

FONDLORETO EMPLEO, F.P.

BYLAWS

TITLE I. GENERAL RULES

Article 1. Name

Fondloreto Empleo, F.P.' is a pension fund governed by Royal Legislative Decree 1/2002 of 29 November 2002 approving the recast text of the Spanish Law on the Regulation of Pension Schemes and Funds (*Ley de Regulación de los Planes y Fondos de Pensiones*) and its Regulations approved by Royal Decree 304/2004 of 20 February 2004, as well as any future provisions that complement, amend or implement them.

Article 2. Nature

1. The Fund is set up as an asset portfolio exclusively for the purpose of implementing the Pension Plan(s) attached to the Fund.
2. It is a closed Fund.
3. The Fund is not a legal entity and must be managed and represented in accordance with these Bylaws.
4. The resources allocated to the Fund are owned by the unitholders and beneficiaries of the Pension Plan(s) that make up the Fund.

Article 3. Address

1. For all legal purposes, the Fund's address is that of the Management Company.
2. The Fund's Supervisory Board may reject any change of the Fund's address arising from a change of the Management Company's address or the replacement of the Management Company itself, provided it involves a change of municipality. In this case, the Board shall establish the Fund's new address.
3. Changes of address must be recorded in a notary instrument and registered with the Companies Register, as well as the relevant Administrative Registers. The unitholders and beneficiaries must also be informed through the usual means of communication.

Article 4. Duration and start of operations

1. The Fund is set up indefinitely.
2. The Fund will commence operations as soon as it is duly registered in the Special Pension Fund Register of the Spanish Ministry of Economy and Competitiveness and a Pension Plan joins it.

Article 5. Scope and type of Fund

1. The scope of action, both with regard to the acquisition of Plans and their integration, development and implementation, includes any place in Spain and the European Union, once authorised for this purpose by the Spanish General Directorate of Insurance and Pension Funds and complying with the requirements established in the legislation in force.
2. Fondloreto Empleo, F.P. is set up as an Employment Fund to which Pension Plans of the Employment System will adhere exclusively.
Multi-Employment Sub-Plans that meet the conditions laid down in the applicable legislation may also join the Fund. In this case, any references to 'Employment Pension Plans' in these Bylaws will be understood as referring to the Sub-Plan attached to the Fund and not to the Plan in its entirety.

TITLE II.

SUPERVISORY, MANAGEMENT AND DEPOSITARY BODIES

Article 6. Supervisory, management and depositary bodies

The supervisory, management and depositary bodies of the Fund are its Supervisory Board, the Management Company and the Depositary Entity.

Article 7. Promoter Entity, Management Company and Depositary Entity

1. The Fund's Promoter Entity¹ is Loreto Mutua, a Social Welfare Mutual Society with registered address in Madrid 28046, Paseo de la Castellana 40, registered in the Companies Register of Madrid under Volume 8737, Page 179, Sheet M-140589; and registered in the Special Register of Social Security Entities under number 2994-P.
2. The Fund's Management Company is Loreto Mutua, a Social Welfare Mutual Society with registered address in Madrid 28046, Paseo de la Castellana 40, registered in the Companies Register of Madrid under Volume 8737, Page 179, Sheet M-140589; and registered in the Register of Managing and Depositary Entities of Pension Funds under number G0124.
3. The Fund's Depositary Entity is Banco Bilbao Vizcaya, S.A., registered in the Companies Register of Vizcaya under Volume 2227, Page 49, Sheet BI-17, Entry 156.

¹ Translator's note: Under Spanish law, the promoter entity (*entidad promotora*) is the legal entity that establishes the pension fund - the fund's founder. The promoter entity and the management company or entity (*entidad gestora*) are often one and the same, but not always, which is why these two roles are separate.

Chapter One The Supervisory Board

Article 8. Supervisory Board

The Supervisory Board is the body that supervises, monitors and represents the Fund, whose functions and powers are established by law and these Bylaws.

Article 9. Composition of the Supervisory Board

1. As soon as a single Pension Plan joins the Pension Fund, the Plan's Supervisory Board shall act as the Fund's Supervisory Board.
2. When two or more Pension Plans of the Employment System join the Fund, the Fund's Supervisory Board will be formed by representatives of all the Plan's Supervisory Boards, each of which shall elect the Fund's Supervisory Board Members to represent them.

There must be at least two Members per Pension Plan: one chosen by the representatives of the unitholders in the Plan's Supervisory Board and another appointed by the Plan's promoter.

3. Two or more Employment Plans may, if so agreed by their respective Supervisory Boards, establish a joint representation system in the Fund's Supervisory Board, for which they shall appoint their representatives from among their members on the agreed terms.

At least two representatives must be appointed for each set of Plans under the same joint representation in the Fund's Supervisory Board: one by the promoters and one by the unitholders of those Plans.

Once the joint representatives of a group of Plans have been established, other Employment Plans of the Fund may benefit subsequently from such representation at the request of the Promoter Committee or Supervisory Board of the Plan that was accepted by the representatives of the group of Plans.

4. If a single Pension Plan joins, the Members of the Fund's Supervisory Board will be renewed automatically with the approval of the Pension Plan's own Supervisory Board.
5. If two or more Pension Plans join, the Members of the Fund's Supervisory Board must be renewed every four years. In any event, the weight of the total votes of each Pension Plan's Members in the Fund's Supervisory Board will be proportional to that Plan's share of economic interest within the Fund's assets.
6. Each Plan's Supervisory Board shall appoint alternate members to stand in for the members in the event of absence or illness.
7. If a Member dies, becomes incapacitated, is dismissed or resigns during their term, a new Member must be appointed by the Plan's Supervisory Board, who will hold the position for the remainder of the replaced Member's term.

8. Undischarged bankrupts or debtors, individuals who have been incapacitated, who have been disqualified from holding public office by a court, or who have been convicted of a serious breach of the law or social provisions may not be elected or appointed as Members of the Supervisory Board. Neither may civil servants working for the public administration in positions that relate to Loreto Mutua's activities.
9. The post of Member of the Supervisory Board is unpaid, subject to the provisions of these Rules as regards operating costs.

Article 10. Operation of the Supervisory Board

1. The Fund's Supervisory Board shall elect a Chair and a Secretary from among its members, who will have the following functions:
 - a) The Chair shall legally represent the Supervisory Board, being entitled to take administrative and judicial action, shall convene meetings, chair them and lead discussions, putting resolution proposals to the vote where deemed to have been sufficiently debated, and shall ensure that the resolutions adopted are implemented. The Chair may delegate the latter power, on a general or individual basis, according to each case.
 - b) The Secretary shall draw up the minutes of the Supervisory Board's meetings, keep the books, issue certificates, communicate the Supervisory Board's decisions with the Chair's approval, as well as receive applications, complaints, accounts rendered and other requests, notifications or information which may or must be submitted to the Board pursuant to these Bylaws.
2. Meetings of the Fund's Supervisory Board will be convened by the Chair when deemed necessary, at the request of at least one third of the members of the Board, at the request of the Management Company or Depositary Entity or any of the Supervisory Boards of the attached Plans, and at least once a year within its first quarter for the purposes provided for in Article 35(2) of these Bylaws.

If the Chair is absent or incapacitated, the Secretary shall issue the call. The Secretary may only decide to issue the call on their own initiative if there are material grounds for doing so.

The call, containing the meeting agenda, must be issued at least one week before the date fixed for the meeting. In cases of urgency considered by the Chair, the call may be issued twenty-four hours in advance.

The agenda will be proposed by the Chair or by those who legally requested the meeting. The agenda can be altered at the meeting itself if all attendees agree.

3. Representatives of the Management Company or Depositary Entity may attend the Supervisory Board meetings when held at their request or, when having requested to attend the meeting, their presence is approved by a majority of the attendees. The Fund's Supervisory Board may invite representatives of the Management Company or Depositary Entity to attend meetings whenever it deems it appropriate.
4. The Supervisory Board meeting will be validly held when, having been duly summoned, a majority of its members are present or represented, or when all of them are present and agree unanimously to constitute the meeting.
5. Except where qualified majorities are provided for in these Bylaws, resolutions will be passed by an ordinary majority of the present and represented Members, provided that these represent more than 50% of the Fund's assets.
6. Minutes must be drawn up for each meeting and be approved by the present members and signed by the Secretary with the Chair's approval. The Secretary shall send a copy of the minutes to the Management Company. The Supervisory Board shall safekeep the minutes.
7. The members of the Supervisory Board, individually or collectively, have the duty to maintain absolute confidentiality and non-disclosure in respect of any individual or collective data they may have been able to obtain in relation to the Pension Fund.

Article 11. Subcommittees

Where diverse types of Pension Plans join the Fund or due to the Fund's size, the Supervisory Board may establish Subcommittees according to certain areas or themes pertaining to the Plans, the types of investment, the specific powers granted to them or other criteria.

Article 12. Functions of the Supervisory Board

1. The Pension Fund's Supervisory Board has the following non-delegable functions:
 - a) Monitoring compliance among the Plans attached to the Pension Fund.
 - b) Monitoring the Fund's and the attached Pension Plans' compliance with the Bylaws.
 - c) Appointing experts whose involvement is required by law, without prejudice to the powers set out in each Pension Plan's specifications².

² Translator's note: Under the Spanish regulations governing pension plans, the specifications (*especificaciones*) is an official document that sets out the main characteristics of the pension plan (investment policy, type of plan, fees, etc.).

- d) Representing the Fund, whose functions may be delegated to the Management Company.
 - e) Examining and approving the Management Company's actions in each financial year, holding it liable, where appropriate, as provided for in the legal system.
 - f) Promoting and participating in the replacement of the Management Company or Depositary Entity under the terms provided for in these Bylaws and in the legislation in force.
 - g) Suspending the implementation of acts and resolutions that go against the interests of the Pension Fund, in the terms and within the limits inherent to their nature.
 - h) Where appropriate, approving new Pension Plans or Sub-Plans joining the Fund as provided for in Article 5.2 of these Bylaws, which may be delegated to the Management Company.
 - i) Preparing, along with the Management Company, a comprehensive statement of the principles of the Fund's investment policy.
 - j) Exercising the rights attached to the Fund securities for the exclusive benefit of unitholders and beneficiaries. This may be delegated to the Management Company, which must then follow the instructions of the Supervisory Board.
 - k) Proposing and, where appropriate, deciding on any other matters over which the law and these Bylaws confer authority.
2. In addition, the following functions may be delegated to the Management Company and subsequently revoked:
- a) Representing the Pension Fund.
 - b) Exercising the rights attached to the securities and other assets of the Fund.
 - c) Authorising the transfer of a position account³ to other Funds.
 - d) Selecting the Pension Fund's investments, in accordance with these Bylaws and applicable legal regulations.
 - e) Ordering the Depositary Entity to purchase and sell the Pension Fund's assets.
3. The Fund's Supervisory Board may obtain any information that may be relevant to the exercise of its functions from the Management Company and Depositary Entity.

³ Translator's note: the position account (*cuenta de posición*) represents a specific plan's economic share within the fund's overall assets.

Article 13. Supervisory Board's operating expenses

1. The Pension Fund will be solely responsible for the expenses incurred as a result of its actions or the meetings held by its Supervisory Board or Subcommittees.

Such expenses will be charged to each Pension Plan in proportion to its share in the Pension Fund.

2. Without prejudice to the foregoing, any accommodation and/or travel expenses incurred by members of the Pension Fund's Supervisory Board to attend Board meetings will be charged to each Plan's position account.

**Chapter Two
The Management Company**

Article 14. Management Company

1. The Management Company manages the Pension Fund with the Depositary Entity's assistance under the Supervisory Board's supervision, in accordance with the provisions of the law and these Bylaws.
2. The Management Company shall act in the interest of the Pension Fund, and will be held liable to the Promoter Entity, the unitholders and the beneficiaries of the Plans attached to the Fund for any damages arising from non-performance or defective performance of its obligations.

Article 15. Functions of the Management Company

The Pension Fund's Management Company has the following functions:

- a) Participating in the execution and notarisation of the Fund's founding deed, as well as, where appropriate, in amendment or liquidation deeds.
- b) Keeping the Pension Fund's accounts and submitting its annual accounts in the manner provided by law.
- c) Determining the balances of the position accounts and the rights and obligations arising from each Plan attached to the Pension Fund, by issuing the relevant instructions for the transfer of affected rights and accounts.
- d) Issuing the membership certificates of the Pension Plans attached to the Fund.
- e) Certifying and sending the annual certificate of contributions made and recognised to each unitholder of the Pension Plans attached to the Fund, as well as the value of their vested rights at the end of each financial year.
- f) Determining the value of a position account transferable to another Pension Fund when requested by the corresponding Plan's Supervisory Board.

- g) Monitoring compliance by the Pension Fund's Depositary Entity with its legal and regulatory obligations.
- h) Monitoring the Pension Fund's investment policy under the terms set out in the regulations in force.
- i) Safekeeping the documents relating to the unitholders and beneficiaries of the Pension Plans and Fund it has been entrusted to manage.
- j) Certifying and registering the resolutions adopted by the Supervisory Bodies of the Pension Plans attached to the Fund in accordance with the provisions of the Companies Register regulations.
- k) Any other law provided for in the legislation in force.

Article 16. Management of foreign financial assets

Foreign financial assets, acquired in accordance with the legislation in force, must be managed under the regulatory conditions in force at all times.

Article 17. Remuneration of the Management Company

1. As remuneration for its services, the Management Company will receive a management fee that may not exceed 1.5% per year of the value of the position accounts from which it will be charged. The fee must be calculated individually for each attached Pension Plan. That daily equivalent limit applies both to each attached Pension Plan and to the Pension Fund as a whole, as well as individually to each unitholder and beneficiary.
2. The management fee will accrue on a daily basis and must be settled by the Management Company at the intervals set out in the Management Agreement entered into with the Pension Fund's Supervisory Board.

Chapter Three The Depositary Entity

Article 18. Depositary Entity

1. The Depositary Entity holds the transferable securities and other financial assets of the Pension Fund, and monitors and supervises the Management Company's actions vis-à-vis the Fund's Promoter Entity, and the unitholders and beneficiaries of the attached Pension Plans.

2. The Depositary Entity shall act in the interest of the Pension Fund, and will be held liable to the Promoter Entity, the unitholders and the beneficiaries of the Plans attached to the Fund for any damages arising from non-performance or defective performance of its obligations.

Article 19. Functions of the Depositary Entity

The Pension Fund's Depositary Entity has the following functions:

- a) Participating in the execution and notarisation of the Fund's founding deed, as well as, where appropriate, in amendment or liquidation deeds.
- b) Holding the transferable securities and other financial assets of the Pension Fund, without prejudice to what is legally established in respect of foreign deposits of foreign financial assets. Keeping up-to-date records of assets owned by the Fund, on an itemised basis.
- c) Supervising and monitoring compliance by the Management Company with its legal and regulatory obligations, only carrying out operations agreed by the Management Company that comply with the laws, regulations and these Bylaws.
- d) Handling the collections and payments arising from the Pension Plans attached to the Fund, as well as, where appropriate, from the mobilisation of vested rights.
- e) Carrying out transactions on behalf of the Fund to purchase and sell securities, collect returns on investments and other income, by means of asset transfers, and any other transactions arising from holding the securities themselves.
- f) Enabling the transfer of a Pension Plan's position account to another Fund, as well as the mobilisation of unitholders' vested rights to another Pension Plan.
- g) Receiving the securities owned by the Pension Fund, depositing them ensuring their safekeeping, and issuing the corresponding supporting documents.
- h) Receiving and safekeeping the Pension Fund's liquid assets.
- i) Any other provisions laid down in the legislation in force.

Article 20. Remuneration of the Depositary Entity

1. As remuneration for its services, the Depositary Entity will receive a deposit fee that may not exceed 0.25% per year of the value of the position accounts from which it will be charged. That daily equivalent limit applies both to each attached Pension Plan and to the Pension Fund as a whole, as well as individually to each unitholder and beneficiary.
2. The deposit fee will be agreed between the Management Company and Depositary Entity, with the prior agreement of the Fund's Supervisory Board.

3. The deposit fee will accrue on a daily basis and must be settled by the Depositary Entity at the intervals set out in the Deposit Agreement entered into with the Management Company and the Pension Fund's Supervisory Board.

Chapter Four

Replacing the Management Company or Depositary Entity

Article 21. Replacement at the request of the Management Company or Depositary Entity.

1. Both the Management Company and the Depositary Entity may request their replacement before the Fund's Supervisory Board, upon presenting the entities that will replace them.

2. The replacement will comply with the following:

- a) The entity that requests its replacement shall submit a Replacement Proposal, which must be signed by the entity intended to replace it, to the Fund's Supervisory Board and to the remaining Management Company or Depositary Entity, where applicable.

The Replacement Proposal will state at least the following:

- (a) Cause of the proposed replacement.
 - (b) Procedure and time frame of the proposed replacement.
 - (c) Guarantees that the Entity requesting the replacement is willing to cover any liabilities arising from its activity.
 - (d) The management or deposit fee which the replacing entity intends to receive in return for its services.
 - (e) Express acceptance by the replacing entity of these Bylaws and of the Management and Deposit Agreement (whichever applicable) in force.
- b) Once the Replacement Proposal has been approved, the balance sheet, income statement and Pension Fund report will be audited. Then, the outgoing entity shall provide the guarantees set out in the Replacement Proposal as well as any additional guarantees required in light of the audit performed.
 - c) No later than one month after the audit referred to in (b) has been performed, the outgoing entity shall request authorisation from the Spanish General Directorate of Insurance to proceed with its replacement.

The request must be signed by the Fund's Management Company and Depositary Entity, as well as by the new entity that declares itself willing to accept such role.

3. In no case may the Management Company or the Depositary Entity relinquish their roles until all the requirements and formalities to appoint their replacements have been fulfilled.

Article 22. Replacement by decision of the Pension Fund's Supervisory Board

1. The Pension Fund's Supervisory Board may agree to replace the Management Company or Depositary Entity by a resolution adopted by a qualified majority (three quarters) of the economic interests represented by its members. The Replacement Agreement must simultaneously appoint the new entity intending to take over the management or depositary role of the Pension Fund.
2. The entity to be replaced shall continue in its role until the replacement becomes effective, which will be no later than three months after the Replacement Agreement is signed.

Article 23. Replacement due to unilateral withdrawal of the Management Company or Depositary Entity

1. The Pension Fund's Supervisory Board must be duly notified of any unilateral withdrawal of the Management Company or Depositary Entity. If the Supervisory Board does not accept the Management Company's or Depositary Entity's withdrawal, it will only become binding two years after it has been duly notified in compliance with the requirements set out in Article 21(2)(a) and (b) of these Bylaws.
2. If the above time limit has expired and the replacing entity has not been appointed by the outgoing entity, the Pension Fund will be dissolved unless the Fund's Supervisory Board appoints it in accordance with Article 22 of these Bylaws before the time limit expires.

Article 24. Replacement by dissolution, insolvency procedure or removal of the Management Company or Depositary Entity from the Administrative Register

1. The dissolution, the initiation of insolvency proceedings by or against the Management Company or Depositary Entity, or its removal from the corresponding Administrative Register will result in its automatic removal from the management or depositary role of the Pension Fund.

2. In the event that the Management Company is affected by any of the foregoing circumstances, the management of the Fund will be provisionally entrusted to the Depositary Entity.
3. In the event that any of the foregoing circumstances affect the Depositary Entity, the Fund's financial and cash assets will be deposited with the Bank of Spain (Banco de España).
4. If no new Management Company or Depositary Entity is appointed within one year, the Pension Fund will be dissolved.

Article 25. Common provisions

1. The replacement of the Pension Fund's Management Company or Depositary Entity, as well as any change of control in those entities by more than 50% of their share capital, will confer on the Pension Plans attached to the Fund the right to mobilise their position account and transfer it to another Pension Fund.
2. Any changes in the control of the Management Company or Depositary Entity, as well as the replacement of their Directors, must be brought to the attention of the Pension Fund's Supervisory Board in accordance with the provisions of the legal system and these Bylaws.

TITLE III.

PENSION PLAN ADMISSION AND MOBILISATION OF ITS POSITION ACCOUNT INTO THE PENSION FUND

Article 26. Pension Plan admission

1. Pension Plans wishing to join the Fund must submit an application to the Supervisory Board, expressing they understand and accept these Bylaws, particularly:
 - a) the criteria established to quantify the Pension Plan's position account, particularly the method to allocate profit and loss from the investments made by the Fund;
 - b) the arrangements applicable to the Fund's operating costs;
 - c) the conditions laid down to transfer the Pension Plan's position account to another Pension Fund.
 - d) the procedure for winding up the Plan.
2. They must also provide the final Pension Plan Proposal, as well as the legal, economic, actuarial, audit or other documentation that the Fund's Supervisory Board deems necessary, including any studies and expert opinions requested.

3. The Fund's Supervisory Board must express its acceptance of the Pension Plan joining the Fund, considering, under its responsibility, that it meets the requirements established in the legislation in force, or otherwise its rejection, within one month of the required documentation being submitted.

If the Plan is accepted, the relevant agreement to join the Fund will be signed.

If the Plan is rejected, the reasons for not accepting the request to join the Fund must be stated.

4. Acceptance of the first Pension Plan into the Fund will be made by the Management Company.

Article 27. Determining a Pension Plan's position account

1. The position account for each Pension Plan will be determined by its share of the total asset value of the Pension Fund.
2. To determine the share of each Pension Plan within the Fund, the exchange value of all Plan transactions involving additions or withdrawals of resources will be established, in units of account, and must be recorded as assets or liabilities in the Pension Plan's position account.
3. The value of the unit of account will be determined by dividing the Fund's asset value, calculated in accordance with the valuation criteria laid down in the legislation in force, by the number of units of account effective at the given date.
4. The unit of account value must be established on a daily basis.
5. Expenses directly attributable to each Pension Plan will entail a reduction of its number of units of account.
6. Expenses not directly attributable to each Pension Plan, as well as the Fund's management fee and its profit and loss, will not change the number of units of account of the various Plans attached to the Fund. The Plans' share within the Fund will be proportionate to their impact on the aforementioned unit value.
7. Each Plan will have a single balance in units of account.
8. Each Plan's position account within the Pension Fund will be calculated by multiplying the unit of account balance submitted by the Plan by the last calculated unit of account value, deducting any expenses and fees directly attributable to the Plan from this amount.

9. The daily value applicable to the mobilisation of rights, disbursement of benefits and liquidity of rights in exceptional cases, as well as the advance disposal of the same, will be the value of the Plan's position account on the business day before the effective mobilisation, liquidity or benefit disbursement.

Article 28. Mobilisation of a Pension Plan's position account

1. The Supervisory Boards of the Pension Plans attached to the Fund may agree and order the transfer of existing resources from their position account to another Fund in the following cases:
 - a) Voluntary withdrawal of the Pension Plan, agreed by its Supervisory Board and reliably notified to the Fund's Supervisory Board.
 - b) Replacement, for any reason or circumstance, of the Fund's Management Company or Depositary Entity.
 - c) Change in the control of the Management Company or Depositary Entity by more than 50% of its share capital.In the event of (b) and (c) above, the mobilisation agreement must be notified to the Fund's Supervisory Board in a reliable manner within one month of such circumstances being reported to the Pension Plan's Supervisory Board.
2. The mobilisation of the Plan's financial resources must be carried out in the manner and within the time limits agreed by the Supervisory Boards of the Fund and the affected Pension Plan.

In the absence of an agreement, the Pension Plan's Supervisory Board shall inform the Fund's Supervisory Board whether it wishes the financial resources corresponding to its position account to be mobilised in full as liquid assets or by transferring the Plan's proportional portion of assets.
3. If the mobilisation is carried out in full as liquid assets, the time limit for doing so may not exceed six months in any case.
4. If the mobilisation is carried out by transferring the Plan's proportional portion, the Management Company, except in cases of force majeure, shall transfer those assets to the Fund appointed by the Plan's Supervisory Board, in any case, within three months of the Plan's Supervisory Board's notification as provided for in (1) of this Article.

The Fund's Supervisory Board is responsible for identifying the specific assets to be transferred, as well as determining the instruments for the transfer of the assets and rights to the new Pension Fund, and identifying the time limits for the transfer referred to above.

5. All expenses incurred in a Pension Plan's withdrawal from the Fund, including brokerage fees and other related fees and tariffs, must be borne exclusively by the applicant Pension Plan.
6. Taxes arising from a Pension Plan's withdrawal from the Fund must be borne exclusively by it, including any local and/or Autonomous Community taxes.

TITLE IV.

PENSION FUND'S ECONOMIC AND FINANCIAL SYSTEM

Article 29. Pension Fund investments

1. The Pension Fund's assets, excluding funding to cover insurance premiums or the cost of guarantees for the fully or partially insured or guaranteed Plans that are part of the Fund, must be invested in accordance with criteria of safety, profitability, diversification, dispersion, liquidity, currency matching and timeliness as appropriate to its purposes.
2. The Pension Fund's investments will be subject to the provisions of the applicable legislation.
3. The Fund's Supervisory Board, along with the Management Company, shall prepare a comprehensive written statement on the principles of its investment policy in accordance with the applicable legislation. This statement must be made sufficiently available and will in any event be given to the Pension Fund's Depositary Entity.

Article 30. Financial and actuarial system

1. The actuarial system to implement the Pension Plans attached to the Fund is the individual capitalisation system.
2. The actuarial review of each Pension Plan attached to the Fund will be carried out as often as required by the applicable legislation and must include forecasts on the liquid assets to be required, which, compared with the benefits, will define the Fund's appropriate level of coverage.
3. The Fund will require the attached Pension Plans, provided that they are defined benefit plans or cover a risk, to cover the legally required solvency margin, unless they are partially or fully insured with an insurance company or are otherwise legally covered for that purpose.

Article 31. General transaction terms

1. Transactions must be carried out on assets deemed eligible that meet the requirements laid down in the legislation in force. Financial assets will be admitted to trading on regulated or coordinated markets as legally provided for and according to the resulting prices on those markets, so that multiple offers and demands have an effective impact on prices, unless those can be made on terms more favourable to the Fund than on the market.
2. The acquisition and disposal of real estate must be preceded by the valuation of the property, in accordance with the specific real estate valuation rules adopted by the Spanish Ministry of the Economy, all expenditure arising from it being borne by the Pension Fund.
3. The Pension Fund's Management Company and Depositary Entity, as well as their Directors and the members of the Supervisory Board, may not buy or sell any Fund assets on their own behalf, directly or through any intermediary person or entity. A similar restriction applies to credit agreements.
For this purpose, a transaction will be understood to be carried out by an intermediary person or entity when carried out by a direct or collateral relative, whether by blood or marriage, up to and including second-degree relatives; by agents or trustees; or by any company in which the said Directors, entities or members of the Supervisory Board have, directly or indirectly, a holding equal to or greater than 25% of the capital or hold a position in it with decision-making power.
4. The above does not apply to transactions involving transfer or acquisition of assets by the Depositary Entity which are part of its normal operations. Where any excess over the ceilings provided for in the legislation in force is due exclusively to the exercise of rights attached to legally acquired securities, to reductions of the Pension Fund's own assets, to the mobilisation of position accounts or the liquidation of Plans or where membership of the same group arose after the investment, the Fund will have a period of one year from the time when the excess occurred to proceed with its restatement.

Article 32. Liabilities to third parties

1. The Pension Fund's assets may only be subject to guarantee to ensure that the Fund's obligations are fulfilled in accordance with the legally applicable terms.

2. Liabilities to third parties may in no case exceed five per cent (5%) of the Pension Fund's assets.

The following will not be taken into account for this purpose:

- a) Debts incurred in the acquisition of assets until the transaction is fully settled.
 - b) Outstanding liabilities to beneficiaries until benefits are paid.
- Liabilities relating to vested rights conferred on unitholders.

3. The Pension Fund's assets will not be liable for the debts of its Promoter Entity, Management Company or Depositary Entity.

Article 33. Valuation of the Pension Fund

For the purposes of determining the Fund's asset value or, where applicable, quantifying the coverage level of the mathematical reserves or of the capitalisation fund, the assets in which the Fund invests must be valued in accordance with the criteria laid down by law.

Article 34. Allocation of profit and loss for the financial year

1. The period for determining the profit and loss for the financial year will coincide with the calendar year.
2. The profit and loss for each financial year will be calculated by deducting the expenses of the Fund's Management Company, the Depositary Entity and Supervisory Board, as well as auditing and other expenses and provisions provided for by regulation, from the Fund's total gross income and asset increases and decreases, except for the expenses directly attributable to each Pension Plan.
3. The Fund's profit and loss will be allocated to each attached Pension Plan in proportion to the amount of its position account in relation to the Fund's total assets.

Article 35. Pension Fund's annual accounts and audit

1. The Pension Fund's financial year will coincide with the calendar year. The first financial year will run from its start of operations until 31 December of the same year.
2. The Management Company shall draw up the balance sheet, the income statement, the explanatory report and the management report for the preceding financial year within the first quarter of each financial year and submit these to the Fund's Supervisory Board for approval.

3. The documents referred to above should be audited by experts or expert societies. Their reports must cover accounting, financial and actuarial matters, including an express statement regarding compliance with the regulations applicable to Pension Plans and Funds.
4. The documents referred to above, together with the relevant audit reports, must be sent to the Spanish General Directorate of Insurance and Pension Funds, as well as the Supervisory Boards of the Pension Plans attached to the Fund, which may disseminate such reports as deemed appropriate.
5. The Management Company shall make the documents referred to in (2) of this Article publicly available within the six-month period following each financial year.

TITLE V.

MODIFICATION, DISSOLUTION AND LIQUIDATION OF THE PENSION FUND

Article 36. Amendment of the Pension Fund's Bylaws

1. Amending these Bylaws will require a resolution adopted to that effect by the Fund's Supervisory Board with the vote of an absolute majority of the economic interests represented in the Board.
2. Any agreed amendments must in any event be sent to the Spanish General Directorate of Insurance, requesting prior authorisation in the cases legally provided for, and must be notarised and registered in the Companies Register and the Administrative Register of Pension Funds.

Article 37. Dissolution of the Pension Fund

1. The Fund may be dissolved on any of the following grounds:
 - a) Resolution of the Fund's Supervisory Board adopted by an absolute majority of the economic interests represented in the Board.
 - b) Where it is manifestly impossible to replace the Fund's Management Company or Depositary Entity, as applicable, in accordance with these Bylaws or the applicable legislation.
 - c) In the other cases established in these Bylaws or in the legislation in force.

2. Prior to the Fund's dissolution, the continuation of the attached Plans and the benefits accrued will be individually guaranteed in another already established or to be established Pension Fund.
3. The dissolution and liquidation resolution, after being notified to the Spanish General Directorate of Insurance, must be published on the Management Company's website or, otherwise, in one of the most widely circulated newspapers where the registered address is, and must be notarised and registered in the corresponding registers.

Article 38. Liquidation of the Pension Fund

1. Upon the Pension Fund's dissolution, the liquidation period will start, with "under liquidation" being added to its name.
2. The liquidation procedures will be carried out jointly by the Fund's Supervisory Board and Management Company. The Management Company shall act pursuant to the liquidation under the mandate and guidelines of the Fund's Supervisory Board, with the assistance of the Depositary Entity to implement procedures.
3. Once the corresponding financial statements have been finalised, each unitholder's share of the Pension Plans attached to the Fund will be determined.
4. The financial statements, balance sheet and income statement will be audited in the manner provided for by law. The balance sheet and income statement will be published in the Official State Gazette (*Boletín Oficial del Estado*) and in one of the most widely circulated newspapers where the Fund's registered address is.
5. A one-month claims period against the liquidation of the Pension Fund will be opened from the day after the last of these is published.
6. After this period has elapsed without any claims having been made, the Fund's assets will be distributed among the Pension Plans of the Fund. Unclaimed contributions within the next three months will be deposited with the Depositary Entity or, failing that, with the Bank of Spain (*Banco de España*) or the Spanish Government Depositary (*Caja General de Depósitos*), at the disposal of their rightful owners.
7. Once the total distribution of the assets has been made, the Management Company and Depositary Entity shall request the Fund's entries to be struck off the Companies Register and the Administrative Register of Pension Funds.

FINAL PROVISIONS

One. Competent jurisdiction

Any disputes arising from the application and interpretation of these Bylaws must be settled by the competent jurisdiction. Territorial jurisdiction corresponds to the courts where the Pension Fund's address is located.

Two. Express submission to these Bylaws

When a Pension Plan joins the Fund, this entails express acceptance by its Promoter Entity, Management Company and Depositary Entity, Promoter and Supervisory Board, as well as its unitholders and beneficiaries, of these Bylaws.