

ARTICLES OF ASSOCIATION  
MORA BANC GRUP, SA



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# CHAPTER I

## GENERAL PROVISIONS

### Article 1. Company Name

Through the transformation of the Andorran company Banca Coma, SL, incorporated by a public deed authorised by the notary Matias Aleix Santuré, on 17 June 1958, an Andorran limited company under the name **Mora Banc Grup, SA** was established; the company is governed by these Articles of Association and, in anything that is not provided for in the said Articles, by the current applicable legal provisions and, in particular, by Law 20/2007, of 18 October, on public limited companies and limited liability companies.

### Article 2. Registered Address

The registered office is located in Andorra la Vella, at Avinguda Meritxell, 96, and branches, agencies, delegations, offices and representations may be established wherever deemed appropriate. The registered office may be moved to any other place within the Principality of Andorra by a resolution of the General Meeting of Shareholders, adopted in accordance with these Articles of Association.

### Article 3. Purpose

The corporate purpose consists exclusively of carrying out all kinds of operations that the law in force at any given time in the Principality of Andorra allows for banking institutions.

In addition, the Company can provide investment and auxiliary services permitted for banking institutions, as provided in Articles 5 and 6 of Law 13/2010 of 13 May on the legal system of financial investment institutions and companies managing collective investment undertakings, and any legislation which may replace or supplement this regulation in the future.

### Article 4. Term

The Company is incorporated for an indefinite term and may only be dissolved by a resolution of the General Meeting of Shareholders, adopted in accordance with these Articles of Association or for any of the reasons provided for in Article 85 of the public limited companies and limited liability companies Law.

## CHAPTER II

# SHARE CAPITAL AND SHARE REGIME

### Article 5. Share Capital

The capital of the company is FORTY-TWO MILLION FOUR HUNDRED AND SIX THOUSAND FIVE HUNDRED AND SIXTY EUROS (**€42,406,560**) and is divided into SEVEN HUNDRED AND FIVE THOUSAND SIX HUNDRED (705,600) registered shares of par value SIXTY EUROS AND TEN CENTS (€60.10) each, all in issue and fully paid up.

### Article 6. Shares

1. All shares shall be documented by means of consecutively numbered registered certificates, which may incorporate one or more shares.
2. There shall be four classes of shares: B, C, D and E, they shall be numbered consecutively within each class and represented by titles recorded in the Register of Members.

Class B shares, from 1-B to 201,600-B; Class C shares, from 1-C to 201,600-C; Class D shares, from 1-D to 201,600-D; and Class E shares, from 1-E to 100,800-E, all inclusive.

3. Share certificates shall as a minimum state the name, address, the amount of capital in the Company, the numbers, class and par value of the shares, and bear the signature of the Chairman and Secretary of the Board of Directors. The reverse of the certificates shall state that each share is subject to the restrictions on free transfer contained in Article 10 of these Articles of Association.
4. The Company shall only recognise as a shareholder persons registered in the Register of Members.
5. In order to attend, debate and vote at General Meetings of Shareholders, a registered shareholder must have been recorded in the Register of Members at least five (5) days prior to the date of the relevant General Meeting.

### Article 7. Rights and Duties related to the Shares

1. The possession of one or more shares entails the shareholder's submission to the Company's Articles of Association and to the resolutions passed at the General Meeting of Shareholders, without prejudice to any challenges that may be made.
2. Each share confers to its rightful owner the status of shareholder, the right to participate in the distribution of corporate profits and equity resulting from liquidation, the preemptive acquisition and preemptive subscription rights governed by the following Articles, and the right to vote at the General Meetings of Shareholders as per the provisions set forth in Chapter IV.

### Article 8. Co-ownership, Usufruct and Pledge of Shares

1. The shares are indivisible. In the case of co-ownership, the holders of undivided shares must appoint a single person to exercise the shareholder's rights, although all of them must be jointly and severally liable to the Company for the obligations arising from this status.
2. In case of usufruct, the following provision shall apply:
  - In the case of usufruct of shares, the status of shareholder is held by the bare owner, however, the usufructuary has the right to share in the corporate profits that have been obtained during the period of validity of the usufruct, even though its distribution may have been made after it has expired. The bare owner shall exercise the other shareholder rights.
  - When the usufruct falls on shares which have not been fully issued, the bare owner is bound to pay up any uncalled capital to the Company; in this case the bare owner has the right to demand the legal interest of the amount invested from the usufructuary, up to the amount of the fruits received. If, five days before the deadline for making the payment, this obligation has not been fulfilled, the payment may be made by the usufructuary; without prejudice to claiming payment from the bare owner once the usufruct has expired.
  - In cases of increases in share capital, if the bare owner has not exercised or transferred the preemptive subscription right ten days before the expiry date of the period set for doing so, the usufructuary is entitled to sell the rights or subscribe the shares; in both cases, the usufructuary must comply with the provisions of Article 10 of these Articles of Association.
  - Once the new shares are subscribed, the usufruct extends to the shares for which payment may have been made, with the total value of the rights used in the subscription, and whose value will be calculated by the auditors of the Company's accounts in accordance with their theoretical value. The rest of the shares subscribed shall belong in full to the person who has paid for them.
3. The pledge of shares, regardless of its beneficiary, requires the unanimous prior agreement of all shareholders and conditions set forth below shall apply:
  - In the case of forcible or voluntary execution of the pledge, this agreement is considered irrevocable consent to the joining of the beneficiary of the pledge as a shareholder.
  - This consent has the effects set forth in Article 10.1, paragraph 2 of these Articles of Association.
  - The owner of the pledged shares shall exercise the shareholder rights, until such time as the pledgee (in the event of forcible or voluntary execution of the pledge) notifies the Company, by verifiable means, of the breach of the obligations contracted by the said owner who makes the pledge. As of this notification, the economic and voting rights of the pledged shares shall accrue immediately to the pledgee and the Company is bound to register this situation in the *Shareholders Register*.
  - If the owner does not comply with the obligation to pay the calls for subscribed capital, the pledgee may comply with this obligation without prejudice to claiming them from the shareholder or enforcing the pledge or seizure.

### Article 9. Shareholders Register

The Board of Directors has the *Shareholders Register* provided for in Article 21 of the Law on public limited companies and limited liability companies, in which it must state the successive transfers of shares, stating the identity and address of the shareholder and the constitution of *in rem* rights or encumbrances on the shares. To this end, the purchaser of the shares or charges secured thereon must notify the Company of this in good faith within a period of fifteen days.

### Article 10. Transfer of Shares

1. The transfer of any share certificate, *inter vivos or causa mortis*, either for a valuable consideration or free of charge, or as a result of legal or administrative proceedings for shares or rights to subscribe shares of the Company between shareholders holding the same class of shares can be done freely.

The transfer by voluntary or forcible execution of a pledge of shares, consented through the application of the provisions set forth in Article 8 of the Articles of Association, to the benefit of the pledge owner is also free; with no restrictions as to the class of shares.

2. By contrast, the transfer by any share certificate or subscription rights of shares of the Company to shareholders holding shares of a class other than those that are the subject of transfer or to third parties is subject to the subordinate or gradual preemptive acquisition right set forth in the said article.
3. Any shareholder who intends to carry out the transfer must notify the Board of Directors of this by verifiable means, indicating the class and number of shares they wish to transfer, the basis on which the transfer is proposed, the price and the conditions offered and the personal circumstances of the intended purchaser.
4. The Board must inform the other shareholders of this, including those of the same class to whom the shares to be transferred belong, within a period of fifteen days.
5. Shareholders may choose to acquire them within sixty days of notification received from the Board.
6. Rights of pre-emption shall be exercised in the following order:
  - A) Proposed transfer of shares or subscription rights:
    - a) Holders of shares of the class in question have a right of pre-emption and in the event of excess demand the shares to be transferred shall be allocated pro rata. If there is a balance of shares after pro rata allocation or if the number of shares does not allow them to be distributed proportionately, the balance shall be allocated in equal parts and if that is not possible, they shall be allocated by lot. If there is a balance of shares or subscription rights in any of the classes stated, the holders of shares in the other classes shall have a right of pre-emption proportionate to their respective holdings in the Company, and the balance of shares not taken by the holders of shares in any of the classes mentioned shall accrue between the classes. In the event of excess demand, shares shall be distributed pro rata and if that is not possible in the manner provided above.

- b) If there is a surplus not acquired by the holders of shares in the class in question, the right of preference shall pass to the holders of shares in the other classes in proportion to their respective holdings in the Company. In the event of an excess in demand shares shall be distributed pro rata and if that is not possible, the provisions of paragraph a) above shall apply.
  - B) Once the Board has been informed that shareholders wish to make use of their rights of pre-emption it shall determine the allocation of shares or subscription rights in accordance with the order of preference or entitlement provided in paragraphs a) and b) above, and shall give notice requiring the members to whom shares have been allocated to make payment of the price to the transferring shareholder within the period stated in the notice of proposed transfer given by the transferring shareholder.
  - C) In the event that no shareholders wish to exercise their rights of pre-emption over shares or that there is a surplus of shares, the Company may acquire those shares or that surplus within a further forty-five (45) days.
7. If disputes arise over the value of the shares or subscription rights offered, the transferring shareholder must submit a list of five investment banks of recognised international prestige in order for the shareholder exercising the preemptive right to designate one to establish its valuation. The chosen investment bank shall take into account the proposed price and any circumstances that it deems appropriate in order to carry out the valuation.

If, within 10 calendar days from the day on which the dispute is communicated, the transferring shareholder does not present the list of the five banks as indicated in the previous paragraph, it is considered that the shareholder tacitly desists from the planned transfer, and gives up its status as a shareholder to the Company. As for the shareholder exercising their preemptive right, they must designate the bank chosen to establish the valuation within ten calendar days following the day on which the transferring shareholder has submitted the said list. In the absence of this designation within the set period, it is considered that they tacitly desist from exercising their preemptive right in relation to the shares offered.

If the aforementioned analysis shows that the valuation is that proposed by the transferring shareholder, this valuation constitutes the price at which the shares are to be acquired; otherwise, the actual value of the shares is set, this being the amount that the shareholder exercising the preemptive right will have to pay.

With regard to the expenses generated by the valuation, the following rules apply:

- A) If the value assigned by the investment bank is equal to or less than the price offered by the transferring shareholder by up to 5%, the expenses shall be borne by the shareholder exercising their preemptive right.
- B) If the value assigned by the investment bank is less than the price offered by the transferring shareholder by between 5% and 15% thereof, the expenses shall be borne by the transferring shareholder and the person exercising the preemptive right in equal amounts.
- C) If the value assigned by the investment bank entails a decrease of more than 15% of the price offered; the expenses shall be borne by the transferring shareholder.

The transferring shareholder may choose to withdraw from the transfer when the valuation entails is less than the price offered by 15% or more.

- 8. The valuation carried out by the chosen investment bank suspends the expiry of the deadlines set for exercising the preemptive right regulated in this article.
- 9. It is understood that the transaction proposed by the transferring shareholder is comprised of a series of shares or block subscription rights and, therefore, the preemptive right must be exercised by one or more classes of shares, in the set order of preference, over all the shares or rights and without any surpluses being left over. If this is not the case, the procedure is deemed to have fallen through and the transferring shareholder is free to sell the shares or rights in the form and terms set out in the following paragraph.
- 10. Once the established deadlines have elapsed without the shareholders or the Company having exercised the preemptive right in the appropriate time and manner, the transferring shareholder shall obtain a certificate from the Board of Directors recording the negative result of the process and the shareholder then has a period of one month to complete the transfer of the share certificates or rights offered in favour of the person designated as the intended purchaser and for the price and conditions expressed in their notification. This period is limited and, therefore, once the deadline has elapsed and if the transfer has not been completed, the transferring shareholder must repeat the communication mentioned in section 3 above and the procedure begins again, for as long as the shareholder still wishes to carry out the transfer.

11. In the case of transmission on death or of forcible administrative or court-ordered enforcement over share or subscription rights that are not based on an authorised pledge within the meaning of Article 8 of the Articles of Association, the acquirer shall give notice to the Board of Directors of the acquisition of shares or subscription rights such that, after consultation with the other shareholders and the Company itself in the manner and in the periods provided in paragraphs 3 to 6 above, it can be determined whether there is any interest in taking over the position of the purchaser, to pay them the actual value of the shares or subscription rights acquired by transfer on death or, in the case of enforcement action, to reimburse the acquirer the total amount paid as the price and expenses of the acquisition of the shares or subscription rights enforced against, provided that that amount does not exceed the actual value of the shares or subscription rights. The actual value of the shares shall be the value determined by the Company's auditor. In the event of excess demand, the rules of apportionment, allocation and/or lots provided in paragraph 6 above shall apply.

Both for transmission on death and judicial or administrative enforcement against shares or subscription rights, otherwise than to enforce an authorised pledge within the meaning of Article 8 of the Articles of Association, the holders of shares as the same class as the shares subject to transmission or enforcement shall have preference and, to the extent they do not acquire the shares, the order that applies in the case of voluntary transfer under paragraph 6 of this article, shall apply.

If the Board replies in the negative or if stipulated periods shall have expired with no response, the third-party acquirer shall become the holder in fact and in law of the shares or subscription rights acquired and shall therefore enjoy all the rights of a shareholder in the Company.

12. The transfer of shares, on any basis, must be recorded in the *Company's Shareholder Register*, in which the charges and rights affecting the Company's shares must also be recorded.

The notification sent to the Board of Directors, specifying the class, name and numbering of the shares transferred, as well as the name, address and personal circumstances of the parties involved, must be signed by the purchaser and the transferrer, if applicable, and the Board of Directors may request documentary evidence of the transfer made and the notarial authentication of the aforementioned signatures. Any shareholder must inform the Board of any change of address as soon as possible, so that it can be recorded in the *Company Shareholders Register*, given that for all intents and purposes the notifications required in this article are considered validly made if they have been sent to the addresses which, according to the aforementioned register, are recorded as those of the Company shareholders.

13. Transfers carried out on any basis are not subject to any restrictions and are excluded from the procedure regulated in sections 2 to 11 of this article, which involve transfers to:
- A) Direct relatives in the descending line of the natural person/shareholder who proposes the transfer.
  - B) Direct relatives in the ascending line of the natural person/shareholder who carries out the transfer, provided that the said relative is or has been, at the same time, a shareholder or has been able to freely acquire this status due to their status as a direct descendant of a natural person who is or was a shareholder.
  - C) Collateral relatives, up to and including the third degree, of the natural person/shareholder who proposes the transfer.
  - D) Civil or commercial equity companies, one hundred per cent of whose shares or holdings belong to the natural persons/shareholders and/or to their direct descendants or ascendants, as long as the said ascendant is or has been a shareholder at the same time, or they have been able to freely acquire this status due to the fact that they are a direct descendant of a natural person/shareholder.

Transfers that the aforementioned equity companies may make are not subject to any restrictions either, including those made to:

- a) Their shareholders.
- b) Direct relatives of their shareholders in the ascending line.
- c) Direct relatives of their shareholders in the ascending line who carry out a transfer, provided that the said ascendant is or has been a shareholder at the same time, or has been able to freely acquire this status due to their status as a direct descendant of a natural person/shareholder.
- d) Other equity companies whose equity is held exclusively by shareholders of the same class of shares as the transferrer.
- e) The shareholders of the latter companies.

Also excluded from the restrictions contained in sections 2 to 11 preceding this article are transfers made by legal-entity shareholders to companies in the same group as the transferring company. A company of the same group is understood to be a company whose balance sheet is consolidated with the balance sheet of the transferring company or when the balance sheets of both companies (transferring and acquiring) are consolidated with the balance sheet of another parent company of both of the said companies. In addition, a company belonging to the same group is understood to be a company in which the transferring party holds a majority of the shares, both in shares or holdings and in votes, or when a third parent company has a majority holding (both in the shares or holdings as well as in votes) in the acquiring and transferring companies.

14. Notwithstanding the foregoing, and in view of the exceptional nature of the aforementioned transfers to civil or commercial equity companies referred to in letter d) of section 13 of this article, or to companies of the same group as the transferring company in the manner described in the final paragraph of the same section; any transfer of shares or holdings of these acquiring companies (or any restructuring of the company) that involves: a) the proviso that the acquiring company cannot be included in the same group of the Company; which, at the time, was the transferring party; or b) the inclusion of a shareholder in the equity companies described in section 13 above, which does not have the proviso made in the same rule, must be communicated to the Board of Directors of Mora Banc Grup, SA and the right of withdrawal of the shares from the Bank (which were acquired at the time by the company for which the said amendment has taken place) is granted to the shareholders of the same Bank. This right of withdrawal must be carried out in the manner and within the time limits indicated in section 11 of this article.

This right is also applicable when the company holding the shares of Mora Banc Grup, SA does not communicate the amendments provided for in the previous paragraph, and the said bank or one of its shareholders is aware of this amendment and demands to exercise this right of withdrawal in the manner indicated, without prejudice to the right to claim damages.

For the purpose of exercising this right of withdrawal, the price to be paid for the shares is that of their real value, set by the auditor of the Company's accounts.

As a guarantee of the possible exercising of this right, this status must be recorded in the *Company's Shareholder Register Book*.

15. The preemptive rights regulated in this article are applicable to cases of capital increases or the issue of bonds which can be converted into shares of the Company.
16. Any transfer to foreign nationals must comply with the provisions established by Law 20/2007, of 18 October, on public limited companies and limited liability companies, and any other regulations in force that may apply at any given time.
17. Also included in these restrictions is any acquisition of any legal instruments or rights that may entail the transfer of shares of the Company to its holder.
18. In cases of transfers of share subscription rights, the time limits indicated in sections 4, 5, 6 and 7 shall be reduced to eight days for giving notice to the Board; fifteen days for the shareholder option; four days for the Company option; four days for the bank proposals by the transferring party; four days to choose the bank by the intending acquiring party, and fifteen days for the valuation, as well as the necessary days in between. For the purpose of enabling the exercising of this preemptive right by the shareholders of the Company, the period for exercising the preemptive subscription right, in cases of increases in share capital, must be sufficient to allow for the proper course of the procedures indicated in this article and within the deadlines indicated in this document.

19. In the event that a shareholder who holds shares in one class acquires one or more shares in another class or other classes, the shares acquired cease to belong to the class to which they would usually belong, and they automatically become part of the class of shares in which the acquiring shareholder holds their shares.

The Board of Directors must be informed of this transfer so that the shareholders in attendance at the next General Meeting of Shareholders to be held can amend Article 6, second paragraph of the Articles of Association.

20. On the back of the share certificates it must be stated that the transfer is subject to the pre-emptive right rules which are regulated by this article.
21. Transfers that do not comply with the provisions of this article are void.

## CHAPTER III

# SHAREHOLDERS

### Article 11. Shareholders' Rights

The rights of shareholders are as follows:

1. The right to a certificate of proof of ownership of the shares belonging to each shareholder, in accordance with Article 6 of these Articles of Association.
2. The right to pre-emptively acquire shares, subscription rights and debt convertible into shares issued by the Company that any other shareholder intends to transfer, as provided in Article 10 of these Articles of Association.
3. Rights of information and to examine of the balance sheet, the annual Profit and Loss account, the proposed distribution of profits, the Management Report and the audit report which shall be made available to shareholders over the fifteen days prior to the date set for the holding of the Annual General Meeting of Shareholders.
4. To attend General Meetings of Shareholders. That right may be delegated to another person who has the status of shareholder and such delegation shall be recorded in writing.
5. The right to vote at the General Meeting on the basis of one vote per share.
6. To a proportional share of the company's profits and reserves of any kind that are distributed and of the distribution of any balance in the event that of liquidation of the Company.
7. Pre-emptive subscription rights for new shares issued in an increase in share capital, on the following principles:
  - A) Holders of shares of the class in question have a primary pre-emptive subscription right to shares of the same class and a secondary right to shares of the other classes of shares not subscribed for by holders of shares in the relevant class or classes.
  - B) Should those pre-emptive rights not be exercised, any shareholder regardless of the class of shares they hold may subscribe for the shares issued in preference to persons outside the Company.

The pre-emptive subscription rights regulated by these Articles of Association shall be exercised by participating subscribers in the amount and percentages that they freely agree or in the event of disagreement in proportion to their respective holdings in the Company's share capital at the time of the increase. If any shares remain unsubscribed for, those shares shall be awarded in equal proportions among the subscribers and any balance of new shares after that shall be allocated by lot among the subscribers. The procedure described in this paragraph 7 shall also apply to subscription for debt convertible into shares issued by the Company.

### **Article 12. Shareholders Obligations**

The shareholders have the following obligations:

- a) Pay for calls for subscribed capital, where applicable, in accordance with the Board of Directors' resolution.
- b) Inform the Board of Directors in a verifiable manner of an intention to transfer their shares, in accordance with the provisions of Article 10 of these Articles of Association.
- c) Submit to everything set forth in these Articles of Association and to the decisions of the Company's bodies, without prejudice to actions they may bring against it.

## CHAPTER IV

### COMPANY BODIES

#### Article 13. Corporate Bodies

The Company's bodies are the General Meeting of Shareholders and the Board of Directors. This is without prejudice to any other positions that may be appointed, by a resolution of the General Meeting of Shareholders, by statutory provision and by legal requirement.

#### Section One - The General Meeting of Shareholders

##### Article 14. General Meeting of Shareholders

1. The shareholders gathered to hold a General Meeting of Shareholders shall determine matters within the competence of General Meeting.
2. The General Meeting of Shareholders is the body of the Company that has power to deliberate and pass resolutions on the following matters:
  - a) The approval of the annual accounts.
  - b) The distribution of the profit and loss of the financial year.
  - c) Approval or disapproval of management of the Company.
  - d) The distribution of voluntary reserves.
  - e) The determination of the number of members of the Board of Directors within the limits provided in Article 26 of these Articles of Association.
  - f) The appointment and removal of directors, liquidators and auditors without prejudice to the power granted to the Board of Directors to fill vacancies under Article 27.1(2) of these Articles of Association.
  - g) The determination of the remuneration of the members of the Board of Directors.
  - h) The taking of measures by the company against directors, liquidators and auditors.
  - i) The amendment of the Articles of Association, changes to the structure of the Company and the dissolution, liquidation and winding up of the Company.
  - j) Authorising the Board of Directors to issue debt, whether in the form of debentures, bonds or any other type of security.
  - k) For transactions to acquire financial, banking or insurance business in amounts in excess of 20% of Mora Banc Grup's net equity, the Board of Directors shall submit a proposal to a General Meeting of Shareholders, the consent of which is required. The amount that the Directors are authorised to lay out shall be the highest of the amount to be disbursed and the net equity of the acquired company.
  - l) Decisions on any matter of affecting the interests of the Company shall be submitted to the General Meeting.
3. Resolutions of General Meetings of Shareholders passed in accordance with these Articles of Association and with the Public Limited Companies and Limited Liability Companies Act are binding on all shareholders, including those who voted against or who abstained.

### **Article 15. Ordinary and Extraordinary General Meetings of Shareholders**

1. A General Meeting of Shareholders be held within six (6) months following the end of each financial year in order to resolve on the matters set out in sections a) b) and c) of point 2 of the preceding article. An Ordinary General Meeting of Shareholders may also pass resolutions on any other matters in the order of business with the majorities that apply to Extraordinary General Meetings.
2. The Ordinary General Meeting may be postponed for one or more consecutive days; each postponed may be resolved upon at the proposal of the Board of Directors or at the request of members representing one-fourth of the capital present at the Meeting. Regardless of how many separate sessions an Ordinary General Meeting is held over, it shall be deemed to be a single event with a single set of minutes for all sessions and quorum being counted when the Meeting opens.
3. The General Meeting shall also consider resolutions submitted in writing and signed by shareholders who represent at least ten percent (10%) of the paid-up capital not less than ten (10) days prior to the meeting. Following completion of the order of business, shareholders may propose any resolutions they wish, which if accepted by the Board of Directors shall be submitted as determined by the Board to the next Ordinary General Meeting or to an Extraordinary General Meeting.
4. All other General Meetings held shall be Extraordinary General Meetings and may consider and pass resolutions on any matter included in the order of business, except for the matters mentioned in paragraphs a), b) and c) in point 2 above, which are reserved by law to an Ordinary General Meeting.

### **Article 16. Calling a General Meeting of Shareholders**

1. Ordinary and Extraordinary General Meetings of Shareholders shall be called by resolution of the Board of Directors.
2. An Extraordinary General Meeting shall be called when the Board considers it appropriate in the interests of the company. An Extraordinary General Meeting shall be called at the request of shareholders representing at least one tenth of the paid-up share capital. Any such request shall state the matters to be dealt with by the Extraordinary General Meeting. In that case, the General Meeting shall be called within thirty (30) days following the date on which the Board of Directors received a notarial document requiring a General Meeting to be called and subject to the requirement for there to be the period stipulated in subsection 3 of Article 32 of Law 20/2007 of 18 October, on public limited and limited liability companies and any implementing or replacement law, between the date of notice and the date of the meeting. The notice shall state the matters in the request.
3. If the Directors do not call a General Meeting in the manner and on the periods of notice required by the Articles of Association or by law, such Meetings may be called by the Court of Andorra in accordance with the law in force from time to time.

### **Article 17. Requirements for Notice**

1. Notice shall be given and made in accordance with the provisions of Article 31 of Law 20/2007 of 18 October, on public limited and limited liability and its implementing regulations or replacement law.
2. Notice shall state the place, date and time of the meeting at the first call and the order of business. Notice may contain the same information as to the second call in the event a General Meeting is not quorate at the first call. At least 24 hours must elapse between the first and the second call. Notice of General Meeting of Shareholders shall be given at least 21 calendar days before the date on which it is to be held.
3. Notice shall be given by means of a letter addressed to all shareholders at the address recorded in the Register of Shareholders, either by certified mail or by courier, but in any event by a method that ensures acknowledgement of receipt. Notice sent by registered fax, by e-mail or other online means which safeguards sending and content is also valid when the shareholder has provided a fax number or e-mail address for the purpose. Under no circumstances shall it be necessary to give notice of General Meeting by publishing it in a newspaper or other medium of mass communication.

### **Article 18. Meeting without Notice: Universal Meeting**

Both Ordinary and Extraordinary General Meetings of Shareholders can validly constitute Universal General Meetings, with no requirement for prior notice or any other requirement if all shareholders are present or represented and unanimously agree to hold the meeting and its order of business.

### **Article 19. Right to Attend and Representation at General Meetings of Shareholders**

1. Regardless of the number of shares they hold, all shareholders have the right to attend General Meetings.
2. In order for a shareholder to speak and vote at a General Meeting, they must have been recorded in the Register of Members in respect of their shareholding not less than five (5) days before the date on which the General Meeting is to be held and obtain an admission card, issued by the Secretariat up to five (5) days before the date for the General Meeting which states the number of votes to be cast by each shareholder at one vote per share held or represented. The directors and auditors of the Company are entitled to attend General Meetings and speak but with no right to vote.
3. The right to attend General Meetings may be exercised by the shareholder in person or by delegation only to his/her spouse, a first-degree relative or another shareholder in attendance with the right to speak and vote. A shareholder may not be represented by a legal entity or any individual appointed to represent a corporation at the General Meeting in question.

Representatives may be appointed by signature of the appointing shareholder on the voting delegation card. The appointing shareholder shall give general instruction to the representative on how to vote and, if desired, any specific instructions.

4. When notice has been given to shareholders by e-mail in accordance with Article 17 a representative may be validly appointed by e-mail to the account designated for the purpose.
5. Minors shall be represented by their legal representative who may delegate their attendance as provided in this Article.
6. When a shareholder is a legal entity, it must validly act through its legal representatives. However, the legal entity may expressly appoint as its representative at general meetings one or more natural persons. If there are more than one representatives, they shall act jointly.
7. Representatives shall be appointed specifically for each Meeting and their appointments shall only be valid for the Meeting in question and shall be revocable. The attendance of the person represented at the General Meeting constitutes revocation of the appointment. All persons who prove their status as shareholders or who have been appointed to represent a shareholder may attend General Meeting and exercise the right to vote.
8. The Chairman of the board of directors may authorise attendance at General Meetings by any person the board may consider appropriate, although General Meeting may revoke such authorisation.

#### **Article 20. Constitution of General Meetings of Shareholders: quorum**

1. An Ordinary General Meeting of Shareholders is validly constituted at first call when the shareholders present or represented hold at least a majority of the subscribed capital with voting rights. At second call, an Ordinary General Meeting of Shareholders is validly constituted when the shareholders present or represented hold at least a majority of the subscribed capital with voting rights.
2. An Extraordinary General Meeting of Shareholders is validly constituted at first call when the shareholders present or represented hold at least a majority of the subscribed capital with voting rights. At second call, the presence of shareholders holding the majority of the capital with voting rights or their representatives is also required.
3. However, the attendance of shareholders, present or represented and the vote in favour favourable vote of shareholders who hold shares representing at least seventy percent (70%) of the issued share capital with voting rights is required for the matters listed below:
  - a) The transformation, merger, spin-out and dissolution of the Company.
  - b) The amendment of Articles 10 and 22 of the Articles of Association.
  - c) The setting in the Articles of Association of the minimum number of shareholders of the Board of Directors.
  - d) A change to the corporate purpose.
  - e) Any increase or decrease in capital that is not an obligatory consequence of compliance with the law in force from time to time. For any such resolution, which may only be passed in the first six months of each financial year, a General Meeting of Shareholders shall resolve the period for subscription and total or partial payment for the shares issued (that period may not be less than thirty calendar days or more than ninety calendar days), and it shall also resolve as to the value of the premium, if applicable.

### **Article 21. Rules for the holding of General Meetings and the conduct of debate**

1. A General Meeting of Shareholders shall appoint a Chairman, chosen from among the shareholders of the family holdings companies that own Mora Banc Grup, SA, who shall chair the sessions of that General Meeting of Shareholders.

The Chairman of the General Meeting shall be appointed by a General Meeting of Shareholders for a period of four (4) years. The Chairman of the general meeting of shareholders, is required to be of recognised personal and professional standing and to have knowledge and experience in the field of business.

2. The Chairman of a General Meeting of Shareholders has the following functions:
  - a) Those imposed by law;
  - b) To determine the order of business, in liaison with the other representatives of the shareholders;
  - c) To give notice of decisions to the other governing bodies and to monitor those decisions to ensure that they are fulfilled. Such notice by the Chairman of the General Meeting of Shareholders when the Chairman thinks fit in conjunction with another or other shareholders or representatives of shareholders in General Meeting in accordance with whatever is approved in each case;
  - d) To liaise and set the order of business for the Shareholders' Meetings (Coordinator);
  - e) To represent, but not exclusively, shareholders at corporate and institutional events. Such representation by the Chairman of the General Meeting of Shareholders shall be exercised when the Chairman thinks fit in conjunction with another or other shareholders or representatives of shareholders in General Meeting in accordance with whatever is approved in each case.
3. General Meetings shall be chaired by the Chairman or in the absence of the Chairman by the Deputy Chair (if elected) and, in the absence of the Deputy Chair, the Chairman of the Board of Directors.
4. Any member of the Board of Directors may act as Secretary; unless the General Meeting of Shareholders elects another person, and in their absence, whomsoever the Board may determine.

When a Secretary is chosen by the General Meeting of Shareholders, their appointment term shall last four (4) years.

It shall be the responsibility of the Secretary to draw up the minutes and with the approval of the Chairman, to issue any certified minutes to be issued.

5. General Shareholders' Meetings are held in person. However, if agreed by the Board of Directors, they may be held remotely by videoconference or other similar system that is within the state of the technology and that allows (i) identification of attendees by the Chairman and the Secretary, (ii) two-way simultaneous communication of image and sound, and therefore, the ability to express an opinion and for shareholders to take the floor, and (iii) validly cast a vote. In the event that a General Meeting of Shareholders is held electronically, it is deemed to be held at the registered office.

6. Before commencing the order of business, a list of attendees shall be drawn up, stating the nature or representation of each person and the number of their own or other people's shares in right of which they attend. At the end of the list, the number of shares present or represented is calculated, the amount of capital paid up on those shares; the Chairman shall then declare whether the General Meeting is validly constituted and whether it is Ordinary or Extraordinary (as the case may be) and when the Meeting is validly constituted the Chairman shall declare the session open. The list of attendees shall be attached to the minutes in an attachment signed by the Secretary with the approval of the Chairman.

The list of attendees may be compiled by a computer or other system that ensures it is done with maximum speed, security and fidelity. In those cases, an identification process is operated on the computer medium signed by the Secretary with the approval of the Chairman.

7. A General Meeting of Shareholders may not validly pass resolutions on matters not included in the order of business set out in the notice, unless all the shareholders are present or represented and unanimously agree to amend the order of business.
8. Shareholders may request prior to the meeting in writing or orally during the meeting, any reports or clarification they considered to be required on the matters contained in the order of business. The Board of Directors shall provide such reports and clarification except in cases where, in the opinion of the Chairman, the publication of the information required jeopardises the interests of the company. This exception may not be used when the request is supported by shareholders representing at least one quarter of the share capital.
9. The accounts and other documents that are required to be submitted to the Ordinary General Meeting for approval and the report of the Auditors of Accounts shall be available to any shareholder without notice free of charge from the day on which notice of General Meeting is given which and that right shall be stated in the notice.
10. Each item on the order of business shall be subject to the stages of presentation, debate and voting.
11. The Chairman shall keep order at the Meeting; ensure debate is conducted in a proper manner; give and withdraw the floor and impose a maximum time for each contribution. The Chairman may decide whether an issue has been sufficiently debated and put it to a vote. If necessary, the Chairman shall interpret and supplement the rules in this article.
12. A General Meeting of Shareholders may not be terminated unless the order of business has been dealt with in full or unless the Shareholders vote at the suggestion of the Chairman to adjourn the sessions to another day.
13. All in attendance have the right to have a summary of their remarks and their vote against any resolution recorded in the minutes, which is a requirement to be able to challenge it.

### **Article 22. Passing of Resolutions: Majorities**

1. An Ordinary General Meeting of Shareholders may pass resolutions by the vote in favour of the majority of the share capital present or represented, provided that this majority represents at least one third of the share capital.
2. An Extraordinary General Meeting of Shareholders shall also pass resolutions with the vote in favour of the majority of the share capital present or represented, and that majority is required to represent a minimum of more than half of the share capital.
3. Notwithstanding the above, the attendance and vote in favour of the holders of shares present or represented, accounting for at least seventy percent (70%) of the issued share capital with voting rights shall be required for the matters listed below:
  - a) The transformation, merger, spin-out and dissolution of the Company.
  - b) The amendment of Articles 10 and 22 of the Articles of Association.
  - c) The setting in the Articles of Association of the minimum number of shareholders of the Board of Directors.
  - d) A change to the corporate purpose.
  - e) Any increase or decrease in capital that is not an obligatory consequence of compliance with the law in force from time to time. For any such resolution, which may only be passed in the first six months of each financial year, a General Meeting of Shareholders shall resolve the period for subscription and total or partial payment for the shares issued (that period may not be less than thirty calendar days or more than ninety calendar days), and it shall also resolve as to the value of the premium, if applicable.

### **Article 23. Adoption of Resolutions without a Meeting**

General Meetings of Shareholders may also pass resolutions without sessions. In that case, votes may be cast by ordinary mail or by any means of electronic telecommunication, provided that the identity of the shareholder and the integrity of their voted are sufficiently safeguarded.

### **Article 24. Minutes and approval**

1. Minutes shall be made at each General Meeting of Shareholders as required by Article 58 of the Public and private limited companies Act. In any event, the date, place and time of the meeting, the identity of the shareholders participating and the capital they represent (by means of the list described in Article 21.6 above), the terms of the resolutions passed and the votes cast for and against shall be recorded in the minutes. If requested by the shareholders, a summary of their contributions in relation to the order of business shall also be included. In the case of a Universal General Meeting of Shareholders, following the date and place of the meeting and the order of business, the names of those present and their signatures shall be stated.
2. Resolutions of and debate at the General Meeting shall be entered in the form of minutes approved by the Chairman in the corresponding book of record or as notarial deed on the terms of the next paragraph.
3. The Board of Directors or shareholders representing at least ten percent (10%) of the share capital may require the presence of a notary at the General Meeting of Shareholders in order to make notarial minutes of the meeting. Such minutes shall not require subsequent approval, or the signature of the Chairman and Secretary of the meeting, and they must be transcribed as they are in the minute book. The notary's fees shall be for the account of the company.
4. The minutes formalised in either of those two ways is enforceable from the date of their approval by the Chairman or from the date of the making of the notarial minutes.

### **Article 25. Minute Book and Certified Minutes**

1. Once approved, the minutes of the General Meeting of Shareholders are transcribed into the minute book used for General Meetings. The minutes may be transcribed on removable sheets of paper, which must be filed in order in the minutes book after use.
2. All shareholders have the right to obtain certified copies of the resolutions passed at General Meetings of Shareholders, including when the minutes have not been approved; in that case, the certified minutes shall state that the minutes have not been approved.
3. Certified minutes shall be issued under the signature of the Secretary and the Chairman of the Board of Directors, or the person taking their place, as the case may be.

## Section Two – The Board of Directors

### Article 26. Composition and Duties

1. The Board of Directors is the Company's administrative body and is made up of a number of directors which can be no fewer than five and no more than fourteen people.
2. A legal entity may be appointed as a director, but it must appoint a natural person to represent it at the Board meetings. The legal entity may freely refuse the appointed representative; however, it has the obligation to replace the said person immediately. It may also appoint a second representative to replace the first one in the event of absence or impediment, in general or for a specific meeting; in the latter case, proof of the person standing in can be given in the form of a simple notification addressed to the Chairperson of the Board.
3. The Board of Directors acts as a joint committee. However, through a delegation resolution, the Board may appoint one or more directors, in which case, the power of representation is granted individually to the said directors.

### Article 27. Appointment

1. The Members of the Board of Directors are appointed by the General Meeting of Shareholders by a vote, although the shareholders may group together voluntarily to directly appoint directors.

Notwithstanding the provisions of the preceding paragraph, the Board of Directors may appoint, from among the shareholders, the people who must fill the vacancies that arise in the Board until the first General Meeting of Shareholders is convened.

2. Each voluntary group of shareholders representing a capital amount equal to or greater than that resulting from dividing the entire capital by the number of Board Members has the right to appoint a Director for each resulting entire fraction. In the event that this power is used, the Shareholders grouped together in this way may not take part in the voting for the Board Members until those elected have ceased to hold office. For this purpose, the shareholders who have exercised this right must be identified in the minutes of the vote, with their number and series.
3. Whenever shareholders exercise their right to group together, all of the Board Members who have been elected by the entire share capital must be renewed, regardless of how long they have held office.
4. The appointment of directors is for a term of four (4) years and they may be re-elected indefinitely. They may be removed at any time by a resolution of the General Meeting of Shareholders and in the terms and conditions set forth in the Articles of Association, even if this item is not on the agenda. In the event of resignation, this will not take effect until the Company has received the said resignation in writing.
5. It is not necessary to be a Shareholder in the Company to hold the position of Director. The Directors may simultaneously hold any other position or role in the Company, regardless of whether or not it is remunerated.

6. In the event that a legal entity is appointed to the position of Director, it must appoint a natural person to act on its behalf in the governing body.

The acceptance agreement for the position for which they have been appointed and the appointment of its representative, where applicable, must be adopted by the governing body of the legal entity which has received the appointment. Additionally, it is an essential requirement that a certificate of the agreement be submitted, issued in a legal way and with notarised signatures, to the Chairperson of the Company's Board of Directors within five days of the date of the adoption of the resolution accepting the position and of the appointment of the representative.

7. In any case, the Board Members must each meet the following requirements: (i) be between thirty (30) and seventy five (75) years of age; (ii) be someone who, among other qualities, complies with the requirements of business and professional integrity at all times, as set forth in company and financial regulations; (iii) possess the appropriate knowledge and experience to carry out their duties, and (iv) meet the other requirements established by applicable law at all times.

Notwithstanding the above, the Director who holds the position of Chairperson of the Board of Directors and the Company may not be over seventy five (75) years of age. In the event that a Chairperson reaches the age of seventy five (75) during their term of office, they may continue as Chairperson of the Board until the end of their term.

### **Article 28. Remuneration**

The shareholders of the Board of Directors are remunerated.

The remuneration has two components: (a) a fixed annual amount by virtue of the mere appointment as a member of the Board of Directors, regardless of whether it has been made by the General Meeting of Shareholders or by the Board itself in accordance with its co-option powers; and (b) a supplementary amount to be set taking into account the status of each member of the Board, the functions and responsibilities assigned to them and their membership of the various committees of the Board of Directors; this may give rise to a different remuneration for each of the shareholders of the Board of Directors.

- a) With regard to the fixed annual amount by virtue of the mere appointment as a member of the Board of Directors, this may not exceed €100,000, updated annually in accordance with the CPI.
- b) In relation to the additional amount, this must be:
  - €5,000 for the chairpersons of the committees of the Board of Directors, including the subsidiaries and
  - €500 for their participation in each meeting of the Board and those of the committees.

The final remuneration is determined by the General Meeting of Shareholders and remains in force as long as the Board does not resolve to amend it, although the Board of Directors may reduce it in the financial years in which it deems it appropriate.

The Board member who holds the position of chairperson enjoys a fixed annual remuneration of a maximum amount of €415,000, in accordance with their responsibilities, functions, dedication, mandates and other objective circumstances that are considered relevant. In addition, in accordance with the mandates conferred by the General Meeting of Shareholders, the chairperson receives a variable remuneration in the manner, conditions and amount determined by the said General Meeting.

The remuneration of the Chief Executive Officer, where applicable, is excluded from the remuneration system established in the preceding paragraphs. This remuneration is set by the Board of Directors without the participation of the director in question, in the manner, conditions and the amount it determines.

The position of Secretary is unpaid when he or she is also a director; in the event that this is not the case, the position must be remunerated and the Board itself must agree on the way the Secretary is paid, the conditions and amount.

### **Article 29. Organisation of the Board**

1. When the appointments are not made by the General Meeting of Shareholders, the Board of Directors elects a Chairperson, from among its shareholders, a substitute Chairperson and, optionally, a Vice-chairperson to replace them in the event of their absence or impediment.
2. The Board of Directors must also appoint a Secretary, who may not be a Board Member and who, in the latter case, has no deliberative vote at the Board's sessions. In the event of absence or impediment, the secretary is replaced by another director.

### **Article 30. Operational Rules**

1. The Board of Directors may approve how it operates through internal regulations, which must comply, in any case, with the provisions of Articles 56 and 57 of the [Andorran] Public Limited Companies and Limited Liability Companies Act.
2. In the absence of its own regulations, the following rules apply:
  - a) The meeting must be convened at least five (5) business days in advance of the date on which it is scheduled to be held. Exceptionally, in the event of matters of extreme urgency, this period may be reduced to 24 hours. The Board may meet without the need to convene when all its shareholders are present or represented.
  - b) The convening of the meeting must be done in writing, and it can be sent by e-mail or fax to the address or number provided by each director.
  - c) The call for the meeting must contain the agenda of the matters to be dealt with. Resolutions cannot be passed on matters not listed on the agenda unless all shareholders of the Board are present or represented.
  - d) The Directors may only be represented by another member of the Board of Directors. In this case, their proxy authorisation must be given in writing, exclusively for each meeting, and granted to another member of the Board. The proxy letter must be sent to the Chairperson of the Board of Directors.

- e) The valid constitution of the Board of Directors requires the attendance, in person or through proxies, of more than half of its members.
  - f) The Board of Directors must adopt the resolutions by an absolute majority of votes present or represented at the meeting. Notwithstanding the foregoing, the delegation of powers requires the agreement of at least two-thirds of its members.
  - g) The Chairperson must maintain the good order of the Board meeting; ensure that deliberations are conducted in a proper manner; granting and withdrawing the floor, and may impose a maximum time for each turn. Furthermore, he or she may also decide whether an issue has been sufficiently debated and put it to a vote.
3. The Board of Directors may pass resolutions without holding a meeting. In this case, the vote may be cast by any means of remote communication, provided that the identity of the Director and the way they have voted can be sufficiently assured.

### **Article 31. The Board's Powers**

The Board of Directors is responsible for all matters relating to the management, administration and representation of the Company and the management of its corporate business. The Board has the broadest powers to administer and represent the Company, and all matters not expressly assigned to the General Meeting of Shareholders are within its scope. By way of illustration, and without limitation, the Board's powers include:

#### **I.- GENERAL ACTS:**

- a) Represent the Company, both in and out of court.
- b) Propose to the General Meeting of Shareholders the adoption of the resolutions it deems appropriate.
- c) Draft the annual report and accounts to be submitted to the General Meeting of Shareholders.
- d) Establish branches, agencies, delegations, subsidiaries and representations, where deemed appropriate.
- e) Delegate the powers it deems appropriate to the Chief Executive Officer and to establish other such powers as it deems necessary.
- f) Present all kinds of applications and declarations to official bodies, submit and receive all kinds of documents from the said bodies; receive and send correspondence, certificates, money orders and receipts and, in general, all public or private documents that are necessary for the purposes indicated.
- g) Organise and direct the operation of the Company and of the businesses that constitute its purpose. Manage the aforementioned businesses, as well as the goods and trading establishments of all types which make up the said businesses, and fulfil their corporate obligations.
- h) Appoint and reject correspondents.
- i) Exercise the other powers vested in it by these Articles of Association and apply and interpret them when necessary.

**II.- PROPERTY, IN REM RIGHTS, OBLIGATIONS AND CONTRACTS**

- a) Constitute, recognise, modify, accept, consolidate, divide, assign, ratify, extinguish or cancel, in whole or in part, the ownership, *in rem* rights, special properties, easements, censuses, usufructs, pledges, mortgages, antichresis and other rights.
- b) Enter into civil, commercial and administrative contracts, such as sale, swap, lease, commo-date, loan, company, employment association, service or work; make casual or third-party decisions, as well as enter into insurance, annuity and, in general, contracts of all types including nominated or unnamed, principal or ancillary, for valuable consideration or free of charge, involving a change of party(ies) or an element of uncertainty, entered into by mutual agreement or at auction, tender or any other form of bid.
- c) Assign, transfer, collect and pay all types of loans, interest, or dividends without any limitation.

**III.- COMMERCIAL ACTS**

- a) Constitute or hold, recognise, assign, ratify, terminate or cancel any type of acts, contracts, credit agreements, obligations and commercial business of movable or immovable goods, values, investment funds, collective investment bodies, financial derivatives, options, futures contracts, warrants, structured products and other financial instruments, cash, rights or shares, purely or on condition or to term, in a simple manner or jointly and severally, whether they be principal or ancillary, involving a change of party(ies) or involving an element of uncertainty, named or unnamed, and even if they are held in stock exchanges, markets, exchanges, fairs or that refer to the State and to public administration agencies, banks in general and savings banks, insurance companies and others. In addition, to grant mandates and powers to any auxiliary body, mediator and agent.
- b) Open current and deposit accounts, with all types of banks, savings banks and financial institutions, monitor the transactions of these contracts and cancel them; as well as, in general, requesting, contracting and financing the loans, credits and other banking transactions that it deems necessary in order to finance and run the Company. Disburse funds and comply with the balances or statements, whether this is with regards to money, movable or real property, rights or shares of any kind.
- c) Issue, deliver, assign, endorse, negotiate, discount, protest, collect, block, indicate, guarantee, accept and pay bills of exchange, vouchers, promissory notes, cheques, money orders and any other kind of commercial documents and securities or stock values.
- d) Participate in the formation of companies, associations, property communities, collective investment bodies, consortia, and approve and sign their articles of association; subscribe to and distribute shares, holdings or debentures; participate in the appointment of corporate officers, accept the appointments made in favour of the Company and represent them to the administrative bodies and at the General Meeting of Shareholders; pay calls for subscribed capital and collect assets; exercise the preemptive acquisition or subscription rights or those of first refusal and withdrawal that are associated with them and, in general, exercise all the rights inherent to the shareholder or member's position. Buy, pledge, exchange and sell shares, equity holdings and other securities and stocks of other companies or institutions.

- e) Apply, obtain, exploit and assign all kinds of patents and licences. Negotiate, conclude and sign contracts of sale, concession, exclusivity, mandates, representations, leases, guarantees, renting, invoicing, franchise agreements, merchandising and, in general, to hold and conclude civil, commercial and public procurement contracts of all kinds and without any restrictions.
- f) Appoint, suspend and remove executives, representatives, technicians, employees and workers, indicating their remuneration, assignment and working conditions.

#### **IV.- ACTS INVOLVING THE COURTS, JUDICIAL BODIES AND THE PUBLIC ADMINISTRATION.**

- a) Appear as the claimant, defendant or with any other standing, in proceedings, acts or in civil, criminal, administrative claims, constitutional cases and any other ordinary or special jurisdiction. Carry out all kinds of actions in or out of court. Lodge complaints and reports, as well as ratifying, waiving and withdrawing them. Make declarations in a trial on behalf of the Company.
- b) File all kinds of ordinary or extraordinary appeals. Request the enforcement of final judgments.
- c) Suspend, agree to a compromise, withdraw, engage in arbitrations at law or in equity, or as a third party in the same proceedings. Desist from all kinds of legal actions and guarantees.
- d) Appear before any public authority or official, or any public or official institution. Submit applications, to pursue cases of any kind, monitoring them and bringing them to a conclusion, having broad powers to waive, withdraw, make compromises, and to appeal against their rulings, exhausting all the channels allowed by law.
- e) Represent the Company in court-ordered or non-court ordered meetings of creditors and insolvency proceedings. Accept or challenge the credits and debts which are claimed for or against the Company; approving or rejecting proposals for settlement, agreement and arrangement and, in general, make the appropriate decisions accordingly.
- f) Participate in competitive bids, auctions and public tenders, with the broadest powers in order to conclude public procurement contracts and accept concession contracts, with the terms, prices and conditions that are deemed most appropriate.
- g) Require the involvement of notaries or other certifying bodies, authorities and officials.
- h) Grant powers of attorney to litigate, with as wide a scope as necessary, including the power to withdraw, commit to them and settle them through legal counsel.
- i) Replace all or part of its powers with general or special, authorised representatives and trustees; revoking the substitutions and authorised representatives it has granted and conferring the said authorisation to others, without any limitation.

### Article 32. Minutes

1. The resolutions of the Board of Directors must be recorded in a report that must be transcribed into the corresponding minutes book. In any case, the minutes must state:
  - a) The date, place and time of the meeting.
  - b) The date, form and full text of the convening of the meeting.
  - c) The name of the attendees, and whether they attend in person or through a proxy.
  - d) A summary of the matters dealt with and the contributions of speakers which they have requested be recorded.
  - e) The content of the resolutions and the majorities with which they were passed. Any absences and the result of the vote, particularly when the vote is against if the interested party so requests it must also be recorded.
  - f) The approval of the minutes, when this occurs, at the end of the meeting.
2. The minutes may be approved at the end of the meeting or at the next meeting. In the latter case, the secretary must send the draft minutes to all attendees within 15 days before the date of the meeting and the minutes are deemed to have been approved if none of those in attendance raises any objections within another 15 days; this without prejudice to subjecting them to the express approval at the next session.

### Article 33. Certifications

1. The Secretary of the Board of Directors has the power to certify the minutes and resolutions of the Board of Directors, regardless of whether the Secretary is a director, with the approval of the Chairperson.
2. The person issuing the certification must hold the current position and must be previously registered in the Companies Register, or have registered themselves at the same time as the certified resolution is registered. If the person seeking the registration of their office is a person other than the one listed in the Companies Register with the power to certify, the notarial notification previously performed for the former holder must be certified.

**Article 34. Delegation of Powers**

1. The Board of Directors may delegate its powers to an executive committee or to the Chief Executive Officer. In order to be valid, these permanent appointments require the agreement of at least two-thirds of the Board Members. Under no circumstances can accountability be delegated to the General Meeting of Shareholders.
2. The Board of Directors may also create such committees as it deems appropriate, in order to better perform its powers and strengthen the transparency of its management. In particular, to guarantee the performance of the Board of Directors' own functions, these Board of Directors' committees may be created which are necessary for good governance and the better administration, management and control of the Company. An Audit and Compliance Committee must be created as a minimum. The Board of Directors must approve the regulations in accordance with the operational regulations of the said committees.

## Section Three - The Chief Executive Officer

### Article 35. The Chief Executive Officer

The planning, direction, organisation and ordinary management of all the Bank's activities must be carried out under the mandate, supervision and guidance of the Chief Executive Officer, appointed by the Board of Directors.

In any case, the Chief Executive Officer must meet the requirements of current law.

### Article 36. Powers

The powers of the Chief Executive Officer are as follows:

- a) Attend the meetings of the General Meeting of Shareholders and of the Board and its relevant committees, in the latter case as a director.
- b) Direct all the services of the Bank.
- c) Appoint and remove general managers, assistant general managers, directors, deputy directors, representatives and employees, and establish their title, category, salaries or wages and agree on their bonuses.
- d) Act as an ex officio inspector of all the offices, units, agencies, branches and services of the Bank.
- e) Sign on behalf of the Company and represent it in court and out of court.
- f) Ensure that the Board of Directors is kept informed of the implementation of the resolutions, the exercising of the powers delegated to him or her and of the general performance of the Bank and to propose the approval of specific matters reserved to the scope of the position, without prejudice to the adoption of the emergency measures advisable in each case.
- g) Decide, personally or by delegation, on matters that, due to their importance and significance, have not been expressly reserved to the Board of Directors, with regards to the use of its statutory powers.
- h) Issue the specific rules for the operation and running of the Bank, in accordance with the provisions of these Articles of Association and the resolutions of the Board of Directors.

### Article 37. Delegation of Powers

When it is deemed appropriate, the Chief Executive Officer may delegate the powers vested in him/her, informing the Board of Directors of the said delegation.

## CHAPTER V

### ECONOMIC REGIME

#### **Article 38. The Corporate Financial Year**

The corporate financial year begins on 1 January and ends on 31 December of each year. Exceptionally, the first financial year begins on the day corporate operations commence and ends on 31 December of the same year.

#### **Article 39. The Annual Accounts**

1. The Company must keep orderly and appropriate accounts for the corporate purpose in accordance with the parameters and principles established in the law on accounting, under the responsibility of the Board of Directors.
2. The Board of Directors must formulate, within a maximum period of three months from the end of the financial year, the annual accounts and the proposal for the distribution of the profit and loss results. The annual accounts must be signed by all shareholders of the Board.

These accounts form a unit that includes the balance sheet, the profit and loss statement, the statement of changes in equity, the cash flow statement and the report, and must be prepared in a transparent manner, showing an accurate view of the Company's assets, statement of financial position and profit and loss results in accordance with applicable accounting regulations.

When, in one or more or all of the documents that make up the annual accounts the signature of one of the shareholders of the Board is/are lacking, this fact must be stated in the relevant documents and the reason must be indicated.

#### **Article 40. External Audit**

The Company's annual accounts must be subject to an external audit carried out by independent auditors of recognised international prestige, appointed for this purpose by the General Meeting of Shareholders. This resolution of the General Meeting of Shareholders shall also set out the duration of the appointment and the criteria for the remuneration of the auditor, and it must be adopted before the end of the financial year of the audit.

#### **Article 41. Communication of Accounting Documents to Shareholders**

Following the convening of the Ordinary General Meeting, all the shareholders have the right to consult the annual accounts, the audit report and all other documents that must be submitted for approval at the Company's registered office. They also have the right to obtain a copy, free of charge.

#### **Article 42. Dividend Distribution Agreement**

The General Meeting of Shareholders which approves the annual accounts may only agree on the distribution of dividends charged to the profits for the financial year or to freely available reserve once the legal reserve has been covered, when the value of the net equity is not less than the amount of the share capital, or this does not happen as a result of the distribution.

No resolution may be passed for the distribution of dividends until the establishment and research and development expenses have been amortised in full, unless the amount of the available reserves is at least equal to the amount of the unamortised expenses. Furthermore, no resolution on the distribution of profits can be passed until goodwill has been fully amortised, unless an unavailable reserve is constituted for an amount equal to the value of the asset.

Shareholders receive the distribution of dividends resolved by the General Meeting of Shareholders in proportion to the shares they hold at the time the resolution is passed.

In the dividend distribution resolution, the General Meeting of Shareholders determines the time and method of payment. Unless otherwise stated, it is understood that dividends must be paid within three months of the date when the resolution is passed.

#### **Article 43. Legal Reserve, Own Resources and Reserves and Ratios**

In any case, the Company must allocate 10% of the profit for the financial year to constitute the legal reserve, until this reserve reaches an amount equal to 20% of the share capital. This reserve can only be used to offset losses and when there are no other reserves available.

At all times, the Company must have at least its own resources, deposit guarantee reserves, solvency ratio, liquidity ratio and other requirements established as a minimum in the Andorran regulations applicable to banks at any given time.

#### **Article 44. Account Deposit**

Within a period of one month from the approval of the annual accounts, the Company must submit a certification of the resolutions of the General Meeting of Shareholders approving the annual accounts and distribution of the profit and loss results, together with a copy of the annual accounts and the audit report for entry in the Companies Register, when called upon or when it has voluntarily agreed to do so.

## CHAPTER VI

# AMENDMENTS TO THE ARTICLES OF ASSOCIATION

### **Article 45. Amendments to the Articles of Association**

Any amendments to the Articles of Association must be agreed by the General Meeting of Shareholders, it must be previously authorised by the Government of Andorra if it is related to a change in the corporate purpose and/or the share capital, in addition it must be stated in a public deed and registered in the Companies Register. This registration is constitutive. The shareholders have the right to request that the Company provide them with a copy of the full text of the proposed amendment from the General Meeting of Shareholders convened for this purpose.

Without prejudice to the provisions of the previous section, any amendment to the Articles of Association that imposes obligations on all or some shareholders requires the individual consent of those affected.

### **Article 46. Increase in Share Capital**

The General Meeting of Shareholders may resolve to increase the share capital, either by issuing new shares or by raising the nominal value of existing ones. In either case, the resolution must comply with the requirements set forth in Article 67 of the [Andorran] Public Limited and Limited Liability Companies Act.

### **Article 47. Preemptive Subscription Right**

In share capital increases with the issue of new shares, all shareholders have the right to subscribe a number of shares in proportion to the ones they hold at the time the General Meeting of Shareholders passes the resolution. This preemptive subscription right must be exercised under the conditions and within the deadline established by the resolution made at the General Meeting of Shareholders, and it is only transferable in the event that the nominal value of the new shares is not consistent with the real value of the existing shares. In any case, the provisions set forth in Article 11.7 of these Articles of Association must be respected.

Exceptionally, the General Meeting of Shareholders may agree to the total or partial exclusion of the preemptive subscription right in order to decide on the increase in share capital, provided that it is stated in the call to the meeting and that the nominal value of the new shares is consistent with the value of the existing ones. The adoption of this resolution requires the majority set forth in Article 24.3 of these Articles of Association.

### **Article 48. Capital Reduction**

1. The General Meeting of Shareholders may also agree to the reduction of the share capital, up to the legal limits set forth in the current law applicable to banking institutions and provided that this reduction does not breach any other regulatory requirements of own funds, ratios and reserves established by the applicable financial regulations.
2. A reduction of share capital which does not affect the shares likewise requires the individual consent of all the affected shareholders, and a reduction that entails the restitution of the contributions requires that the Company satisfies or guarantees the payment of the credits to creditors who oppose to the reduction within three months, with the publication of the reduction agreement in a newspaper with a wide circulation in the Principality.

## CHAPTER VII

### WINDING-UP AND LIQUIDATION

#### Article 49. Dissolution

The General Meeting of Shareholders may agree, at any time, on the dissolution of the Company, with the requirements established for the amendment of the Articles of Association and, in particular, it must pass this resolution when any of the following circumstances apply:

- a) The conclusion of the activity or activities that comprise the corporate purpose of the Company.
- b) The impossibility of carrying out the corporate purpose.
- c) The value of the Company's net equity is less than half of the share capital figure and when it has not been possible to remedy the situation.

The Company is also wound up when any of the other causes of dissolution provided for by current legislation occur.

#### Article 50. Liquidation

1. From the moment of its dissolution, for whatever reason, the Company shall be in liquidation. During the liquidation period, the Company must state, in its name, the expression "*in liquidation*".
2. The General Meeting of Shareholders retains the same powers that it had during the Company's corporate life and the shares remain negotiable until the conclusion of the liquidation.

#### Article 51. Organisation of the Liquidation

1. The General Meeting of Shareholders must appoint one or more liquidators, who represent the Company for the purposes of the liquidation. If this appointment is not made, the Board of Directors becomes a liquidation committee and acts as a body by consensus.
2. The liquidation must be carried out in accordance with legal regulations. In particular, the liquidators must prepare an inventory and balance sheet of the Company referred as of the day of its dissolution and submit them to the approval of the General Meeting of Shareholders, carrying the necessary and appropriate liquidation transactions to ensure the orderly liquidation of the Company by liquidating the equity and the division of the remaining equity among the shareholders.

**Article 52. Conclusion of the Liquidation**

1. Once the liquidation transactions have been completed, the liquidators must present a final liquidation balance sheet, with a report on the transactions that have been carried out and a proposal for the distribution of the remaining equity among the shareholders, for approval by the General Meeting of Shareholders.
2. The shareholders' right to the liquidation amount is proportional to their shares in the Company's capital.
3. Payment of the liquidation amount can be made in cash or in kind, if the interested parties consent to the latter. The liquidation amount cannot be paid until the payment of the Company's creditors has first been made, or their payment is guaranteed to them.

## CHAPTER VIII

### OTHER MATTERS

#### Article 53. Withdrawal Rights

In cases in which, in accordance with current law, the shareholders may exercise their right to withdraw from the Company, the valuation of the shares to be reimbursed by the Company must be carried out in accordance with the rule set forth in Article 10.7 of these Articles of Association.

#### Article 54. Regulatory References

In all matters not covered in these Articles of Association, the provisions of the Public Limited Companies and Limited Liability Companies Act, the other provisions in force and the practices and customs of the Principality shall apply. In particular, Mora Banc Grup, SA, is subject to the law in force in the Principality of Andorra in matters of banking and financial activities, protection of banking secrecy and prevention of money laundering or proceeds from crime, and other regulations applicable to the Bank at all times.

#### Article 55. Arbitration

All disputed issues or discrepancies that arise with reference to these Articles of Association between the Company and its directors or shareholders, or between each other or among the shareholders themselves, must be subject to arbitration in equity, and the legal proceedings and the arbitrator's award must be carried out in the Principality of Andorra, and the parties are bound to comply with the arbitration decision.

In other cases, the jurisdiction shall be conducted by the Courts of the Principality of Andorra, and the Company's registered address is the accepted location to receive any notifications.

In the event of arbitration and unless otherwise agreed by the parties, the following rules shall be followed:

1. There are three arbitrators and the decisions shall be made based on a majority vote. Each party shall appoint one arbitrator and the third shall be appointed at the agreement of the other two. If no agreement is reached, the appointment of the third arbitrator shall be made by the President of the Andorran Bar Association.

In the event that one of the parties does not appoint their arbitrator, within the month following the request addressed to them by the other party for this purpose, it is understood that they tacitly waive their right and the arbitration takes place at the decision of the sole arbitrator appointed by the President of the Andorran Bar Association.

2. The arbitrator's award must be issued within a period of six months from the constitution of the arbitration tribunal or the acceptance of the position by the sole arbitrator, where applicable. In this case, in the absence of the parties, the sole arbitrator must establish the arbitration procedure, which, in any case, must comply with the principles of hearing both sides, adversarial procedure and equality between the parties.
3. The award issued by the arbitrators must be enforced immediately through the enforcement of a final judgement.
4. Each party must cover the costs of the evidence it proposes to present and the fees of the arbitrator it has proposed. The fees of the third arbitrator or sole arbitrator shall be paid in equal parts by both parties.



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