

# **BESTINVER BOLSA, F.I.M. MUTUAL FUND MANAGEMENT REGULATIONS**

## Article 1.- NAME

A Mutual Fund whose name is BESTINVER BOLSA, F. I. M. is hereby created, to be governed by the contents of these Management Regulations and by default, by Act 46/1984 dated 26 December (CIIL) regulating Collective Investment Institutions (CII), its Regulations (CIIR), and any other rules currently in force or that may replace them in the future.

## Article 2.- OBJECT

The sole object of the Fund is to purchase, hold, enjoy, administer in general and sell stocks and shares and other financial assets that hedge risks and return rates with an appropriate asset balance, without having a majority stake either financially or politically in other companies.

## Article 3.- DURATION AND START-UP

The duration of the Fund shall be unlimited.

The Fund shall commence its activities on the day it is registered in the Mutual Fund Register.

## Article 4.- MANAGEMENT COMPANY AND DEPOSITORY

1.- Management Company. The Fund's management, administration and representation is carried out by BESTINVER GESTION, SOCIEDAD GESTORA DE INSTITUCIONES DE INVERSION COLECTIVA, S.A., whose registered address in Madrid is Calle Juan de Mena no. 8, 1 dcha., and is registered as number 103 in the Register of Collective Investment Institution Management Companies; its tax ID number is A – 78930005.

2.- Depository. The Fund's Depository Entity is Santander Central Hispano Investments, whose address is Plaza de Canalejas, 1, in Madrid, and which is registered as No. 42 in the Register of Collective Investment Institution Depositories; its Tax ID number is: A – 08161507.

## Article 5.- REPLACEMENT OF THE MANAGEMENT COMPANY AND DEPOSITORY

1.- The Management Company or the Depository may request to be replaced whenever they so deem pertinent, by means of a joint letter submitted to the National Stock Market Commission (Comisión Nacional del Mercado de Valores, CMNV). This letter must be accompanied by one from the new Management Company or the new Depository, as appropriate, in which the replacement declares that it is ready to accept such a function, and requesting the corresponding authorization or registration, as applicable. Under no circumstances may the Management Company and the Depository relinquish the exercise of their respective functions, until such time as all the requirements and paperwork for appointing their successors has been completed.

2.- Bankruptcy proceedings of the Management Company or the Depository shall not lead *de jure* to the dissolution of the administered or custodied Collective Investment Institution, but the affected Entity shall cease to manage or custody the Institution.

3.- If the Management Company should for any reason cease its management, the management of the Institution would be performed automatically and provisionally by the Depository, who will exercise all the functions previously exercised by the Management Company. If within one year no duly registered Company arises to take over the management, the Fund will be dissolved, and the winding-up period will begin. If it were the Depository who should stop exercising its functions, the Fund's assets would be deposited in the

Bank of Spain, and, if no new Depository should appear within one year, the Fund will be dissolved, and the winding-up period will begin. The wind-up will be carried out by the Management Company or the Depository, as appropriate, as established by the Act and by these Regulations.

4.- The replacement of the Fund's Management Company or Depository, as well as any changes that take place in the control of the former, will grant the unitholders the right to redeem their units in the terms established in Article 35 of Royal Decree 1393/1990, dated 2 November, which approved the Regulations for the Act that regulates the CII.

5.- For the purposes of the above paragraph, a change in the control of the Fund's Management Company will be considered to have taken place when the decision-making power in the company falls into the hands of an individual or company other than the one who had such power previously.

6.- The replacement and change in control mentioned in the previous paragraphs must be notified in an advertisement published in the Official Gazette and in two nationwide newspapers.

#### Article 6.- INVESTMENT POLICY AND RULES FOR CHOOSING STOCKS

The Fund's investment policy shall be established in the Prospectus by the Management Company, who will carry out the negotiations for the purchase and divestment of assets and will give the pertinent instructions to the Depository to formalize the operations.

The Fund's assets shall be invested within the limits and percentages determined in Articles 4,7,8,17,18,19 and 37 of the CIIR and any other applicable laws.

The Fund may arrange operations with financial derivatives strictly for the purpose of hedging risks, within the limits established by the legislation that is in force at any given time and pursuant to the criteria established in the Prospectus.

#### Article 7.- SPECIAL INVESTMENT PLANS

In order to stimulate unitholders to make periodic investments, they may be offered special investment plans that specify minimum contributions and their review, the duration of the plan, amount of fees to be paid by those investing in the plans, rules for prior notice by the unitholder in case of cancellation, causes for termination by the Management Company, guarantees that are obtained from Financial Institutions, special rules for information and other plan features.

Their operation will therefore be regulated by the special rules for the plan; both the plan and the rules must be duly authorized by the Ministry of Economy and Finance, and will constitute an Annex to these Regulations.

Unitholders investing in said plans may be exempted from paying the investment and/or redemption fees established in these Regulations.

#### Article 8.- UNITS, THEIR REPRESENTATION AND TRANSMISSION

The Fund is launched with initial assets of 500 million pesetas.

The Fund's assets will be divided into equal units, with no nominal value, which confer to the unitholders a property right to said assets, in legally and contractually regulated terms. Such units are considered to be negotiable securities. Their value at the creation of the Fund was 1,000 pesetas each.

The units are represented by bearer certificates, with no nominal value, which may document one or more units; unitholders have the right to be issued such certificates. They will include at least such text as may be required by applicable regulations.

A decision to have units represented by accounting entries would require the modification of these Regulations.

The Management Company or Depository will send to each unitholder, at least quarterly, a report on the status of his or her holdings in the Fund. The content of the status report will be pursuant to the Ministerial Order dated 30 July 1992. If during any given quarter there are no investment or redemption operations, the status report can be postponed to the following quarter, but in any case, it will necessarily have to be sent at the end of the financial year.

The Management Company, without infringing in any way the right of the unitholders to obtain the certificates to which this Article refers, may use – as management-related documents – receipts which inform unitholders of their position in the Fund after each operation.

The transfer of units and, in general, the exercise of rights inherent to such units will be governed by general regulations for negotiable securities.

#### Article 9.- INVESTMENT AND REDEMPTION OF UNITS

##### Unit Investment Scheme

The Management Company will be obliged, in compliance with the requirements established in these Regulations and in any applicable laws, to issue units in the Fund as soon as any interested party so requests.

Individuals or companies wishing to purchase units will complete the corresponding investment request form and submit it to the Management Company for processing by legally authorized persons and entities. The Management Company may issue unit fractions.

The Management Company reserves the right to establish in the prospectus a minimum initial investment to be required of new unitholders in the Fund.

The Management Company may reserve the right to accept new investments when the amount thereof, added to amounts that have been invested previously by the same unitholder, would give said unitholder a share of the Fund that exceeds 25% of asset value.

##### Unit Redemption scheme

The Management Company is obliged, with the prior requirements established in these Regulations and in any applicable legislation, to redeem Fund units whenever such a redemption is requested by the interested parties.

Unit redemption may be requested at the depository's offices or at the offices of the Management Company, either directly or through duly authorized persons and entities.

The payment of the unit redemptions will be made by the Depository within three working days from the time the request is received.

The above paragraph notwithstanding, redemptions in excess of 50 million pesetas may require 10 days' prior notice to the Management Company.

Likewise, when the total amount to be reimbursed to one unitholder within ten days equals or exceeds 50 million pesetas (300,506.05 euros), the Management Company may require the prior notice period for new redemptions requests which, whatever the amount involved, is made by the same unitholder within 10 days of the previously completed reimbursement.

##### Unit value applicable to investments and redemptions.

The price of the units, for the purposes of requested investments and redemptions, will be the settlement value on the request date: the request date for investments shall be understood to be the value date of the invested amount in the Fund's account, modified, if pertinent, by the fees charged by the Management Company and the discounts charged by the Fund which are specified in the following Article of these regulations.

In any case, the value that is established for the investments will be the same as that of the redemptions requested at the same time.

If the trading of any securities were to be suspended and such securities and other similar ones issued by the same Company that are not yet listed are part of Fund, unit redemption and investment will be made at the price that is determined pursuant to the previous sections of this Article, and as determined in Article 10 of these regulations, as long as the value of such units does not exceed 5% of the total asset value.

In any other case, unit investment and redemption will be made in cash for the part of the unit price that does not correspond to the securities mentioned in the preceding paragraph, and the difference will be paid when trading resumes, taking into account the value on the first day on which said resumption takes place. The unitholder when investing, and the Management Company when redeeming will state that they agree to pay the differences calculated as stated above; the Management Company will have to pay the differences if the unitholder requests the redemption of his units before the circumstances which led to the debit are resolved.

In exceptional cases the CNMV may authorize, at the reasoned request of the Management Company, that unit redemption takes place in units which are part of the Fund. In such a case, that agency will determine the conditions and dates in which this exceptional permission may be used.

#### Investment and redemption fees

The investment fee may not exceed 5% of the value of the invested units, nor may the redemption fee exceed 5% of the value of the reimbursed units. No discounts in favor of the Fund may be made in redemptions.

#### Article 10.- FUND MANAGEMENT, ADMINISTRATION AND REPRESENTATION

The Management Company is in charge of managing, administering and representing the Fund, and therefore, must execute any activity that must be carried out regarding this corporate object to properly fulfill its functions. In order to do so it will comply with the terms established in any applicable current legislation.

In no case will it be possible to challenge the actions and contracts executed by the Management Company with third parties for faulty administration and disposal while exercising the attributions to which it is entitled pursuant to current legislation.

#### Article 11.- REMUNERATION OF THE MANAGEMENT COMPANY AND THE DEPOSITORY. OTHER FUND EXPENSES

1.- Remuneration of the Management Company. As remuneration for its services and in addition to the investment and redemption fees, the Management Company will collect from the Fund a management fee that may not exceed 2.5% per annum, calculated - without its amount being previously deducted - on total Fund assets. This fee will be proportionally discounted every day on which the settlement value of the unit is calculated, and will be collected by the Management Company the day after the end of each calendar month.

2.- Remuneration of the Depository. As remuneration for its custody services, the Depository will receive from the Fund a fee that cannot exceed 4 per thousand per annum of the nominal value of the custodied assets. In addition to this fee, the Depository will receive from the Fund the fees for performing security purchase or sale operations, collecting interest payments, and other similar activities, pursuant to the general rules regulating the corresponding bank fees. Any other payment to the Depository as a result of its functions and responsibilities will be charged to the Management Company.

3.- Audit Expenses. Auditing expenses for verifying financial statements and information documents in compliance with current legislation will be charged to the Fund, as will any other expenses derived from actions and verifications established in these Regulations or in any applicable legislation.

## Article 12.- ACCOUNTING RULES AND VALUATION CRITERIA

The Fund will adhere to accounting rules, valuation criteria and criteria for determining results and settlement values, and to the samples for accounting and statistical reports established for this type of Institution and specifically those included in Circulars 7/1990 dated 27 December, and 8/1990, dated 27 December, both of which were issued by the National Stock Market Commission, and any others which may complement or replace them.

Specifically:

1. The value of each unit shall be determined daily by the Company, by dividing the Fund's net assets by the number of units issued.
2. The Fund's net assets shall be determined by deducting accounts payable (including expenses and taxes) from the asset value.
3. Balances due to third parties and unitholders shall be considered accounts payable, except those that represent the actual units.

Fees authorized by law and by these Regulations that are charged to the Fund pursuant to Article 11, and any taxes and fees that must be borne by the Fund will also be considered as accounts payable.

Expenses must be accrued, otherwise only those really spent so far will be taken into consideration.

Tax accounts payable shall be calculated as if taxes were to be paid to Internal Revenue at this time.

4. For the purposes of this Article, the value or cost price of the sold assets will be calculated by the Management Company, using the average weighted cost system, and the chosen allocation criterion must be used for at least three complete financial years. Any changes in allocation criteria shall be made by Management using the method and advertising that is legally determined.

## Article 13.- PROFIT DISTRIBUTION TO UNITHOLDERS

1. Profits will be the result of deducting the management fee and all other costs foreseen in these Regulations from all income obtained by the Fund.
2. The net profits obtained by the Fund will not, in any case, be distributed among the unitholders, but will instead be retained by the Fund, thus increasing the Fund's asset value.

## Article 14.- FINANCIAL YEAR

The Fund's financial year will be the calendar year and consequently, the accounts will be closed on 31 December of each year.

## Article 15.- APPOINTMENT OF AUDITORS

The Auditors will be appointed at the Management Company's General Shareholders' Meeting.

The appointment must be made in the first half of the first financial year to be examined; must fall on a person or company referred to in Article 6 of the Accounts Audit Act, and will be notified to the National Stock Market Commission, which will also be notified of any modifications in the appointment of Auditors.

## Article 16.- ANNUAL ACCOUNTS AND ACCOUNTING VERIFICATION

The Fund's Management Company will, within the first three months of the financial year, prepare the annual accounts – which include the Balance Sheet, the Profit and Loss Statement and the Annual Report – and the Management Report.

The Fund's accounting documents shall be the object of an accounting audit, in the manner and to the extent required by current legislation.

#### Article 17.- INFORMATION OBLIGATIONS

The Fund's Management Company will draw up the Fund's accounting and financial status documents, annual reports, brochures, reports and any other document required by the regulations, pursuant to the forms, contents, periodicity and other requirements that may exist at any given time.

Likewise, in compliance with its general and additional obligations to provide information, it will submit the documents it has drawn up and with the periodicity required to the designated persons, entities and administrative agencies.

The Fund's Management Company will deliver to each unitholder, before he invests in any units, the Fund's prospectus, the latest Annual Report, and the latest published quarterly report, and any other document that may be required. They will also be available at the registered address and all branches for anyone who requests them.

Likewise, it will make public any facts that are especially relevant to the situation and/or the Fund's development, and specifically any facts that are designated as such by the applicable regulations; this will be done using the established method and means.

Unitholders will have the right to information pursuant to the Act as regards both the Fund and the Management Company; there are no other special rights in this regard.

#### Article 18.- MODIFICATION OF THESE REGULATIONS

The Management Company, together with the Depository, may modify these Regulations, with prior authorization whenever such prior authorization is mandatory.

The modification, once it has been authorized, must be published in the "Official Gazette" and notified by the Management Company to the unitholders within ten days of the notification of the authorization. When the modification affects investment policies, distribution of profits, contract or Management Regulation modifications, replacing the Management Company or the Depository, converting the Fund into a Company, establishing or modifying Management, Redemption or Security Deposit fees, unitholders may opt, within one month from the date on which the authorization is published in the "Official Gazette", or from the date a notification thereof is sent to unitholders, if the latter date is later than the former, to redeem their units, without the deduction of any fees for redemption or any other expenses, for the settlement value determined pursuant to these Regulations that applies to the date the corresponding modification is registered in the National Stock Market Commission Register. The same obligation of the Management Company to provide information and the unitholders' right to redemption will exist if a Redemption Commission is established or elevated, even if there is no modification of the Regulations, although in this case the settlement value will be the value on the date that the decision was adopted by the Management Company.

If the amount of the redemptions requested equals or exceeds 50% of the Fund's assets, the Fund can be dissolved.

To make any modifications in these Regulations, the Management Company and the Depository must comply, in any case, with whatever is established in the Act.

#### Article 19.- FUND DISSOLUTION AND WIND-UP

The Fund will be dissolved in the cases specified in the Act and, specifically, by an agreement between the Management Company and the Depository, since it was created for an indefinite period.

Once the Fund has been dissolved, the winding-up period commences, and redemption rights will be suspended. The Management Company, with the support of the Depository, shall act as the Receiver, and shall

proceed with the greatest possible diligence and in the shortest possible time to divest the Fund's securities and assets, and to satisfy and collect credits. Once these operations have been performed, the corresponding financial statements will be drawn up, and the share that applies to each unitholder shall be determined.

Such statements must be verified pursuant to the Act; the Balance Sheet and Operating Statement must be published in the "Official Gazette" and in one of the newspapers with the greatest circulation in the city in which the Management Company is domiciled.

If one month has elapsed from the date of publication without any claims, the assets will be divided among the unitholders. Amounts unclaimed within three months will be deposited in the Bank of Spain or the Government Depository, at the disposal of their legitimate owners.

If there should be any claims, it will be necessary to follow the instructions of the competent Judge or Court, though provisional settlement amounts may be handed out to unitholders.

Once all the assets have been distributed, the Management Company and the Depository will request the cancellation of all entries regarding the Fund in the Mercantile Register and in the corresponding Administrative Register.

#### Article 20.- FINAL CLAUSES

1.- Neither the Management Company nor the Depository will accept any liability for fluctuations in the unit value, which will vary in correlation with the value of the securities and any other assets included in the Fund's portfolio, pursuant to its valuation rules. Nevertheless, Article 58 of the Collective Investment Institution Regulations will be applicable.

2.- Any matters, doubts or differences that may arise when interpreting these Management Regulations between the Management Company, the Depository and the Fund's unitholders, or among the unitholders themselves as regards the Fund, both while it is in force and during wind-up, without prejudice to the pertinent competences of the administrative authorities, and with no other exceptions than those that are mandatory pursuant to the Act, will be submitted to equitable arbitration pursuant to the Act issued on 5 December 1988, for which purposes the disagreeing parties will be required to execute whatever actions are needed for the arbitration to proceed, and, specifically, to designate the arbitrators and determine the controversial matter.

To resolve those matters which, by law, must be dealt with by a Court of Justice, the parties expressly submit to the jurisprudence of the Courts and Tribunals of the registered address of the Management Company, and expressly relinquish their own jurisdiction and domicile, if they should differ from the above.

3.- One copy of the Management Regulations, the brochure and the last quarterly report must be given to all unitholders.

4.- Investing in Fund units implies the acceptance by the unitholder of the Regulations which govern the Fund, including any rules to which the regulations refer, and in general, any rules which are applicable at any given time.