prior reporting to the board regarding any matters foreseen by the Act, these articles of association, the board of directors regulation, and, in particular:
 - the financial information that the Company must periodically disclose,
 - the creation or acquisition of shares in entities with special purposes or domiciled in countries or territories that are considered as tax havens;
 - (h) supervising compliance with the rules regarding related party transactions with directors or major shareholders or shareholders represented on the board; in particular, it will report to the board regarding such related party transactions and, in general, regarding transactions that imply or may imply conflicts of interest, for their approval, and will see to it that information in respect thereof is communicated to the market as required by law;
 - (i) supervising compliance with internal codes of conduct, in particular the code of conduct for the securities market;
 - (j) any such others as may be attributed to it by the Act and other regulations applicable to the Company.
3. The chairperson of the audit and compliance committee will be appointed from among the independent directors, members of the committee.
 4. The chairperson must be replaced every four (4) years, and may be re-elected after a term of one (1) year elapses since he/she left office.
 5. Also, the committee will appoint a secretary and may appoint a vice secretary, neither being required to be a member thereof. If these appointments are not made, those holding those positions on the board will act as such.
 6. When exercising its tasks, the committee may request the assistance of executive directors and senior managers of the Company. Also, if it deems this appropriate, it may hire the services of external advisors.

Article 42.- The nomination and remuneration committee

1. The board of directors will establish a nomination and remuneration committee, on a permanent basis, which will be solely comprised of outside or non-inside directors, the majority independent, in a number determined by the board of directors, with a minimum of three (3) and a maximum of five (5). The members of the nomination and remuneration committee will be appointed by the board of directors.
2. At least one (1) of the members of the nomination and remuneration committee must have knowledge and experience regarding compensation policies.
3. Without prejudice to such other tasks as may be assigned to it from time to time by the Act, these articles of association and the board of director regulation, the nomination and remuneration committee in any event will have the following authority:
 - (a) evaluating the competence, knowledge, and experience required in the board. To this end, the committee will determine the functions and skills required for

the candidates to cover a vacancy, and will evaluate the precise time and dedication in order to carry out their tasks effectively;

- (b) making proposals to the board of directors of independent directors to be appointed by co-option, for submission to decision by the general meeting, and proposals for re-election and removal of those directors by the general meeting;
 - (c) reporting on proposals for the appointment of other directors to be appointed by co-option, for submission to decision by the general shareholders meeting, and proposals for re-election and removal of those directors by the general meeting;
 - (d) reporting on the senior management appointments and removals and the basic conditions of their contracts;
 - (e) reporting to the board on matters of gender diversity and, in particular, seeing to it that procedures for selection of directors and senior managers do not suffer from implicit bias preventing selection of women. In particular, the committee shall set a target for representation on the board for the least represented gender, establishing guidelines to achieve such target;
 - (f) examining and organising the succession plan for the president of the board and for the executive director of the Company and, if applicable, suggesting proposals to the board of directors to ensure a smooth and organised transition;
 - (g) proposing to the board of directors (i) the policy for remuneration of directors and senior managers or any other person who performs senior management duties reporting to the board, the committees or the chief executive officer, (ii) the individual compensation of inside directors and the other terms of their contracts, supervising their implementation, and (iii) the basic terms of contracts of senior managers;
 - (h) overseeing compliance with the compensation policy set by the Company; and
 - (i) generally supervising compliance with the Company's applicable corporate governance rules.
4. The nomination and remuneration committee will designate a chairperson from amongst its members, who must be an independent director.
5. When exercising its tasks, the committee may request the assistance of executive directors and senior managers of the Company. Also, if it deems this appropriate, it may hire the services of external advisors.

Section 3.- Annual corporate governance report and website

Article 43.- Annual corporate governance report

1. The board of directors annually will approve an annual corporate governance report of the Company, referring to the matters contemplated by law, together with those, if applicable, it deems to be appropriate. The report must offer a detailed explanation of the structure of the company's governance scheme (ownership structure and management) and its functioning in practice, including in particular, transactions with related parties, a description of the principal characteristics of the internal risk control

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and management systems related to the process of issuance of financial information and its degree of compliance.

2. The annual corporate governance report will be approved prior to publication of the notice of call of the ordinary general meeting of the Company for the financial year in question, and will be made available to the shareholders together with the other documentation of the general meeting.
3. In addition, the annual corporate governance report will be included in the management report, in a separate section, and will also be publicised as contemplated in the securities market regulations. In particular, the report will be published as a material disclosure.

Article 43bis.- Annual report on director's remuneration

1. In addition to the annual report on corporate governance, the board of directors will draft and publish an annual report on the director's remuneration, which will include the compensations the directors receive or should receive as such directors, and, if applicable, for the performance of execution duties.
2. Said report will include complete, clear and comprehensible information on the director's remuneration policy applicable to the current financial year, as well as a global summary of the implementation of the remuneration policy during the previous financial year and the breakdown of the individual remunerations received by each of the directors under any concepts in said financial year.
3. Said report will be disclosed and submitted to a vote by the shareholder's ordinary general meeting, on a consultative basis and as a separate item on the agenda.

Article 44.- Website

1. The Company will maintain a website (*www.diacorporate.com*) to facilitate the exercise of the shareholders' right of information and to disseminate the material information of the Company to investors. The website will include the documents and information contemplated by the Act, otherwise required by the CNMV and any others determined by the board of directors, at least the following, in the terms foreseen by law:
 - a) the articles of association;
 - b) the general shareholders meeting regulations;
 - c) the board of directors regulation;
 - d) the internal code of conduct on securities markets;
 - e) the annual corporate governance report for the most recent closed financial year and prior financial years;
 - f) the composition of the board of directors and its committees, identifying their members, positions, status and possible relationships with significant shareholders of the Company;
 - g) the financial statements, together with the management report, and the periodic public information sent to the CNMV;

- h) information regarding the call, agenda and proposed resolutions of any ordinary or extraordinary general meeting, as well as any material information that may be required by shareholders in order to cast their votes;
 - i) information regarding the development of general shareholders meetings already held, in particular regarding the agenda, attendance at the general meeting at the time it was held, resolutions adopted stating the number of votes cast and the sense thereof for each of the proposals included on the agenda;
 - j) the communication channels existing between the Company and the shareholders, in particular the pertinent explanations regarding the exercise of the shareholders' information right, indicating the postal and e-mail addresses to which they may be sent;
 - k) the resources and procedures for granting proxies for the general meeting;
 - l) the resources and procedures for the exercise of remote voting at the general meeting including, if applicable, forms to show attendance and voting, by proxy and by remote means, through telematics procedures;
 - m) the material disclosures notified to the CNMV during the current financial year and the last closed financial year; and
 - n) The Company's average period for payment to suppliers and, if applicable, the measures to be taken in the following financial year in order to reduce it and reach the maximum determined in the relevant regulations.
2. The board of directors may agree to modify, remove or transfer the website. This resolution will be recorded at the Commercial Registry or will be notified to all the shareholders and, in any case, will be published in the Official Gazette of the Commercial Registry and the website itself will announce a resolution to modify, remove or transfer within thirty (30) days following the insertion of the resolution.

TITLE III.- ANNUAL STATEMENTS, ALLOCATION OF PROFIT, DISSOLUTION AND LIQUIDATION

Chapter I. Annual statements

Article 45.- Financial year

The financial year will begin on 1 January each year and will end on 31 December.

Article 46.- Annual statements and management report

1. The annual statements will include the balance sheet, profit and loss account, statement reflecting changes in net wealth over the financial year, a cash flow statement and an annual report.

These documents, as a single unit, will be drawn up in clear terms and will provide an accurate image of the Company's wealth, financial position and results, according to applicable law.

2. The management report will contain, at least, an accurate description of business performance and the Company's position, as well as a description of the main risks and uncertainties it is facing and, if applicable, information on significant events for

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the Company occurring since the closure of the financial year, the Company's expected performance, R&D activities and the purchase of own shares, in the terms established by the Act.

3. The board of directors, within the first three (3) months of the year, will draw up the annual statements, management report and proposed allocation of results and, if applicable, the consolidated statements and management report. The annual statements and management report will be signed by all the directors.

Article 47.- Account auditors

1. The annual statements and management report will be audited by account auditors.
2. The persons who will audit the annual statements will be appointed by the general meeting before the end of the financial year to be audited, for a specific period of time, which must be at least three (3) years and no longer than nine (9), as of the date of commencement of the first financial year to be audited; these persons may be re-elected by the general meeting for maximum periods of three years upon expiration of the initial period.
3. The general meeting may not revoke the auditors before expiration of the term to which they were appointed, except in the event of justified cause.

Article 48.- Approval of annual statements and allocation of results

1. The Company's annual statements and, if applicable, consolidated annual statements will be presented to the general shareholders' meeting for their approval.
2. The general meeting will resolve on the allocation of the year results according to the approved balance sheet.
3. After meeting the requirements foreseen in the Act, dividends may only be distributed by debiting the year profit or unrestricted reserves, if the net book value of the Company's equity is not, or is not eventually, as a result of the distribution, lower than the capital stock. If there are losses from previous years that reduce the net book value of the Company's wealth below the capital stock figure, the profit will be used to offset losses.
4. If the general meeting agrees to distribute dividends, it will determine the time and method of payment. Determination of these issues may be delegated to the board of directors, including any other that may be necessary or appropriate to render the resolution effective.
5. The board of directors and general meeting may agree to distribute amounts on account of dividends, with the limitation and fulfilling the requirements foreseen in the Act.
6. Distribution of dividends to the shareholder will be carried out in proportion to the capital stock paid up.

Article 49.- Deposit of approved annual statements

The board of directors will proceed to deposit the Company's annual statements and management report, including, if necessary, the consolidated statements and management report, together with the relevant reports issued by the account auditors and other documentation required, in the terms and timeframes foreseen in the Act.

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Chapter II. Dissolution and liquidation of the Company

Article 50.- Events of dissolution

The Company will be dissolved:

1. by means of a resolution adopted by the general shareholders' meeting, expressly called for this purpose, pursuant to the provisions of these articles of association; and
2. in any other event foreseen by law.

Article 51.- Liquidation of the Company

1. Dissolution of the Company will begin the liquidation period.
2. As soon as the Company is declared to be involved in liquidation proceedings, the board of directors will cease its activity and the directors will become the Company's receivers. They will represent a collegiate body, which must have an uneven number of members. To this effect, if necessary, the director holding the least seniority will be removed and, if there are several, the youngest director.
3. If the dissolution is a consequence of commencement of the liquidation stage of the Company in bankruptcy proceedings, the appointment of receivers indicated in the foregoing paragraph will not apply.
4. In order to conduct the liquidation, divide the company's credits and cancel the relevant registrations, the provisions foreseen in the Companies Act and Commercial Registry Regulations will apply.