



# Rules of Procedure for the General Meeting of Shareholders

## Chapter 2.1 of the Corporate Governance Code



As the highest corporate body, the General Meeting of Shareholders is comprised of the Shareholders when they meet with a quorum and under the conditions set forth in the Company Bylaws and by Law.

This code contains the Rules of Procedure for the Company's General Meeting of Shareholders and information about this corporate body can also be consulted in Chapter V, Title II, Articles 17 to 28, of the Company Bylaws.

### **Rules of Procedure for the Company's General Meeting of Shareholders**

(The General Meeting of Shareholders adopted its rules of procedure at the ordinary session held on March 20, 2014, which were amended at the ordinary session held on March 17, 2015, and March 23, 2017 and March 27, 2019)

Notwithstanding compliance with the legal regulations and Company Bylaws regarding the General Meeting of Shareholders, this document complements and illustrates the provisions of the Company Bylaws regarding General Meeting of Shareholders, with respect to the announcement and development of the meetings.

#### **Article 1. Composition**

In accordance with the Company Bylaws, the General Meeting of Shareholders shall be comprised of the Shareholders listed in the "Company Shareholder Register", participating themselves, or through their registered agents, or through proxies appointed in writing, meeting with the quorum and the conditions set forth in the Company Bylaws.

The General Meeting of Shareholders must be attended by the Company CEO and, whenever possible, all the members of the Board of Directors or, in their absence, the Chairman of the Board of Directors and the Chairmen of its different Committees.

#### **Article 2. CEO and General Counsel**

The General Meetings of Shareholders shall be chaired by the Company CEO and the Chairman of the Company's Board of Directors shall act as the Deputy Chairman. In their absence, the meetings shall be

chaired by any of the members of the Board of Directors appointed at the respective meeting by the General Meeting of Shareholders. The Secretary of the General Meeting of Shareholders shall be the Company's General Counsel.

The Board of the General Meeting of Shareholders is comprised of the Company CEO, the Chairman of the Board of Directors and the Secretary of the General Meeting of Shareholders.

### Article 3. Reports

Notwithstanding the inclusion of other items on the agenda, that involve the presentation of reports, in the case of the ordinary General Shareholders Meeting, the following will be presented:

- a The CEO'S and Board of Directors Management Report: shall be submitted to the General Shareholders Meeting by the Company's CEO or in his/her absence by legal representative of the Company or by the Chairman of the Board of Directors.
- b The Annual Corporate Governance Report: shall be submitted to the General Shareholders Meeting by the General Secretary of the Company or by the Chairman of the Appointments, Remuneration and Corporate Governance Committee, or whoever they designate.
- c The financial statements, separated and consolidated, of the previous fiscal year: submitted to the General Shareholders Meeting by the Financial Vice-President of the Company or whomever his/her designates.
- d Opinion issued by the Statutory Auditor about the financial statements, separated and consolidated, of the previous fiscal year: submitted to the General Shareholders Meeting by the Statutory Auditor.

At the request of the Chairman of the General Meeting of Shareholders, the chairmen of the Committees can report on specific aspects of the work carried out by the Committees. Nonetheless, the corporate governance report shall include the report on the main activities carried out by the Committees during the year.

### Article 4. Meetings

The General Meeting of Shareholders shall have ordinary and extraordinary sessions:

- 4.1 Ordinary Meetings:** They shall be held once (1) a year by March thirty-one (31), following announcement by the Board of Directors, in order to examine the Company's situation, appoint the Administrators and other officers of their choice, consider the accounts and balance sheets of the last fiscal year, decide on profit distribution and agree on all the decisions to ensure fulfillment of the corporate purpose. If it is not announced, the General Meeting of Shareholders shall meet in its own right on the first business day of April at ten o'clock in the morning (10:00 am) at its headquarters where the administrative offices are located, and it shall meet and decide validly with a plural number of persons, regardless of the number of shares represented.
- 4.2 Extraordinary Meetings:** They shall be held when required due to unforeseen or urgent needs of the Company, following announcement by the Board of Directors, the CEO or Statutory Auditor, either on their own initiative or at the request of a number of Shareholders representing one fourth (1/4) or more of the subscribed shares.

The agenda shall necessarily be inserted in the announcement of the meeting. Except where there are legal provisions to the contrary, extraordinary sessions of the General Meeting of Shareholders cannot deal with topics that are not included in the agenda indicated in the announcement of the meeting, unless decided by the majority of the shares represented at the meeting, once the end of the agenda has been reached.

### **Article 5. Announcement**

Ordinary sessions of the General Meeting of Shareholders shall be announced at least thirty (30) calendar days in advance, and extraordinary sessions shall be announced no less than fifteen (15) calendar days in advance, notwithstanding compliance with the legal rules.

In addition, and notwithstanding the term for announcement set forth for Ordinary General Meetings, in the case of meetings with a special announcement to consider projects related to a merger, spin-off or transformation of the Company, or the voluntary cancellation of the listing of its shares on the National Securities Registry or on the Securities Exchange, the announcement shall be made at least fifteen (15) business days in advance.

At the same time as the announcement, or at least fifteen (15) calendar days prior to the meeting, Shareholders shall be provided with the agreement proposals that the Board of Directors will submit to the General Meeting of Shareholders for each item on the agenda.

The announcement of the meeting shall mention the following: (i) the term in which the corresponding financial statements, reports, proposals, books and other documents that, in accordance with the legal regulations, are to be made available to the Shareholders in order for them to exercise their right of inspection, will be made available at the administrative offices of the headquarters, as well as the term in which the agreement proposals from the Board of Directors and the Administration shall be published on the Company website regarding each of the items on the agenda; (ii) the term for Shareholders to ask questions, request additions to the agenda or make agreement proposals regarding the items contained therein; (iii) the fact that the Board of Directors and the Administrators shall refrain from submitting for consideration by the General Meeting of Shareholders any item that is not included on the agenda published with the announcement of the meeting; and (iv) the warning about the possibility of exercising the right to withdraw when appropriate.

When it is intended to discuss the increase in the authorized capital or decrease the subscribed capital, the respective item must be included in the agenda provided with the announcement. Failing to meet this requirement shall render the corresponding decision null and void. In these cases, the Company Administrators shall prepare a report regarding the reasons for the proposal, which must be made available to the Shareholders at the Company's administrative offices, during the term of the announcement of the meeting.

The announcement shall contain the agenda for the meeting, indicating each of the topics to be subject to discussion, and shall be communicated to the Shareholders by any of the following means: a) Letter or written communication sent to the address registered by each Shareholder with the Company to be noted in the Share Ledger; b) Personal notification signed by each and every one of the Shareholders; c) Notice published in a widely circulated newspaper where the Company headquarters are located. In addition, the announcement shall be published on the Company website and all other electronic means available, along with the documents and information associated with each item on the meeting's agenda.

The agenda shall specifically list the content of the topics to be discussed and in no case shall any generic statements be made that do not permit the detailed knowledge of the matter to be discussed.

In order to calculate the terms of the announcement, whether in business days or calendar days, as applicable, the day on which it is communicated, as well as the day of the meeting, shall not be counted.

**Article 6. Unannounced Meetings and Decisions by Absentee Ballot**

The General Meeting of Shareholders can meet anywhere and deliberate and decide validly without prior notice when all the subscribed shares are represented. Decisions shall also be valid when all Shareholders state in writing the direction of their vote regarding the specific items, in the terms established in Article 20 of Law 222/1995.

**Article 7. Right of Inspection**

Prior to the Ordinary General Meeting, or the extraordinary meetings when required by law, the Company shall provide the information required by legal regulations fifteen (15) business days prior to the meeting date at its headquarters in order to exercise the right of inspection. In no case shall the right of inspection be extended to the documents regarding industrial secrets, or data that, if disclosed, could be used to the detriment of the Company.

The Company shall provide the Shareholders for the meetings at which the composition of the Board of Directors must be deliberated and decided, the list of proposed Board Members, including the most relevant data from the candidates' résumés and professional profiles, as soon as it receives said proposals from the Shareholders.

**Article 8. Right of Information**

Within five (5) calendar days following the publication of the announcement, any Shareholder can: (i) make a well-founded proposal for the introduction of one or more items to the agenda of the General Meeting of Shareholders; (ii) submit well-founded, new proposals for decision about items already included on the agenda; and (iii) request information or ask questions about the items included on the agenda. The Board of Directors shall regulate the way in which the Shareholders' requests shall be managed. If a Shareholder's proposal to include one or more items on the agenda is accepted by the Board of Directors, a supplement to the announcement of the General Meeting of Shareholders shall be published at least fifteen (15) calendar days prior to said meeting.

In any case, Shareholders retain the right to put forward their proposals during the General Meeting of Shareholders, which shall be discussed when so decided by a simple majority of the shares represented at the meeting. This is with the exception of matters that involve submitting the division (spin-off) of the Company for consideration by the General Meeting of Shareholders, if this decision corresponds to this body, or other matters that, in accordance with the law, can only be discussed subject to compliance with special requirements regarding announcements, advertising and availability of the proposal for examination by Shareholders during the term of the announcement.

The information requested by Shareholders shall be denied in the events in which the information is classified as: i) unreasonable; ii) irrelevant for understanding the Company's progress or interests; iii) confidential, which includes privileged information in the scope of the securities market, industrial secrets, transactions underway of which their success for the Company substantially depends on the confidentiality of their negotiation; and iv) others which, if disclosed, could put the Company's competitiveness at an imminent and serious risk.

In the event that the information provided could put Shareholders at an advantage, which they requested, the Company shall publish said information on its website in order to ensure concomitant access to said response by all other Shareholders.

**Article 9. Minutes of the General Meetings of Shareholders**

A record will be made of what occurs at the General Meetings of Shareholders in the minutes book, registered at the Chamber of Commerce of the Company's headquarters. The minutes shall be signed by

the Chairman of the meeting, the principal or ad hoc Secretary who acted therein and, in the absence thereof, by the Statutory Auditor, and they shall be approved by the General Meeting of Shareholders, which can delegate this authority to a plural commission appointed for this purpose. The minutes shall list the details and statements required by the legal provisions.

**Article 10. Quorum to Deliberate**

Apart from the legal exceptions, the General Meeting of Shareholders shall deliberate with a plural number of Shareholders representing at least half plus one of the shares subscribed as at the date of the meeting. If the General Meeting of Shareholders cannot deliberate because the quorum is not met, a new meeting shall be announced, which shall meet and decide validly with one or more Shareholders, regardless of the number of shares they represent. These meetings must be held no earlier than ten (10) business days and no later than thirty (30) business days following the second announcement.

**Article 11. Decision-making Majorities**

The decisions of the General Meeting of Shareholders shall be adopted by an absolute majority of the votes corresponding to the shares represented at the meeting, with the following exceptions:

**11.1** The distribution of profits shall require the approval of a plural number of Shareholders who together hold at least seventy-eight percent (78%) of the shares represented at the meeting. In the absence of approval by such a majority, the distribution shall be no less than fifty percent (50%) of the profits or the remainder thereof, if losses from previous years must be covered or seventy percent (70%) of the profits, in the event that the sum of legal, statutory and occasional reserves exceeds one hundred percent of the subscribed capital, in accordance with the applicable laws.

**11.2** The decision regarding the placement of shares without preemptive rights for Shareholders, in the case of Article 7 of the Company Bylaws, shall require approval by the vote of seventy percent (70%) of the shares represented.

**11.3** Payment of the dividend in Company shares as mandatory for Shareholders shall require the positive vote of eighty percent (80%) of the shares represented. Bylaws

**11.4** In the event of a spin-off, the unanimity of the shares represented at the General Meeting of Shareholders shall be required to amend the proportion in which the Shareholders of the company being divided must participate. In this case the Company, in the capital of the beneficiary Company.

**11.5** Any others that by virtue of mandatory legal regulation require a qualified or special majority greater than the absolute majority.

**Article 12. Right to Vote**

Each share listed in the Shareholder Register shall confer the right to one vote at the General Meeting of Shareholders, without restriction regarding the number of votes that can be placed by the holder or the representative thereof, except for the prohibitions and ineligibilities established by law to vote on certain decisions, such as for Company Administrators and employees to vote on the balance sheets, year-end accounts and settlement accounts. The votes corresponding to a single Shareholder cannot be split.

**Article 13. Voting Rules**

In the actions to be taken and votes to be cast by the General Meeting of Shareholders, the following rules shall be observed:

- 1 Votes shall be cast in writing only when so provided by the Chairman of the General Meeting of Shareholders, or when the electoral quotient system must be applied.

- 2 A separate vote shall be taken for each single election, but when a principal and alternate must be chosen for the same position, the election shall be made jointly.
- 3 In the event of a tie in a single election, a new vote shall be taken and, if this also results in a tie, the appointment shall be deemed suspended. If the tie occurs when voting on proposals or resolutions, they shall be deemed to be denied.
- 4 When the name of a candidate is repeated one or more times on the same ballot, only the votes for the candidate corresponding to said ballot shall be counted. However, if the repetition consists of being listed as a principal and, at the same time, as an alternate, the inclusion as an alternate shall not be taken into account.
- 5 When a ballot contains more names than it should, the first ones on the placement shall be counted up to the appropriate number. If it has less names, all those contained on the ballot shall be counted.
- 6 To form the Board of Directors and the commissions or official bodies, the electoral quotient system shall be applied, as prescribed by law, unless they are filled unanimously by the votes corresponding to the total shares represented at the meeting, or the law establishes the obligation of applying a different voting system.
- 7 The Company cannot vote using its own repurchased shares in its possession.
- 8 In the event of amendment of the Company Bylaws, each article or group of articles substantially related to each other shall be voted on separately, except when a Shareholder or group of Shareholders holding at least five percent (5%) of the share capital requests that it be voted on separately during the General Meeting.

To facilitate the voting process, Shareholders who wish to make a record of their abstention, or vote against or in opposition to the agreements reached by the General Meeting of Shareholders shall be requested to submit this decision in writing and sign it prior to their intervention to the Secretary of the General Meeting of Shareholders.

#### **Article 14. Proxies**

All Company Shareholders may be represented at the General Meetings of Shareholders by granting a proxy in writing indicating the name of the proxy holder, the person who the proxy may replace and the date of the meeting(s) for which the proxy is granted. A proxy granted for one meeting is deemed valid for the number of sessions of the General Meeting of Shareholders corresponding to the same meeting. The principals and representatives shall be identified by the legal provisions.

In order to minimize the use of delegations without voting instructions, the Company Administration shall publish a proxy template form on its website, including the different items on the agenda, in order for the Shareholder to be able to instruct the representative how to vote on each item.

Except in the cases of registered agents, Company Administrators and employees cannot represent shares other than their own at the General Meetings of Shareholders while they hold their positions, nor can they replace the proxies granted to them. Furthermore, Administrators and employees cannot vote on the balance sheets, year-end accounts or settlement accounts.

#### **Article 15. Functions and Responsibilities of the General Meeting of Shareholders**

The General Meeting of Shareholders shall have the functions established in Article 27 of the Company Bylaws, namely:

- a** Freely elect and remove members of the Board of Directors, the Statutory Auditor and the respective alternates, and approve the succession policy for these positions, when applicable, which shall be proposed by the Board of Directors.
- b** Approve the general policy for the remuneration of Board members and, if proposed by the Board of Directors, define the general framework in which the Board itself may grant a variable remuneration component for Senior Management to be obtained based on the performance of Company shares on the market.
- c** Examine the reports that must be made by the Board of Directors and the CEO on an annual basis, or when required by the General Meeting of Shareholders, and as a result, approve, reject or amend the corresponding financial statements and disclosures that, pursuant to legal regulation, they must submit for its consideration.
- d** Appoint from among its members a plural commission to study the accounts, financial statements and other reports of this kind, when they have not been approved, and report to the General Meeting of Shareholders within the term indicated thereby for this purpose.
- e** Consider the reports of the Board of Directors and the CEO regarding the status of the corporate business, disclosures, accounting data and statistics required by law; the proposals submitted by the Board of Directors with the financial statements; and the Statutory Auditor's report.
- f** Dispose of the profits established pursuant to the statements of financial position and income, once they have been approved, in compliance with the legal provisions and the regulations of the Company Bylaws. In exercise of this power, it may create or increase voluntary or occasional reserves for a specific purpose, and set the amount of the dividend, as well as the form and term of its payment.
- g** Decide on the transfer or change in purpose of the occasional or voluntary reserves, the distribution thereof or their capitalization, when they are unnecessary.
- h** Allocate profits for the reserve to repurchase shares subject to the Company Bylaws and legal regulation. On the basis of such allocations, the Board of Directors is hereby authorized to use the reserve to purchase shares issued by the Company provided that they are paid in full and in compliance with the applicable regulations for trading on the securities market, and it is authorized to use such shares at a later stage, whenever deemed appropriate, for any of the purposes prescribed by Article 417 of the Code of Commerce.
- i** Decide that a specific issuance of ordinary shares be placed without preemptive rights.
- j** Create shares issued for services or dividend-right shares, issue privileged shares, regulate their placement, determine the nature and extension of the privileges, reduce or eliminate them, subject to the rules of the Company Bylaws and the legal provisions.
- k** Agree on (i) the active or passive merger of the Company, with one or more other companies; (ii) its transformation; (iii) spin-off; or (iv) the division (spin-off), sale, encumbrance or lease of the company or part of its assets when, in the opinion of the Board of Directors, said transaction compromises essential assets for the development of the corporate purpose; (v) the acquisition of other companies or assets when, in the opinion of the Board of Directors, said transaction could lead to an effective change in the corporate purpose; (vi) the early dissolution or the extension of the lifespan; and (vii) in general, any reform, expansion or amendment of the Company Bylaws.

- l** Order the corresponding legal proceedings against Administrators, executives or the Statutory Auditor.
- m** In the event of dissolution of the Company, appoint one or more liquidators, and an alternate for each of them, dismiss them, set their remuneration, give them the orders and instructions required for settlement, and approve their accounts. Until this is done and the appointment of the liquidator and the alternate is registered, the Company CEO shall have this function when the Company begins the settlement process, and his/her alternates shall be those who, on that date, are his/her alternates, in their order.
- n** Create and place shares with a preferred dividend without voting rights. However, they may not represent more than the maximum percentage established by law.
- o** In general, adopt all the measures required for compliance with the corporate bylaws and the common interest of the Shareholders.
- p** Any others indicated by law or the Company Bylaws, and those that are not the responsibility of any other corporate body.

#### **Article 16. Delegation**

The General Meeting of Shareholders may delegate some of its functions to the Board of Directors or the Company CEO in specific cases or for a specific period of time, provided that they can be delegated by their nature and their delegation is not forbidden. However, the functions contained in subsections a), b) and k) of Article 14 herein shall be deemed exclusive functions of the General Meeting of Shareholders and, therefore, may not be delegated.

#### **Article 17. Commission**

The General Meeting of Shareholders can have commissions for special purposes, including:

**17.1 Commission for the Review and Approval of the Minutes:** Responsible for reviewing the content of the minutes of the General Meeting of Shareholders prepared by the Secretary and signing it on behalf of all those attending if it finds that it is accurate and represents the reality of the events. This commission shall be made up of two attending Shareholders appointed by the General Meeting of Shareholders.

**17.2 Election and Counting Commission:** Responsible for counting the votes at the election of the Board of Directors, or for any proposal that requires a counted vote. This commission shall be comprised of two Shareholders appointed by the General Meeting of Shareholders from the attendees.

#### **Article 18. Shareholder Intervention**

Interventions by Shareholders at the General Meeting of Shareholders shall be made essentially in relation to the agenda and shall be limited to three (3) minutes. This term may be extended by the Chairman of the General Meeting of Shareholders for two (2) additional minutes. Once the end of the agenda has been reached, Shareholder interventions may continue to ask questions or make additional proposals to the agenda. Any Shareholders who wish to intervene shall identify themselves, indicating their full name and identification number. Once the Shareholder interventions have ended, their questions shall be answered. Any information or clarification requested shall be provided by the Chairman or, if applicable and by the instruction thereof, by another Administrator or, if deemed appropriate, by any employee or third party who is an expert on the matter.



**Article 19. Temporary Suspension**

Exceptionally, in the occurrence of an event that substantially alters the orderly progress of the General Meeting of Shareholders, or any other extraordinary circumstances that prevent the normal course thereof, the Chairman of the General Meeting of Shareholders may propose its suspension for the time necessary to restore the conditions to continue.

The deliberations of the General Meeting of Shareholders may be suspended and resumed at a later time as many times as decided by any plural number of Shareholders representing at least half plus one of the shares represented at the meeting.

**Article 20. Behavior**

Correct behavior by all attendees of the General Meeting of Shareholders shall be expected during its sessions. The Board is authorized to order removal from the session of the General Meeting of Shareholders of any person who is inebriated, drinking alcohol, using drugs or by any means or behavior is obstructing the normal running of the meeting.

**Article 21. Information on the General Meeting of Shareholders**

With the aim to keep the shareholders who cannot attend the General Meeting of Shareholders informed, on its website, the Company shall post a summary of the main aspects of the General Meeting of Shareholders held, including the start time, location, quorum for deliberation and the main topics that were addressed and voted on at the meeting.

**Article 22. Approval**

These Rules of Procedure must be approved by the General Meeting of Shareholders. The approval must be communicated to the market once this decision is made. Additionally, the Rules of Procedure shall be disclosed on the corporate website.

**Article 23. Interpretation, Amendment and Repeal**

These Rules of Procedure establish that set forth by the Company Bylaws and Corporate Governance Code regarding the General Meeting of Shareholders. Their interpretation, amendment and repeal shall be the exclusive responsibility of the same General Meeting of Shareholders.

**Article 24. Approval and Validity**

These Rules of Procedure, forms part of the Company's Corporate Governance System, shall be applicable at the General Meeting of Shareholders, following the meeting at which they were approved.