

**RE-DRAFTED TEXT OF THE ARTICLES OF
ASSOCIATION**

OF

FADESA INMOBILIARIA, S.A.

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CHAPTER I

NAME, PURPOSE, DURATION AND REGISTERED OFFICE

Article 1. Name

The company will be styled FADESA INMOBILIARIA, S.A., shortened to FADESA and will be governed by the present Articles of Association and, where not contemplated herein, by the Spanish Law on the Legal Regime for Limited Liability Companies and its complementary legislation.

Article 2. Corporate purpose

The Company has as its purpose:

1. The development, management and promotion of all types of real estate and town planning operations.

2. The disposal and operation, including under lease, of the property, buildings, dwellings and premises or constructions in general resulting from its activities, regardless of the ultimate use thereof.

3. The execution of all manner of public and private works, or works for the State, Province, Municipality or Regional Community and or private individuals throughout Spanish territory and even the contracting of any kind of work to be performed abroad.

4. Construction, modification and/or development of properties of any kind for their direct operation in the form of partial or total sale or lease of the properties so built and/or developed.

5. The manufacture, production and/or sale, including distribution, of all kinds of building materials.

6. The provision of all kinds of services and consultancy concerned with real estate, the preparation of designs and studies, the handling of licences and permits of all kinds and the performance of market surveys, as well as corporate services, granting its subsidiary

organizations or companies in which it holds a stake, as appropriate, financial support, sureties and, in general, financial assistance for the exercise of their activities.

Corporate services will be deemed to be the provisions of consultancy, information and technical assistance service on economic, accounting, financial, business and legal issues, the assignment and exploitation of the use of industrial rights, trade marks or commercial names and the drafting, preparation and execution of all kinds of surveys, policies and projects; the creation of industrial and commercial designs; the supervision, technical assistance, technological transfer and commercialization, inspection, monitoring and administration of such projects and activities.

Should the legal provisions in force require any professional qualification for the exercise of any activity included within the company's corporate purpose, such activity will be conducted by means of a person holding the required qualification.

The activities included in the corporate purpose may be effected by the Company either directly or indirectly, through the formal holding of shares or stock certificates in companies with an identical or analogous purpose or by any other means admitted in law.

Article 3. Duration and date of the start of operations

The Company is hereby incorporated in perpetuity and began its operations on the day its Memorandum of Incorporation was authorized.

Article 4. Registered office

The company's registered office is in Corunna at the Edificio Fadesa building, Avenida de Alfonso Molina, no number.

The Board of Directors may resolve to move the said registered office to any other place within the same municipality, in which case it may re-draft the present Article, and it shall also be competent to decide on the creation, elimination or transfer of branch offices anywhere in Spain or abroad.

CHAPTER II

SHARE CAPITAL AND SHARES

Article 5. Share capital

The share capital is set at the sum of 11,136,607 euros, totally subscribed and paid up, represented by means of 111,366,070 shares, with a face value of 10 euro cents each, all of the same class and series.

Article 6. Representation of the shares

The shares are represented by means of the book entry system and are valid when entered on the corresponding accounting register, which will reflect the specific mentions indicated in the issue deed; they are entirely paid up.

The legal entitlement to exercise the rights of shareholders, including where appropriate the conveyance of shares, is obtained through their inclusion on the accounting register, which is presumed to constitute legal ownership and empowers the person so registered to demand of the Company that it recognize the same as a shareholder. Such legal entitlement may be accredited by means of the exhibition of the corresponding certificates issued by the body in charge of the accounting registers.

Article 7. Capital calls on shareholders

Where capital calls are required to be paid, these will be effected in cash and in the maximum term of five years, counted from the incorporation of the Company or, where appropriate, from the respective resolution for a capital increase.

Article 8. Capital increases

Where the capital increase is effected by means of the issue of new shares, the pre-existing shareholders and the registered holders of convertible bonds, if any, may exercise their right, as foreseen in the law, to subscribe a number of shares proportional to the face value of the shares they already hold, or those that would correspond to the registered holders of convertible bonds where the swap right to be exercised at that time.

The General Meeting of Shareholders deciding on the capital increase may resolve, for the benefit of the Company, on the total or

partial suppression of this preferential subscription right, in the manner determined by law.

The General Meeting of Shareholders may delegate on the Company's Directors, in the manner and within the limits stipulated in the Law, the possibility of resolving on an increase in the share capital on one or more occasions up to a figure determined at such time and amount as may be decided, without prior consultation with the General Meeting of Shareholders.

Article 9. Joint ownership of shares

The shares are indivisible. Multiple owners of a share must appoint a single person to exercise their rights in the Company.

Article 10. Usufruct and pledging of shares

Where there is a separation between the rights of mere ownership and usufruct regarding the shares in the Company, the rights inherent thereto shall be distributed in the manner stipulated by law.

Should a pledge be established on the shares in the Company, the owner thereof shall be entitled to exercise the rights inherent to the condition of shareholder, with the creditor benefiting from the pledge being obliged to allow such owner to exercise these rights.

Article 11. Non-voting shares

The Company shall issue non-voting shares for an amount not exceeding one half of the paid-up share capital.

The registered holders of this kind of share shall be entitled to receive a minimum annual dividend of 1 per cent of the sum paid out to subscribe them. Once the Company has resolved on the minimum dividend, the registered holders of non-voting shares shall be entitled to the same dividend as may correspond to ordinary shares.

Should the Company be a listed company and have profits to distribute, the Company shall be obliged to order the pay-out of the minimum dividend referred to in the preceding paragraph.

Article 12. Redeemable shares

Should the Company be a listed company, it may issue redeemable shares in accordance with the terms stipulated in law.

CHAPTER III

THE ORGANS OF THE COMPANY

SECTION ONE **GENERAL MEETINGS OF SHAREHOLDERS**

Article 13. The organs of the Company

The organs of the Company shall be the General Meetings of its Shareholders, its Directors, constituted in a Board of Directors and, where appropriate, its committees and delegated bodies.

Article 14. Kinds of General Meetings

The General Meetings of Shareholders may be Ordinary or Extraordinary.

The Ordinary General Meetings of Shareholders, convened for the purpose in advance, shall necessarily take place within the first six months of each financial year in order to give an opinion on the company's management, approve, where appropriate, the accounts for the previous financial year and resolve on the application of the result. Furthermore, the Ordinary General Meetings of Shareholders shall debate and adopt resolutions on any other matter included on the Agenda for which they are competent.

All General Meetings other than that foreseen in the preceding paragraph shall be deemed an Extraordinary General Meeting of Shareholders.

Article 15. Calling of General Meetings of Shareholders

General Meetings of Shareholders must be convened by the Board of Directors.

The Board of Directors shall convene an Ordinary General Meeting of Shareholders to be held within the first six months of each financial year, and an Extraordinary General Meeting whenever it is deemed appropriate for the Company's interests.

Furthermore, the Board of Directors must convene a General Meeting of Shareholders whenever it is requested by a number of shareholders holding, at least, 5 per cent of the share capital, with the indication in the request of the matters to be discussed at the Meeting. In this case, the General Meeting must be convened to be held within the thirty days following the date of receipt of the formal notification

for it to be convened. The Board of Directors shall draw up the Agenda, necessarily including the matters included in the request.

The Ordinary and Extraordinary General Meetings of Shareholders will be convened by means of an announcement inserted in the Official Journal of the Companies' Register and in one of the newspapers with the greatest circulation in the province, at least fifteen days prior to the date set for it, except in cases of merger or spin-off, when the notice of meeting must be given one month in advance.

The announcement will indicate the date of the meeting at its first call, together with all of the matters to be discussed. In addition, the date of the meeting at the second call, if any, may also be indicated.

The provisions of the present article shall be ineffectual whenever any law or regulation stipulates other requirements for General Meetings to discuss specific topics, in which case regard will be had for the specific stipulations.

When so required by law, the notice of meeting shall include a mention of the shareholders' right to examine, at the company's registered office, the documents to be submitted to the Meeting for approval and any planned technical reports as well as, when appropriate, the right to obtain, promptly and free of charge, copies thereof.

Article 16. Right to attend and representation by proxy

All shareholders who, either individually or in association with other shareholders, are the registered holders of a minimum of 100 shares, may attend the General meetings.

In order to attend the General Meeting, it will be necessary for the shareholder to be the registered holder of the corresponding shares on the accounting register for the book entry system five (5) days prior to the date on which the General Meeting is to be held, to be up to date with any capital calls, and to have obtained the corresponding attendance card.

The members of the company's management body must attend any General Meetings that are held, although their absence for any reason shall not in any case prevent the General Meeting from being validly called to order.

The Chair may authorize the attendance of any person deemed appropriate, although the General meeting may revoke such authorization.

Without prejudice to the attendance of bodies corporate holding shares in the Company through the person holding due powers of attorney, any shareholder entitled to attend may be represented at the General Meeting by means of another person who must fulfil at least one of the following conditions:

- a) be a shareholder,
- b) appear as an attorney in fact of a body corporate that is a shareholder, or
- c) be a Director of the Company.

Powers of representation must be granted in writing and be specific for each General Meeting. Furthermore, in order to grant powers of attorney for representation at a General Meeting, the shareholder may make use of telecommunications systems such as postal or electronic correspondence, providing that the identity of the party represented and his or her proxy is duly guaranteed. The Board of Directors may dictate the corresponding procedures for this purpose.

The present powers of representation shall be deemed to be without prejudice to the provisions of the law for cases of representation by relatives and the granting of general powers of attorney.

In any case, whether the proxy is appointed voluntarily or as a legal representative, no more than one such proxy per shareholder will be allowed at the General Meeting.

Powers of representation may be revoked at any time. Personal attendance at a General Meeting by the party represented shall be deemed to constitute revocation.

Article 17. Quorum of the General Meetings. Special cases

The General Meetings of Shareholders shall be validly called to order, at the first call, when the shareholders present or represented hold at least twenty-five per cent of the subscribed share capital with voting rights. At the second call, the meeting may be validly called to order whatever quorum is present.

For the Ordinary or Extraordinary General Meetings to be able to resolve validly on the issue of bonds, capital increases or reductions, transformation, merger or spin-off, liquidation and winding-up of the Company in accordance with the provisions of article 260.1.1 of the Spanish Limited Liability Companies Act and, in general, any amendment of the Articles of Association, it will be necessary for the meeting to be attended, at the first call, by shareholders, either present in person or represented by proxy, owning at least fifty per cent of the subscribed share capital with voting rights. At the second call, it will be sufficient for twenty-five per cent of the said capital to attend, although, whenever the shareholders attending in person or by proxy represent less than fifty per cent of the subscribed share capital with voting rights, no resolution on the matters referred to in the present paragraph may be validly adopted except with the votes in favour of two thirds of the share capital present or represented at the General Meeting.

Absences which arise after the General Meeting has been called to order will not affect the validity of its proceeding nor alter the quorum for voting purposes.

Article 18. Universal Meetings

General Meetings will be deemed to have been convened and may be validly called to order to discuss any subject providing that all of the share capital is present or represented and those attending unanimously accept that it should be held.

Article 19. Chairing the General Meetings

The General Meetings will be chaired by the Chair of the Board of Directors or, if absent, by the Deputy Chair; if the latter is not present, by the Director designated by the General Meeting itself.

The Chair will be assisted by a Secretary, by a Deputy Secretary or by both, namely those of the Board of Directors, or by such person as the General Meeting itself may decide.

Article 20. List of those attending

Prior to starting the discussions of the Agenda the Secretary to the General Meeting will draw up the list of those attending, expressing the character or representation of each and the number of shares of their own or others, with which they participate.

At the end of the list, the number of shareholders present or represented will be determined together with the amount of share

capital they hold, specifying that corresponding to shareholders with voting rights.

If the list of those attending is not included at the start of the Minutes to the General Meeting, it will be attached by means of a schedule signed by the Secretary with the approval of the Chair.

The list of those attending may also be formed by means of an electronic file or be included in computer format. In these cases, the Minutes will indicate the means used and on the sealed cover of the file or medium the corresponding identification note signed by the Secretary, with the approval of the Chair.

Article 21. Debate and adoption of resolutions

The Chair will be responsible for moderating the debate, giving the floor and determining the duration of the successive speeches.

1. Resolutions must be adopted with the votes in favour of the majority of the share capital with voting rights present or represented at the General Meeting, without prejudice to the reinforced quorum required for calling the meeting to order and voting as stipulated in the law and in the Articles of Association.
2. If proposals are presented regarding issues on which the General Meeting may decide without prior inclusion on the Agenda, the Chair will decide the order in which they are put to the vote. In other cases, the process for adopting resolutions will, unless otherwise determined by the Chair, follow the order of the Agenda.
3. After the reading of the proposals by the Secretary, which reading may be skipped when no shareholder objects, the draft resolutions submitted in each case by the Board of Directors will be put to the vote first, followed by those presented by others, if any, in the order submitted.
4. In any case, once a draft resolution is adopted, all others on the same issue which are incompatible with the one adopted will automatically lapse, without therefore being put to the vote.
5. In the adoption of resolutions, the Chair may determine the system for determining votes so as to verify the necessary votes in favour obtained for approval and reflect the result of the vote in the Minutes.
6. In order to exercise voting rights at the General Meeting, shareholders may use remote telecommunications systems such

as postal or electronic correspondence, providing that their identity and, where appropriate, that of their proxies is duly confirmed as well as the authentic nature of the expression of their will or vote. The Board of Directors will provide the corresponding procedures for this purpose.

With respect to the right of shareholders to receive information, regard will be had for the provisions of the law.

Article 22. Minutes of the General Meetings and certifications

The resolutions of the General Meeting will be reflected in the Minutes which will be drawn up or copied into the Minutes Book kept for the purpose. The Minutes may be approved by the General Meeting itself or, within the term of fifteen days, by the Chair and two Representatives, one for the majority position and the other for the minority.

The Minutes approved in either of these ways will be enforceable from the date of their approval.

Certifications of the resolutions adopted shall be issued by the Secretary or by the Deputy Secretary to the Board of Directors with the approval of the Chair or the Deputy Chair, as appropriate.

The Memorandum of a meeting drawn up by a notary public shall not require approval.

The formalization of the company's resolutions in a public instrument corresponds to those individuals with the power to certify the same. This may also be done by any of the members of the Board of Directors whose appointment is in force and on record at the Companies' Register, without the need for express delegation.

SECTION TWO **BOARD OF DIRECTORS**

Article 23. The Board of Directors

The Company shall be governed and managed by a Board of Directors comprising at least five and no more than fifteen members, elected by the General meetings of Shareholders or by the Board of Directors itself, on the terms and conditions stipulated by law.

The posts of Director may be resigned, revoked or renewed.

In order to be appointed as a Company Director it is not necessary to be a shareholder, and private individuals or bodies corporate may be appointed.

Directors will not be required to provide any guarantee whatsoever in favour of the Company.

Article 24. Types of Directors and the balance of the Board

In the exercise of its powers to submit proposals to the General Meeting and to co-opt Directors to cover vacancies, the Board of Directors will strive to ensure that the external Directors represent a large majority of the composition of the Board.

The Board will also strive to ensure that, within the majority grouping of External Directors, the Independent Directors represent a significant proportion.

For the present purposes, Executive Directors will be deemed to be all of those Directors of the Company carrying out executive or senior management functions in the Company or its subsidiaries, and in any case those with a stable contractual relationship of an employment or other nature with the Company or its subsidiaries, other than that relating to their condition as Directors, and those with any decision-making powers in connection with any part of the Company's business or that of its Group, by means of delegation or stable proxies granted by the Board or by other instances of the Company or its subsidiaries.

Furthermore, External Directors will be those who are not considered to be Executive Directors in accordance with the definition included in the preceding paragraph.

The provisions of the preceding paragraphs do not affect the sovereignty of the General Meetings nor do they diminish the efficacy of the proportional voting system, which must mandatorily be observed whenever shares are grouped together pursuant to article 137 LSA.

Article 25. Duration

The Directors shall hold their posts for the term of four years, and may be re-elected one or more times for similar periods. Once this term is over, their appointment will lapse at the conclusion of the next General Meeting or when the legal deadline for holding the said General Meeting has passed.

Article 26. Remuneration for the members of the Board of Directors

1. Those attending the sessions of the Board may receive per diem allowances.

2. In addition, the Directors will receive remuneration from the Company.

3. The remuneration of the different Directors may vary depending on their character as Executive Directors or otherwise, and on their services rendered at the Board's delegated bodies.

4. For these purposes, the General Meetings of Shareholders shall set annually the amount of the remuneration for Directors. The Board shall be responsible for setting the individual remuneration for the various Directors.

5. The Company may contract third-party liability insurance for its Directors.

6. In any case, the remuneration for the members of the Board of Directors will always be effected within the limits stipulated from time to time by the legislation in force.

Article 27. Calling of meetings, quorum and adoption of resolutions

The Board of Directors shall meet on the dates it determines and whenever the Chair so decides or when a session is requested by at least three of its members, in which case it will be convened to meet within the fifteen days following the request. The notice of meeting may be given by any written means addressed personally to each Director by the Secretary or Deputy Secretary, on the instructions of the Chair, with at least one day's notice with respect to the date of the meeting, except in extraordinary circumstances in the opinion of the Chair, in which case the Board may be convened without this notice being given.

Ordinarily, the sessions of the Board will be held at the company's registered office but they may also be held at the place indicated in the notice of meeting.

The Board of Directors will be validly called to order when the meeting is attended, in person or by proxies, by half plus one of its members.

The foregoing notwithstanding, the Board will also be validly called to order, without the need for a prior notice of meeting, whenever all of its members are in attendance, either in person or by proxy.

Powers of representation to attend Board meetings must necessarily be given to another Director and they must be given in writing specifically for each Board meeting.

Except where statute requires a reinforced majority, resolutions will be adopted by an absolute majority of the Directors attending. Should there be a tie, the Chair shall have a casting vote.

A written vote without a formal session will be allowed when no Director objects to this procedure.

The Board may draw up Regulations for the Organization and Functioning of the Board of Directors.

Article 28. Positions within the Board

The Board will appoint from among its number a Chair and, where appropriate, a Deputy Chair who will replace the Chair in cases of absence or impossibility. The Board may also appoint one or more Deputy Chairs.

Furthermore, it will freely appoint the person who is to hold the post of Secretary and it may appoint a Deputy Secretary, who may or may not be members of the Board. The Secretary will attend the meetings of the Board with the right to speak but without the right to vote unless also holding the position of Director.

The Deputy Secretary will replace the Secretary in situations of vacancy, absence or illness and may also attend the meetings of the Board together with the Secretary when this is so decided by the Chair.

The Board will accept the resignation of the Directors and, where appropriate and if vacancies arise during the term for which the Directors were appointed, will proceed to designate from among the shareholders the persons who are to hold such positions until the first General Meeting is held thereafter.

The Chair will moderate the debates, giving the floor in the order requested and will supervise the voting.

Article 29. Minutes of the Board and certifications

The discussions and resolutions of the Board will be reflected in Minutes which will be drawn up in the Minutes Book and will be signed by the Chair or by the Deputy Chair where appropriate and the Secretary or Deputy Secretary. The certifications of the Minutes will be issued by the Secretary to the Board of Directors or by the Deputy Secretary with the approval of the Chair or the Deputy Chair as appropriate.

The power to formalize public instruments shall correspond to any of the members of the Board of Directors and to the Secretary or Deputy Secretary to the same, even if they are not Directors, in accordance with the stipulations of statute.

Article 30. Representation of the Company

The power to represent the Company in and out of Court lies with the Board of Directors as a collegiate body and by majority decision in accordance with the provisions of the present Articles of Association, and it shall have the most wide-ranging power to enter into contracts in general, perform any manner of act and business, whether of obligation or disposal, ordinary or extraordinary administration and strict ownership, with respect to all kinds of property, chattels, real estate, cash, securities and commercial paper, without further exception than those matters that are the exclusive competence of the General Meetings of Shareholders or are not included in the corporate purpose.

Article 31. Delegation of powers

The Board of Directors may establish from among its number an Executive Committee and one or more Managing Directors, determining the individuals who are to exercise these posts and their way of acting, with the power to delegate in favour of the same, temporarily or permanently, all or any part of the powers that are not declared impossible to delegate by virtue of statute or the present Articles of Association.

The Board of Directors may also permanently delegate powers of representation in favour of one or more Directors, determining if they have to act, when more than one, jointly or jointly and severally.

The Board of Directors may also appoint and revoke proxies or representatives.

Article 32. Executive Committee

The Board of Directors shall appoint an Executive Committee which will comprise a minimum of three and a maximum of five

Directors, appointed by the Board of Directors from among its members, for a period equal in duration to that corresponding to each one in the position of Board Member.

The Executive Committee, apart from such powers as may be delegated on the same, will be charged with proposing to the Board and monitoring the Company's financial, commercial and investment strategy.

The Executive Committee will be chaired by the Chair of the Board of Directors and the Secretary to the Board will act as its Secretary.

The Board of Directors will determine the rules for its operation.

Article 33. Other Committees and Commissions

1. The Board of Directors may establish specific commissions for advisory purposes or to make proposals. In any case it will establish the following bodies:

(a) an Audit Committee; and

(b) an Appointments and Remuneration Commission.

Without prejudice to the possible attribution of other functions as may be decided by the Board of Directors, the aforesaid Committee and Commission shall have the powers to give information, advice and proposals on the subjects specified in the following articles. The powers of the Audit Committee and the Appointments and Remuneration Commission to submit proposals do not exclude the possibility of the Board deciding on its own initiative.

2. The Audit Committee and the Advisory Commissions will regulate their own operations in accordance with the provisions of the Articles of Association, the Regulations of the Board of Directors, if any, and such other rules as may be set by the Board; they will appoint from among their number the Chair of the Committee or of the Commission, which Chair must in all cases be an External Director, and they will meet following due notice of meeting. The Secretary to the Board of Directors, the Deputy Secretary or one of the members of the Committee or Commissions will carry out the functions of Secretary to the Committee or Commissions, as may be established in each case. Where no special provision is applicable, the rules of operation established in the present Articles of Association in connection with the Board of Directors will apply, providing that these are compatible with the nature and function of the corresponding Committee or Commission.

Article 33-bis. The Audit Committee.

A) Composition and posts

The Board of Directors will establish an Audit Committee which will comprise at least 3 and at the most 5 members. Most of its members will be External Directors and there must be Independent Directors among them.

The Audit Committee will have the power to report, supervise, advise and submit proposals on the issues within the scope of its competence.

The members of the Audit Committee will appoint from among their number the Chair of the Committee, who must in all cases be an External Director. The term of office of the position of Chair will be 4 years, and former Chairs may be re-elected, when appropriate, after one year has elapsed from the date they ceased to be Chair. The foregoing notwithstanding, the Chair may cease to hold this post before the term of 4 years has elapsed if this is required by the term stipulated in the Articles of Association for the duration of the appointment as Director.

The Secretary to the Board of Directors, the Deputy Secretary or one of the members of the Audit Committee, as may be established in each case, will carry out the functions of Secretary to the Committee.

B) Operating rules

The Audit Committee will meet each time it is convened by its Chair, who must convene it whenever this is requested by the Board of Directors, its Chair or two of the members of the committee, and, in any case, when it is appropriate for the proper exercise of its functions.

Any member of the management team or the Company's personnel requested to attend the sessions of the Audit Committee will be obliged to do so and to render to the same their collaboration and to provide access to any information available. The Audit Committee may also request that the external auditors attend its sessions.

The Chair of the Audit Committee will chair its meetings and oversee its debates.

The Audit Committee will be deemed validly called to order when a majority of its members attend the meeting either in person or duly represented.

The rules of operation stipulated for the meetings of the Board of Directors in the Articles of Association will be applied with respect to the notice of meeting, quorum and adoption of resolutions, except where the same are not compatible with the nature and functions of the Audit Committee.

The Audit Committee will draw up an Annual Report on its activities which will be included in the Company's Management Report.

C) Scope

Without prejudice to any other purposes assigned to it by the Board of Directors, the Audit Committee will have power to act in the following areas:

- a) It will report to the General Meeting of Shareholders on the issues raised on matters within its scope.
- b) It will propose the appointment of External Auditors for the Company and the Consolidated Group to the Board of Directors for submission to the General Meeting of Shareholders, including the terms and conditions for contracting the same, the extent of their professional mandate and, where appropriate, their dismissal or non-renewal.
- c) It will supervise the operation of such internal audit services as may be established by the Board of Directors, prior to the corresponding report by the Appointments and Remuneration Commission, as well as give its opinion on the appointment of the Director of such services.
- d) It will investigate the Company's financial information processes and its internal control systems.
- e) It will deal with the external auditors in order to receive information on those matters that may endanger the independence of the latter and any other persons related with the process of performing audits, as well as those other communications foreseen, as appropriate, in the legislation on the auditing of accounts and in technical auditing standards.

In the exercise of its functions, the Audit Committee may request the assistance of experts whenever it feels that, for reasons of independence or specialization, it cannot make do with the technical

resources of the Company. In addition, the Committee may request the collaboration of any member of the Senior Management.

Article 33-ter. The Appointments and Remuneration Commission

1. The Appointments and Remuneration Commission will comprise at least 3 and at the most 5 members. A majority of its members will be External Directors and there must be Independent Directors among their number.

2. Without prejudice to any other purposes assigned to it by the Board, the Appointments and Remuneration Commission will be responsible for those matters assigned to it, if any, in the Regulations for the Board of Directors.

3. Requests for a report by the Appointments and Remuneration Commission will be made by the Board of Directors or its Chair. In addition, the Commission must take into consideration the suggestions made to it by the Chair, the members of the Board or the Company's shareholders.

4. The Appointments and Remuneration Commission will meet when convened by its Chair, who must call it whenever the Board or its Chair requests that a report be issued or proposed measures adopted and, in any case, whenever it is appropriate for carrying out its functions properly.

CHAPTER IV

ANNUAL ACCOUNTS

Article 34. The Company's financial year

The Company's financial year will begin on the first of January and will conclude on the thirty-first of December each year.

Article 35. Drafting of the Annual Accounts

Within the term legally established, the company's management body will draft the annual accounts and, where appropriate, the consolidated accounts, the management report and the proposed application of the result, prior to their submission, after revision and the corresponding report by the Auditors if any, to the General Meetings of Shareholders.

Article 36. Approval of the Annual Accounts

The General Meetings of Shareholders will approve the annual accounts and the consolidated accounts, if any, and they will resolve on the application of the result in accordance with the approved balance sheet, distributing dividends to the shareholders in proportion to the share capital they have paid out, charged to the profits or to the freely-available reserve funds, after establishment of the legal reserve, determining such sums as it deems appropriate for the provision of the various kinds of voluntary reserves as it may determine, fulfilling the legal provisions for the defence of the company's share capital and respecting the privileges enjoyed by certain types of shares.

The company's management body may decide to pay out sums on account of dividends, with the limitations and fulfilling the requirements stipulated by law.

CHAPTER V

WINDING-UP AND LIQUIDATION

Article 37. Winding-up

The Company will be wound up by means of a resolution adopted by the General Meeting of Shareholders at any time, with the requirements stipulated in law and for the other causes foreseen in statute.

When the Company is forced to be wound up for legal grounds requiring a resolution by the General Meeting of Shareholders, the management body must convene the same within the term of two months from the existence of the said grounds so that it may adopt the resolution for its winding-up, proceeding as established in law if such a resolution is not approved for whatever reason. Whenever winding-up becomes necessary due to a reduction in the Company's wealth to a sum that is less than one half of the share capital, winding-up may be avoided by means of a resolution to increase or reduce the company's share capital or by sufficiently restoring the company's wealth. Such adjustments shall be effective providing that they are carried out before the winding-up of the company is ordered by a Court.

Article 38. Liquidation

If the winding-up of the company is resolved, the General meeting of Shareholders shall proceed to the appointment of one or more Receivers (always an odd number) and shall determine their corresponding powers, with the attributes legally stipulated and such

others as may have been assigned to them by the General Meeting of Shareholders on the occasion of their appointment.

CHAPTER VI

OTHER PROVISIONS

Article 39. Jurisdiction

All disputes or disagreements between the shareholders and the Company will be submitted to the Court with jurisdiction over the Company's registered office, with express waiver of any personal right to another venue.