

# ARTICLES OF ASSOCIATION OF TELEFÓNICA LATINOAMÉRICA HOLDING, S.L.

## TITLE ONE

### NAME, PURPOSE, ADDRESS AND DURATION

**Article 1. - Name and legal status.** - The company is called "Telefónica Latinoamérica Holding, S.L.", is of Spanish nationality, is a mercantile company, and is governed in particular by these Articles of Association, and by mandatory or supplementary, as applicable, by the positive law in force.

**Article 2. - Purpose.** - The purpose of the company is

- a) Investment, administration and management activities in the telecommunications sector.
- b) The activities of consultancy, sale or transfer of telecommunications technology and engineering.
- c) The corporate purpose also includes the acquisition, holding, benefit and disposal of securities, as well as all kinds of holdings in any company or enterprise, by any means permitted by law, including the issue of a public offer for the acquisition and sale of securities.

All the activities comprising the corporate purpose may be carried out both in Spain and abroad, and may be carried out either directly, in whole or in part, by the Company, or through the ownership of shares or holdings in companies or other legal entities with the same or a similar purpose.

The activities listed shall be carried out in accordance with the legal provisions applicable to the matter and after obtaining, where appropriate, the necessary administrative or other authorisations or licences.

**Article 3º. - Registered office.**- The registered office is located in Madrid, Distrito Telefónica, Ronda de la Comunicación, s/n.

The governing body may agree to a change of registered office consisting of its transfer within the same municipal area, as well as the creation, removal or transfer of branches, agencies, delegations, representations and offices, both within and outside national territory.

**Article 4º. - Duration and commencement of operations.** - The duration of the company shall be indefinite, and it shall commence operations on the day of the execution of the deed of incorporation.

## TITLE TWO

### SHARE CAPITAL AND SHARES

**Article 5. Capital:** The share capital is TWO HUNDRED AND THIRTY-SIX MILLION SEVEN HUNDRED AND FIFTY THOUSAND TWO HUNDRED AND SEVENTY-FIVE EUROS, divided into TWO HUNDRED AND THIRTY-SIX MILLION SEVEN HUNDRED AND FIFTY THOUSAND TWO HUNDRED AND SEVENTY-FIVE shares of one (1) Euro par value each, fully subscribed and fully paid up.

For the sole purpose of identification, they are numbered consecutively from the unit, equal, indivisible and cumulative.

Each social participation gives the right to one vote.

**Article 6º. - Shareholder status.** - The shareholding gives its legitimate holder the status of shareholder and gives him/her the rights recognised in the special law and in these Articles of Association.

The exclusion of a shareholder may only take place on the grounds laid down by law.

**Article 7º. - Register of shareholders.** - The company shall keep a register of shareholders, with the contents and in the form prescribed by law.

The acquisition of shares by any means must be notified in writing to the governing body, stating the name or company name, nationality and domicile of the new shareholder.

If this requirement is not met, the new shareholder may not claim to exercise the rights to which they are entitled in the company.

**Article 8º. - Regime for the transfer of company shares.** - The regime of voluntary transfer by “*intervivos*” acts, as well as forced transfer and “*mortis causa*”, shall be governed in all cases by the provisions of Articles 106 et seq. of the current Spanish Companies Law and any legislation that may develop it or replace it in the future.

### **TITLE THREE**

#### **CORPORATE BODIES**

**Article 9º. - Determination.** - The following are bodies of this company:

1. The General Shareholders' Meeting.
2. The Governing Body.

**Article 10º. – General Meeting.** - 1.- The will of the shareholders, expressed either at the General Meeting and by majority vote or by a decision of the sole shareholder, shall govern the life of the company. The majority must necessarily be formed at a General Meeting.

2.- The General Meeting shall be convened by the governing body by any means of communication, both individually and in writing, which ensures that the notice is received by all shareholders at the address designated for this purpose or in the register of shareholders. There shall be a period of at least fifteen days between the date set for the meeting and the date on which the last communication is sent, and it shall clearly state the place, date, time and matters to be discussed.

The General Meeting shall be convened within the first six months of each financial year in order to review the management of the company, to approve, where appropriate, the accounts of the previous financial year and to decide on the allocation of profits.

3.- Without prejudice to the foregoing, the General Meeting shall be validly convened anywhere in Spain or abroad to discuss any matter, without the need for prior notice, provided that all the share capital is present or represented and the attendees unanimously agree to hold the meeting and its agenda.

4.- The General Meeting shall be chaired by the Sole Director, by one of the joint or several Directors, or, where appropriate, by the Chairman of the Board of Directors, or, failing this, by the shareholder designated at the beginning of the meeting by the shareholders present. Deliberations and interventions shall be ordered by the Chairman, following the order of requests, and votes shall be cast orally, unless by decision of the Chairman or at the request of the majority of those present, they must be formulated in secret in writing.

5.- Resolutions shall be adopted by a majority of the votes validly cast, provided that they represent at least one third of the votes corresponding to the shares into which the share capital is divided, and blank votes shall not be counted.

In the cases of Articles 199 and 200 of the Spanish Companies Law, the voting quorums stipulated in those articles shall be required.

6.- The resolutions adopted shall be recorded in the minutes, which shall include the list of attendees and shall be approved at the end of the meeting or, failing this, in the legally established manner.

**Article 11º. - Administration.** - The administration of the company may be entrusted to:

a). - a Sole Director;

b). - a minimum of 2 and a maximum of 3 Directors acting jointly and severally or jointly, in the latter case, at least two of the Directors must act jointly;

c). - a Board of Directors composed of a minimum of three and a maximum of twelve members, with the General Meeting having the power to choose alternatively any of them, without the need to amend the Articles of Association.

To be appointed as a director, it is not necessary to be a shareholder, and both individuals and legal entities may be appointed as directors.

The bankrupt and declared bankrupt who have not been discharged, incapacitated minors, those sentenced to penalties entailing disqualification from holding public office, those who have been convicted of serious non-compliance with laws or company regulations and those who, by reason of their position, are unable to carry on business, may not be Directors.

Neither may civil servants in the service of the administration with functions in their charge that are related to the activities of the company, nor those who are affected by any legal cause of incompatibility, in particular those determined by Law 5/2006 of April 10, and in the applicable legislation of the regional government, as the case may be.

The term of office of the board of directors shall be 6 years and they may be re-elected one or more times for periods of equal duration.

The appointment shall lapse when, on expiry of the term, the General Meeting has been held or when the term for holding the General Meeting to decide on the approval of the previous year's accounts has elapsed.

Representation of the company, in and out of court, is the responsibility of the directors, and the power of representation, in the case of a sole director, shall necessarily correspond to the sole director; in the case of two or more joint directors, it shall correspond to each director; in the case of several joint directors, the power of representation shall be exercised jointly by at least two of them; and in the case of a board of directors, the power of representation shall correspond to the board itself, without prejudice to the possibility of delegation to one or several of its members.

The Governing Body shall represent the company in all matters relating to the company's legal business and shall bind the company by its acts and contracts.

It shall have all the representative powers of the company, without limitation and without prejudice to the powers of attorney that may be conferred on any person whose powers shall be designated by the power of attorney.

In addition to these representative powers, the Board of Directors shall have all powers necessary for the conduct of the company in all respects, except for those specifically attributed to the General Meeting by these Articles of Association or by law.

The Governing Body shall meet whenever the interests of the company so require and as necessary within the first three months of each financial year to prepare the accounts for the previous financial year and the management report, if appropriate, and whenever a General Meeting of Shareholders must be called, unless it is a universal meeting.

The Directors shall call a General Meeting to be held within the first six months of each financial year in order to review the management of the company, approve, if appropriate, the accounts of the previous financial year and decide on the allocation of profits.

Directors may be removed from office at any time by resolution of shareholders representing more than half of the share capital.

**Article 12°. - Board.** -In the event that the administration of the company is entrusted to a Board of Directors, the following rules shall apply:

The company shall be governed and administered by a Board of Directors consisting of at least three and not more than twelve members, elected by the General Meeting.

The Board of Directors shall meet on such days as it may decide and whenever its Chairman so decides or whenever one of its members so requests, in which case it shall be convened by the Chairman to meet within fifteen days of the request.

Notice of meetings shall always be given in writing, addressed personally to each Director, at least five days before the date of the meeting.

The Board of Directors shall be validly constituted when half plus one of its members attend the meeting, present or represented.

Representation on the Board must necessarily be by another Director.

Except in the case of resolutions for which an enhanced majority is required by law, such resolutions shall be adopted by an absolute majority of the Directors present.

In the event of a tied vote, the Chairman shall have the casting vote.

If the General Meeting has not appointed them, the Board shall appoint from among its members a Chairman and, if it deems it appropriate, one or more Vice-Chairmen.

Likewise, it shall freely appoint the person who is to hold the office of Secretary and, if it deems appropriate, a Deputy Secretary, who may not be Directors, and who shall attend the meetings of the Board with voice but no vote, unless they hold the status of Director.

The Board shall regulate its own operations, and shall accept the resignation of Directors.

The discussions and resolutions of the Board shall be recorded in a minute book, and shall be  
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signed by the Chairman and the Secretary or by the Vice-Chairman and the Vice-Secretary, as the case may be, and the certificates of the minutes shall be issued by the Secretary of the Board of Directors or, as the case may be, by the Vice-Secretary, with the approval of the Chairman or the Vice-Chairman, as the case may be.

The execution of documents as public documents shall be the responsibility of any of the members of the Board, as well as the Secretary or Vice-Secretary of the Board, even if they are not Directors.

**Article 13°. - LIABILITY.** - The directors shall be liable to the company, to the shareholders and to the company's creditors for any damage caused by acts contrary to the law, to the articles of association or for acts performed without the diligence with which they should discharge their duties.

**Article 14°. - BENEFITS.** - On the proposal of the Board of Directors, the majority of the shareholders at the General Meeting shall, subject to the rules in force, determine the profits, apply them, fix the distributable dividend and distribute it, as well as the form and time limit for its payment.

#### **TITLE FOUR**

##### **FINAL PROVISIONS**

**Article 15°. - Financial years and accounts.** -The financial years shall run from the first day of January to the thirty-first day of December of each year, except for the first financial year, which shall begin on the date of incorporation of the company.

Within three months after the end of the financial year, the directors shall draw up the balance sheet, profit and loss account, annual report, management report and proposed distribution of profits, and all non-director shareholders shall be notified, by any means of communication, individually and in writing, which ensures receipt, for approval at the meeting to be held within six months after the end of the financial year.

Any shareholder, irrespective of the capital he/she represents, has the right to examine at the registered office, either by himself/herself or together with an expert, and for a period of fifteen days prior to the meeting, the veracity of the information submitted.

**Article 16°. - Dissolution and liquidation.** - The company shall be dissolved in whole or in part in accordance with the provisions of the law, and the shareholders shall determine the persons, terms and manner of winding up in accordance with the legislation in force.

**Article 17°. - Jurisdiction and competence.** - All questions and incidents that may arise with respect to the provisions of these Articles of Association shall be resolved in accordance with the provisions of the law, and the courts and tribunals of Madrid shall have jurisdiction.