

# **RULES OF PROCEDURE OF THE EXECUTIVE COMMITTEE OF PORTUCEL, S.A.**

## **Article 1 (Appointment and Purpose)**

The Executive Committee is appointed by the Board of Directors and its purpose is to resolve on all matters expressly delegated to it by the latter, responsibility for which, together with the respective executive powers, shall be especially entrusted to each of its members.

## **Article 2 (Composition)**

The Executive Committee comprises five of the Company's Directors appointed by the Board of Directors, which shall designate the respective Chairman.

## **Article 3 (Powers)**

1- The Executive Committee has the following powers:

- a) To propose the Company's policies, objectives and strategies to the Board of Directors;
- b) To propose to the Board of Directors operating budgets and medium and long term investment and development plans, and to execute the same when duly approved;
- c) To approve budget alterations during the company year, including transfers between cost centres, provided these are no greater, in each year, than twenty million euros, without prejudice to the provisions of paragraph two of this clause;
- d) To approve contracts for acquisition of goods or services with a total value each year no greater than twenty million euros, without prejudice to the provisions of paragraph two of this clause;

- e) To approve financing contracts, request bank guarantees or accept any other liabilities which represent an increase in indebtedness, with a total value each year of less than twenty million euros, without prejudice to the provisions of paragraph two of this clause;
  - f) To acquire, dispose of or encumber the Company's fixed assets up to a value in each case of five per cent of the paid-up share capital;
  - g) To rent or let any property;
  - h) To represent the Company in and out of court, as claimant or respondent, and also to bring and follow through any actions, including arbitral actions, and to confess, desist or settle in the course of the same;
  - i) To acquire, dispose of or encumber holdings in other companies up to a maximum of twenty million euros each year, without prejudice to the provisions of paragraph two of this clause;
  - j) To resolve on execution of the acquisition or disposal of own shares, when this has been resolved on by the general meeting, in accordance with the terms of the such resolution;
  - k) To manage holdings in other companies, in conjunction with the Chairman of the Board of Directors, namely appointing, with the latter's agreement, representatives on the respective company boards, and setting guidelines for the actions of these representatives;
  - l) To enter into, amend and terminate employment contracts;
  - m) To open, operate and close bank accounts;
  - n) To appoint Company attorneys;
  - o) In general, all the powers which may be delegated by law, subject to any limitations deriving from the provisions of the preceding sub-paragraphs.
2. In conjunction with the Chairman of the Board of Directors, the Executive Board may also resolve on the matters provided for in sub-paragraphs c), d), e) and i) of the preceding paragraph when the respective values, calculated on the terms stated therein, are in excess of twenty million euros but not of fifty million.
3. Powers to alter any terms of contracts previously entered into or encompassed by the said sub-paragraphs c), d), e) and i) shall rest with the body(ies) or

officer(s) which would have powers to enter into them in view of the provisions of the said sub-paragraphs and the preceding paragraph.

**Article 4**  
**(Meetings and Procedures)**

- 1- The Executive Committee shall meet whenever called by its Chairman or two of its members, no less than once a month, to which end an annual calendar of meetings may be set.
- 2- The resolutions of the Executive Committee shall be adopted by a simple majority of its members.

**Article 5**  
**(Agenda)**

- 1- The agenda of Executive Committee meetings shall be approved in advance by the respective Chairman and sent to the other members jointly with the notice of meeting and supporting documents.
- 2- The items on the agenda discussed and put to the vote shall be assessed in advance by the Chairman, in his weekly meetings with the other members of the Executive Committee.
- 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, who shall announce his decision at the start of the meeting.
- 5- Without prejudice to matters of manifest and well-founded urgency, the agenda shall be made available no less than 72 (seventy-two) hours in advance of the start of the meeting, together with the information (relating to the items) which shall, in turn, be made available no less than 24 (twenty-four) hours in advance.
- 6- The documentation relating to the items on the Agenda where a decision is to be taken shall be made available no less than 48 (forty-eight) hours prior to the start of the meeting.

- 7- Information on all matters dealt with by the Executive Committee, even when falling within the scope of its delegated powers, shall be provided to the non-executive Directors, who shall have access to the respective minutes and supporting documents.

**Article 6**  
**(Quorum and Resolutions)**

- 1- The Executive Committee shall not adopt any resolution without a majority of its members being present or represented.
- 2- On the terms and within the limits established in the articles of association, any Director may choose to be represented at a meeting by another Director, by means of a simple proxy letter addressed to the Chairman.
- 3- The resolutions of the Executive Committee shall be adopted by a simple majority of votes.
- 4- The Board of Directors shall be kept informed on a permanent basis of all resolutions adopted by the Executive Committee, by means of minutes of the respective minutes, sent systematically in writing to the Board of Directors.

**Article 7**  
**(Minutes)**

- 1- The minutes of each meeting, ordinary or extraordinary, shall be drawn up by the Company Secretary and approved by the Executive Committee.
- 2- Once approved and written up in the specific book, the minutes of Executive Committee meetings shall be at the disposal of all Directors and members of the Audit Board for consultation.
- 3- 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.
- 4- The Chairman of the Executive Committee shall forward the notices and minutes of its meetings to the Chairman of the Board of Directors and the Chairman of the Audit Board.

**Article 8**  
**(Secretarial services)**

The secretarial arrangements for the Executive Committee shall be shared with those for the Board of Directors

**Article 9**  
**(Term of Office)**

The term of office of the Executive Committee shall coincide with that of the Board of Directors appointing the same.

**Article 10**  
**(Final Provisions)**

All matters not expressly regulated in these rules of procedure shall be governed by the provisions of the Company's Articles of Association and the Companies Code and by any resolutions which may be adopted by the Board of Directors, which has sole powers to amend these rules of procedure.