



**Avda. de Europa 24, Parque Empresarial La Moraleja, 28108 Alcobendas (Madrid)**

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**SPANISH SECURITIES AND EXCHANGE COMMISSION**

**Mr. Iñigo de la Lastra  
Director of Secondary Markets  
General Directorate of Markets  
C/ Edison, 4  
28006 Madrid**

Madrid, May 22, 2014

Dear Sir:

In accordance with the provisions of Article 82 of Securities Market Act 24/1988, of July 28, 1988, notice of the following Material Fact is hereby served, for its inclusion on the public registers of this Stock Exchange Commission:

On its meetings held on May 22<sup>nd</sup>, 2014, the Board of Directors of Campofrio Food Group, S.A. ("**the Company**") has agreed to call an Ordinary Shareholders' Meeting of the Company, to be held on June 25, 2014 at first call and June 26, 2014 at second call, the attached call notice for which will be published shortly.

Very truly yours,

The Secretary of the Board of Directors  
Campofrío Food Group, S.A.

Signed: Emmanuelle Bely

**Attached herein are the announcement, the proposals of corporate resolutions, and the Board Report on proposed amendments of the by-laws and repeal of the regulations of the general meeting of shareholders**



## CAMPOFRÍO FOOD GROUP, SOCIEDAD ANÓNIMA

### JUNTA GENERAL ORDINARIA DE ACCIONISTAS

El Consejo de Administración de CAMPOFRÍO FOOD GROUP, SOCIEDAD ANÓNIMA, en cumplimiento de lo establecido en el artículo 13 de los Estatutos Sociales y en la Ley de Sociedades de Capital, ha acordado convocar **Junta General Ordinaria de Accionistas** a celebrar el día **25 de junio de 2014, a las 12.00 horas** en primera convocatoria, en el edificio Torona, Avda. de Europa, 24, Parque Empresarial La Moraleja, Alcobendas, 28108 (Madrid), y, en su caso, el día siguiente, en el mismo lugar y a la misma hora, en segunda convocatoria, a fin de deliberar y **resolver sobre el siguiente:**

#### **ORDEN DEL DÍA**

*Primero.- Examen y aprobación, en su caso, de las Cuentas Anuales (balance, cuenta de pérdidas y ganancias, estado de cambios en el patrimonio neto, estado de flujos de efectivo y memoria) e Informes de Gestión, Individuales y Consolidados, correspondientes al ejercicio cerrado el 31 de diciembre de 2013, y propuesta de aplicación del resultado correspondiente al ejercicio 2013.*

*Segundo.- Examen y aprobación, en su caso, de la gestión del Consejo de Administración correspondiente al ejercicio 2013.*

*Tercero.- Sometimiento a votación con carácter consultivo del Informe Anual sobre Remuneraciones de los consejeros del ejercicio 2013.*

*Cuarto.- Caducidad y examen y aprobación, en su caso, del cese de miembros del Consejo de Administración de la Compañía.*

*Quinto.- Examen y aprobación, en su caso, de la reelección de D. PEDRO BALLVÉ LANTERO como miembro del Consejo de Administración de la Compañía.*

*Sexto.- Examen y aprobación, en su caso, de la reelección de D. CHARLES LARRY POPE como miembro del Consejo de Administración de la Compañía.*

Séptimo.- Examen y aprobación, en su caso, del nombramiento de D. ARMANDO GARZA SADA como miembro del Consejo de Administración de la Compañía.

Octavo.- Examen y aprobación, en su caso, del nombramiento de D. ÁLVARO FERNÁNDEZ GARZA como miembro del Consejo de Administración de la Compañía.

Noveno.- Examen y aprobación, en su caso, del nombramiento de D. MARIO HUMBERTO PÁEZ GONZÁLEZ como miembro del Consejo de Administración de la Compañía.

Décimo.- Examen y aprobación, en su caso, del nombramiento de D. WAN LONG como miembro del Consejo de Administración de la Compañía.

Undécimo.- Examen y aprobación, en su caso, del nombramiento de D. JIAO SHUGE como miembro del Consejo de Administración de la Compañía.

Duodécimo.- Fijación del número de miembros del Consejo de Administración.

Decimotercero.- Examen y aprobación, en su caso, de la exclusión de negociación de las acciones representativas de la totalidad del capital social de Campofrío Food Group S.A. en las bolsas de valores de Madrid y Barcelona y del sistema de interconexión bursátil.

Decimocuarto.- Examen y aprobación, en su caso, de (i) la modificación de los artículos Cinco, Catorce, Quince, Diecinueve, Veinte, Veintiuno, Veinticuatro, Veinticinco, Veintisiete y Veintiocho de los Estatutos Sociales de la Sociedad, incluida la modificación de la forma de representación de las acciones, pasando de estar representadas mediante anotaciones en cuenta a estarlo por títulos físicos de carácter nominativo; y (ii) la derogación de los artículos Diecisiete Bis, Diecinueve Bis, Veinticuatro Bis, Veinticuatro Ter y Veinticuatro Quater de los Estatutos Sociales de la Sociedad.

Decimoquinto.- Examen y aprobación, en su caso, de la derogación del Reglamento de la Junta General de accionistas

Decimosexto.- Examen y aprobación, en su caso, de la delegación de facultades en favor del Consejo de Administración para la interpretación, aplicación, ejecución y desarrollo de los acuerdos adoptados por la Junta General Ordinaria que lo precisen; incluidas las subsanaciones necesarias para dar cumplimiento a cuantos requisitos fueren precisos, bien para su eficacia o para su inscripción registral.

Decimoséptimo.- Examen y aprobación, en su caso, del otorgamiento de facultades para elevar a documento público los acuerdos de la Junta General Ordinaria que lo precisen o hayan de inscribirse en los Registros públicos, así como para ejecutar dichos acuerdos.

Decimoctavo.- Ruegos y Preguntas.

El Consejo de Administración ha hecho uso del derecho que les confiere el artículo 203.1 de la Ley de Sociedades de Capital y el artículo 101 y siguientes del Reglamento del Registro Mercantil, por lo que se levantará acta con intervención notarial.

## **DERECHO DE INFORMACION Y COMPLEMENTO DE CONVOCATORIA**

De conformidad con lo previsto en los artículos 197 y 520 de la Ley de Sociedades de Capital, hasta el séptimo día anterior al previsto para la celebración de la Junta, los accionistas podrán solicitar de los administradores, acerca de los asuntos comprendidos en el orden del día, las informaciones o aclaraciones que estimen precisas, o formular por escrito las preguntas que estimen pertinentes. Los accionistas podrán solicitar informaciones o aclaraciones o formular preguntas por escrito acerca de la información accesible al público que se hubiera facilitado por la Sociedad a la Comisión Nacional del Mercado de Valores desde la celebración de la última Junta General y acerca del informe del auditor, excepto cuando, con anterioridad a su formulación, la información solicitada esté clara y directamente disponible para todos los accionistas en la página web bajo el formato pregunta-respuesta.

Asimismo, de acuerdo con la Ley de Sociedades de Capital y los Estatutos Sociales, a partir de la convocatoria de la Junta General, cualquier accionista podrá examinar en el domicilio social y, en su caso, obtener de la Sociedad, de forma inmediata y gratuita, los documentos que han de ser sometidos a la aprobación o consideración de la misma así como solicitar la entrega o el envío gratuito de los mismos, entre los que se encuentran:

- Las Cuentas Anuales e Informes de Gestión correspondientes al ejercicio 2013 de la Sociedad y de su Grupo Consolidado, así como los Informes de los Auditores de Cuentas, de acuerdo con el artículo 272.2 de la Ley de Sociedades de Capital.
- El texto íntegro de las propuestas de acuerdo sometidas por el Consejo de Administración a la Junta General.
- El Informe del Consejo de Administración justificativo de las modificaciones estatutarias referidas en el punto Decimocuarto del Orden del Día y de la derogación del Reglamento de la Junta General de Accionistas referida en el punto Decimoquinto del Orden del Día.
- El Informe de Gobierno Corporativo correspondiente al ejercicio 2013 aprobado por el Consejo de Administración.
- Informe anual sobre remuneraciones de los consejeros 2013.

Los citados documentos podrán ser también consultados en la página web de la Compañía: [www.campofriofoodgroup.com](http://www.campofriofoodgroup.com)

De conformidad con lo dispuesto en el artículo 519 de la Ley de Sociedades de Capital, los accionistas que representen, al menos, el cinco por ciento del capital social, podrán solicitar que se publique un complemento a la convocatoria de la presente Junta, incluyendo uno o más puntos del orden del día siempre que los nuevos puntos vayan

acompañados de una justificación, o en su caso, de una propuesta de acuerdo justificada. Asimismo, los accionistas que representen, al menos, el cinco por ciento del capital social, podrán presentar propuestas fundamentadas de acuerdo sobre asuntos ya incluidos o que deban incluirse en el orden del día de la Junta convocada.

El ejercicio de estos derechos deberá hacerse mediante notificación fehaciente que habrá de recibirse en el domicilio social (Avenida de Europa, 24 - Parque Empresarial La Moraleja - 28108 ALCOBENDAS (Madrid)), a la atención de la Oficina del Accionista, dentro de los cinco días siguientes a la publicación de la convocatoria.

## **FORO ELECTRÓNICO DE ACCIONISTAS**

Con arreglo a lo dispuesto en el artículo 539.2 de la Ley de Sociedades de Capital, CAMPOFRÍO FOOD GROUP, S.A. ha habilitado un Foro Electrónico de Accionistas en su página web ([www.campofriofoodgroup.com](http://www.campofriofoodgroup.com)), con ocasión de la convocatoria de la próxima Junta General Ordinaria, al que podrán acceder con las debidas garantías tanto los accionistas individuales como las asociaciones voluntarias que se puedan constituir de acuerdo con la normativa vigente, con el fin de facilitar su comunicación con carácter previo a la celebración de dicha Junta General Ordinaria.

## **DERECHO DE ASISTENCIA Y VOTO**

Podrán asistir a la Junta o delegar su voto los accionistas que con al menos cinco días de antelación al de celebración de la Junta en primera convocatoria, consten inscritos en los registros contables de anotaciones en cuenta de la “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, Sociedad Anónima” (IBERCLEAR) o de cualquiera de las entidades adheridas al mismo, como titulares de DIEZ o más acciones bien propias, representadas o entre propias y representadas, pudiendo en todos los casos agruparse, para alcanzar ese número mínimo de acciones, necesario para poder concurrir a la Junta; lo que se acreditará mediante entrega de las tarjetas de asistencia a Junta que expidan las entidades depositarias de los títulos o adheridas a la mencionada Sociedad.

Por consiguiente, los accionistas habrán de asistir a la Junta General provistos del documento nacional de identidad o documento equivalente y de la correspondiente tarjeta de asistencia expedida por la entidad en la que se hubiera realizado el mencionado registro.

## **DERECHO DE REPRESENTACIÓN**

Los accionistas con derecho de asistencia que no asistan a la Junta General podrán hacerse representar en la misma por medio de otra persona, aunque ésta no sea accionista, cumpliendo los requisitos y formalidades exigidos por la Ley y los Estatutos Sociales. En los casos de solicitud pública de representación y salvo indicación en contrario del representado, en caso de que el representante esté incurso en un conflicto de interés, se presumirá que el representado ha designado además como representantes, solidaria y sucesivamente, al Presidente de la Junta General, y si éste estuviese en situación de conflicto de interés, al Secretario de la Junta General, y si éste estuviese a su vez en situación de conflicto de interés, al Presidente del Comité de Auditoría. Cuando el documento en que conste la representación o delegación se entregue a la Sociedad sin que se establezca expresamente la identificación del representante, se presumirá que el representado ha designado como representantes, solidaria y sucesivamente, a las personas que ostenten los cargos mencionados, siendo de aplicación la misma regla de orden indicada anteriormente. Los accionistas podrán utilizar los formularios para la delegación de voto que se incorporen en la página web.

En caso de no impartirse instrucciones de voto respecto de las propuestas contenidas en el orden del día, y salvo que otra cosa se indique en la delegación, se entenderá que el representante votará a favor de las propuestas presentadas por el órgano de administración. Por el contrario y cuando se trate de puntos que, aún no previstos en el orden del día de la convocatoria, puedan ser tratados en la reunión, en caso de no impartirse instrucciones de voto al respecto, y salvo que otra cosa se indique en la delegación, se entenderá que el representante votará en contra de dichas propuestas.

Se permitirá el fraccionamiento de voto por parte de aquellos intermediarios financieros que aparezcan legitimados como accionistas, pero que actúen por cuenta de diferentes clientes, a fin de que puedan emitir sus votos conforme a las instrucciones recibidas de éstos de conformidad con las disposiciones legales aplicables, formulen su solicitud por escrito a la Sociedad en la siguiente dirección: Campofrío Food Group, S.A., Avenida de Europa nº 24, Parque Empresarial La Moraleja, 28108 Alcobendas (Madrid). (Ref.: Voto Fraccionado) y acrediten debidamente la existencia de razones para el fraccionamiento de voto y sea posible el establecimiento de los procedimientos que garanticen su ejecución.

## **VOTO POR MEDIOS DE COMUNICACIÓN A DISTANCIA**

De conformidad con lo establecido en el artículo 17 Bis de los Estatutos Sociales y en el artículo 25 del Reglamento de la Junta General, los accionistas con derecho de asistencia podrán emitir su voto por correo sobre las propuestas relativas a puntos

comprendidos en el Orden del Día con carácter previo a la celebración de la Junta, siempre que se garantice debidamente la identidad del sujeto que ejerce sus derechos de voto.

Para su validez, el voto emitido por correo habrá de recibirse en el domicilio social (Avenida de Europa, 24 - Parque Empresarial La Moraleja - 28108 ALCOBENDAS (Madrid)), a la atención de la Oficina del Accionista, antes de las veinticuatro horas del día anterior al previsto para la celebración de la Junta General en primera convocatoria. En caso contrario, el voto se tendrá por no emitido. Los accionistas con derecho de asistencia que emitan su voto a distancia conforme a lo previsto en este apartado, se entenderán como presentes a los efectos de la constitución de la Junta General.

La asistencia personal a la Junta General del accionista tendrá el efecto de revocar el voto emitido por correo.

### **PROTECCIÓN DE DATOS**

En virtud de la normativa aplicable en materia de protección de datos de carácter personal (Ley Orgánica 15/1999, de 13 de diciembre), se informa a los accionistas de la existencia de un fichero o tratamiento automatizado propiedad de Campofrío Food Group, S.A., en su condición de Responsable del Fichero, con datos de carácter personal facilitados por los accionistas o por las entidades bancarias, Sociedades y Agencias de Valores en las que dichos accionistas tengan depositadas sus acciones, a través de la entidad legalmente habilitada para la llevanza del registro de anotaciones en cuenta, IBERCLEAR, con ocasión de la Junta General convocada en la presente, así como de los que puedan derivarse como consecuencia de la misma. La finalidad de dicho fichero o tratamiento es la gestión y administración de los datos de los accionistas, y en su caso los de sus representantes, en el ámbito de la Junta General de Accionistas de la Sociedad.

Los accionistas o sus representantes podrán ejercitar, bajo los supuestos amparados en la ley, los derechos de acceso, rectificación, cancelación y oposición de los datos del fichero a través de la correspondiente notificación (que deberá incluir la identificación del titular de los derechos mediante fotocopia del documento nacional de identidad) a la siguiente dirección: Campofrío Food Group, S.A., Avenida de Europa nº 24, Parque Empresarial La Moraleja, 28108 Alcobendas (Madrid). (Ref.: Protección de Datos).

**NOTA:** Se prevé que la Junta se celebrará en primera convocatoria

Madrid, a 22 de mayo de 2014

Fdo.: El Secretario del Consejo de Administración

**CAMPOFRÍO FOOD GROUP, S.A. (the “Company”)**

**PROPOSALS BY THE BOARD OF DIRECTORS OF RESOLUTIONS TO SUBMIT TO  
THE GENERAL SHAREHOLDERS MEETING TO BE HELD ON 25 JUNE 2014**

**First.- Analysis and approval, where applicable, of the Annual Accounts (Balance sheet, Profit and loss account, Statement on changes in equity, Cash flow statement and Notes to the accounts) and Management Reports, individual and consolidated, corresponding to the fiscal year closed on 31 December 2013, proposal of application of results corresponding to fiscal year 2013.**

The Board of Directors proposes to approve the Annual Accounts (Balance sheet, Profit and loss account, Statement on changes in equity, Cash flow statement and Notes to the accounts) and Management Reports, individual and consolidated for the fiscal year closed on 31 December 2013, both for Campofrío Food Group, S.A. as well as its consolidated group audited by the entity Ernst & Young Auditores.

The Board of Directors proposes to apply the negative results of fiscal year 2013 (8.259 Thousands Euros) to results of previous year (*resultados de ejercicios anteriores*), and to reclassify 4.751 Thousands Euros into goodwill reserve in the terms indicated under section 3 of the Notes to the accounts.

**Second.- Analysis and approval, where applicable, of the Board of Directors management corresponding to year 2013.**

The Board of Directors proposes the approval of its management during fiscal year 2013.

**Third.- Non-binding vote on the Annual Report on Director Remuneration for the 2013 Financial Year.**

The Board of Directors proposes shareholder approval by way of this non-binding resolution of the report approved by the Board of Directors on the recommendation of the Appointments and Compensation Committee regarding the compensation policy for directors during year 2013, which provides the compensation policy for directors of the Company for the current year, the compensation policy for the following years, an overall summary as to how the compensation policy was applied during year 2013 as well as details of the individual salaries earned by each of the members of the Board of Directors. The full text thereof has been provided to shareholders together with the other documentation for this general meeting.

**Fourth.- Term expiration and analysis and approval, where applicable of the cease of members of the Board of Directors.**

The Board of Directors proposes to cease the following member of the Board of Directors of the Company: Mr. ROBERT A. SHARPE II, thanking him for his services.



Likewise, it is hereby stated that at today's date the period for which the rest of the members of the Board of Directors (i.e. Mr. PEDRO BALLVÉ LANTERO, Mr. YIANNIS PETRIDES, Mr. JUAN JOSE GUIBELALDE IÑURRITEGUI, Mr. GUILLERMO DE LA DEHESA ROMERO, Mr. CHARLES LARRY POPE and Mr. JOSEPH WILLIAMSON LUTER IV) were appointed has elapsed, so their relevant offices will expire upon holding this general meeting. The Company thanks them for their services.

**Fifth. Analysis and approval, where applicable, of the re-election of Mr. PEDRO BALLVÉ LANTERO as member of the Board of Directors.**

The Board of Directors proposes to re-elect Mr. PEDRO BALLVÉ LANTERO, as a member of the Board of Director of the Company, for the statutory period of FIVE years. Mr. PEDRO BALLVÉ LANTERO will be considered as an executive director.

**Sixth. Analysis and approval, where applicable, of the re-election of Mr. CHARLES LARRY POPE as member of the Board of Directors.**

The Board of Directors proposes to re-elect Mr. CHARLES LARRY POPE as a member of the Board of Director of the Company, for the statutory period of FIVE years. Mr. PEDRO BALLVÉ LANTERO will be considered an external proprietary director.

**Seventh. Analysis and approval, where applicable, of the appointment of Mr. ARMANDO GARZA SADA as member of the Board of Directors.**

The Board of Directors proposes to appoint Mr. ARMANDO GARZA SADA as a new member of the Board of Director of the Company, for the statutory period of FIVE years. Mr. ARMANDO GARZA SADA will be considered an external proprietary director.

Mr. ARMANDO GARZA SADA will accept his office by way of a separate document.

**Eighth. Analysis and approval, where applicable, of the appointment of Mr. ÁLVARO FERNÁNDEZ GARZA as member of the Board of Directors.**

The Board of Directors proposes to appoint Mr. ÁLVARO FERNÁNDEZ GARZA as a new member of the Board of Director of the Company, for the statutory period of FIVE years. Mr. ÁLVARO FERNÁNDEZ GARZA will be considered as external proprietary director.

Mr. ÁLVARO FERNÁNDEZ GARZA will accept his office by way of a separate document.

**Ninth. Analysis and approval, where applicable, of the appointment of Mr. MARIO HUMBERTO PÁEZ GONZÁLEZ as member of the Board of Directors.**

The Board of Directors proposes to appoint Mr. MARIO HUMBERTO PÁEZ GONZÁLEZ as a new member of the Board of Director of the Company, for the statutory period of FIVE years. Mr. MARIO HUMBERTO PÁEZ GONZÁLEZ will be considered an external proprietary director.

Mr. MARIO HUMBERTO PÁEZ GONZÁLEZ will accept his office by way of a separate document.

**Tenth. Analysis and approval, where applicable, of the appointment of Mr. WAN LONG as member of the Board of Directors.**

The Board of Directors proposes to appoint Mr. WAN LONG as a new member of the Board of Director of the Company, for the statutory period of FIVE years. Mr. WAN LONG will be considered an external proprietary director.

Mr. WAN LONG will accept his office by way of a separate document.

**Eleventh. Analysis and approval, where applicable, of the appointment of Mr. JIAO SHUGE as member of the Board of Directors.**

The Board of Directors proposes to appoint Mr. JIAO SHUGE as a new member of the Board of Director of the Company, for the statutory period of FIVE years. Mr. JIAO SHUGE will be considered an external proprietary director.

Mr. JIAO SHUGE will accept his office by way of a separate document.

**Twelfth- Setting of the number of members of the Board of Directors.**

In accordance with article 19 of the by-laws of the Company, the Board of Directors shall have a minimum of five (5) and a maximum of fifteen (15) members, and in view of the previous resolutions the Board of Directors proposes to set the number of members of the Board of Directors of the Company at seven (7).

**Thirteenth. Analysis and approval, where applicable, of the delisting of the shares representing the entire share capital of Campofrío Food Group, S.A. on the stock exchanges of Madrid and Barcelona and the Spanish electronic trading system.**

1. Subject to the outcome of the Bid not fulfilling the requirements set out in article 47 of the Royal Decree 1066/2007, of 27 July, on the rules for public offerings of securities (the "RD 1066/2007") and, therefore, in the event that all the shares in the Company are not automatically delisted as a consequence of the sell-out transactions set out in the prospectus for the takeover bid on the shares of the Company, launched by Sigma Alimentos, S.A. de C.V. and WH Group Limited, through Sigma & WH Food Europe, S.L.U. (respectively, the "Prospectus" and the "Bid"), the Board of Directors proposes:
  - (a) Approval of the delisting of all the shares representing the Company's share capital on the Madrid and Barcelona stock exchanges, in application of article 34.5 and related provisions of the the Spanish Securities Market Act 1998 (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) (the "Act").
  - (b) Request the Spain's securities market regulator, Comisión Nacional del Mercado de Valores (the "CNMV") to apply the dispensation from the

requirement to make a public delist offer, in accordance with article 11 d) of RD 1066/2007, stating for those purposes that:

- (i) The Prospectus approved by the CNMV states the offerors' intention to delist the Company's shares.
  - (ii) The price at which the Bid has been made has been supported by an independent valuation report, in accordance with sections 5 and 6 of article 10 of RD 1066/2007.
  - (iii) As detailed below, the sale of the entirety of the Company's shares will be made possible by way of a purchase order for those shares, at the same price as the Bid price.
- (c) Submit to the CNMV the application for delisting of all the shares representing the Company's share capital on the Madrid and Barcelona stock exchanges, in accordance with the dispensation provided in article 11 d) of RD 1066/2007 and, therefore, by making an open order (*orden sostenida*) of purchase on the following terms ("**Open Order**"):
- (i) The acquirer of the shares will be Sigma & WH Food Europe, S.L.U., in accordance with the Prospectus.
  - (ii) The price at which the Open Order will be made is 6.90 euros per share, the same at which the Bid has been made.
  - (iii) The Open Order will be directed at all the Company's shares that have not accepted the Bid, given that there are no convertible bonds or other securities that give entitlement to subscribe for or purchase the Company's shares.
  - (iv) For the avoidance of doubt, the Open Order will not be aimed at the Company's shares that are directly or indirectly owned by the offerors. To the extent required, these shares will be immobilised by the offerors.
  - (v) The Open Order will be maintained for at least one month in the six-month period after the Bid has closed.
  - (vi) Brokerage of the sales of the Company's shares that are transferred in the framework of the Open Order will be free of charge for shareholders if the sell order is executed through the institution to be appointed by Sigma & WH Food Europe, S.L.U., the name of which will be announced to the market.
- (d) Approve 6.90 euros per share as the price at which the Open Order will be made.

This price is considered as an equitable price given that it meets all the requirements set out in articles 9 and 10 of RD 1066/2007, as stated and justified in the Prospectus, and stated in the CNMV decision that authorises the Bid.

This price is supported by the independent valuation report prepared by KPMG Asesores, S.L. dated 5 May 2014. This report is included as an Appendix to the Prospectus and may be consulted at:

- (i) The companies that run the Madrid (Plaza de la Lealtad número 1, Madrid) and Barcelona (Paseo de Gracia número 19, Barcelona) stock exchanges;
- (ii) The registered office of Campofrío Food Group, S.A. (Avenida de Europa 24, “Parque Empresarial La Moraleja”, Alcobendas, Madrid);
- (iii) The registered office of Sigma & WH Food Europe, S.L.U. (Calle Caléndula 95, Edificio “M”, Oficina 5, Miniparc II, El Soto de La Moraleja, Alcobendas, Madrid);
- (iv) The registered office of Santander Investment Bolsa, Sociedad de Valores, S.A. (Avenida de Cantabria s/n, Ciudad Grupo Santander, Boadilla del Monte, Madrid); and
- (v) The public records of the Comisión Nacional del Mercado de Valores in Madrid (calle Edison 4, Madrid) and Barcelona (Paseo de Gracia 19, Barcelona).

The Company’s board of directors also asked Banco Bilbao Vizcaya Argentaria, S.A. (“**BBVA**”) to prepare a fairness opinion on the equitable nature of the Bid price. According to the BBVA opinion issued on 22 May 2014, this Bid price (6.90 euros per share) is equitable in financial terms for the Company’s shareholders. This fairness opinion from BBVA is available on the CNMV’s website ([www.cnmv.es](http://www.cnmv.es)), together with the report from the Company’s board of directors on the Bid.

- (e) Authorise Sigma & WH Food Europe, S.L.U. as necessary to place the Open Order with the characteristics described above.
2. Irrespective of the process by which all the shares in the Company are delisted, the Board of Directors proposes to authorise the chairman and secretary of the Company’s board of directors so that any of them, acting jointly and severally, on the broadest terms permitted by law, can take and exercise any and all of the following actions and powers, the Board of Directors proposes:
- (a) Submit and process all records, applications, requests and other necessary documents to the CNMV, the companies that run the corresponding securities exchanges, the Spanish clearing and settlement system, *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores* (“**Iberclear**”), any companies that are participants, adhered and/or responsible for the accounting recognition of book-entry securities, and other private or public bodies, continue and request the verification procedure in all its stages, until completion and, in general, sign all kinds of documents, take and make all actions, agreements, authorisations, make all communications and adopt as many agreements and measures considered necessary or convenient for successful

completion of the delisting procedure and of the Open Order on the terms previously stated.

- (b) Appear before the CNMV, the companies that run the corresponding securities exchanges, Iberclear, and any other private or public authorities, bodies or institutions, signing for that purpose any private or public documents that might be necessary or merely convenient to procure the delisting of the Company's shares and arrangement of the Open Order, and take and comply with all steps and actions that are necessary or convenient for the successful completion of the preceding resolutions, being able in particular and merely by way of example and without limitation, to determine and fulfil all the conditions of these where not provided for by the shareholders at the general meeting and to sign the documents necessary in that respect, and to clarify, specify and construe their contents and correct any flaws, omissions or errors that are identified or brought to light by the CNMV, the Commercial Registry (*Registro Mercantil*) and/or any other competent private or public body.
- (c) Represent the Company before any other Spanish or foreign, private or public, bodies, public offices, registers, institutions before which it is necessary to take any actions relating to the delisting of the Company's shares and, as the case may be, the Open Order.
- (d) Contract and publish the announcements necessary to publicly announce the delisting procedure and, as the case may be, the placement of the Open Order.
- (e) Delegate to the Board of Directors, with express authorisation for substitution by any of its members, the power to appoint, at their discretion, once the Company's shares have been delisted on the Madrid and Barcelona stock exchanges, and while the Company's shares continue to be represented through book entries, the adhered institution responsible for accounting recognition of the Company's shares, with express authorisation to negotiate and sign the corresponding agreements, with express powers to set and agree their financial terms.
- (f) Take all supplementary or ancillary actions that are necessary or convenient for and until and effective completion of the procedure for the delisting of the Company's shares and the successful completion of the Open Order, including, by way of example and without limitation, the entry into with credit institutions, or any other institutions, intermediation, agency and/or deposit agreements, operating instructions and any others that are necessary or convenient for these purposes.

**Fourteenth. Analysis and approval, where applicable, of (i) the amendment of articles Five, Fourteen, Fifteen, Nineteen, Twenty, Twenty-one, Twenty-four, Twenty-five, Twenty-seven and Twenty-eight of the Company's by-laws, including the amendment of the form in which the shares are represented, from book entries to nominative share certificates; and (ii) the repeal of articles Seventeen Bis, Nineteen**

**Bis, Twenty-four Bis, Twenty-four Ter and Twenty-four Quater of the Company's by-laws.**

1. In the case and from the time that the shares representing the entire share capital of the Company are delisted, the Board of Directors proposes that, expressly repealing their current wording, the following articles have the wording set out in **Appendix I**: Five (relating to the share capital), Fourteen (relating to the right to attend and proxies), Fifteen (relating to the quorum of the general meeting), Nineteen (relating to the board), Twenty (relating to board meetings), Twenty-one (quorum and passing resolutions at board meetings), Twenty-four (relating to the directors compensation), Twenty-five (relating to directors' remuneration), Twenty-seven (relating to the annual accounts and distributions) and Twenty-eight (winding up).

Therefore, the amendment of the above-mentioned articles would remain conditional, as a condition precedent, until the companies which run the Madrid and Barcelona stock exchanges effectively delist the shares of the Company.

In relation to the amendment of the form in which the shares are represented, the Board of Directors proposes that the shares are represented by means of nominative share certificates instead of book entries, subject to the companies which run the Madrid and Barcelona stock exchanges effectively delist the shares of the Company and the obtaining of the authorisation of the Spanish Securities Exchange Commission in accordance with article 3 of the Royal Decree 116/1992 of 14 February on the representation of securities by means of book entries and clearing and settlement of transactions.

To carry out such amendment of the form in which the shares of the Company are represented, it is proposed to delegate to the Board of Directors, with express authorisation for substitution by any of its members, the following powers to:

- a) Formalise the above-mentioned amendment of the form in which all shares of the Company are represented, determining the procedure for it and taking all actions that may be necessary or convenient for such purpose, in accordance with Royal Decree 116/1992 of 14 February on the representation of securities by means of book entries and clearing and settlement of transactions, Article 119 on the Companies Act and other applicable regulations.
- b) Appear, submit and process all records, applications, requests and other necessary documents to the CNMV, the companies that run the corresponding securities exchanges, the Spanish clearing and settlement system Iberclear, any companies that are participants, adhered and/or responsible for the accounting recognition of book-entry securities, and other private or public bodies, national or foreign, represent the Company, continue and request the verification procedure in all its stages, until completion and, in general, sign all kinds of documents, take and make all actions, agreements, authorisations, make all communications and adopt as many agreements and measures considered necessary or convenient for the amendment of the form in which the shares of the Company are represented as nominative share certificates, and to clarify, specify and construe their contents and correct any flaws, omissions or errors that are identified or brought to light by the CNMV, the

Commercial Registry (Registro Mercantil) and/or any other competent private or public body.

- c) Contract and publish the announcements necessary to publicly announce the procedure for the amendment of the form in which all shares of the Company are represented, as well as the process by which such amendment is made.
  - d) Appoint, at their discretion, once the Company's shares have been delisted on the Madrid and Barcelona stock exchanges, and while the Company's shares continue to be represented through book entries, the adhered institution responsible for accounting recognition of the Company's shares, with express authorisation to negotiate and sign the corresponding agreements, with express powers to set and agree their financial terms.
  - e) Take all supplementary or ancillary actions that are necessary or convenient for and until and effective completion of the amendment of the form in which all shares are represented as nominative share certificates, including, by way of example and without limitation, the entry into with credit institutions, or any other institutions, intermediation, agency and/or deposit agreements, operating instructions and any others that are necessary or convenient for these purposes.
2. In the case and from the time that the shares representing the entire share capital of the Company are delisted, the Board of Directors proposes to repeal expressly and in full articles Seventeen Bis (regarding vote by means of remote communication), Nineteen Bis (regarding the cessation of directors) and articles Twenty-four Bis, Twenty-four Ter and Twenty-four Quarter of the Company's by-laws (regarding all of them to the Audit Committee).

Therefore, the repeal of the above-mentioned articles would remain conditional, as a condition precedent, until the companies which run the stock exchanges of Madrid and Barcelona effectively delist the shares of the Company.

**Fifteenth. Analysis and approval, where applicable, of the repeal of the general meeting regulations.**

In the case and from the time that the shares representing the entire share capital of the Company are delisted, the Board of Directors proposes to repeal expressly and in full the Regulations of the General Shareholders Meeting of the Company, the last version of which was approved on 29 May 2012.

Therefore, the repeal of the Regulations of the General Shareholders Meeting remains conditional, as a condition precedent, until the companies which run the stock exchanges of Madrid and Barcelona effectively delist the shares of the Company.

**Sixteenth. Analysis and approval, where applicable, of the delegation of powers in favour of the Board of Director to construe, apply, give effect to, and carry out, those resolutions passed by the General Meeting which require it, including any corrections which may be required to comply with any necessary requirements either to give effect to them or to register them.**

The Board of Directors proposes in relation to all the agreements previously adopted, to delegate to the Board of Directors of the Company so that they may, with authorisation to in turn delegate to any of its members or the Secretary of the Board, appear before the relevant Commercial Registries, the Spanish Securities Exchange Commission (CNMV), and any other relevant public or private authorities, official bodies or entities to sign to such effect any public or private documents, and taking and completing all actions and procedures that are necessary or convenient for the successful implementation of the preceding resolutions, and specifically to the establishment, clarification, precision, modification or interpretation of their content in all of the conditions of the same that were not foreseen by the General Shareholders Meeting, formalising any complementary documents that may be required, as well as to rectify any errors or omissions that may be indicated or brought to light by the Spanish Securities Exchange Commission (CNMV), the Commercial Registry and/or any other relevant authorities, agencies or entities.

**Seventeenth. Analysis and approval, where applicable, of the authorisation to execute in public deeds those General Meeting resolutions which so require or which have to be registered in Public Registers, and to give effect to such resolutions.**

The Board of Directors proposes to grant faculties to Mr. Pedro Ballve Lantero and to Ms. Emmanuelle Bely, so that either, acting jointly and severally, may carry out the resolutions adopted during this Shareholders Meeting, extending to such effect any public or private documents that may be required, and duly registering them in the Public Registries and carrying out any complementary actions that may be needed.

**Eighteenth.- Any other business.**

**Approved by the Board of Directors meetings of Campofrío Food Group S.A. on 22 May 2014.**



## APPENDIX I

### **Text of articles Five, Fourteen, Fifteen, Nineteen, Twenty, Twenty-one, Twenty-four and Twenty-seven of the Company's by-laws, including the amendment of the form on which the shares are represented, from book entries to nominative share certificates whose approval is proposed in the general shareholders meeting**

#### **ARTICLE FIVE**

The Company's share capital is ONE HUNDRED AND TWO MILLION TWO HUNDRED AND TWENTY THOUSAND EIGHT HUNDRED AND TWENTY-THREE EUROS (102,220,823 euros), represented by 102,220,823 shares, with a par value of one euro each one, [numbered from 1 to 102,220,823 \(both included\)](#), in a single series, fully subscribed and paid up. The shares are all of the same kind and class ~~with and have~~ the same rights and obligations ~~and as represented by the book entries~~ [are represented by means of normative titles, which might be multiple.](#)

#### **ARTICLE FOURTEEN**

##### **Right of Attendance. Minimum Shareholding Requirement. Pooling.**

Those shareholders recorded as such in the ~~account entries~~ [share registry book](#) of the company's ~~books~~ may attend the General Meeting, providing notice of their attendance five days before the date when the General Meeting is to be held. Shareholders may attend the General meetings themselves or by means of proxy, provided that they have a minimum of 10 shares, either own shares, represented shares or both own and represented shares, and may in any event, pool their shares to attain the minimum number required to be able to attend the General Meeting.

##### **Attendance by the Board and Managers**

Directors shall attend General Meetings. The meetings may also be attended by managers, technical staff and other persons related to the Company whose attendance is deemed to be appropriate by the Board in view of the items included on the Agenda.

##### **Proxy**

Any shareholder entitled to attend may appoint another person as proxy to represent them at the General Meeting, even if such person is not a shareholder in the manner and subject to the requirements referred to above and under the legal provisions applicable from time to time.

The proxy shall be specific for each meeting and must be granted in writing or by means of remote communication, provided that these means sufficiently guarantee the identity of the represented shareholder and fulfill the requirements established or to be established for remote means of voting, in accordance with these By-laws.

~~If instructions have been issued by the shareholder conferring the proxy, the proxy will vote in accordance therewith and will be required to preserve the instructions for one year after the holding of the corresponding meeting.~~

##### **Proxy Solicitation**

In the event of proxy solicitation, the provisions of the Capital Companies Act, ~~and where applicable, those governing listed companies in the Securities Markets Act~~ shall apply.

Unless express instructions are given otherwise by the shareholder, in the event that the proxy holder is affected by a conflict of interest, it shall be assumed that the shareholder has also appointed as proxy holders, jointly and severally and successively, the Chairman of the General Shareholders Meeting, and if he/she is affected by a conflict of interest, the Secretary of the General Shareholder Meeting, ~~and if the later is affected by a conflict of interest, the Chairman of the Audit committee.~~ When the proxy is delivered to the company without express identification of the proxy holder, it shall be assumed that the shareholder has

appointed as proxy holders the persons holding the aforementioned offices, and the rule set forth in the foregoing paragraph shall apply.

The proxy may also include any other items that are not included on the Agenda, but which may be discussed at the meeting, when permitted by the law. In this case, the indications made in the foregoing paragraphs shall also apply. In the event that the proxy does not include voting instructions as to the proposals on the Agenda, unless otherwise indicated in the proxy, it shall be understood that the proxy holder shall vote in favor of the proposals submitted by the Board of Directors.

Conversely, when items are to be discussed at the meeting that are not included on the Agenda, in the event that the proxy does not include voting instructions in this respect, unless otherwise indicated in the proxy, it shall be understood that the proxy holder shall vote against those proposals.

#### ARTICLE FIFTEEN

##### Ordinary Quorum and ordinary majority

It shall be deemed that the General Meeting at first call has sufficient quorum when the shareholders present or represented hold at least twenty-five per cent of the subscribed voting capital. At second call, the General Meeting shall be deemed to have sufficient quorum irrespective of the voting capital present or represented. Notwithstanding the following paragraphs, the resolutions will be adopted at ordinary majority of the votes of the present or represented shareholders.

##### Enhanced Quorum

For the General Meeting to validly approve the issue of debentures, capital increases or decreases, the deletion or limitation of the preemption rights of new shares, the conversion, merger or spin-off, global assignment of assets and liabilities as well as the change of corporate address of the Company to a foreign country of the Company, and in general, any amendment to these by-laws, it shall be necessary, at first call, for shareholders holding at least ~~fifty-five~~ sixty-five per cent of the subscribed voting capital to be in attendance, either directly or by proxy. At second call, attendance by ~~fifty-twenty-five~~ sixty-five per cent of such capital shall be sufficient.

The resolutions referred to in the paragraph above shall require the affirmative vote of two-thirds of the capital present or represented at the meeting on second call when shareholders represent twenty-five percent or more of the share capital with voting rights without reaching fifty percent, either at first or second call, to be validly adopted the majority of the voting capital present or represented at the Board Meeting, as long as this majority represents, at least, forty five per cent of the subscribed voting capital.

#### ARTICLE NINETEEN

##### Function of the Board

The Board of Directors shall also be responsible for the management, representation and administration of the Company, having the broadest powers for such purpose. Its representative powers extend to all those acts deemed necessary for the enforcement of its corporate purpose established herein.

##### Composition of the Board

The Board of Directors shall be composed of seven have a minimum number of three members and a maximum number of fifteen, which shall include one Chairman and one ~~or more~~ Vice-chairman to act in lieu of the Chairman in the event of his/her absence. The order of preference for substitution shall follow the same order as the appointment of such members to the Board. The Board itself shall also elect a Secretary, and optionally, a Vice-secretary to substitute the Secretary in the event of his/her absence. The Secretary and the Vice-secretary may or may not be directors. In the latter case they shall have a voice at the meetings but

**Compatibility and Term of Office and Re-election** no vote.  
It is not necessary to be a shareholder to become a member of the Board of Directors, and the capacity of Director is compatible with any other office within the Company.

**Re-election** Directors shall be appointed and removed by the General Shareholders Meeting upon proposal by the Board of Directors.  
Directors shall be appointed for a period of ~~five~~ six years, and may be reelected one or more times for the same period of time.  
~~Proposals to appoint, reelect or dismiss Directors submitted to the General Shareholders Meeting by the Board of Directors shall be made in turn upon proposal by the Appointments and Remunerations Committee, in the case of independent Directors, based on a list prepared by specialized advisories if it is required by any Director, and following a report by such Committee in the case of all other Directors.~~

**Post-termination restrictions** Directors terminating their term of office, or who for any other reason cease to perform the duties of their office, may not render services to any company with a similar corporate purpose to that of the Company for a term of two years, unless such companies are affiliated to the Group or the Board of Directors releases them from this obligation or reduces the period during which such services may not be rendered.

**Co-opting** Any vacant positions that may arise on the Board ~~shall~~ may be covered provisionally by the Board of Directors, ~~upon proposal by the Appointment and Remunerations Committee,~~ by means of the designation, among the shareholders, of those persons that shall temporarily hold the position of Director until a final resolution is adopted by the next General Meeting.

**Regulation** The Board of Directors ~~shall~~ may ~~rule set forth the rules governing~~ its own internal procedures by way of a Board regulation in a Regulation and shall accept the resignation of its Directors in accordance with the provisions of the Capital Companies Act.

## ARTICLE TWENTY Meetings

1. The Board of Directors shall meet whenever the interests of the Company so advise ~~and at least three times a year~~, and at the initiative of the Chairman, as many times as he/she deems appropriate for the proper running of the Company or if requested when so requested by any of the Committees, if appointed, or by one a third of the Directors.

~~Likewise, when the person holding office as Chairman has the capacity of executive director/senior executive of the Company, the Board may authorize one of its independent directors on a permanent basis to request that the Chairman call a meeting of the Board or include new items on the Agenda.~~

2. Notice of ordinary meetings shall be sent by letter, ~~fax, telegram~~ or electronic mail or any other written or telematic means and shall be signed by the Chairman or the Secretary under the instructions of the Chairman ~~in witness of their approval~~. Notice shall be sent at least ~~seven~~ fifteen days in advance. ~~Directors comprising at least one third of the members of the Board may call a meeting of the Board of Directors, indicating the agenda, to be held at the location of the registered office, if, after a request to the chairman, he has not made the call within a term of one month without just cause.~~ Notice of the meeting shall always include the Agenda for the meeting and shall be accompanied by the relevant information duly summarized and prepared, ~~in accordance with the applicable legislation. A meeting without previous notice will be valid if all the directors are present and agree unanimously to celebrate the meeting.~~

3. The directors may participate in any meetings of the Board using

videoconference, teleconference or any other similar means of communication pursuant to which all persons which will participate to the meeting can be heard and recognized and their participation will be considered as attendance in person to the meeting of said directors.

~~3. Extraordinary meetings of the Board may be called by telephone, and the notice period and other requirements set out in the foregoing section shall not apply when, in the Chairman's opinion, the circumstances so dictate.~~

~~4. The Board shall draw up an annual schedule of ordinary meetings, and where possible, shall have a formal list of matters to be addressed. In accordance with the provisions of the Regulation of the Board, the Board shall set aside at least one meeting a year to assess its procedure and the quality of its work.~~

## ARTICLE TWENTY-ONE

### Quorum for the Board

The meetings of the Board of Directors shall be deemed to have sufficient quorum when half plus one of its members are present or represented. Directors may delegate their vote to other Directors, provided that this is done in writing and is specifically for each meeting.

### Approval Resolutions

of

The resolutions of the Board of Directors shall be adopted by an absolute majority of ~~those present~~its members, unless stipulated otherwise by the law or the Company By-laws.

~~In any event, a majority of two thirds of the members of the Board shall be required in order to (i) validly resolve on matters reserved to the Board pursuant to article twenty-four of these By-Laws (with the exception of the appointment and dismissal of top executives, in accordance with article 24 d), which shall only require absolute majority) (ii) appoint one or several Managing Directors and (iii) amend the Board Regulations.~~

## ARTICLE TWENTY-FOUR

### Matters reserved to the Board Delegation of ordinary management

The general policy of the Board shall be to delegate the ordinary management of the Company to executive bodies and to the management team, and the exercise of the general function of monitoring, though in no event those matters which are reserved to the Boards' direct knowledge under the law or the By-laws shall be delegated, nor those necessary for the Board to undertake a responsible exercise of its general function of monitoring and supervision.

~~In accordance with the above provisions and except as otherwise necessary in the event of urgency, the Board shall be the only one entitled to resolve on the following matters:~~

- ~~a) The decisions that imply a structural modification of the Company including any proposal consisting on the modification of the Company By-laws.~~
- ~~a) The "affiliation" or transfer of the Company's essential activities to its subsidiaries.~~
- ~~b) The definition and approval of the Company's general policies and strategies and, in particular: (i) the strategic or business plan, management targets and annual budgets; (ii) the investment and financing policy; (iii) the design of the structure of the corporate group; (iv) the corporate governance policy and the corporate social responsibility policy; (v) the remuneration and evaluation of senior officers policy; (vi) the risk control and management policy; (vii) the dividend policy and the policy applying to treasury stock.~~
- ~~c) The appointment and eventual removal of senior officers, on the proposal of the Company's chief executive, where applicable, and their compensation clauses.~~
- ~~d) The approval of the directors' remuneration, in accordance with the provisions of article twenty-five of the by-laws, and, in the case of executive directors, the additional consideration for their~~

<b>Managing Director</b>	<p><del>management duties.</del></p> <p><del>e) The financial information that listed companies are required to periodically disclose, unless such information was previously known or disclosed by the Auditing Committee.</del></p> <p><del>f) Investments, sales or purchases of assets or operations considered strategic by virtue of their amount or special characteristics.</del></p> <p><del>g) The creation or acquisition of shares in special purpose entities or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.</del></p> <p><del>h) The approval of transactions which the Company conducts with directors, significant shareholders or shareholders with Board representation, or other persons related thereto, unless those transactions meet the following conditions: (i) they are governed by standard-form agreements applied on an across-the-board basis to a large number of clients, (ii) they go through at market rates, generally set by the supplier and, (iii) their amount is no more than 1% of the Company's annual revenues. The foregoing shall be understood without prejudice to the competences of the Auditing Committee and the directors' conflict of interest duties as set forth in the Capital Corporations Act.</del></p> <p><del>The Board shall approve, in its case, transactions with related parties with the prior favorable report of the Auditing Committee, in accordance with the provisions of these By-laws.</del></p> <p><del>Any decisions on the matters described above which are directly adopted in accordance with this article by the delegated bodies or the management team on emergency grounds shall be notified and disclosed at the following Board meeting, and shall be expressly submitted for ratification by such body if necessary.</del></p> <p>The Board may appoint by means of a two-thirds majority one or more Managing Directors from among its members, drawing up a detailed list of the powers vested or specifying that all the powers are vested that may be vested by law and by the Company by-laws <u>or specifying that all powers are vested except for those that may not be vested by law and by the company by-laws and any others that the Board itself may determine.</u></p>
<b>Committees</b>	<p><del>If several Managing Directors exist, indication should be made as to which powers are to be exercised jointly and severally and which are to be exercised jointly, or where applicable, if all or any shall be exercised either one way or the other.</del></p> <p><del>Without prejudice to those powers vested on the Managing Director(s) and the provisions of these By-Laws and the Regulation of the Board with respect to the Audit Committee and the Appointments and Remunerations Committee, when circumstances so dictate, the Board of Directors may create within the Board a Strategy and Investments Committee, as well as one or more Delegate Committees to address other issues falling within its remit or other specific matters.</del></p>
<b>Regulation</b>	<p><del>The Board of Directors shall appoint its members <u>and may</u>, decide on its organization and procedure, <u>and approve its Regulations when applicable.</u></del></p>
<b>ARTICLE TWENTY-FIVE Remuneration</b>	<p>The office of Director shall be remunerated. Such remuneration shall consist of an annual fixed amount to be decided each year by the company's <u>Board of Directors/General Meeting, being the Board entitled to decide on the exact distribution among its members taking into account the functions, responsibilities and dedication of the members to the corporate management</u> for the year in which such decision is taken. <del>The Board shall also decide on the criteria for its distribution among the</del></p>

~~members of the Board.~~

Such ~~annual~~ amount shall ~~be not exceed the maximum annual amount~~ established by the General Meeting, which shall be deemed to be effective for the actual year in course and for years thereafter, until amendment thereof ~~by the General Meeting.~~

**Other Payments**

Additionally, the Directors may also receive as remuneration, cumulatively to the remuneration stipulated in the foregoing section, shares or option rights over such shares or that are linked to the value thereof, the approval of which shall require the relevant resolution of the General Shareholders Meeting, which shall decide on the value of the shares to be taken as a benchmark, the number of shares to be granted to each Director, the price at which the option rights may be exercised, the term of application of this system of remuneration, and any other terms and conditions that it deems appropriate.

The foregoing shall not prevent or restrict any other remuneration agreed to by the company with its Directors within the scope of an employment relationship or for the performance of specific professional services.

**ARTICLE TWENTY-SEVEN**

**Preparation of accounts**

Within the first three months of each financial year, the Board of Directors shall prepare the annual accounts, the management report and the proposal for the allocation of results. Following the review and discussion thereof by the Auditors, where applicable, they shall be submitted to the General Meeting, within the time limit set forth by law.

**Allocation of Results**

The allocation of results for the financial year by the General Meeting shall be carried out as follows:

- a) Those amounts forming by law the mandatory reserve funds – specific, corporate etc.
- b) Any surplus, in accordance with the resolutions adopted by the General Meeting of Shareholders.

The Board of Directors may decide to distribute interim dividends, subject to the restrictions and the requirements of the Capital Companies Act.

**ARTICLE TWENTY-EIGHT**

**Dissolution**

The Company shall be dissolved for those reasons established in the Capital Companies Act.

**Quorum for dissolution**

When the Company must be dissolved for legal reasons requiring a resolution of the General Meeting of Shareholders, such meeting shall be deemed to have sufficient quorum in the terms set forth in paragraph ~~two~~ one of article fifteen of these By-laws.

Where the dissolution of the Company results from losses implying that the Company's net worth is less than half the share capital, such dissolution may be avoided by means of a resolution to increase or reduce the share capital accordingly. Such adjustment shall be enforceable provided that it is carried out before the Company is legally declared to have been dissolved.

# REPORT FROM THE BOARD OF DIRECTORS OF CAMPOFRÍO FOOD GROUP, S.A. RELATING TO THE PROPOSED AMENDMENTS OF THE COMPANY'S BY-LAWS (INCLUDING THE CHANGE IN FORM OF REPRESENTATION FROM BOOK-ENTRY SHARES TO REGISTERED SHARE CERTIFICATES) AND REPEAL OF THE REGULATIONS OF THE GENERAL MEETING OF SHAREHOLDERS

In Alcobendas, 22 May 2014.

## 1 Purpose of this report

The board of directors of Campofrío Food Group, S.A. ("**Campofrío**" or the "**Company**"), at the meeting held today, agreed to call an ordinary general meeting of shareholders at 12pm on 25 June 2014 at first call and at the same time the next day at second call.

The board has agreed to submit the following resolutions (among others) for approval at that general meeting:

- (a) Delisting the shares representing the entire issued share capital of Campofrío on the Madrid and Barcelona stock exchanges and Spain's electronic trading system.
- (b) In the case and from the time that all the shares representing the Company's share capital are delisted:
  - (i) Amendment and repeal of certain articles in the Company's by-laws, including as a result of the change in the form of representation of the shares in Campofrío, reverting from book-entry shares to physical registered share certificates; and
  - (ii) Repeal of the rules of the general meeting of shareholders.

This report is issued in accordance with article 286 of the Spanish Companies Act (the "**Act**"). Under that law, the board must prepare a report setting out its reasons for the proposals put to the general meeting of shareholders, as they involve amending the Company's by-laws.

## 2 Reasons for the proposed statutory amendments

On 21 May 2014 Spain's securities regulator, Comisión Nacional del Mercado de Valores ("**CNMV**"), approved the prospectus for the takeover bid for the shares of the Company made jointly by Sigma Alimentos, S.A. de C.V. and WH Group Limited, through Sigma & WH Food Europe, S.L.U. (the "**Prospectus**" and the "**Bid**", respectively).

In the regulatory notice (*hecho relevante*) published on 23 December 2013 and in the Prospectus, the offerors have stated that, irrespective of the outcome of the Bid, they will seek to remove all the Company's shares from trading on the Madrid and Barcelona stock exchanges and, consequently, from Spain's electronic trading system (*Sistema de Interconexión Bursátil*), in accordance with article 34 of the Spanish Securities Market Act 1988 (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) and Royal Decree 1066/2007, of 27 July, on Spain's takeover rules.

As a result of the above, the proposed statutory amendments are due to the major changes for the Company that would result from the Bid, its current shareholder structure and its imminent delisting. Specifically, the proposed amendments are to adapt the wording

of the by-laws to the new situation as a private and unlisted company, making the management of Campofrío more flexible and efficient. This delisting also means very significant changes in the legislation that applies to the Company and various aspects of how it functions. It is therefore proposed to remove references to legislation that will not apply to the Company after it goes private.

The board has also considered it appropriate to include certain legislative changes in recent years and not yet reflected in the current by-laws.

Finally, the board proposes to repeal the regulations of the general meeting of shareholders on the grounds that, once the Company's shares have been delisted, these rules will mean higher costs for the Company and would not enable it be managed flexibly and efficiently.

It is also stated that the Prospectus specifically provides, in section 9 of Chapter IV, that the offerors will make the appropriate amendments to Campofrío's by-laws and internal regulations (for the board of directors, general meeting, and code of conduct) for these documents to reflect the nature and reality of a company whose shares are not traded on the stock exchange.

## **2.1 Proposed amendments of the Company's by-laws**

### **2.1.1 *Amendment of articles Five, Fourteen, Fifteen, Nineteen, Twenty, Twenty-one, Twenty-four, Twenty-five, Twenty-seven and Twenty-eight of the Company's by-laws***

In the case and from the time that all the shares representing Campofrío's share capital are delisted, it is proposed to the Company's shareholders that, expressly repealing their current wording, these articles have the wording set out in **Appendix I**: Five (relating to the share capital), Fourteen (relating to the right to attend and proxies), Fifteen (relating to the quorum of the general meeting), Nineteen (relating to the board), Twenty (relating to board meetings), Twenty-one (quorum and passing resolutions at board meetings), Twenty-five (relating to directors' remuneration), Twenty-seven (relating to the annual accounts and distributions) and Twenty-eight (winding up).

Accordingly, amendment of the above articles would remain conditional, as a condition precedent, until the companies that run the Madrid and Barcelona stock exchanges have effectively delisted the Company's shares.

These proposed amendments to the by-laws are for the reasons and based on the arguments mentioned in section 2 above.

### **2.1.2 *Change in the form of representation of the shares that make up the Company's share capital, from book-entry shares to physical registered share certificates***

The change in the form of representation of the shares, from book-entry shares to physical registered share certificates, is due to the fact that, once the process of delisting the Company's shares on the Madrid and Barcelona stock exchanges has been completed, it will not be legally necessary for these to be book-entry shares and, in view of the wishes of the offerors who have made the Bid, registered share certificates are an appropriate form of representation for the Company's new situation.

Reasons of containing costs and efficient management also make it advisable to change the form of representation of the shares.



The amendment would affect the one hundred and two million two hundred and twenty thousand eight hundred and twenty-three (102,220,823) shares into which the Company's share capital is divided in equal fashion.

The reversion in the form of representation from book-entry shares to physical certificates of registered shares would remain conditional, as a condition precedent, until the companies that run the Madrid and Barcelona stock exchanges have effectively delisted the Company's shares and authorisation has been obtained from the Comisión Nacional del Mercado de Valores, pursuant to article 3 of Royal Decree 116/1992, of 14 February, on book-entry securities and clearing and settlement of transactions.

**2.1.3 *Repeal of articles Seventeen Bis, Nineteen Bis, Twenty-four Bis, Twenty-four Ter and Twenty-four Quater of the Company's by-laws***

As stated in the notice of the general meeting of shareholders, it is proposed to expressly repeal in full articles Seventeen Bis (relating to voting by means of remote communication), Nineteen Bis (relating to the removal of directors) and Twenty-four Bis, Twenty-four Ter and Twenty-four Quater of the Company's by-laws (all relating to the Audit Committee), in the case and from the time that all the shares representing Campofrío's share capital are delisted.

As previously mentioned, the proposal to repeal articles Seventeen Bis, Nineteen Bis, Twenty-four Bis, Twenty-four Ter and Twenty-four Quater of the Company's by-laws is to adapt Campofrío's internal rules and regulations to its new situation as a non-listed company. These changes would also contribute to a more efficient management and functioning of the general meeting of shareholders in economic and operational terms.

**2.2 Repeal of the rules of the general meeting of the Company's shareholders**

In the case and from the time that all the shares representing Campofrío's share capital are delisted, the board proposes to the shareholders to repeal, expressly and fully, the rules of the general meeting of shareholders, the latest version of which was approved on 29 May 2012.

As previously mentioned, the proposed repeal of the rules of the general meeting is for reasons of operating and cost efficiency, making it possible to run that body in an efficient and reasonable way after the Company's shares have been delisted.

**3 Shareholder information rights**

This report is issued in view of shareholders' information rights. Shareholders may read the full text of the proposed amendments of the Company's by-laws at Campofrío's registered office or ask for a copy to be sent or delivered free of charge. The statutory amendments and this report will also be available on the Company's website ([www.campofriofoodgroup.com](http://www.campofriofoodgroup.com)).

The notice of the ordinary general meeting of shareholders will state the right of all shareholders to receive a full text of the proposed statutory amendment and this report, as well as to ask to be delivered or sent these documents free of charge.

**APPENDIX I**

**Text of articles Five, Fourteen, Fifteen, Nineteen, Twenty, Twenty-one, Twenty-four and Twenty-seven of the Company's by-laws, including the amendment of the form on which the shares are represented, from book entries to nominative share certificates whose approval is proposed in the general shareholders meeting**

**ARTICLE FIVE**

The Company's share capital is ONE HUNDRED AND TWO MILLION TWO HUNDRED AND TWENTY THOUSAND EIGHT HUNDRED AND TWENTY-THREE EUROS (102,220,823 euros), represented by 102,220,823 shares, with a par value of one euro each one, [numbered from 1 to 102,220,823 \(both included\)](#), in a single series, fully subscribed and paid up. The shares are all of the same kind and class ~~with and have~~ the same rights and obligations ~~and as represented by the book entries are represented by means of normative titles, which might be multiple.~~

**ARTICLE FOURTEEN**

**Right of Attendance.  
Minimum  
Shareholding  
Requirement.  
Pooling.**

Those shareholders recorded as such in the ~~account entries~~ [share registry book](#) of the company's ~~books~~ may attend the General Meeting, providing notice of their attendance five days before the date when the General Meeting is to be held. Shareholders may attend the General meetings themselves or by means of proxy, provided that they have a minimum of 10 shares, either own shares, represented shares or both own and represented shares, and may in any event, pool their shares to attain the minimum number required to be able to attend the General Meeting.

**Attendance by the  
Board and Managers**

Directors shall attend General Meetings. The meetings may also be attended by managers, technical staff and other persons related to the Company whose attendance is deemed to be appropriate by the Board in view of the items included on the Agenda.

**Proxy**

Any shareholder entitled to attend may appoint another person as proxy to represent them at the General Meeting, even if such person is not a shareholder in the manner and subject to the requirements referred to above and under the legal provisions applicable from time to time. The proxy shall be specific for each meeting and must be granted in writing or by means of remote communication, provided that these means sufficiently guarantee the identity of the represented shareholder and fulfill the requirements established or to be established for remote means of voting, in accordance with these By-laws.

**Proxy Solicitation**

~~If instructions have been issued by the shareholder conferring the proxy, the proxy will vote in accordance therewith and will be required to preserve the instructions for one year after the holding of the corresponding meeting.~~

In the event of proxy solicitation, the provisions of the Capital Companies Act, ~~and where applicable, those governing listed companies in the Securities Markets Act~~ shall apply.

Unless express instructions are given otherwise by the shareholder, in the event that the proxy holder is affected by a conflict of interest, it shall be assumed that the shareholder has also appointed as proxy holders, jointly and severally and successively, the Chairman of the General Shareholders Meeting, and if he/she is affected by a conflict of interest, the Secretary of the General Shareholder Meeting, ~~and if the later is affected by a conflict of interest, the Chairman of the Audit committee.~~ When the proxy is delivered to the company without express identification of the proxy holder, it shall be assumed that the shareholder has appointed as proxy holders the persons holding the aforementioned

offices, and the rule set forth in the foregoing paragraph shall apply.

The proxy may also include any other items that are not included on the Agenda, but which may be discussed at the meeting, when permitted by the law. In this case, the indications made in the foregoing paragraphs shall also apply. In the event that the proxy does not include voting instructions as to the proposals on the Agenda, unless otherwise indicated in the proxy, it shall be understood that the proxy holder shall vote in favor of the proposals submitted by the Board of Directors.

Conversely, when items are to be discussed at the meeting that are not included on the Agenda, in the event that the proxy does not include voting instructions in this respect, unless otherwise indicated in the proxy, it shall be understood that the proxy holder shall vote against those proposals.

**ARTICLE FIFTEEN**

**Ordinary Quorum and ordinary majority**

It shall be deemed that the General Meeting at first call has sufficient quorum when the shareholders present or represented hold at least twenty-five per cent of the subscribed voting capital. At second call, the General Meeting shall be deemed to have sufficient quorum irrespective of the voting capital present or represented. Notwithstanding the following paragraphs, the resolutions will be adopted at ordinary majority of the votes of the present or represented shareholders.

**Enhanced Quorum**

For the General Meeting to validly approve the issue of debentures, capital increases or decreases, the deletion or limitation of the preemption rights of new shares, the conversion, merger or spin-off, global assignment of assets and liabilities as well as the change of corporate address of the Company to a foreign country of the Company, and in general, any amendment to these by-laws, it shall be necessary, at first call, for shareholders holding at least ~~fif~~sixty-five per cent of the subscribed voting capital to be in attendance, either directly or by proxy. At second call, attendance by ~~fifty~~twenty-five per cent of such capital shall be sufficient.

The resolutions referred to in the paragraph above shall require the affirmative vote of two-thirds of the capital present or represented at the meeting on second call when shareholders represent twenty-five percent or more of the share capital with voting rights without reaching fifty percent, either at first or second call, to be validly adopted ~~the majority of the voting capital present or represented at the Board Meeting, as long as this majority represents, at least, forty five per cent of the subscribed voting capital.~~

**ARTICLE NINETEEN**

**Function of the Board**

The Board of Directors shall also be responsible for the management, representation and administration of the Company, having the broadest powers for such purpose. Its representative powers extend to all those acts deemed necessary for the enforcement of its corporate purpose established herein.

**Composition of the Board**

The Board of Directors shall be composed of seven ~~have a minimum number of three~~ members ~~and a maximum number of fifteen,~~ which shall include one Chairman and one ~~or more~~ Vice-chairman ~~en~~ to act in lieu of the Chairman in the event of his/her absence. ~~The order of preference for substitution shall follow the same order as the appointment of such members to the Board.~~ The Board itself shall also elect a Secretary, and optionally, a Vice-secretary to substitute the Secretary in the event of his/her absence. The Secretary and the Vice-secretary may or may not be directors. In the latter case they shall have a voice at the meetings but no vote.

**Compatibility and**

It is not necessary to be a shareholder to become a member of the Board

<b>Term of Office <u>and</u> <u>Re-election</u></b>	of Directors, and the capacity of Director is compatible with any other office within the Company.
<b>Re-election</b>	Directors shall be appointed and removed by the General Shareholders Meeting upon proposal by the Board of Directors. Directors shall be appointed for a period of <del>five</del> <u>six</u> years, and may be reelected one or more times for the same period of time. <del>Proposals to appoint, reelect or dismiss Directors submitted to the General Shareholders Meeting by the Board of Directors shall be made in turn upon proposal by the Appointments and Remunerations Committee, in the case of independent Directors, based on a list prepared by specialized advisories if it is required by any Director, and following a report by such Committee in the case of all other Directors.</del>
<b>Post-termination restrictions</b>	Directors terminating their term of office, or who for any other reason cease to perform the duties of their office, may not render services to any company with a similar corporate purpose to that of the Company for a term of two years, unless such companies are affiliated to the Group or the Board of Directors releases them from this obligation or reduces the period during which such services may not be rendered.
<b>Co-opting</b>	Any vacant positions that may arise on the Board <del>shall</del> <u>may</u> be covered provisionally by the Board of Directors, <del>upon proposal by the Appointment and Remunerations Committee,</del> by means of the designation, among the shareholders, of those persons that shall temporarily hold the position of Director until a final resolution is adopted by the next General Meeting.
<b>Regulation</b>	The Board of Directors <del>shall may rule set forth the rules governing</del> its own internal procedures <del>by way of a Board regulation in a Regulation</del> and shall accept the resignation of its Directors in accordance with the provisions of the Capital Companies Act.

**ARTICLE TWENTY  
Meetings**

1. The Board of Directors shall meet whenever the interests of the Company so advise ~~and at least three times a year~~, and at the initiative of the Chairman, as many times as he/she deems appropriate for the proper running of the Company or ~~if requested when so requested by any of the Committees, if appointed, or by one a third of the Directors.~~ ~~Likewise, when the person holding office as Chairman has the capacity of executive director/senior executive of the Company, the Board may authorize one of its independent directors on a permanent basis to request that the Chairman call a meeting of the Board or include new items on the Agenda.~~
2. Notice of ordinary meetings shall be sent by letter, ~~fax, telegram~~ or electronic mail ~~or any other written or telematic means~~ and shall be signed by the Chairman or the Secretary under the instructions of the Chairman ~~in witness of their approval~~. Notice shall be sent at least ~~seven~~ fifteen days in advance. ~~Directors comprising at least one third of the members of the Board may call a meeting of the Board of Directors, indicating the agenda, to be held at the location of the registered office, if, after a request to the chairman, he has not made the call within a term of one month without just cause.~~ Notice of the meeting shall always include the Agenda for the meeting and shall be accompanied by the relevant information duly summarized and prepared, ~~in accordance with the applicable legislation.~~ A meeting without previous notice will be valid if all the directors are present and agree unanimously to celebrate the meeting.
3. The directors may participate in any meetings of the Board using videoconference, teleconference or any other similar means of communication pursuant to which all persons which will participate to the meeting can be heard and recognized and their participation will be

~~considered as attendance in person to the meeting of said directors.  
3. Extraordinary meetings of the Board may be called by telephone, and the notice period and other requirements set out in the foregoing section shall not apply when, in the Chairman's opinion, the circumstances so dictate.~~

~~4. The Board shall draw up an annual schedule of ordinary meetings, and where possible, shall have a formal list of matters to be addressed. In accordance with the provisions of the Regulation of the Board, the Board shall set aside at least one meeting a year to assess its procedure and the quality of its work.~~

## ARTICLE TWENTY-ONE

**Quorum for the Board** The meetings of the Board of Directors shall be deemed to have sufficient quorum when half plus one of its members are present or represented. Directors may delegate their vote to other Directors, provided that this is done in writing and is specifically for each meeting.

**Approval of Resolutions** The resolutions of the Board of Directors shall be adopted by an absolute majority of ~~those present~~its members, unless stipulated otherwise by the law or the Company By-laws.

~~In any event, a majority of two thirds of the members of the Board shall be required in order to (i) validly resolve on matters reserved to the Board pursuant to article twenty-four of these By-Laws (with the exception of the appointment and dismissal of top executives, in accordance with article 24 d), which shall only require absolute majority) (ii) appoint one or several Managing Directors and (iii) amend the Board Regulations.~~

## ARTICLE TWENTY-FOUR

### Matters reserved to the Board Delegation of ordinary management

The general policy of the Board shall be to delegate the ordinary management of the Company to executive bodies and to the management team, and the exercise of the general function of monitoring, though in no event those matters which are reserved to the Boards' direct knowledge under the law or the By-laws shall be delegated, nor those necessary for the Board to undertake a responsible exercise of its general function of monitoring and supervision.

~~In accordance with the above provisions and except as otherwise necessary in the event of urgency, the Board shall be the only one entitled to resolve on the following matters:~~

- ~~a) The decisions that imply a structural modification of the Company including any proposal consisting on the modification of the Company By-laws.~~
- ~~a) The "affiliation" or transfer of the Company's essential activities to its subsidiaries.~~
- ~~b) The definition and approval of the Company's general policies and strategies and, in particular: (i) the strategic or business plan, management targets and annual budgets; (ii) the investment and financing policy; (iii) the design of the structure of the corporate group; (iv) the corporate governance policy and the corporate social responsibility policy; (v) the remuneration and evaluation of senior officers policy; (vi) the risk control and management policy; (vii) the dividend policy and the policy applying to treasury stock.~~
- ~~c) The appointment and eventual removal of senior officers, on the proposal of the Company's chief executive, where applicable, and their compensation clauses.~~
- ~~d) The approval of the directors' remuneration, in accordance with the provisions of article twenty-five of the by-laws, and, in the case of executive directors, the additional consideration for their management duties.~~
- ~~e) The financial information that listed companies are required to periodically disclose, unless such information was previously known or disclosed by the Auditing Committee.~~

- ~~f) Investments, sales or purchases of assets or operations considered strategic by virtue of their amount or special characteristics.~~
- ~~g) The creation or acquisition of shares in special purpose entities or entities resident in jurisdictions considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the group.~~
- ~~h) The approval of transactions which the Company conducts with directors, significant shareholders or shareholders with Board representation, or other persons related thereto, unless these transactions meet the following conditions: (i) they are governed by standard-form agreements applied on an across-the-board basis to a large number of clients, (ii) they go through at market rates, generally set by the supplier and, (iii) their amount is no more than 1% of the Company's annual revenues. The foregoing shall be understood without prejudice to the competences of the Auditing Committee and the directors' conflict of interest duties as set forth in the Capital Corporations Act.~~

~~The Board shall approve, in its case, transactions with related parties with the prior favorable report of the Auditing Committee, in accordance with the provisions of these By-laws.~~

~~Any decisions on the matters described above which are directly adopted in accordance with this article by the delegated bodies or the management team on emergency grounds shall be notified and disclosed at the following Board meeting, and shall be expressly submitted for ratification by such body if necessary.~~

**Managing Director**

The Board may appoint by means of a two-thirds majority one or more Managing Directors from among its members, drawing up a detailed list of the powers vested or specifying that all the powers are vested that may be vested by law and by the Company by-laws or specifying that all powers are vested except for those that may not be vested by law and by the company by-laws and any others that the Board itself may determine.

~~If several Managing Directors exist, indication should be made as to which powers are to be exercised jointly and severally and which are to be exercised jointly, or where applicable, if all or any shall be exercised either one way or the other.~~

**Committees**

~~Without prejudice to those powers vested on the Managing Director(s) and the provisions of these By-Laws and the Regulation of the Board with respect to the Audit Committee and the Appointments and Remunerations Committee, when circumstances so dictate, the Board of Directors may create within the Board a Strategy and Investments Committee, as well as one or more Delegate Committees to address other issues falling within its remit or other specific matters.~~

**Regulation**

The Board of Directors shall appoint its members and may, decide on its organization and procedure, ~~and approve its Regulations when applicable.~~

**ARTICLE TWENTY-FIVE**

**Remuneration**

The office of Director shall be remunerated. Such remuneration shall consist of an annual fixed amount to be decided each year by the company's ~~Board of Directors~~General Meeting, being the Board entitled to decide on the exact distribution among its members taking into account the functions, responsibilities and dedication of the members to the corporate management for the year in which such decision is taken. The Board shall also decide on the criteria for its distribution among the members of the Board.

Such annual amount shall ~~be not exceed the maximum annual amount~~ established by the General Meeting, which shall be deemed to be effective for the actual year in course and for years thereafter, until amendment thereof by the General Meeting.

**Other Payments** Additionally, the Directors may also receive as remuneration, cumulatively to the remuneration stipulated in the foregoing section, shares or option rights over such shares or that are linked to the value thereof, the approval of which shall require the relevant resolution of the General Shareholders Meeting, which shall decide on the value of the shares to be taken as a benchmark, the number of shares to be granted to each Director, the price at which the option rights may be exercised, the term of application of this system of remuneration, and any other terms and conditions that it deems appropriate.  
The foregoing shall not prevent or restrict any other remuneration agreed to by the company with its Directors within the scope of an employment relationship or for the performance of specific professional services.

**ARTICLE TWENTY-SEVEN**

**Preparation of accounts** Within the first three months of each financial year, the Board of Directors shall prepare the annual accounts, the management report and the proposal for the allocation of results. Following the review and discussion thereof by the Auditors, where applicable, they shall be submitted to the General Meeting, within the time limit set forth by law.

**Allocation of Results** The allocation of results for the financial year by the General Meeting shall be carried out as follows:  
a) Those amounts forming by law the mandatory reserve funds – specific, corporate etc.  
b) Any surplus, in accordance with the resolutions adopted by the General Meeting of Shareholders.  
The Board of Directors may decide to distribute interim dividends, subject to the restrictions and the requirements of the Capital Companies Act.

**ARTICLE TWENTY-EIGHT**

**Dissolution** The Company shall be dissolved for those reasons established in the Capital Companies Act.

**Quorum for dissolution** When the Company must be dissolved for legal reasons requiring a resolution of the General Meeting of Shareholders, such meeting shall be deemed to have sufficient quorum in the terms set forth in paragraph ~~two~~ one of article fifteen of these By-laws.  
Where the dissolution of the Company results from losses implying that the Company's net worth is less than half the share capital, such dissolution may be avoided by means of a resolution to increase or reduce the share capital accordingly. Such adjustment shall be enforceable provided that it is carried out before the Company is legally declared to have been dissolved.