

**RULES OF PROCEDURE OF THE BOARD OF DIRECTORS OF
PORTUCEL, S.A.**

**CHAPTER I
BOARD OF DIRECTORS**

**Article 1
(Composition)**

- 1- The Board of Directors comprises three to seventeen members, elected by the General Meeting, one of whom shall be Chairman; up to three vice-chairman may appointed from amongst the members.
- 2- In the event of his absence or impediment, the Chairman shall be substituted by the member of the Board of Directors designated for this purpose.

**Article 2
(Powers)**

The Board of Directors shall manage the Company's business and operations, in accordance with the terms of the Companies Code.

**Article 3
(Delegation of Powers)**

The Board of Directors may delegate the day-to-day management of the company to one directors or to an Executive Committee of three to nine members.

**Article 4
(Meetings)**

- 1- The Board of Directors shall meet quarterly, in accordance with a calendar to be set annually and duly approved by the same. Meetings shall be held at the Company's head office, or elsewhere as designated in advance of each meeting by the Chairman of the Board of Directors or his substitute.

- 2- The provisions of the preceding paragraph notwithstanding, the Board of Directors shall hold extraordinary meetings whenever called by the respective Chairman, on his own initiative or that of two Directors.
- 3- Notice of extraordinary meetings of the Board of Directors shall be circulated to the respective members no less than 3 days prior to the date set for the same.
- 4- Whenever this may be necessary, the Chairman of the Board of Directors may call meetings of the Board of Directors without the prior notice provided for in the preceding paragraph.
- 5- Any member of the Board of Directors may be represented at a meeting by another director who will exercise the respective voting right on behalf and at the liability of the director he represents.
- 6- Proxies shall be appointed by letter or fax addressed to the chairman.
- 7- No director may represent more than two other directors at each meeting.

**Article 5
(Agenda)**

- 1- The meetings of the Board of Directors shall centre on discussion of the group's main business operations and on decision-making processes, and financial information shall be provided in advance, accompanied, in the case of the annual, half-yearly and quarterly reports, by the opinion of the Audit Board.
- 2- The agenda shall be approved by the Chairman of the Board of Directors and circulated to the other members with the notice of meeting and the respective supporting documents.
- 3- Any director may request the inclusion of other items in the agenda, delivering in advance to the Company Secretary, whenever possible, the supporting documentation for circulation to the other directors.
- 4- Powers to accept new items or otherwise shall rest with the Chairman, or the person substituting him, who shall announce his decision at the start of the meeting.

**Article 6
(Quorum and Resolutions)**

- 1- The Board of Directors shall not adopt any resolution without a majority of its members being present or represented.

- 2- Save in cases where the law or articles of association require qualified majorities, the resolutions of the Board of Directors shall be adopted by a simple majority of votes.
- 3- The Chairman of the Board of Directors or the person substituting him shall have a casting vote in the event of a tie.

**Article 7
(Minutes)**

- 1- The minutes of each meeting, ordinary or extraordinary, shall be drawn up by the Company Secretary and recorded in the specific book for this purpose, after approval by the Board of Directors.
- 2- Procedures shall be established for follow-up of decisions adopted at previous meetings, in order to assure that the execution of these decisions is monitored by the Board of Directors.

**CHAPTER II
BINDING OF THE COMPANY**

**Article 8
(Binding)**

The Directors shall only bind the Company in one of the following forms:

- a. By two Directors;
- b. By one or more Directors, to whom specific powers have been granted for an act;
- c. By legally appointed attorneys, on the terms and within the limits of their respective powers.

**CHAPTER III
COMMITTEES**

**Article 9
(Specialist Committees)**

1 – The Board of Directors may set up the following internal committees, in addition to those provided for in the Articles of Association, to determine and oversee the implementation of strategic decisions and to supervise specific management areas:

- a) Corporate Governance Committee;
- b) Sustainability Forum;
- d) Pension Fund Committee;
- e) Asset Risk Analysis and Monitoring Committee;
- f) Ethics Committee;
- g) Other committees, as may be deemed strategically relevant from time to time.

2. The powers, composition and procedures of the Committees to be set up shall be defined in rules of procedure, to be approved specifically for each committee by the Company's Board of Directors.

Article 11
(Final Provision)

Sole powers to amend these rules of procedure rest with the Company's Board of Directors.