

# STATUTES OF 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 represented by SEVEN MILLION AND FIFTY-SIX THOUSAND (7,056,000) registered shares with a face value of SIX EUROS AND ONE CENT (€6.01) each, the amount of which is paid in full.

### Article 6. Shares

1. All shares must be documented by means of registered certificates, numbered consecutively, which may incorporate one or more shares.
2. There are five classes of shares: A, B, C, D and E must be numbered consecutively within each class and must be represented by share certificates entered in the *Shareholders Register Book*.

Class A shares are numbered consecutively from 1-A to 3,520,559-A; those in class B, from 1-B to 1,010,126-B; those in class C, from 1-C to 1,010,126-C; those in class D, from 1-D to 1,010,126-D, and those in class E, from 1-E to 505,063-E, all of them inclusive.

3. The share certificates must contain at least the name, address, the amount of capital in the Company, the number, class and nominal value of the shares, as well as the signature of the chairperson and secretary of the Board of Directors. The fact that the share is subject to the restrictions of free transferability contained in Article 10 of these Articles of Association must be mentioned on the back of the certificates.
4. The Company only recognises as a shareholder those who are registered in the *Shareholders Register*.
5. To attend, discuss and vote at the General Meetings of Shareholders, the certified shareholder must be registered in the *Shareholders Register* at least five days before the date of the said 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. The preemptive acquisition right is exercised in the following order:
  - A) Proposal for the transfer of Class A shares or of subscription rights:
    - a) When the transfer affects shares or subscription rights for Class A shares, the holders of these Class A shares have a preemptive acquisition right. In cases where there is a higher demand than supply of shares or subscription rights by the said shareholders, such shares or rights must be allocated in proportion to the respective shareholdings in class A. If there are shares left over after the distribution or if their number does not allow them to be distributed proportionally, the rest must be allocated in equal parts and, if this is not possible, they must be allocated in a series of shares by holding a draw.
    - b) If all or part of the Class A shares or subscription rights are not acquired by Class A shareholders, this preference is transferred to the Class B, C, D and E shareholders, in proportion to their respective shareholdings in the Company. The shares or subscription rights which are not acquired by the shareholders of classes B, C, D and E will accrue to the other aforementioned shareholders of classes B, C, D and E. In the event of an excess in demand, they shall be distributed on a pro rata basis and, if this is not possible, it shall be done in accordance with the provisions of paragraph a) above.
  - B) Proposal for the transfer of classes B, C, D or E shares or subscription rights:
    - a) When the transfer affects shares or subscription rights for shares of classes B, C, D or E, the holders of shares of the class in question have a preemptive right and, in the event of an excess in demand, they shall be transferred on a pro rata basis and, if this is not possible, in the manner indicated in section a) above. If there are any remaining shares or subscription rights in any of the classes indicated, the shareholders of the remaining classes B, C, D or E have a preemptive right, in proportion to their respective holdings in the Company, and the remaining shares not taken on by the shareholders of any of the aforementioned classes increase between them. In the event of excess demand, they are distributed on a pro rata basis and, if this is not possible, in the manner established in section a) above.
    - b) If there is a surplus not acquired by the shareholders of classes B, C, D or E, the shareholders of class A have preference with the same rights.
  - C) Once the Board knows which shareholders wish to make use of their preemptive right, it agrees to the allocation of the shares or subscription rights in accordance with the subordinated or gradual preferential order established in sections a) and b) above, and must send a communication requiring the allocated shareholders to make the payment of the price to the transferring shareholder within the terms and conditions established in the proposal communicated by the said transferring shareholder.
  - D) In the event there are no shareholders who wish to exercise their preemptive acquisition right for shares in the manner provided for in letter c) above, or that there is a surplus of shares, the Company may acquire them within forty-five additional 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 event of *causa mortis* transfers or of forcible administrative or court-ordered enforcement of share or subscription rights that are not based on an authorised pledge, as defined in Article 9 of the Articles of Association, the purchaser must inform the Board of Directors about the acquisition of the shares or subscription rights so that, after consultation with the other shareholders and the Company itself in the manner and terms provided for in sections 3 to 6 above, it can state whether there is any interest in taking over the position of the purchaser, to pay them the real value of the shares or subscription rights acquired *causa mortis* or, in the case of forcible execution, reimburse them with the total amount paid as the price and expenses for the acquisition of the shares or subscription rights executed; provided that this amount does not exceed the real value of the shares or subscription rights. The real value of the shares is understood to be the value arrived at by the Company's auditor. In the event of excess demand, the rules of apportionment, allocation and/or draws established in section 6 above shall apply.

Both in cases of *causa mortis* transfers and of forcible court-ordered or administrative execution of shares or subscription rights that are not based on an authorised pledge, as defined in Article 9 of the Articles of Association, the shareholders of the class of shares subject to the transfer or execution have preference and, if there are none, the order provided for in cases of *inter vivo* transfers must be followed; as regulated in section 6 of the said article.

If the response of the Board is negative or if, in the absence of a response, the aforementioned deadlines have elapsed, the third-party purchaser becomes the effective holder, in fact and in law, of the shares or subscription rights acquired and shall therefore enjoy all rights of a shareholder of 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 transferer, 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 shareholders' rights are as follows:

1. The right to the certificate of proof of ownership of the shares belonging to them, in the terms set forth in Article 6 of these Articles of Association.
2. The preemptive right to acquire the shares, subscription rights and bonds which can be converted into shares issued by the Company that the other shareholders wish to transfer, as established in Article 10 of these Articles of Association.
3. The rights to information and examination with regards to the balance sheet, the annual profit and loss account, the proposed distribution of profits, the Board's report and the audit report, which must be made available to shareholders in the fifteen days prior to the date specified to hold the Ordinary General Meeting of Shareholders.
4. The right to attend the General Meetings of Shareholders. This right may be delegated to another person who has the status of shareholder and must be recorded in writing.
5. The right to vote at these meetings, at the ratio of one vote per share held.
6. The right to a proportional share of the corporate profits and reserves of any kind that are distributed and in the distribution of the resulting balance in the event that the Company is liquidated.
7. The preemptive subscription right for new shares issued in the event of an increase in share capital, in accordance with the following criteria:
  - A) Class A shareholders have a direct preemptive subscription right on shares of the same class.
  - B) Holders of classes B, C, D and E shares have a direct preemptive subscription right to the shares of the same class and another subsidiary right to the shares of the remaining un-subscribed share classes of their respective shareholders.
  - C) In the event that the aforementioned preemptive rights are not exercised, any shareholder, regardless of the class of shares they hold, may subscribe the shares issued with preference over persons outside the Company.

The preemptive subscription rights regulated in these Articles of Association must be exercised by the subscribers interested in the amount and percentages that they freely agree to or, in the event of disagreement, in proportion to their respective holdings in the Company's share capital at the time the increase occurs. If there are any surpluses, they must be allocated in equal shares among the subscribers and if, after this pro rata, there are still some remaining shares, they must be allocated through a draw among the subscribers. The procedure described in this section 7 is also applicable in the event of subscription of bonds which can be converted 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. The General Meeting of Shareholders

1. The shareholders, constituted at a General Meeting of Shareholders, decide on their own matters within the powers thereof.
2. The General Meeting of Shareholders is the Company's competent body which is empowered to deliberate and adopt resolutions on the following matters:
  - a) The approval of the annual accounts.
  - b) The distribution of the profit and loss results of the financial year.
  - c) The censure of corporate management.
  - d) The distribution of voluntary reserves.
  - e) The determination of the number of shareholders of the Board of Directors within the limits established in Article 28.1 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 their vacancies as established in Article 29.1, second paragraph of these Articles of Association.
  - g) The determination of the remuneration of the shareholders of the Board of Directors.
  - h) The carrying out of corporate actions against directors, liquidators and auditors.
  - i) The amendment of the Articles of Association, the structural changes and the dissolution, liquidation and winding up of the Company.
  - j) The authorisation to the Board of Directors to take on loans, either in the form of debentures, bonds or other types of securities.

- k) In the acquisition of financial, banking or insurance activities for amounts over 20% of Mora Banc Group's own funds, the Board of Directors must draft a proposal to the General Meeting of Shareholders, which must be in agreement. The authorised amount corresponds to the maximum value between the amount to be disbursed and that of the acquired company's own funds.
  - l) The decision on any matter of corporate interest must be submitted to the General Meeting of Shareholders.
3. The resolutions of the General Meeting of Shareholders, adopted in accordance with these Articles of Association and with the [Andorran] Public Limited Companies and Limited Liability Companies Act, are binding on all shareholders, including those in disagreement, those absent and those who have abstained from voting.

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

1. The General Meeting of Shareholders must hold an ordinary meeting within six months following the end of each financial year, in order to resolve on the matters set forth in sections a) b) and c) of the previous article. The Ordinary General Meeting of Shareholders may also adopt resolutions on any other matter included in the agenda, but it must do so with the majorities set by the Extraordinary General Meeting.
2. All other meetings held are deemed extraordinary, and may deal with and pass resolutions on any matter included in the agenda, except for the three mentioned in item 1 above, which by law must be put before the Ordinary Meeting.

#### **Article 16. Convening of the General Meeting of Shareholders**

1. Both Ordinary and Extraordinary General Meetings of Shareholders are convened by a resolution of the Board of Directors or, where appropriate, by the Chief Executive Officer.
2. The Board of Directors must convene the General Meeting when requested to do so by the Chief Executive Officer or a number of shareholders representing at least 7% of the share capital as well as expressing in the request the matters to be dealt with at the meeting. Furthermore, the Board of Directors must convene the General Meeting when requested to do so by the Chairperson of the General Meeting of Shareholders. In both cases, the Board of Directors must convene the General Meeting of Shareholders within thirty days of the date on which the shareholders request the said meeting, and it must include the matters to be discussed on the agenda which have been expressed in the request, without prejudice to the addition of other matters if it is deemed appropriate.

### Article 17. Requirements of the Call

1. The call must state the place, day and time of the meeting in the first call, as well as the agenda of the matters to be dealt with. It may contain the same indications referring to a second call, in the event that there is not a sufficient quorum in the first. At least 24 hours must elapse between the first and the second call. The General Meeting of Shareholders must be convened at least 21 calendar days in advance of the date it is to be held.
2. The meeting must be convened by means of a letter addressed to all shareholders at the address listed in the *Shareholders Register*, either by certified mail or by courier, but always with an acknowledgement of receipt. Calls sent by registered fax, or by e-mail, are also valid when the shareholder has provided a fax number or e-mail address for this purpose. Under no circumstances is it necessary to announce the call by publishing it in a newspaper or other media format.
3. The General Meeting of Shareholders may not validly adopt resolutions on matters that have not been included in the agenda indicated in the call, unless all the shareholders are present or represented and unanimously agree to extend the agenda.

### Article 18. Meeting without a Call: Universal Meeting

Both the Ordinary and Extraordinary General Meeting of Shareholders are validly constituted as Universal General Meetings, without the need for convening them or any other requirement as long as all the shareholders are present or represented and unanimously agree to hold the meeting and the planned agenda.

### Article 19. Right to Attend the General Meetings of Shareholders

1. Regardless of the number of shares they hold, all shareholders have the right to attend general meetings.
2. Shareholders who are legal entities have the right to attend meetings through proxies who, in accordance with the Law or the Articles of Association, are their legal representatives.

### Article 20. Right of Representation

1. Shareholders may be represented at general meetings of shareholders by another shareholder, but not by a third party, unrelated to the Company.
2. When the status of shareholder is a legal entity, it must validly act through its legal representatives. Nevertheless, the legal entity may expressly delegate its representation at these general meetings to one or more natural persons. If there are more than one, they must always act jointly and severally.
3. Special types of proxy for a specific meeting may be accredited by means of a simple letter addressed, indistinctly, to the Chairperson of the General Meeting of Shareholders or to the Secretary of the Board of Directors. In general, the proxy letter must be supported by a notarised power of attorney.

### **Article 21. Authorisation to Attend Meetings**

The Chairperson of the Board may authorise the attendance at meetings of the Board to any person he or she deems appropriate, although the Board may revoke such authorisation.

### **Article 22. Constitution of the General Meetings of Shareholders: quorums**

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, the constitution of the Ordinary General Meeting of Shareholders is valid 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 present or represented attendance of the majority of the capital with voting rights is also required.

### **Article 23. Rules of Order and Deliberation Procedure**

1. A General Meeting of Shareholders must appoint a chairperson, chosen from among the shareholders of the family equity companies that own Mora Banc Grup, SA, who must chair the meeting of the General Meeting of Shareholders.

The Chairperson of the General Meeting is appointed by the General Meeting of Shareholders for a period of four years. To hold the position of Chairperson of the General Meeting of Shareholders, the candidate must be of recognised personal and professional standing, and must have knowledge and experience in the business field.

Any member of the Board of Directors can act as secretary; unless the General Meeting of Shareholders elects another person. In the latter case, the term of office for the secretary of the General Meeting of Shareholders is four years.

2. The Chairperson of the General Meeting of Shareholders has the following duties:
  - a) Those legally established.
  - b) Set the agenda, coordinating it together with the rest of the shareholders' representatives.
  - c) Communicate decisions to other governing bodies and monitor them to ensure that they are being complied with. The Chairperson of the General Meeting of Shareholders shall provide such notifications when he or she deems it necessary, in conjunction with another or other shareholders or the representatives of the shareholders of the General Meeting and in accordance with that which is approved in each circumstance.
  - d) Coordinate and set the agenda of Shareholders' Meetings (coordinator role).
  - e) Represent, without the need for exclusivity, the shareholders in corporate and institutional events. The Chairperson of the General Meeting of Shareholders shall provide this representation whenever she or he deems it necessary, in conjunction with another or other shareholders or representatives of the shareholders of the General Meeting and in accordance with that which is approved in each circumstance.

3. At the beginning of each meeting, the Chairperson must identify the shareholders present and represented and the capital they represent and, if there is a sufficient quorum, declare the General Meeting of Shareholders to be constituted. The secretary then reads the agenda and opens the meeting by starting with the first item.
4. For each item on the agenda, the stages of presentation, debate and voting must be followed.
5. The Chairperson must maintain the good order of the Meeting; ensure the deliberations are conducted in a proper manner; grant and withdraw the floor to give presentations and 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. If necessary, the Chairperson must interpret and supplement the rules of this article.
6. A General Meeting of Shareholders may not be terminated unless the agenda has been completely dealt with, or unless the Shareholders, by vote and at the suggestion of the Chairperson, decide to adjourn the sessions to another day.
7. Resolutions may not be reached on matters which are not listed on the agenda unless all the shareholders are present or represented and unanimously agree to extend it.
8. All attendees have the right to have a summary of their statements and their vote against any resolution recorded in the minutes, this being a necessary requirement to challenge it.

#### **Article 24. Adoption of Resolutions: Majorities**

1. The Ordinary General Meeting of Shareholders may adopt the resolutions with the favourable vote of the majority of the share capital present or represented, provided that this majority represents at least one third of the share capital.
2. The Extraordinary General Meeting of Shareholders must also adopt the resolutions with the favourable vote of the majority of the share capital present or represented, however, this majority must represent a minimum of more than half of the share capital.
3. Notwithstanding the above, the attendance of the capital shareholders, present or represented, and the favourable vote of those holding shares representing at least 70% of the subscribed share capital with voting rights is required in the matters listed below:
  - a) The transformation, merger, split-up and dissolution of the Company.
  - b) The amendment of Articles 10 and 24 of the Articles of Association.
  - c) The statutory setting of the minimum number of shareholders of the Board of Directors.
  - d) A change in the corporate purpose.
  - e) Any increase or decrease in capital that is not an obligatory consequence of compliance with the current legal requirements or provisions. In this resolution, which can only be adopted in the first six months of each financial year, the General Meeting of Shareholders must decide on the term of subscription and total or partial payment of the shares to be issued (a term which may not be less than thirty calendar days or more than ninety calendar days), and it shall also determine the value of the premium, if applicable.

### Article 25. Adoption of Resolutions without a Meeting

The General Meeting of Shareholders may also adopt resolutions without holding a meeting. In this case, the vote may be cast by ordinary mail or by any means of electronic telecommunication, provided that the identity of the shareholder and the integrity regarding the way they have voted are sufficiently guaranteed.

### Article 26. Minutes

1. Minutes must be taken at each General Meeting of Shareholders, in accordance with the requirements set forth in Article 58 of the Law on public and private limited companies. In any case, the date, place and time of the meeting, the identity of the shareholders participating and the capital they represent, the content of the resolutions adopted and the outcome of the vote, indicating which way the shareholders voted, must be recorded in the minutes. If requested by the shareholders, a summary of their contributions in relation to the agenda must also be included. In the case of a Universal General Meeting of Shareholders, following the date and place of the meeting and the agenda, the names of those present and their signatures must be stated.
2. The secretary must send the minutes of each session to all attendees within 15 days of the meeting, and they shall be deemed approved if no objections have been raised by the any of the shareholders within the following 15 days. In any case, the minutes shall be expressly approved at the next meeting held by the General Meeting of Shareholders, after having examined the observations made, if there are any.
3. The resolutions adopted by the General Meeting of Shareholders are enforceable, without the minutes having to be subsequently approved.
4. Notwithstanding the provisions of the preceding paragraphs, the Board of Directors or a number of shareholders representing at least 10% of the share capital may require the presence of a notary at the General Meeting of Shareholders in order to notarise the minutes of the meeting. The said minutes do not require subsequent approval, or the signature of those who have acted as chairperson and secretary of the meeting, and they must be transcribed as such in the *Minutes Book*. The notary's fees are borne by the Company.

### Article 27. Minutes Book and Certifications

1. Once approved, the minutes of the General Meeting of Shareholders are transcribed into the *Minutes Book* used for this body. The minutes can be transcribed on individual sheets which, once used, must be filed in order in the *Minutes Book*.
2. All shareholders have the right to obtain a certification of the resolutions passed at the general meetings of shareholders, even if the minutes have not been approved; in the event that this is the case, this must be expressly stated in the certification.
3. The certifications are issued with the signature of the Secretary and the Chairperson of the Board of Directors, or whoever substitutes them.

## Section Two – The Board of Directors

### Article 28. 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 29. 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 30. 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 31. 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 32. 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 33. 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 34. 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 abstentions 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 35. 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 36. 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 37. 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 38. 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 39. 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 40. 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 41. 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 42. 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 43. 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 44. 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 45. 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 46. 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 47. 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 48. 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 49. 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 50. 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 51. 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 52. 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 53. 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 54. 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 55. 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 56. 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 57. 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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