



# 2019 Articles

Valid since July 1st 2019.

## TITLE 1

### Legal status, business name, corporate purpose, regulatory principles, duration, territorial scope, registered office and regulatory adaptation

#### Article 1

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##### LEGAL STATUS AND BUSINESS NAME

1. Loreto Mutua, Mutuality of Social Security ("Loreto Mutua"), was incorporated as a fixed premium friendly society to provide employee benefit plans and insurance. It is registered in the administrative registry for insurance entities under code P-2994.
2. Loreto Mutua is a legal entity independent of its members and employer members. It has capacity to act and purchase, possess, encumber and transfer all types of assets and rights and to dispose and manage them, assume obligations and make any acts and enter into any contracts required without any limitation outside of these Articles of Association or the applicable legislation.

#### Article 2

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##### CORPORATE PURPOSE

1. Loreto Mutua's object is to operate as a voluntary and complementary insurer, independent of the compulsory social security system, based on a system of individual capitalisation through fixed payments and contributions of Full Members and, as the case may be, employer members, to provide coverage against the risks to the persons or things stated and governed in these Articles of Association.
2. Without prejudice to the previous point, Loreto Mutua may perform other insurance operations that it can lawfully perform and extend its benefits or provide social benefits subject to obtaining any required administrative authorisation.
3. Loreto Mutua may carry out pension fund management operations in accordance with the provisions of Article 20.2 of R.D.L. 1/2002 of 29 November approving the Recast Text of the Law on the Regulation of Pension Plans and Funds.

#### Article 3

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##### REGULATORY PRINCIPLES

1. Loreto Mutua is, in general, governed by the following regulatory principles:
  - a) It is a non-profit organisation.
  - b) The status of policyholder and insured is inseparable from the status of full member, without prejudice to the different rights and obligations arising from these statuses.
  - c) The mutual rights and obligations are the same for all full members, without prejudice to the fact that their contributions and benefits are governed by the provisions in these Articles of Association and in accordance with the circumstances applicable in each case.
  - d) **The personal liability of members and employer members for mutual debts is limited in all cases to less than a third of the sum of their contributions for the previous three financial years, regardless of their contributions for the current year.**



- e) The incorporation of full members into the Friendly Society is in all cases voluntary.
- f) The financial-actuarial system by which the Friendly Society is governed implies that the beneficiary rights to be obtained by full members and members in abeyance are in direct relation with the contributions actually made and allocated and the total results at the close of the financial year, **whether positive or negative**, once the legal and solvency obligations are covered, are transferred to the provisions of the full members and members in abeyance. **This means that the benefits to be received are not pre-established in a fixed manner, but may be lower or higher depending on the negative or positive results obtained at the close of each financial year prior to the causative event giving rise to the aforementioned benefit.**
- g) Loreto Mutua must establish the appropriate system of services to guarantee the most exact performance with regard to the benefits assumed for full members, members in abeyance, Beneficiaries and successors in title.

#### Article 4

##### DURATION

Loreto Mutua was incorporated for an indefinite term.

#### Article 5

##### TERRITORIAL SCOPE AND REGISTERED OFFICE

1. Without prejudice to the obtaining of the administrative authorisation required for extending the scope of its benefits, Loreto Mutua's scope covers the entire territory of Spain. Its insurance activity covers members and beneficiaries even when they are outside of Spain.
2. The registered office and head offices of Loreto Mutua is in Madrid, at Paseo de la Castellana nº 40, 1º-4º planta.
3. The Board of Directors may move the head offices to anywhere in the locality of the registered office. The Board of Directors may also open branches, delegations, representative offices and secondary premises.
4. The corporate webpage is [www.loretomutua.com](http://www.loretomutua.com). The Board of Directors may modify, move or delete the corporate webpage.

#### Article 6

##### LEGAL REGIME

Loreto Mutua is governed by Law 20/2015 of 14 July on the regulation, supervision and solvency of insurers and reinsurers, its implementing Regulations, the Friendly Society Regulations, as well as Royal Decree 1588/1999, of 15 October, approving the Regulations on the instrumentation of company pension commitments to employees and beneficiaries, First Additional Provision of R.D.L. 1/2002 of 29 November approving the Recast Text of the Law on the Regulation of Pension Plans and Funds, its implementing Regulations and by these Articles of Association, the resolutions adopted by the corporate bodies for their development or implementation and other applicable legal provisions.

#### Article 7

##### INSURANCE CONTRACT

1. The legal relationship between Loreto Mutua and its Members as Insured shall be governed by Law 20/2015 of 14 July on the regulation, supervision and solvency of insurers and reinsurers, its implementing Regulations, by Law 50/1980 of 8 October on Insurance Contracts, and by any other provisions regulating insurance activity or which may replace the foregoing in the future.



2. These Articles of Association and any Regulations and Resolutions adopted for their development or implementation constitute the contractual regulations that complement the effective insurer legislation. They must be provided to full members when they join the Society, in addition to when they are approved, altered or in any way modified by the General Meeting.

## **TITLE 2**

### **Net worth**

#### Article 8

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#### **LORETO MUTUA'S EQUITY**

Loreto Mutua's equity is made up of all the assets, rights and obligations of the Friendly Society at the time these Articles of Association were approved.

#### Article 9

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#### **FUNDS**

Loreto Mutua's funds come from:

- a) The contributions or premiums of full members and policyholders.
- b) The contributions of employer members.
- c) The income, interest or any other return on assets.
- d) Gifts, legacies, subsidies and any other revenue, regardless of the source or circumstance, from natural or legal persons, public or private.
- e) Any revenue obtained from any calls for extraordinary contributions from members.
- f) Any other revenue obtained under the scope of the society's operations or from services that it handles or provides in accordance with any authorisations obtained, should they be required.

#### Article 10

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#### **EQUITY STATUS**

The equity of Loreto Mutua is unique and is for the purposes of carrying out the entity's objects. Loreto Mutua's funds are allocated to maintain the mutual fund, technical reserves, solvency capital requirement (SCR) and minimum capital requirement (MCR) established by law.

## **TITLE 3**

### **Members**

#### Article 11

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#### **TYPES OF MEMBERS**

Loreto Mutua has two types of members: full members and members in abeyance.



## Article 12

### FULL MEMBERS

1. Employees of employer members who voluntarily apply to join Loreto Mutua and pay the corresponding contributions can be full members.
2. If full members temporarily or permanently stop working for an employer member, they can remain a member by requesting that Loreto Mutua maintain their membership and by paying their membership contributions themselves.
3. Persons providing services in related companies directly or indirectly linked to the commercial operation of air traffic control or its complementary, similar or derivative activities may also become full members by applying to Loreto Mutua and paying the membership contributions.
4. Workers and employees of Loreto Mutua that apply to become a member and pay the corresponding contributions are also Full Members thereof.
5. Full members on special leave or reserve, or any other situation that replaces these in the future prior to effective retirement, remain members in Loreto Mutua as special members until this situation ends or their death or a declaration of permanent or severe disability between the date they went on leave or reserve and their retirement. Members in this situation are not required to make contributions to Loreto Mutua although they can make voluntary contributions. The provisions of Article 10.2 of the Contributions and Benefits Regulations are applicable to the accrued benefits of full members with special membership status.

## Article 13

### BECOMING A FULL MEMBER

1. Incorporation as a full member will take place individually or generally as a consequence of collective agreements and will be made in writing to Loreto Mutua's Board of Directors by duly filling in and signing the corresponding application form in which the applicant undertakes to comply with these Articles of Association and any Regulations and Resolutions adopted for their implementation and development. For this purpose, the legal information, in particular of these Articles of Association and of the Regulations on Contributions and Benefits, shall be provided in writing or on a durable medium, the receipt of which shall be duly and sufficiently recorded.
2. Becoming a full member requires an admittance resolution by the Board of Directors, the effects of which are deferred until the first due is paid, directly by the member or on their behalf.
3. Full membership cannot be refused on the grounds of the term or type of employment contract that the applying member has with the employer member or the legal status of the relationship that the applicant has with the companies referred to in Article 12.3 herein, nor on the grounds of race, sex, religion, opinion, political or trade union association, or any other personal or social circumstance.

## Article 14

### RIGHTS OF FULL MEMBERS

1. Without prejudice to the provisions of paragraphs b) and c) of Article 3.1 of these Articles of Association, all full members have equal rights and obligations. Any resolutions or acts that discriminate between full members are null and void.
2. Full members, provided they have paid all pending contributions and calls for extraordinary contributions, and members with special membership, have the following political, benefit and information rights:
  - a) Political rights:



- a.1) To participate in the governing bodies of Loreto Mutua through voting as an elector and standing as a candidate, subject to meeting all legal requirements, in the elections for positions in the governing bodies.
- a.2) To participate in the Ordinary and Extraordinary General and Territorial Meetings held by Loreto Mutua; to attend these meetings; to make proposals and to participate in the deliberations and to vote in accordance with these Articles of Association.
- a.3) To request the convening of the General Meeting in accordance with Article 27.3 of these Articles of Association.
- b) Economic rights:
  - b.1) To receive, in accordance with the terms and conditions set out in these Articles of Associations and the Regulations and Resolutions adopted for developing and implementing them (except where the entitlement to claim has expired), the benefits, dividends and other payments arising from being a member or an insured.
  - b.2) To be included in the distribution of the society's equity if Loreto Mutua is dissolved and liquidated in accordance with these Articles of Association and the applicable legislation.
  - b.3) To have personal liability for mutual debts limited in accordance with Article 3.1 of these Articles of Association.
- c) Information rights:
  - c.1) Annual financial information, consisting of obtaining the Accounts for the corresponding financial year from the date of convening the General Meeting, which in any case will be available at the registered office of Loreto Mutua. Full members may also request in writing from the Board of Directors until the date on which it is held, explanations or clarifications that they deem appropriate to be answered at the General Meeting.
  - c.2) To receive personal financial information in the form of a personal letter sent annually stating the member's benefit rights and any amendments in the legislation or the Articles of Association that substantially affect the information provided upon acquiring the status of full member of Loreto Mutua. These notices are made by electronic means except where the member requests they be sent by ordinary mail.

## Article 15

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### OBLIGATIONS OF FULL MEMBERS

Full members and all insureds must:

- a) Comply with these Articles of Association and any Regulations and Resolutions adopted for developing and executing these articles.
- b) Comply with resolutions adopted validly by the governing bodies of Loreto Mutua.
- c) Pay their membership dues and contributions to the mutual fund. These must be paid in accordance with the payment method, terms and amount determined by the General Meeting. Full members must also pay any extraordinary contributions approved by the General Meeting. Amounts not paid for these items are deducted from future dues or benefits.
- d) Promptly provide Loreto Mutua with any information requested and notify the Society of changes of address or residence and contact details. Members must also notify Loreto Mutua of any event or change to personal circumstances that might entitle them to benefits, change these benefits, exacerbate the insured risks or cause damage to Loreto Mutua.



- e) Accept the positions for which they are elected.
- f) **Pay, up until the date they stop being a member, the mutual debts in accordance with the limits established in Article 14.2b) b.3) herein.**
- g) Perform any other obligations arising from the current legislation on private insurance.

#### Article 16

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##### LOSS OF FULL MEMBERSHIP

Full membership is lost for any of the following reasons:

- a) The member becomes a beneficiary of Loreto Mutua as a result of acknowledgement of benefits in accordance with the Contributions and Benefits Regulations, except where the member keeps paying the dues themselves in the cases set out in law or herein.
- b) Death of a full member.
- c) Non-payment of extraordinary contributions.

#### Article 17

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##### MEMBERS IN ABEYANCE

1. Members in Abeyance are Full Members that stop or suspend payment of their contributions to Loreto Mutua.
2. Members in abeyance will be able to re-establish at any time their status of members in abeyance, it sufficing for them to merely resume their contributions to Loreto Mutua.

#### Article 18

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##### RIGHTS OF MEMBERS IN ABEYANCE

1. Members in Abeyance have the rights specified in paragraphs b.1), b.2), b.3) and c) of Article 14.2 of these Articles of Association..
2. The provisions of Article 10.1 of the Contributions and Benefits Regulations are applicable to the accrued benefits of Members in Abeyance.

#### Artículo 19

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##### OBLIGATIONS OF MEMBERS IN ABEYANCE

Members in Abeyance have the obligations set out in paragraphs a), b), d), f) and g) of Article 15 of these Articles of Association and must pay the contributions to the mutual fund and any extraordinary contributions adopted by the General Meeting.

#### Article 20

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##### HONORARY MEMBERS

1. The Board of Directors, apart from the provisions of Article 11, may appoint as honorary members those natural or legal persons who, on account of their relevant services to Loreto Mutua, are deserving of such distinction.
2. Membership rights and obligations are not applicable, in any case, to honorary members.



#### Article 21

##### EMPLOYER MEMBERS

1. Employer members are companies directly or indirectly related to the commercial operation of air traffic control or its complementary, similar or derivative activities that have applied for and obtained from Loreto Mutua, permanently and indefinitely, the option for their employees to become members in accordance with Article 12.1 of these Articles of Association.
2. Loreto Mutua is the employer member for its workers.
3. The making of contributions by employer members does not imply, in any case, that these companies are full members.
4. The Board of Directors individually studies each membership request and accepts or rejects companies as employer members in Loreto Mutua.

#### Article 22

##### COLLABORATION OF EMPLOYER MEMBERS

Employer members will provide to Loreto Mutua, at all times, the collaboration that the Board of Directors deems necessary in terms of information on staff movements, collection and payment of contributions, certification of services rendered and any others that may lead to the improvement of the administrative management of Loreto Mutua.

#### Article 23

##### BENEFICIARIES

1. Beneficiaries are the recipients of some or all of the benefits established in these Articles of Association.
2. The status of beneficiary will cease when the requirements that gave rise to the receipt of Loreto Mutua benefits are no longer met.
3. The beneficiaries are obliged to communicate the changes that occur in their personal circumstances, address, marital status and financial situation when they affect or have an impact on their entitlement to the benefits of Loreto Mutua.
4. For all purposes, beneficiaries are not members of Loreto Mutua.

## **TITLE 4**

### Governance and management

#### Article 24

##### GOVERNING AND MANAGEMENT BODIES

1. The governing bodies of Loreto Mutua are the General Meeting and the Board of Directors.
2. A General Manager appointed by the Board of Directors is responsible for the day-to-day management of Loreto Mutua.





## CHAPTER 1

### GENERAL MEETING

#### Article 25

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##### LEGAL STATUS AND COMPOSITION

1. The duly constituted General Meeting is the meeting of full members, present and represented, to discuss and make resolutions as the supreme body for expressing the corporate will with respect to all matters it is responsible for in accordance with current legislation and these Articles of Association.
2. All full members may participate in the General Meeting, except where they have opted to exercise their right to participate and vote in the corresponding Territorial Meeting.
3. Each full member shall have the right to one vote, which may be exercised in person or by proxy through another member attending the General Meeting, without the latter being able to represent more than seven full members. Proxy voting must be express, in writing and accompanied by a photocopy of the Spanish National ID (DNI) document, passport or driver's license of the delegating member. Proxy voting can only have the effects in the General Meeting for which it was executed.
4. The General Meeting is always held in the provincial district where Loreto Mutua has its registered address.

#### Article 26

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##### POWERS

1. The powers of the General Meeting extend to, in general, all matters concerning Loreto Mutua.
2. Without prejudice to Article 26.1, resolutions must be adopted by the General Meeting to:
  - a) Appoint, ratify and remove members of the Board of Directors in accordance with election results.
  - b) Disapprove of corporate management, approve the accounts and ratify the annual budgets, including attendance fees for attending meetings of the governing bodies, and distribute and apply the results, where appropriate, after deduction of the share in profits recognised for the insureds.
  - c) Establish Mutual Fund contributions.
  - d) Approve extraordinary contributions or dividends for members and the regulations that must be applied for their calculation and distribution and approve new compulsory contributions to the Mutual Fund and the return of existing contributions.
  - e) Appoint auditors.
  - f) Change the registered office.
  - g) Approve or amend these Articles of Association and the Regulations of Loreto Mutua.
  - h) Convert, merge, demerge, form temporary groupings, cede or acquire insurance portfolios and dissolve Loreto Mutua in accordance with these Articles of Association and the current legislation.
  - i) Request for revocation of the administrative authorisation granted by the Friendly Society.
  - j) Implement, suspend, spin off, end, convert, aggregate or amend any of the mutual benefits.



k) Pursue a liability action against any members of the Board of Directors.

l) Any other matter submitted to it by the Board of Directors.

3. The powers vested in the General Meeting under this article are non-delegable.

#### Article 27

##### TYPES OF GENERAL MEETINGS

1. General Meetings may be Ordinary or Extraordinary.

2. Ordinary General Meetings are those that, following notice by the Board of Directors, must be held within six months following the close of the financial year to audit and approve the Society's management and annual accounts, to approve Loreto Mutua's annual Budget and to decide on all other matters put forward by the Board of Directors.

3. All other Meetings are Extraordinary Meetings, which are held when the Board of Directors convenes them in the interest of the Society or when at least 5% of full members (as of 31 December of the immediately preceding year) request it. In this last case, the members calling for the meeting must clearly express, in the request made to the Board of Directors, the Agenda of the Meeting they are requesting and the definitive text of the Draft Resolutions they want voted on. Following receipt of the aforementioned documents, the Board of Directors calls the General Meeting in accordance with the applicable provisions of these Articles of Association.

4. The Ordinary or Extraordinary General Meeting can deliberate and decide on any matter within its competence that has been included in the Agenda of the call.

#### Article 28

##### NOTICE OF THE GENERAL MEETING

1. Notice of the Ordinary General Meeting is made by the Board of Directors via public announcement at Loreto Mutua's head offices and on its webpage with at least one month's notice prior to the date for the meeting.

2. The first notice must state the date, time and place of the Meeting and the Agenda for the first quorum call for the Meeting. The notice may also specify the date, time and place for the second quorum call of the Meeting.

3. Notwithstanding the provisions of the preceding points, instead of a public notice of the meeting, the Board of Directors may send written notice to each member, by any means, including telematic, in accordance with the contact details held by Loreto Mutua.

4. The Board of Directors must include in the Agenda, in all cases, the proposals presented by the full members authorised to request an Extraordinary General Meeting in accordance with Article 27.3 of these Articles of Association.

5. The notice of Extraordinary Meetings must be made with as much prior notice as possible. For all other aspects, the notice must be made in accordance with the provisions established for Ordinary General Meetings herein.

#### Article 29

##### TERRITORIAL MEETINGS AND THE ELECTION OF DELEGATES

1. To guarantee the effective participation of all full members in the governing of Loreto Mutua, each General Meeting is preceded by Territorial Meetings that take place in the provincial district where the workplaces with the greatest number of members are located. For these purposes, the following Territory Meetings are convened and held:



### **GALICIA TERRITORIAL AREA**

Scope: Includes all full members with their addresses in the Autonomous Community of Galicia.

Meeting location: Santiago de Compostela.

### **ASTURIAS AND LEÓN TERRITORIAL AREA**

Scope: Includes all full members with their addresses in the Autonomous Community of Asturias and the province of León.

Meeting location: Oviedo.

### **NORTHERN TERRITORIAL AREA**

Scope: Includes all full members with their addresses in the Autonomous Community of Cantabria, the Basque country, Navarre and La Rioja.

Meeting location: Bilbao.

### **ARAGON AND CATALONIA TERRITORIAL AREA**

Scope: Full members with their addresses in the Autonomous Community of Aragón and Catalonia.

Meeting location: Barcelona.

### **CENTRAL TERRITORIAL AREA**

Scope: Full members with their addresses in the Autonomous Communities of Castilla-León (except León), Madrid, Castilla-La Mancha (except Albacete) and Extremadura (except Badajoz). It also includes full members resident abroad.

Meeting location: Madrid.

### **MENORCA TERRITORIAL AREA**

Scope: Includes full members with their addresses on the island of Menorca.

Meeting location: Mahón.

### **MALLORCA TERRITORIAL AREA**

Scope: Includes full members with their addresses on the island of Mallorca.

Meeting location: Palma de Mallorca.

### **IBIZA TERRITORIAL AREA**

Scope: Includes full members with their addresses on the islands of Ibiza and Formentera.

Meeting location: Ibiza.

### **VALENCIA TERRITORIAL AREA**

Scope: Includes full members with their addresses in the provinces of Valencia and Castellón.

Meeting location: Valencia.



### **ALICANTE TERRITORIAL AREA**

Scope: Includes full members with their addresses in the provinces of Alicante, Murcia and Albacete.

Meeting location: Alicante.

### **MALAGA TERRITORIAL AREA**

Scope: Includes full members with their addresses in the provinces of Málaga, Granada, Almería and Jaén, and the city of Melilla.

Meeting location: Málaga.

### **SEVILLE TERRITORIAL AREA**

Scope: Includes full members with their addresses in the provinces of Seville, Córdoba, Cádiz, Huelva, Badajoz, and the city of Ceuta.

Meeting location: Seville.

### **LAS PALMAS TERRITORIAL AREA**

Scope: Includes full members with their addresses on the island of Gran Canary.

Meeting location: Las Palmas.

### **TENERIFE TERRITORIAL AREA**

Scope: Includes full members with their addresses on the islands of Tenerife, Gomera, Hierro and La Palma.

Meeting location: Santa Cruz de Tenerife.

### **LANZAROTE TERRITORIAL AREA**

Scope: Includes full members with their addresses in the islands of Lanzarote and Fuerteventura.

Meeting location: Arrecife.

## **2. Rules for the Territorial Meetings:**

- a) The notice and drafting of the Agenda of each Territory Meeting is done by the Board of Directors of Loreto Mutua.
- b) Only full members belonging to the corresponding territorial area of the Territory Meeting are sent notice of the meeting.
- c) Prior to the holding of each Territory Meeting, full members may obtain on Loreto Mutua's webpage the Agenda and the text of the draft resolutions to be voted on at the General Meeting, and the date, place and time for the meeting.
- d) The Presidency of the Territorial Meeting will be held by the member of the Board of Directors of Loreto Mutua who attends it in his/her representation, being Secretary the member who, in the same act, is elected as such by those called from among those elected as Territorial Delegates before the General Meeting.
- e) In all other aspects, the Territorial Meetings are held in accordance with the rules for the General Meeting and these Articles of Association. The Territorial Meetings must appoint one Territorial Delegate to attend the General Meeting for every 300 full members or part thereof.



- f) The minutes of the Territorial Meeting are personally looked after by the Secretary until they are delivered to the Board of Directors of Loreto Mutua. Territorial delegates have, at the General Meeting, as many votes as full members that participated, in person or by proxy, at the corresponding Territorial Meeting.
- 3. Territorial delegates shall hold at the General Meeting as many votes as Full Members have participated, whether in person or by proxy, at the corresponding Territorial Meeting, and shall exercise them in the same sense in which they have been issued.
- 4. Full members that, in person or by proxy, exercised their right to vote in the corresponding Territorial Meeting cannot vote at the General Meeting.
- 5. The Board of Directors appoints its members that must attend the Territory Meetings on its behalf.
- 6. For the purposes of the provisions of the preceding points, the addresses of full members that Loreto Mutua has on file are used.
- 7. The Territorial Meeting of the Central Territorial Area is held, in all cases, last. It is the General Meeting of Loreto Mutua.

#### Article 30

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#### CONSTITUTION OF THE GENERAL MEETING

- 1. For the General Meeting to be duly constituted on the first quorum call, the attendance of at least half plus one of the full members, in person or represented by the territorial delegates or other full members, is required. On the second quorum call, the meeting is constituted regardless of the number of attendees.
- 2. There must be at least one hour between the first and second quorum calls.

#### Article 31

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#### HOLDING OF THE GENERAL MEETING

- 1. The General Meeting is presided over by the Chair of the Board of Directors or whoever carries out the Chair's duties in the Chair's absence in accordance with these Articles of Association. The Table shall be made up of the members of the Board of Directors.
- 2. The Secretary of the Board of Directors shall act as Secretary and, in his/her absence, by whoever replaces him/her in accordance with the provisions of these Articles of Association.
- 3. The Chair directs the deliberations, keeps order, gives the floor, determines the length of the interventions, puts matters debated to vote when they see fit and ensures compliance with all the formalities required by the applicable provisions and these Articles of Association.
- 4. Except where the Chair believes that discussion should be extended owing to its importance or certain circumstances of the matter, there should be a maximum of three turns in favour of and three against the proposals discussed at the Meeting prior to voting.
- 5. Voting is ordinarily undertaken by a show of hands. However, the Chair, on their own initiative or at the request of a simple majority of attendees, may propose other voting systems to the Meeting.
- 6. The presiding officers must always vote last.



## Article 32

### ADOPTION OF RESOLUTIONS

1. Resolutions are adopted by simple majority of the members present and represented.
2. Qualified majorities of two thirds of the members present and represented are required for resolutions on the:
  - a) Amendment of these Articles of Association.
  - b) Conversion, merger, demerger, cession or acquisition of portfolios and dissolution of Loreto Mutua.
  - c) Establishment of extraordinary dividends or contributions for members.
3. In the case of tied votes, the Chair has the casting vote.
4. All full members (including dissenting members), members that have not participated in the meeting, members in abeyance and current Beneficiaries of mutual benefits are subject to the resolutions of the General Meeting, without prejudice to the rights and actions open to them by law.
5. Resolutions adopted that do not appear in the Agenda are void, with the exception of the notice of a new General Meeting.

## Article 33

### MINUTES

1. The minutes of the meeting must record the place and date of the meeting, the number of attendees present and represented, a summary of the matters discussed, the interventions requested to be recorded in the minutes, the resolutions adopted and the results of the votes with votes in favour, against and abstentions counted.
2. The minutes may be approved by the General Meeting itself after it has been held, or within the following fifteen working days, and must in all cases be signed by the Chair, the Secretary and three full members chosen by the General Meeting, one of whom must be appointed from among the members who have dissented from the resolutions adopted. None of the full members appointed for this task can refuse to sign the minutes, without prejudice to stating, via an attachment to the minutes, any objections or qualms they may want to state with respect to the content of the minutes.
3. The minutes of the meeting may be replaced, if previously approved by the Loreto Mutua Board of Directors, by an official copy drafted in a notarial instrument by a notary public.
4. The minutes of the meeting are incorporated into the corresponding minutes book of the Society.
5. Full members, members in abeyance and beneficiaries of benefits, insofar as they are directly affected, may obtain a full certified copy of the minutes of the meeting or of any of the resolutions adopted in the meeting.
6. The certificates of the minutes and the resolutions adopted by the General Meeting are issued by the Secretary of the Board of Directors with the approval of the Chair.
7. The executing of the resolutions as public instruments are the responsibility of the Chair and the Secretary.



#### Article 34

##### CHALLENGES TO RESOLUTIONS

1. In accordance with this article, resolutions adopted by the General Meeting that are against the Law, contrary to these Articles of Association or that harm the general interests of Loreto Mutua to the benefit of one or more full members or third parties may be challenged.
2. Resolutions cannot be challenged when they have been left without effect or validly replaced by another.
3. The time-limit for challenging adopted resolutions is one year, except where the resolution or its content is contrary to public policy.
4. Full members who have voted against the resolution and whose express opposition to it is recorded in the minutes, as well as non-represented full members and any member unlawfully prevented from voting may challenge resolutions. Members in Abeyance and current Beneficiaries of mutual benefits in the course of payment in respect of the resolutions that directly affect them may also challenge such resolutions.
5. Anything not covered by this article is governed by the provisions established for the challenge of corporate resolutions in the current Recast Text of the Law on Capital Enterprises or the statute that replaces it.

## CHAPTER 2

### BOARD OF DIRECTORS

#### Article 35

##### BOARD OF DIRECTORS

1. Loreto Mutua is represented, managed and administered by a Board of Directors of 18 members, elected in accordance with the following rules:
  - a) 10 are selected by full members of the Ground staff collective.
  - b) Six are elected by full members of the Flight staff collective, in accordance with the following distribution:
    - b.1) Three shall hold the effective professional category of Flight Technician.
    - b.2) Three shall hold the effective professional category of Passenger Cabin Crew.
  - c) Two must be appointed by and from all employer members in direct proportion to the number of Loreto Mutua members employed by them.
2. If, in the Board of Directors' opinion, the proportion of the full members in the Flight and Ground collectives is significantly different to when these Articles of Associations come into force, the Board of Directors may propose to the General Meeting the adoption of measures for balancing the proportion of each staff collective. Adopting the relevant resolution, which may include provisionally or permanently changing the proportions established in the previous paragraph, a simple majority of votes cast in person or by proxy at the corresponding General Meeting shall suffice.
3. All members of the Board of Directors must be full members who are up to date with their contributions. They, and their respective alternates, must be elected via free, direct and secret voting and open lists and a majority system for obtaining the results.
4. Members of the Board of Directors may not be elected or appointed if they are members in abeyance or honorary members, or do not meet the eligibility requirements (honourability and professional qualification or experience)



established by law, undischarged bankrupt traders, the incapacitated, those convicted of the offences provided for in the legislation on the regulation and supervision of private insurance and, in any case, those sentenced to penalties that include a disqualification from holding public office, nor those who have been convicted of serious breach of laws or social provisions, nor those who acquire or retain an interest or carry out an activity that generates a conflict of interest with the Friendly Society. Public servants with duties related to the activities of Loreto Mutua are also prohibited from being on the Board of Directors.

5. The Board of Directors elects, from its members, an Executive Committee made up of the Chair and the First and the Second Vice Chairs that must each come from the different staff collectives, and the Secretary and the Vice Secretary, who must also come each from a different staff collective. The Chair and the First Vice Chair shall also belong to different groups.

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#### Article 36

##### TERM OF BOARD OF DIRECTORS MEMBERS

1. Members of the Board of Directors are appointed for terms of five years. They can be elected one or more times for terms of the same duration.
2. Once their period of appointment has expired, they continue as acting members until the election to replace them is held.
3. The renewal of the Board of Directors is performed, in each electoral process, by all its members.
4. Board members shall be removed from the Board of Directors by revocation of their appointment, by termination of their mandate, at their own request, or upon losing their status of full member of Loreto Mutua.
5. When a position becomes vacant, the alternate takes the member's place until the end of the member's term.

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#### Article 37

##### ELECTORAL SYSTEM

Members of the Board of Directors are elected in accordance with the Electoral Regulations in force when the electoral process is convened.

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#### Article 38

##### POWERS OF THE BOARD OF DIRECTORS

1. The Board of Directors has powers, understood as broadly as possible and to the extent needed, to act in general and perform all types of acts and transactions, obligations, dispositive acts, under ordinary and exceptional administration and absolute ownership transactions, for all types of real and personal property, money, securities and negotiable instruments, with no exception other than when the matter in question is not part of Loreto Mutua's objects as a mutual provider or comes under a power of the General Meeting.
2. Without being limited to only these powers, the Board of Directors may:
  - a) Appoint and revoke, from among its members, the Chair, Vice Chairs, Secretary and Vice Secretary of the Board of Directors.
  - b) Perform and implement the provisions contained in these Articles of Association, adopting where necessary the resolutions required for developing and implementing these Articles of Association and the resolutions of the General Meeting and any regulations generally applicable to Loreto Mutua.





- c) Draft, integrate, interpret in urgent cases and propose the amendment of these Articles of Association, without prejudice to subsequent approval, when required, by the General Meeting.
- d) Convene the Ordinary and Extraordinary General Meetings and the Territorial Meetings, on its own initiative or at the request of those who can make such a request, and set the Agenda of these meetings.
- e) Draft and sign the annual accounts and the budget that must be submitted to and approved by the General Meeting.
- f) Manage and administrate, in all aspects, the activity of Loreto Mutua and approve the policies required by the legislation and submit to the General Meeting any matters required by law.
- g) Freely contract and dismiss the General Manager and senior management.
- h) Receive the contributions from full members, contributions from employer members and other funds that make up the mutual assets.
- i) Charge, claim and receive revenue, income, interest and any other products or benefits returned on the assets making up Loreto Mutua's equity. This power is exercised at the proposal of Loreto Mutua's Investment and Risk Committee.
- j) Distribute the funds and decide how they are to be invested. This power is exercised at the proposal of Loreto Mutua's Investment and Risk Committee. y Riesgos de Loreto Mutua.
- k) Apply for simple, mortgage or other loans, providing the guarantees seen fit; take out real and personal property mortgages; perform finance lease and leasing operations; all in accordance with agreements and conditions specified under the respective contract. This power is exercised at the proposal of Loreto Mutua's Investment and Risk Committee.
- l) Execute and contract all type of works, services and provisions; finance the construction of works contracted; administer the property of Loreto Mutua, lease it and terminate the lease of it; contract with the central, regional, provincial, municipal governments and all other autonomous entities, public or private; represent Loreto Mutua in all types of tender, auction or direct contracting processes providing all types of guarantees. This power is exercised at the proposal of Loreto Mutua's Investment and Risk Committee.
- m) Buy, sell, exchange, or under any other arrangement acquire or transfer all types of real and personal property and securities at the prices and under the conditions agreed upon, acknowledging receipt or deferring it, and establishing all guarantees required, including the mortgage or resolutive condition that will be cancelled in due course. This power is exercised at the proposal of Loreto Mutua's Investment and Risk Committee.
- n) Make all type of separations, groupings or divisions, both under the horizontal property regime and otherwise; issue declarations of new building works, under construction or finished; place easements of all types on dominant and servient estate; draft resident association statutes and have them constituted. This power is exercised at the proposal of Loreto Mutua's Investment and Risk Committee.
- ñ) Call elections for members of the Board of Directors.
- o) Approve the granting of the allowances and benefits established under these Articles of Association and in the Regulations and Resolutions adopted for developing and implementing them.
- p) Approve applications for membership admission, cancellation, continuance and readmission.
- q) Agree to transform, merge, demerge, enter into temporary groupings, cede or acquire portfolios and dissolve Loreto Mutua, to be approved by the Extraordinary General Meeting.



- r) Issue any certificates required on behalf of Loreto Mutua.
  - s) Exercise any other powers not reserved by law or these Articles of Association for the General Meeting.
3. The Board of Directors may set up technical committees with the nature and functions agreed in each case, whose proposals or opinions shall be submitted to the Board of Directors in order to adopt, where appropriate, the corresponding resolutions. The committees must be made up equally of members from the Ground and Flight staff collectives.

#### Article 39

##### MEETINGS OF THE BOARD OF DIRECTORS

1. The Board of Directors holds ordinary meetings on a monthly basis and extraordinary meetings whenever necessary for examining and deciding on matters that require extraordinary meetings or that are requested by a third of the Board. No meetings are to be held for these purposes in August.
2. The Board of Directors is convened by the Secretary at the request of the Chair with at least 48 hours' notice prior to holding the meeting. The notice must contain, in all cases, the Agenda of the meeting.
3. For these meetings to be duly constituted on the first quorum call, the assistance of half plus one of the members must attend, in person or by proxy granted in writing for each meeting. On the second quorum call, held one hour after the first quorum call, only the Chair or a Vice Chair, the Secretary or the Vice Secretary and six members are required to attend.
4. Resolutions require, in all cases, an absolute majority of votes of attendees, present and represented. In the case of tied votes, the Chair has the casting vote.
5. Minutes are taken for each meeting, which are approved by the attendees at the end of the meeting or at the following meeting. The minutes are signed by the Secretary with the approval of the Chair and are included in the minutes book, which is held by the Secretary of the Board of Directors in the head offices of Loreto Mutua.

#### Article 40

##### THE CHAIR

1. The Chair is the Chair of the Board of Directors and Loreto Mutua, which it legally represents for all purposes.
2. The Chair is authorised to:
  - a) Preside over the Board of Directors and the General Meetings, direct discussions, keep order at meetings and ensure implementation of the resolutions.
  - b) Sign on behalf of Loreto Mutua to authorise the Society's official correspondence and any other documents that require it; sign any other public-form notarial or non-notarial documents required on behalf of Loreto Mutua and appear before notary publics to execute and sign before them all acts, documents, requests, notarial instruments, general and special powers of attorney, notices, responses and any other public instruments that may be in Loreto Mutua's interest.
  - c) Be the legal representative of Loreto Mutua and to appear as such, without any limitation, in all kinds of acts, contracts, business and legal relations before the State and its bodies and authorities and agents, Autonomous Communities and other institutional and territorial entities, all types of persons, associations, companies or public or private entities, courts of any type, instance or level, both in Spain and abroad, including the Spanish Constitutional Court and the courts of EU institutions, and any public registries, arbitration institutions and other assemblies or corporations, exercising the rights, actions and challenges appropriate under law and taking part in all the procedures, actions, instances, incidences and appearances in any proceedings, investigations, claims and trials in which the



Friendly Society must appear or has an interest in, granting powers for the purposes deemed necessary and being able to delegate all or part of these powers to lawyers and court procedural representatives as seen fit.

- d) Exercise the political and economic rights of Loreto Mutua as owner of shares, equity interests, deposits and other securities, attend, deliberate and vote at the general meetings, assemblies and other bodies of the entities issuing or holding such instruments and signing the certificates, contracts, proposals and documents they see fit.
  - e) Pay, charge and receive amounts of all types; open, monitor and cancel current accounts in any Bank or national or foreign entity, including the Bank of Spain; sign, on behalf of Loreto Mutua, checks and direct debit orders; withdraw and set up cash deposits, also in any bank or national or foreign entity, including the Bank of Spain and the Spanish Central Depository; issue, accept, negotiate and discount bills of exchange, promissory notes, checks and other mercantile or credit paper, and also protest them when necessary; guarantee credit transactions, and those of another kind or with a reciprocal guarantee.
  - f) Carry out or authorise payment of the necessary expenses and those deriving from the administration of Loreto Mutua.
  - g) Manage and administrate, in all ways, the operations of Loreto Mutua and ensure its good operation, proposing to the Board of Directors the measures, reforms and regulations that best serve its interests. proponiendo a la Junta Directiva las medidas, reformas y reglamentos que mejor favorezcan sus intereses.
  - h) Sign the Minutes of the General Meeting and approve the Minutes of the Board of Directors Meetings and the certificates issued by the Secretary.
  - i) Ensure compliance with these Articles of Association its developing and implementing Regulations and Resolutions.
  - j) Any other powers conferred thereupon by these Articles of Association or delegated thereto by the respective bodies.
3. The Chair may exercise their powers via the Vice Chairs, according to their order, and also via the representatives or delegates that, proposed by the Chair, are appointed by the Board of Directors.

#### Article 41

##### VICE CHAIRS

The Vice Chairs stand in for the Chair when the Chair is absent and, according to their order, assume the Chair's powers.

#### Article 42

##### SECRETARY AND VICE SECRETARY

1. The Secretary is the Secretary of the Board of Directors and the General Meeting. The Secretary convenes the governing bodies of Loreto Mutua following the instructions of the Chair. The Secretary drafts the Agendas, drafts and signs the Minutes; issues any certificates required; and looks after, at the head offices, the Minutes Book and other documents of Loreto Mutua.
2. The Vice Secretary replaces the Secretary during the Secretary's absences and has, in this case, identical powers to the Secretary.

#### Article 43

##### GENERAL MANAGER

1. The General Manager is responsible for the day-to-day management and administration of Loreto Mutua and attends the meetings of the Board of Directors with voice but no vote.



2. The General Manager shall be freely appointed by the Board of Directors on the proposal of its Chair.
3. This is a remunerated position.
4. Without prejudice to the powers expressly granted by the Board of Directors or the Chair, the General Manager is head of the management and all the administrative services of Loreto Mutua. All units and human and material resources of Loreto Mutua answer to the General Manager for performance of their duties.
5. The General Manager is responsible for contracting and dismissing all degree-qualified, specialist, administrative and assistant staff of any level or who have a service provision relationship of any type with the Society. The General Manager is also responsible for setting the salaries, work hours, bonuses and other work conditions, individually or collectively, of these employees.
6. The General Manager proposes to the Board of Directors, via the Chair, any measures they deem necessary for carrying out their duties and the good operation of Loreto Mutua.

### CHAPTER 3

#### COMMITTEES

##### Article 44

##### AUDIT COMMITTEE

The Audit Committee shall be composed of a minimum of three members appointed by the Board of Directors from among its members who do not hold executive positions. In addition to the functions legally attributed to it and without prejudice to others that may be entrusted to it, the Audit Committee, which will have its own procedure for action, also has the function of keeping the Board of Directors informed at least annually on the progress and results of the work performed by the external auditors, as well as selecting and proposing those who should carry out this function.

##### Article 45

##### INVESTMENT AND RISK COMMITTEE

1. The Investment and Risk Committee is responsible for drafting and approving the general financial and investment policy of Loreto Mutua. The proposals of this committee are submitted to the Board of Directors for approval and implementation..
2. Loreto Mutua's funds are invested in all cases in line with the principles of coherence, security, liquidity and profitability and in accordance with the applicable investment and risk policies.
3. The Investment and Risk Committee is made up of nine members, which must include the Chair of Loreto Mutua. All members must be on the Board of Directors; four members from the Ground staff collective and four from the Flight staff collective, two representing the Flight Crew Group and two representing the Cabin Crew Group. There must be one member representing the employer members.
4. The Chair of the Board of Directors is the Chair of the Committee. The General Manager of Loreto Mutua acts as the Secretary, with voice but no vote.
5. The Investment and Risk Committee has its ordinary meetings on a monthly basis with the exception of, except in circumstances of urgency, the month of August. It meets extraordinarily when convened by the Chair or at the request of Loreto Mutua's General Manager or a third of its members.
6. The Investment and Risk Committee is validly constituted with the attendance of the Chair, the Secretary and three Members, and shall adopt its resolutions by a simple majority of votes cast in person and by proxy. However, resolutions



are rejected if all the members representing the Ground collectives or the Flight Crew or Cabin Crew groups of the Flight collective vote against the resolution. In the case of tied votes, the Chair has the casting vote.

7. Members of the Investment and Risk Committee remain members while they are members of the Board of Directors, with the same system of alternates in place as for the Board of Directors.
8. The Board of Directors provides the Committee with all the resources and advice it needs to carry out its duties.
9. The Investment and Risk Committee may draft and approve its own internal operating regulations.

#### Article 46

#### BENEFITS COMMITTEES OF THE GROUND AND FLIGHT STAFF COLLECTIVES

1. The request, processing and recognition of benefits, as well as the interpretation of the Regulations and Resolutions that, in the development and implementation of these Articles of Association, are adopted for granting, amending or terminating benefits, is done by the Board of Directors via, respectively, the Benefits Committee of the Ground collective and the Benefits Committee of the Flight collective, whose proposals are submitted to the Board of Directors for approval and implementation.
2. Each Benefits Committee is formed by four full members on the Board of Directors from, respectively, the Ground and the Flight staff collectives, plus one member representing the employer members on each committee..
3. The Benefits Committees are presided over by the Member designated by the other members. The General Manager of Loreto Mutua acts as the Secretary of both committees, with voice but no vote, and may delegate this position.
4. The provisions for Board of Directors meetings in these Articles of Association are applicable to the meetings of the Benefits Committees.
5. The Benefits Committees adopt their resolutions by absolute majority of votes. The Chair has the casting vote when required.
6. Members of the Benefits Committee remain members while they are members of the Board of Directors, with the same system of alternates in place as for the Board of Directors.
7. The Board of Directors provides the Committees with all the resources and advice it needs to carry out its duties.

### TITLE 5

#### Accounting, technical provisions and mutual fund

#### Article 47

#### ACCOUNTING

1. Loreto Mutua accounting must at all times reflect the financial position of the entity and comply with the Commercial Code and all other applicable legislation.
2. The financial year coincides with the calendar year. In the first quarter of each financial year, the Board of Directors drafts the annual accounts, the management report and the proposed distribution of earnings, which, once audited, are submitted to the Ordinary General Meeting for examination and approval. The Secretary looks after the Books and other accounting Records of Loreto Mutua.
3. The books and other accounting records, and the supporting documentation for all the entries made, are at the disposal of the other members of the Board of Directors, who may examine them, without taking photocopies, at Loreto Mutua's head offices.



Article 48

**ANNUAL BUDGET**

1. For each financial year, which always coincides with the calendar year, the General Manager of Loreto Mutua drafts an operating Budget that includes all expected and forecast revenues and expenses, including those attributable to Loreto Mutua's day-to-day administration and management.
2. The operating Budget must be drafted prior to 31 December of the calendar year immediately prior to the year the budget is for. It shall be approved by the Board of Directors and submitted to the Ordinary General Meeting for ratification.
3. The administrative expenses must be reflected independently and in an amount sufficient for the proper functioning of the services of Loreto Mutua.

Article 49

**USE OF FUNDS**

1. Payments are made at the head offices of Loreto Mutua. The use of ordinary negotiable instrument is also admitted.
2. The use of funds and securities in current and deposit accounts with banks and credit entities require signatures from two of the following: the Chair; Vice Chairs; Secretary; Vice Secretary, and the General Manager or the Deputy General Manager.

Article 50

**MUTUAL FUND AND FINANCIAL GUARANTEES**

1. Loreto Mutua must set up and allocate the Mutual Fund, technical provisions, including for profit sharing and return premiums, the solvency capital requirement (SCR) and minimum capital requirement (MCR) established by insurance legislation.
2. The Mutual Fund is allocated the contributions of members and any surpluses. Loreto Mutua may also establish any voluntary reserves it deems necessary for best achieving its objects.
3. The technical accounting provisions are calculated by an independent Actuary, who must have the necessary professional qualifications and specialisation in accordance with current legislation.

**TITLE 6**

**Breach of contract, liability, dispute resolution and venue.**

Article 51

**BREACH OF CONTRACT AND LIABILITY OF MEMBERS, INSURED AND BENEFICIARIES.**

1. A breach of contract is any action or omission by full members, members in abeyance or beneficiaries that breach these Articles of Association, the Regulations and Resolutions adopted for their development and implementation, the resolutions and decisions of the General Meeting, or the decisions and resolutions adopted by the Board of Directors in the ordinary performance of its duties.
2. In particular, the following shall be deemed to be breaches of contract:
  - a) Defrauding the financial interests of Loreto Mutua or facilitating a means to do so.



- b) Making false statements to Loreto Mutua or hiding details, providing them late or giving them in an inexact manner to obtain or keep obtaining undue benefits or allowances.
  - c) Evading or delaying the notification of details that amend or terminate the entitlement to receive allowances and benefits previously acknowledged.
  - d) Maliciously harming the business interests, repute or image of Loreto Mutua or its representative administration or governing bodies.
  - e) Intentionally hindering Loreto Mutua's operations.
3. Breach of contracts entail the obligation of compensating Loreto Mutua for the damage caused and repaying any benefits unduly received plus statutory interest. The costs arising therefrom shall, in any event, be borne by the person responsible therefor. While any legal responsibility is being investigated, the status of full member or the payment of benefits to the Beneficiary in question is suspended.

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#### Article 52

#### DISPUTE RESOLUTION AND VENUE

1. Members and beneficiaries may submit complaints and claims related to their interests and rights established in these Articles of Association or the applicable legislation to Loreto Mutua's Customer Service, which must resolve these claims and complaints, and provide their reasoning, within the periods established for this purpose in the corresponding Regulations. To have a complaint or claim submitted to and processed by the Claims Service of the General Directorate of Insurance and Pension Funds, proof is required of having previously submitted the claim in writing to Loreto Mutua's Customer Service.
2. To pursue a claim as a member or beneficiary through the ordinary courts, the court corresponding to the member's or beneficiary's address has jurisdiction in accordance with Article 24 of Law 50/1980 on Insurance Contracts.
3. The Friendly Society and its members (as such; not as insureds) are subject to the jurisdiction of the courts corresponding to Loreto Mutua's registered office.

### TITLE 7

#### Conversion, merger, demerger and grouping. Federation and confederation.

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#### Article 53

#### CONVERSION

1. Loreto Mutua may be converted into a fixed premium insurance friendly society or an insurance company, in accordance with the provisions of Law 20/2015, of 14 July, on the regulation, supervision and solvency of insurers and reinsurers.
2. The corporate conversion agreement must be adopted by an Extraordinary General Meeting convened for this purpose and voted for by a qualified majority of two thirds of the full members present and represented.
3. The conversion agreement must guarantee, in all cases, the benefit entitlements of current Beneficiaries of Loreto Mutua on the effective date of the agreement, to which end, prior to the convening of the Extraordinary General Meeting, a report must be requested from the Benefits Committees.
4. The conversion agreement is effective from when it is registered in the Companies Registry, subject to the granting of the administrative authorisation.





5. The conversion is governed by Royal Decree 6/2004, of 29 October, and, in addition, the Law on Capital Enterprises.

#### Article 54

##### MERGER AND DEMERGER

1. Loreto Mutua may only merge with other insurers of the same legal status and form, as well as absorb them or demerge from them under the same requirements, in accordance with the provisions of Law 20/2015, of 14 July, on the regulation, supervision and solvency of insurers and reinsurers.
2. The merger, acquisition or demerger resolution must be adopted by an Extraordinary General Meeting convened for this purpose and voted for by a qualified majority of two thirds of the full members present and represented.
3. The merger, acquisition or demerger agreement must guarantee, in all cases, the benefit entitlements of current Beneficiaries of Loreto Mutua on the effective date of the agreement, to which end, prior to the convening of the Extraordinary General Meeting, a report must be requested from the Benefits Committees.
4. The merger, acquisition or demerger agreement is effective from when it is registered in the Companies Registry, subject to granting of the administrative authorisation.
5. The merger, acquisition or demerger is governed by Royal Decree 20/2015, of 14 July, and, in addition, the Law on Capital Enterprises.

#### Article 55

##### TEMPORARY GROUPINGS

1. Loreto Mutua may set up, with other friendly societies, temporary groupings or joint ventures in accordance with the relevant legislation and subject to authorisation from the General Directorate of Insurance and Pension Funds.
2. The corresponding resolutions must be adopted by the Board of Directors following a report from the Investment and Risk Committee, informing the General Meeting of their content and implementation.

#### Article 56

##### PORTFOLIO TRANSFER

1. Loreto Mutua may partially transfer its insurance portfolio to other friendly societies, as well as acquire theirs, in accordance with the provisions of Law 20/2015, of 14 July, on the regulation, supervision and solvency of insurers and reinsurers.
2. Resolutions for the partial transfer of Loreto Mutua's insurance portfolio must be adopted by an Extraordinary General Meeting convened for this purpose and voted for by a qualified majority of two thirds of the full members present and represented.
3. Resolutions for acquiring insurance portfolios from other friendly societies must be adopted by the Board of Directors of Loreto Mutua subject to a report issued on the proposed operation by the Investment and Risk Committee.
4. Resolutions for the partial transfer or acquiring of insurance portfolios become effective from registration in the Companies Registry, subject to obtaining the administrative authorisation.
5. The merger, absorption or demerger shall be governed by the provisions of Law 20/2015, of 14 July, on the regulation, supervision and solvency of insurers and reinsurers, as well as any other provisions approved for their development and implementation.





## Article 57

### FEDERATION AND CONFEDERATION

Loreto Mutua may federate with other friendly societies and may join the National Confederation of Friendly Societies..

## TITLE 8

### Winding-up and liquidation

## Article 58

### GROUND FOR DISSOLUTION

Loreto Mutua may be dissolved owing to:

- a) Revocation of the administrative authorisation.
- b) A total cession of Loreto Mutua's insurance portfolio that affects all its insurances.
- c) A reduction in the number of full members to a level below the required legal minimum.
- d) Resolution of the Extraordinary General Meeting adopted by two thirds of the full members present and represented where the meeting is convened and held in accordance with the provisions of Law 20/2015, of 14 July, on the regulation, supervision and solvency of insurers and reinsurers, as well as the Law on Capital Enterprises.
- e) The manifest impossibility of Loreto Mutua to achieve its objects.
- f) The paralysis of the governing bodies such that operation is impossible.
- g) Losses of over 50% of the Mutual Fund that cannot be covered by own funds or that affect the equity reserves available.
- h) The total merger or demerger of Loreto Mutua.
- i) A declaration of bankruptcy.

## Article 59

### DISSOLUTION RESOLUTION

1. The dissolution resolution must be adopted by the Extraordinary General Meeting of Loreto Mutua convened for this purpose by the Board of Directors, with the dissolution being the only item on the Agenda, which must be voted for by at least two thirds of full members present and represented. In addition to the dissolution resolution itself, the General Meeting must also approve a closing balance sheet as of the end of the immediately prior month, a detailed statement and estimate of the liquid assets and current liabilities, the liquidation plan, and the criteria for dividing and distributing the Society's assets. The General Meeting must also appoint three Loreto Mutua liquidators and approve their payment and regulations and procedures for carrying out their duties.
2. The Meeting will be convened by the Board of Directors of Loreto Mutua within two months from the grounds for dissolution arise. Any full member may appeal the dissolution where they believe there are grounds for doing so.
3. If there are legal grounds for dissolution but the General Meeting is not called by the Board of Directors, or it is called but not held and the dissolution resolution cannot be adopted or the Meeting is held and the dissolution is voted against, the Board of Directors must request the administrative dissolution of Loreto Mutua within 10 calendar days from the date in which the Meeting should have been held (if it was not convened), the date set for the holding of the meeting (if



it was convened but not constituted), or the date the meeting was held (if the resolution could not be made or was not approved).

4. The dissolution resolution will be registered in the Companies Registry and will also be published in the Official State Gazette, as well as in a major national newspaper.

#### Article 60

##### EFFECTS OF THE DISSOLUTION RESOLUTION

The dissolution resolution has the following effects:

- a) The liquidation period is automatically opened. The phrase “in liquidation” must be added to the Loreto Mutua name.
- b) The liquidators represent Loreto Mutua for carrying out their duties.
- c) The representation of the Board of Directors is terminated for the purposes of new contracts, assuming obligations or admitting new members into Loreto Mutua, with the liquidators assuming, as the case may be, these powers.
- d) The provisions in the Articles of Association must be observed with regard to the convening and holding of the Ordinary and Extraordinary Meetings. In these Meetings, the Liquidators inform on the progress of the liquidation so resolutions in the common interest can be passed.

#### Article 61

##### DUTIES OF THE LIQUIDATORS

1. The liquidators must finalise the liquidation as soon as possible.
2. The liquidators must regularly inform all full members (but not honorary members, beneficiaries and employer members) of the state of the liquidation by the means deemed most adequate in each case.
3. In exercising their duties, the liquidators may:
  - a) Sign, with the ex-directors, the Inventory and Balance Sheet of the entity.
  - b) Take and look after the Books and correspondence of Loreto Mutua.
  - c) Ensure the integrity of the Society’s mutual assets.
  - d) Perform any pending commercial operations and any new ones required for the liquidation.
  - e) Transfer mutual property.
  - f) Receive credits and dividends.
  - g) Arrange transactions and arbitrations in the interest of the entity.
  - h) Pay creditors.
  - i) Perform any other duty recognised under law.
4. In addition, the liquidators must:
  - a) Draft a duly assessed inventory of the property making up the assets of Loreto Mutua and a list of known debts of the entity as of the date of the dissolution resolution.



- b) Notify known creditors of the situation of the entity, notifying persons unaware of Loreto Mutua's situation so that they can request acknowledgement of their credit claims with the entity. These announcements must be made in a major national newspaper and must contain the method of requesting the acknowledgement of a debt and a warning that if this acknowledgement is not requested by the established deadline, these creditors will not be listed in the list of creditors.
- c) Manage Loreto Mutua until its dissolution, transfer its real estate property by convening auctions, pay its debts and allocate, deposit or guarantee the amounts, and claim the entity's rights and exercise the actions corresponding to the entity. For this purpose, the liquidators have the same powers given to the Board of Directors by these Articles of Association. correspondan, ostentando para ello iguales facultades que las atribuidas por los Estatutos a la Junta Directiva.
- d) Request and obtain the cancellation of the Friendly Society's registration in the Companies Registry.

#### Article 62

##### SETTLEMENT PROCEDURES

The liquidation procedure follows, for everything not stated in these Articles of Association, the provisions of the Law on the Regulation, Supervision and Solvency of Insurers and Reinsurers and the current Law on Corporate Enterprises.

#### Article 63

##### REMAINING ASSETS

Once the operations for liquidating Loreto Mutua have concluded, all members, except honorary members and beneficiaries, on the aforementioned date, and also persons who have been full members in the last three financial years, take part in the distribution of the remaining assets in accordance with the distribution principle derived from the individual capitalisation.

## FINAL PROVISIONS

### FIRST

The Regulations and Resolutions adopted by the Board of Directors or the General Meeting for the development and implementation of these Articles of Association have the same legal status and effect as these Articles of Association.

### SECOND

Loreto Mutua's Board of Directors may adapt these Articles of Association to the legal framework in force, without prejudice to the subsequent and required approval by the General Meeting.

## ADDITIONAL PROVISIONS

### FIRST

Full members in accordance with Article 19.2 a) of the Articles of Association of 13 July 1987, or voluntary members in accordance with Article 21 of the aforementioned Articles of Association who did not state they wanted to cancel their membership with Loreto Mutua within two months after the registering of the Articles of Association of 26 June 1997 in the Companies Registry are understood to voluntarily be full members of the Friendly Society.

### SECOND

The provision of the retirement benefit set out in Transitory Provision One of the Articles of Association of 26 June 1997 are automatically converted into benefit entitlements that, under the individual capitalisation system, are acknowledged by these Articles of Association for members in abeyance who can demonstrate to Loreto Mutua, in accordance with the terms and



deadlines set by the Board of Directors for this purpose, that, in addition to still being alive, the requirements stated in the aforementioned Transitory Provision One are met (effective membership in the Friendly Society on 05/08/1987 or 15 years of mutual contributions as of 26/06/1997).

These members are considered, from the effective date of these Articles of Association, as members in abeyance of Loreto Mutua for all purposes. Initial assigning of rights to the affected members is determined in accordance with the same criteria as applied to other Loreto Mutua full members.

## **REPEAL PROVISION**

These Articles of Association fully replace the preceding articles of association of 26 June 2015 and all resolutions contradictory to these Articles of Association, whereby no contradictory internal provisions, acts or resolutions may prevail against these Articles of Associations.

## **ENTRY INTO FORCE AND OFFICIAL REGISTRATION**

1. Once approved by the General Meeting, these Loreto Mutua Articles of Association come into force on 1 July 2019.
2. These Articles of Association shall be notified to the General Directorate of Insurance and Pension Funds after their approval within the period established for this purpose.
3. The Chair of the Board of Directors will execute these Articles of Association as a public instrument, which the Chair will subsequently register in the Companies Registry, for which the Chair is expressly authorised to clarify, rectify, amend and/or complete these Articles of Association so that they comply with the current legal provisions or the requirements of the authenticating official, the administrative authorisation required or, as the case may be, with the oral or written description in the Companies Registry, until the registration is successfully made.

## **DEFINITIONS**

### **INSURED**

Person or Entity covered by an insurance contract.

### **BENEFICIARY**

Recipient of benefits from Loreto Mutua as a result of the occurrence of a triggering event that gives rise to contingencies protected under the Regulations of the entity.

### **INDIVIDUAL CAPITALISATION**

**The financial-actuarial system by which the Friendly Society is governed implies that the benefits to be obtained by full members and members in abeyance are in direct relation with the contributions actually made and allocated and the total results at the close of the financial year, whether positive or negative, once the legal and solvency obligations are covered.**

### **COMPULSORY DUES OR CONTRIBUTIONS**

Required financial contributions for financing the contingencies covered by Loreto Mutua.



## **VOLUNTARY DUES OR CONTRIBUTIONS**

Contributions or dues, over and above the compulsory contributions, paid to Loreto Mutua by the full member, the amount and timing of which is at the member's discretion.

## **EXTRAORDINARY DIVIDEND**

Dividend or profit from each financial year returned to members following the adoption of the relevant resolution by the General Meeting of the Friendly Society.

## **EXTRAORDINARY CONTRIBUTION**

Amounts, in addition to the obligatory dues, which may be requested from the members, subject to a resolution adopted for this purpose by the General Meeting of the Friendly Society, in order to deal with an unforeseen situation or to re-establish the technical provisions.

## **EMPLOYER MEMBER**

Company or Entity directly or indirectly related to the commercial operation of air traffic control or its complementary, similar or derivative activities that applied for and obtained the option from Loreto Mutua for its employees to become full members.

## **MUTUAL FUND**

Permanent economic fund contributed by full members or set up with surpluses from previous financial years, the minimum amount of which is established by law.

## **TRIGGERING EVENT**

Date taken into account exclusively for the purposes of calculating benefits. Retirement and disability: date of effective payment. Death: date of death.

## **FRIENDLY SOCIETY**

An insurance company that carries out a voluntary insurance modality that supplements the compulsory Social Security system, by means of contributions from its mutualists, or from other employer members.

## **INSURANCE OPERATION**

Agreement by which the insurer (Loreto Mutua) undertakes to — via the charging of a premium (a compulsory contribution) and for the cases in which the event (protected contingency) whose risk (triggering event) is subject to the cover — compensate, within the agreed-upon limits, the damage caused to the insured or to pay an amount, income or other agreed-upon benefits (benefits).

## **PROFIT SHARING**

**Net yield accumulated as the excess or deficiency over Mathematical Provisions.**

## **LIMITATION**

Limit prior to which actions arising from an entitlement to a benefit or from the legal relationship with Loreto Mutua can be exercised.



## MATHEMATICAL PROVISION

This figure represents the excess of the present value of the entity's future obligations over the present value of the dues to be paid by the full member. It can never be negative.

## TECHNICAL PROVISIONS

The accounting valuation of the obligations of the Friendly Society vis-à-vis its full members and members in abeyance at a specific date.

## RETURN

Accumulated yields as the excess or deficiency over the contributions made.

## SPECIAL LEAVE STATUS

Status members can voluntarily adopt if they meet the minimum age requirement that terminates, in all cases, at 65 years or earlier in accordance with social security regulations for retirement with full entitlements. The corresponding Collective Agreement regulates this situation.

## RESERVE STATUS

Status of a member who no longer flies, subject to meeting the age requirement in each case. The corresponding collective agreement regulates this situation.

## FULL MEMBERS

Employees of employer members that applied for membership in Loreto Mutua and also employees who provide services in other related companies directly or indirectly linked to the commercial operation of air traffic control or its complementary, similar or derivative activities that apply for membership in Loreto Mutua and maintain this status through the payment of the corresponding dues.

## SPECIAL MEMBERSHIP STATUS OF A FULL MEMBER

A status earned by full members on special leave of absence or in reserve until their effective retirement in the public Social Security system, or until their death or declaration of permanent disability if it occurs before that.

## MEMBERS IN ABEYANCE

Full members that stop or suspend payment of contributions to Loreto Mutua.

## TECHNICAL INTEREST RATE

A figure used as an objective hypothesis of future return, in accordance with the technical basis.

## POLICYHOLDER

Person or Entity that enters into an insurance contract to cover themselves or a third party or an insured.



