# General Corporation Law

## Law Nº 26887

THE PRESIDENT OF THE REPUBLIC

WHEREAS:

The Permanent Commission of the Congress of the Republic has set forth the following Law:

**THE PERMANENT COMMISSION OF THE CONGRES OF THE REPUBLIC**

**has set forth the following Law:**

## GENERAL CORPORATION LAW

## INDICE

## BOOK ONE

## RULES APPLICABLE TO ALL CORPORATIONS

### Articles 1.- Corporation

Those who are members of the Corporation agree to provide goods or services for the joint exercises of economic activities.

### Article 2.- Scope of Law application

Every corporation must adopt one of the forms provided in this Law. The provisions of this Law additionally regulate corporations subject to a special legal regime.

The pertinent provisions of the Civil Code regulate the community property, in any of its forms.

### Article 3.- Modalities of Incorporation

The corporation is created simultaneously in a single act by the founding partners or in succession by offer to third parties contained in the foundation program provided by the founders.

General partnerships, limited partnerships, limited liability partnerships and civil law partnerships can only be formed simultaneously in a single act.

### Article 4.- Plurality of Partners

The corporation is formed by at least two partners, which may be natural or legal persons. If the corporation does not have the minimum plurality of members and it is not reconstituted within six months, it is dissolved by operation of law at the end of that period.

Plurality of partners is not required when the only one partner is the Sate or in other cases expressively stated by law.

### Article 5.- Content and Formalities of the Deed of Incorporation

The partnership is constituted by public deed containing the articles of incorporation, which includes the bylaws. The same formalities required for any amendment. In the deed of incorporation, the first managers are appointed according to the characteristics of each type of company.

The acts mentioned in the preceding paragraph must be mandatorily registered in the Residence Register of the company.

If the act of incorporation has not been formalized into a public deed, any partner can claim its provision by a summary proceeding.

### Article 6.- Legal Personality

The corporation acquires legal personality starting from its registration in the Registry and keeps it until its extinction is registered.

**Article 7.- Acts Prior to Registration**

The validity of the acts held on behalf of the corporation prior to its registration in the Register is subject to registration and its ratification by the company within the next three months. In case of failure or delay to comply with these requirements, those who have performed acts on behalf of the company are personally, jointly and unlimited obliged to respond before those with whom they have contracted and before third parties.

**Article 8.- Agreements Between Partners or Between Them and Third Parties.**

The agreements between partners or**(*)NOTE SPIJ** between them and third parties are valid before the partnership and are enforceable in every respect is concerned, from the moment they are properly communicated.

Should any contradiction arise between any provision of these agreements and the articles of incorporation or the bylaws, the latter shall prevail, independently of the relation that the agreement might establish between those who signed it.

**Article 9.- Company Name or Business Name**

The corporation has a corporate name or a business name, as appropriate to its corporate form. In the first case, it can use an abbreviated name.

No full or abbreviated corporate name or business name can be adopted that is identical or similar to other preexisting corporation's name, except when legitimacy is established.

This prohibition does not take into account the corporate form.

No full or abbreviated name or business name can be adopted that contains names of organizations or public institutions or distinctive signs protected by industrial property rights or protected by copyright, unless the corporation's legitimacy is established.

The Register does not register a corporation that adopts the same full or abbreviate name or business name of another existing company. For all cases provided for in the previous paragraphs, those affected companies have the right to demand the change of the name or business name by summary proceedings before the judge with jurisdiction over the domicile of the company that has infringed the prohibition.

The business name may keep the name of the deceased or separated partner, if the separate partner or the successors of the deceased partner consent thereto. In the latter case, the company name should indicate this status. Those who are not members of the corporation and consent to the inclusion of their name in the business name are subject to joint and several liability, without prejudice to the criminal liability if there is ground.**(*)**

**(*) Compare to the Superintendency Resolution Nº 077-98-SUNAT, published 8/20/98, laying down rules on the use of accounting books and records by companies that change their corporate or business name**

**Article 10.- Reservation of Name Registration Preference**

Anyone who participates in the constitution of a company, or in case the company amends its articles of incorporation or bylaws to change its full or abbreviated name, or business name, is entitled to protect this name with a reservation of name registration preference , for a period of thirty days, upon which expiration, this full right is void.

No business name or corporate name may be adopted being it full or abbreviated, equal or similar to that which is enjoying the right of reservation of name registration preference.

**Article 11.- Business Purposes**

The company limits its activities to those lawful business or operations whose detailed description constitutes its business purposes. Furthermore, included in the business purposes are the acts related thereto that contribute to the achievement of its goals, although it is not expressively stated in the company's articles of incorporation or its bylaws.

The company purposes must not include developing activities that the law assigns exclusively to other entities.

**Article 12.- Scope of representation**

The company is obliged to those with whom it has contracted and third parties in good faith for the acts of its representatives held within the limits of the powers conferred to them although such acts involve the company in business or operations not falling within its business purposes.

Partners or managers, as applicable, shall respond to company for the damages it has experienced as a result of agreements made by their vote and by virtue of which they would have authorized the holding of acts overstepping its purposes, and that oblige it before co-contractors and third parties in good faith, without prejudice to a criminal liability that may be applicable.

The good faith of the third party is no harmed by the registration of the articles of incorporations.

**Article 13.- Acts not Binding the Company**

Those who are not authorized to act as representatives of the company do not oblige the company with their actions, although held on behalf of the company.

Civil or criminal responsibility for such acts rests exclusively on the authors.

**Article 14.- Appointment, powers and registration**

The appointment of managers, liquidators or any representative of the company, as well as the empowerment for it take effect from its expressed acceptance or from those persons that perform the function or exercise of such powers.

These acts or any revocation, withdrawal, modification or replacement of the persons mentioned in the above paragraph or that of their powers, must put on record the name and identity card of the nominated or representative person, as appropriate.

Registration takes place in the Registry of the company's address on the quality of a certified copy of the relevant part of the record where the agreement validly adopted by the competent social authority. No additional registration is required for the exercise of position or representation in any other place.

The general manager or managers of the company, as applicable, enjoying general and special powers of legal representation outlined in the Code of the subject, on the only quality of his appointment, unless otherwise provided for by the bylaws.**(*)**

**(*) Paragraph amended by the Number 2 of the Third Amending Provision of Legislative Decree No. 1071, published on June 28, 2008, in accordance with the Third Final Provision shall enter into force on September 1st, 2008, which reads as follows:**

"The general manager or managers of the company, as applicable, enjoying general and special powers of procedural representation outlined in the Civil Procedural Code and powers of representation provided for in the Arbitration Act, for the only merit of appointment, unless otherwise provided

**Article 15.- Right to apply for registration**

Any member or third party with a legitimate interest may sue in court, by summary process, the execution of the public deed or by requesting the registration of agreements requiring these formalities and which registration should not have been requested to the Registry within specified deadlines in the following article.

Any person whose appointment has been registered is entitled to have the Registry a record of his resignation by notary legalized signature request, accompanied with a copy of the resignation letter with notarial proof of having been submitted to the company.

**Article 16.- Deadlines for applying registration**

The social contract and the bylaws must be submitted to the Registry for registration within thirty days from the date of execution of the public deed.

Registration of other acts or partnership agreements, whether or not require the granting of public deed, should be sent to the Registry within thirty days from the date of the act or the approval of the minutes indicating the respective agreement.

Any person may rely on the acts and agreements referred to in this article for all that favors him, even if his**(*)NOTE SPIJ 1**registration had not been produced.

**Article 17.- Exercising powers not registered**

Should a registered event be held by representation for registration, to be put on record or inserted the power of attorney by which we act.

**Article 18.- Responsibility for failing registration**

Grantors or managers, as applicable, jointly and severally are responsible for damages incurred as a result of the delay incurred in the granting of public deeds or other instruments required or the necessary arrangements for the timely registration of acts and agreements referred to in Article 16

**Article 19.- Duration of the Company**

The duration of the company may be for definite or indefinite term.

Unless previously extended, once the deadline specified by the company is full-fledged dissolved.

**Article 20.- Place of residence**

The address of the company is the place, designated in the bylaws, in which the company develops many of its main activities or where its administration is installed.

Shall there be discrepancies between the address of the company on the Registry and the actually set address, any of them can be considered.

The company incorporated in Peru is established in Peruvian territory, unless the social object is developed abroad and set its located outside the country.

**Article 21.- Branches and other offices**

Unless otherwise provided expressly for by the social contract or bylaws, the company incorporated in Peru, regardless of the place of residence, may establish branches or offices elsewhere in the country or abroad.

The incorporated and with address abroad company that develops activities in Peru may establish branches or offices in the country and set the address in Peruvian territory for acts practiced in the country. Failing to do so, the company is presumed to have residence in Lima.

**“Article 21-A.- Electronic or postal vote**

Shareholders or partners may, for the purposes of determining a quorum and for the respective voting and adoption of resolutions, exercise the right to vote by electronic means provided that the count with digital signature or by postal means to that end is required to have notarial signatures.

When digital signature is used electronic vote on the adoption of agreements, the resulting electronic act shall be stored by digital microform, in accordance with the law.

When applying these forms of vote, the company shall ensure respect for the right of intervention of each shareholder or partner, being the chairman's responsibility in compliance with this provision.

The formation of a universal board or assembly, as well as the social will formed through electronic or postal vote has the same effects as a meeting or assembly held in-person.”**(*)**

**(*) Article incorporated by the Fourth Supplemental Final Disposition of Legislative Decree No. 1061, issued on** June 28th, 2008.**Provision entered into force on January 1st, 2009.**

**Article 22.- Contributions**

Every shareholder has obligations before the corporation they have pledged to contribute to the capital. The corporation may enforce the obligation of the shareholder in arrears through the executive process or excluding such shareholder via the summary process.

Contributions transfer the ownership of the good contributed to the corporation, unless stated the transfer is made to a different owner, in which case, the corporation only receives the right transferred in its favor by the contributing shareholder.

The contribution of non-monetary assets is deemed executed upon the moment the Public Deed is made.

**Article 23.- Monetary contributions**

The monetary contributions shall be made at the time and conditions established in the articles of incorporation. The contribution showing as paid now the corporation has been formed or at increasing capital shall be deposited, on behalf of the corporation, at a bank or financial company of the Peruvian financial system at the time the corresponding Public Deed is submitted.

**Article 24.- Necessary expenses**

Once the Public Deed of the articles of incorporation has been registered and even in case the registration process of the corporation in the Registry has not ended, the managers, under their personal responsibility, to meet the necessary expenses of the corporation, may use the money deposited in accordance with the preceding provision.

**Article 25.- Delivery of non-monetary contributions**

The delivery of property contributed to the corporation is deemed executed upon the moment the Public Deed containing such contribution is made.

The delivery of property contributed to the corporation shall be completed no later than the day the Public Deed of incorporation or of capital increase, as applicable, has been registered.

**Article 26.- Non-monetary contributions. Credit rights**

In case the articles of incorporation permit it, the shareholder contributing securities or credit documents at their name, the contribution shall not be deemed execute until such security or document is fully paid.

In case the articles of incorporation accept that the contribution may be represented by securities or credit documents in which the main obligor is not the contributing shareholder, the contribution shall be deemed executed upon the transfer of the corresponding securities or documents, with the endorsement of such securities or documents, and without the detriment of the joint and several liability under the law.

**Article 27.- Valuation of non-monetary contributions**

The Public Deed comprising the contribution of assets or credit rights shall also include a valuation report describing the assets or rights contributed, the criteria used for the valuation and their respective value.

**Article 28.- Stabilization of the contributions**

The contributor assumes the obligation to stabilize the contributed asset.

In case the contribution consists of a set of assets transferred to the corporation as a single equity block, economic unit or business fund, the contributor shall stabilize the set and every asset on it.

In case the contribution consists of a right been assigned, the liability of the contributor is limited to the value attributed to the assigned right but they shall ensure its existence, enforceability and the debtor's solvency at the time the contribution was made.

**Article 29.- Risk of the assets contributed**

The risk of the ownership of assets contributed falls on the corporation upon the confirmation of the delivery.

The risk of the asset contributed in use or usufruct falls on the contributing shareholder, meaning the corporation has no right to demand the substitution of such asset.

**Article 30.- Loss of the contribution before its delivery**

The loss of the contribution before its delivery entails the following effects:

1. In case of a real or individualized good, the contributing shareholder's obligation is resolved and the corporation is released of the compensation. The contributing shareholder is obliged to compensate the company in case the loss of the good were attributable to him/her.

2. In case the good is uncertain, the contributing shareholder is not released of his/her obligation; and

3. If it is a good to be contributed into use or usufruct, the contributor may choose to replace it with another good that provides the Company with the same benefit. The company is obliged to accept the substitute goo unless the lost good were the object**(*)NOTE SPIJ** it has intended to exploit. In the latter case, the contributing partner is obliged to compensate the company if the loss is attributable to him/her.

**Article 31.- Corporate assets**

The corporate assets respond for the obligations of the corporation, without detriment to the personal liability of the shareholders in such corporation forms that establish it as such.

**Article 32.- Liability of new shareholders**

The individual purchasing a share or participation in an existing corporation responds, according to the corresponding corporation form, for all social obligations contracted previously by the corporation.

No agreement stating otherwise has any effect before third parties.

**Article 33.- Invalidity of the articles of incorporation**

Once the Public Deed of incorporation is registered, the articles of incorporation may only be declared invalid on the following cases:

1. In case of the usefulness or lack of a valid consent by a number of founding shareholders determining that the corporation does not have the amount of shareholders required by law;

2. In case the business purpose is an activity that goes against the law, the public order or contrary to good customs; without detriment to that provided in article 410**(*)NOTE SPIJ** ;

3. In case it contains provisions contrary to mandatory legal regulations or in case provisions required by law have been omitted; and,

4. In case the mandatory form has been omitted.

**Article 34.- Inapplicability of the nullity**

Notwithstanding the preceding provision, the nullity of the articles of incorporation may not be declared in the following cases:

1. in case the cause of the nullity had been removed as a consequence of an amendment to the articles of incorporation or to the by-law in accordance with**(*)NOTE SPIJ** the formalities required by law; or,

2. In case the omitted provisions may be made up for with valid legal regulations and if such provisions are not critical conditions for the execution of the articles of incorporation or of the by-law, meaning these may survive without them.

**Article 35.- Nullity claim of the articles of incorporation. Maturity**

The claim to declare the articles of incorporation invalid shall be filed via summary procedure; it shall be directed against the corporation and may only be initiated by people in the right interest. The possibility to file a claim for nullity matures two years after the Public Deed of incorporation has been recorded in the Registry.

**Article 36.- Consequences of a judgment of nullity**

The final judgment declaring the nullity of the articles of incorporation mandates its record in the Registry and it dissolves the corporation ex debito justitiae. Within the ten days following the judgment, the general meeting shall appoint the liquidator or liquidators. In case the general meeting does not do so, the judge shall do the appointment as execution of the judgment, and at the request of any interested party. The corporation keeps its corporate identity only for the purpose of its liquidation.

In case the requirements of the liquidation of the corporation declared null establish so, all the periods for the contributions are without effect and the shareholders shall make the payments immediately.

**Article 37.- Third parties in good faith**

The final judgment declaring null the articles of incorporation or of the by-law has no effect before third parties in good faith.

**Article 38.- Nullity of shareholders' agreements**

The shareholders' agreements adopted without considering the formalities required, contrary to law or to public order or to good customs or to the provisions in the articles of incorporation or in the by-law, or that(*)NOTE SPIJ go against the corporation's interest in direct or indirect benefit of one or more shareholders are null.

In case the articles of incorporation or(*)NOTE SPIJ the by-law had not been previously amended in accordance with the(*)NOTE SPIJ corresponding legal and statutory regulations, the agreements adopted by the corporation that are in conflict with the articles of incorporation or(*)NOTE SPIJ the by law, even if they have the necessary majority, are null.

The nullity is governed by articles 34, 35 and 36, except for the period stated in article 35 in case this law expressly establishes a shorter maturity period.

**Article 39.- Benefits and losses**

The distribution of benefits among the shareholders shall be made in proportion to their contributions to the capital. Notwithstanding, the articles of incorporation or the by-law may establish other proportions or different ways for distributing the benefits.

All the shareholders shall assume the proportion of the corporation's losses as established in the articles of incorporation or in the by-law. The only exception to this obligation is for the shareholders contributing only services. In the absence of an express agreement, the losses shall be assumed in the same proportion as the benefits.

It is forbidden for the articles of incorporation to exclude certain shareholders from receiving profits or to exempt them from all liability for the losses, except for that provided in the preceding paragraph.

**Article 40.- Profit share**

Profit share may only be done in recognition of the financial statements made by the end of certain period or by the cut-off date in special circumstances agreed by the board of directors. The amounts to be share shall not exceed the amount of the profit obtained.

In case a portion of the capital has been loss, the profit shall not be shared until the capital has been repaid or until it has been reduced by the corresponding amount.

The corporation, as well as its creditors, may sue the shareholders who had received the profit or demand its reimbursement to the managers who made the payment for any profit share executed contrary to the provision herein. The managers have joint and several liability.

Notwithstanding, the shareholders acting in good faith may only compensate the profit received with the profit they shall receive in the following periods or with the liquidation proceeds they may get.

**Article 41.- Preliminary agreements by corporations**

The preliminary agreements executed by the corporations governed by this act or agreements regarding shares, participations or any other certificate issue by the corporations are valid without considering their duration, unless(*)NOTE SPIJ the law states a fixed duration.

**Article 42.- Corporation's correspondence**

In any correspondence(*)NOTE SPIJ , the corporation shall state, at least, its full or abbreviated name, or its trade name and the data corresponding to its record in the Registry.

**Article 43.- Publications. Breach**

The publications referred to herein shall be appear in the newspaper in charge of the legal notices at the place of the corporation's address.

The corporations domiciled at the provinces of Lima and Callao shall make the publications at least in the official newspaper El Peruano and in one of the largest newspapers in Lima or Callao, as appropriate.

The lack of the publication, which is for the protection of the rights of shareholders and third parties, of the notices on certain shareholders' agreements, within the period established by law, extends the periods given by law for the execution of their rights, until the publication is done.

**Article 44.- Publications**

Within the first fifteen days of each month, the National Superintendence for Public Deeds shall publish in the official newspaper El Peruano a list of the corporations whose incorporation, dissolution or liquidation had been made during the preceding month, including its name or trade name and the data from its registration.

At the same time, the National Superintendence for Public Deeds shall publish in this Official Gazette a list of the amendments made to the by-law or to the articles of incorporation registered on the preceding month, including the corporation's name or trade name, a summary of the amendment and the data from its registration.

For the provisions herein to come into effect, the registry offices, under the owner's responsibility, shall submit the corresponding information to the National Superintendence for Public Deeds, within the first ten business days of each month.**(*)**

**(*) Provision amended by Article 1 of Act No. 28160, published on January 8, 2004, whose text is as follows:**

**“Article 44.- Publications**

Within the first fifteen days of each month, the National Superintendence for Public Deeds shall publish on its webpage and on the Peruvian State's webpage, a list of the corporations whose

incorporation, dissolution or liquidation had been made during the preceding month, including its name or trade name and the data from its registration. At the same time, the National Superintendence for Public Deeds shall publish in this Official Gazette a list of the amendments made to the by-law or to the articles of incorporation registered on the preceding month, including the corporation's name or trade name, a summary of the amendment and the data from its registration.

For the provisions herein to come into effect, the registry offices, under the owner's responsibility, shall submit the corresponding information to the National Superintendence for Public Deeds, within the first ten business days of each month".

**CONCORDANCE:** ***Resolution No. 359-2008-SUNARP-SN (Approval of a Guideline that governs the online service for applications for the reservation of registry preference of full and abbreviated names and trade names)***

**Article 45.- Periods**

Unless provided otherwise, the periods contained herein are accounted for in accordance with the Civil Code.

**Article 46.- Certified copies**

Certified copies referred to herein may be issue via photocopies authenticated by a notary public or by the corporation's manager or CEO, as appropriate, with the liabilities imposed by law.

Certified copies for acts requiring registration shall be certified by a notary public.

**Article 47.- Issue of certificates and documents**

Security mechanical or electronic means may be used instead of handwritten signatures for the issue of the certificates and documents referred to herein.

**Article 48.- Arbitration. Conciliation**

The judiciary actions covered herein or in those regulations applicable by extension are not applicable in case a mandatory arbitration agreement included in the articles of incorporation or in the by-law making the discrepancies subject to this jurisdiction for their resolution.

This regulation is applicable to the corporation, the shareholders or managers even in case that at the time the controversy arises they were no longer such and to third parties that when executing an agreement with the corporation become subject to the arbitration clause.

The by-law may also include the use of off-court conciliation mechanisms in accordance with the legislation regarding such matter.**(*)**

**(*) Provision amended by the Fourth Amending Provision of the Legislative Decree No. 1071, published on June 28, 2008, which in accordance to the Third Final Provision shall come into effect on September 1st, 2008, and whose text is as follows:**

**"Article 48.- Arbitration.**

The shareholders may adopt an arbitration agreement in the articles of incorporation or in the by-law to resolve the controversies the corporation may have with its shareholders, directors, managers and representatives, those they may have among them regarding their rights or obligations, those regarding the fulfilment of the bylaws or the validity of the agreements and any other situation considered herein.

The arbitration agreement affects the shareholders, directors, managers and representatives part of the corporation, as well as those that by the time of the controversy are no longer so.

The arbitration agreement does not affect the calls for shareholders' meetings.

The by-law may also include a conciliation procedure to resolve the controversy in accordance with the legislation regarding such matter".

**Article 49.- Maturity**

The claims by any shareholder or any third party against the corporation or vice versa, for acts or omission of acts relates to rights granted herein, that do not have an express period, mature after two years from the date corresponding to the act causing the claim.

## BOOK TWO

## PUBLIC LIMITED CORPORATION

### SECTION ONE

### GENERAL PROVISIONS

#### SINGLE TITLE

**Article 50.- Name**

The public limited corporation may adopt any name, but the words public limited corporation (sociedad anónima) or the abbreviation "S.A.", acronym in Spanish, shall necessarily appear at the end. In the case of corporations whose activities may only be developed, in accordance with law, by public limited corporations, the use of such words or abbreviation is optional.

**Article 51.- Capital and shareholders' liability**

In the public limited corporation, the capital is represented by nominal shares and is comprised by the contributions made by shareholders, who do not respond personally for the corporate debt. The contribution of services is not accepted.

**Article 52.- Subscription and payment of the capital**

In order to create the corporation, the capital shall be fully subscribed and every subscribed share shall be paid at least by one fourth. The same regulation is applicable for the capital increases agreed.

**Article 52-A.- Shareholder's right to information outside of the meeting**

The public limited corporations shall provide at any opportunity a written request by shareholders representing at least five percent (5%) of the corporation's paid capital information regarding the corporation and its operations; as long as there are no reserved facts or matters which disclosure could cause damages to the corporation.

In case of discrepancy about the reserved or confidential character of the information, a judge at the corporation's address shall resolve it".**(*)**

**(*) Provision included in Article 2 of Act No. 29566, published on July 8, 2010.**

## SECTION TWO

## INCORPORATION

## TITLE I

## SIMULTANEOUS INCORPORATION

### Article 53.- Concept

The simultaneous incorporation of the public limited company is performed by the founders at the moment the Public Deed containing the articles of incorporation and the by-law is registered; it is during this act that they fully subscribe the shares.

### Article 54.- Content of the articles of incorporation

The articles of incorporation shall mandatorily include:

1. Identification information of the founder. In case of individuals, their name, address, civil status and the name of the spouse if they are married; in case of a body corporate, its name or trade name, place of incorporation, address, name of its representative and the document confirming the representation;

2. The express manifestation of the shareholders' will to incorporate a public limited corporation;

3. The amount of the capital and the shares it is divided into;

4. The manner the subscribed capital is been paid for and each shareholder's contribution in money or in other assets or rights, with the valuation report corresponding to such cases;

5. The appointment and identification information of the first managers; and,

6. The by-law that shall govern the corporation's operations.

### Article 55.- Content of the bylaw

The bylaws mandatorily contains:

1. The name of the company;

2. The description of the corporate purpose;

3. The address of the company;

4. The duration term of the company, stating the start date of its activities;

5. The amount of capital, the number of shares into which it is divided, the nominal value of each of them and the amount paid for each subscribed share;

6. Where applicable, the types of shares in which the capital is divided into, the number of shares of each type, the characteristics, preferences or special rights that are established in its favor and the regulation of supplementary compensations or additional obligations;

7. The regime of the company's governing bodies;

8. The requirements to agree the increase or decrease of capital and for any other amendment of the articles of incorporation or by-laws;

9. The way and opportunity the corporate management and the result of each exercise shall be submitted for the shareholders' approval;

10. The rules for the distribution of profits; and,

11. The regime for the dissolution and liquidation of the company.

Additionally, the bylaws may contain:

a. Other lawful agreements that are deemed appropriate for the organization of the company.

b. The corporate agreements among shareholders that obligate each other and to the company.

The agreements referred to in paragraph b. above, that are performed, modified or ended after having granted the public deed in which the bylaws is, are recorded in the Registry without modifying the bylaws.

**TITLE II**

**DEED OF INCORPORATION BY OFFER TO THIRD PARTIES**

**Article 56.- Concept**

The company can be created by an offer to third parties, based on the program signed by the founders.

When the offer to third parties has the legal condition of public offer, it is subject to the special legislation that regulates this matter and, therefore, the provisions of Articles 57 and 58**(*)NOTE SPIJ** are not applicable.

**Article 57.- Incorporation Process**

The incorporation program mandatorily contains:

1. The identification data of the founders, in accordance with the paragraph 1 of Article 54(*)NOTE SPIJ J;

2. The agreement project and bylaws;

3. The deadline and conditions for the subscription of shares, the ability of founders to extend the deadline, and if it is the case, the company or(*)NOTE SPIJ banking or financial companies where the subscribers must deposit the amount of money which are required to deliver when they subscribe them and the maximum deadline of this extension;

4. The information of no-cash contributions referred to in Article 27;

5. The indication of the Registry in which the deposit of the program is made;

6. The criteria to reduce the subscriptions of shares when they exceed the maximum capital expected in the program;

7. The deadline in which the incorporation deed must been granted;

8. The description and information about the activities that the company will perform;

9. The special rights that the founders, shareholders or third parties are granted, and,

10. The other information that the founders deem appropriate for the organization of the company and the placement of the shares.

**Article 58 - Advertising of the Program.**

The program shall be signed by all the founders, whose signatures are legalized by a notary, and shall be deposited in the Registry, together with any other information, which in the founders' opinion(*)NOTE SPIJ is required for placement of the shares.

The program shall be only communicated to(*)NOTE SPIJ third parties once the deposit is made in the Registry.

**Article 59.- Subscription and payment of the capital**

The subscription of shares cannot modify the conditions of the program and it is done within the deadline established in the same and should be recorded in a duplicate certificate issued with the signature of the representative of the banking or financial company that receives the subscription, which shall at least express:

1. The corporate name of the company;

2. The identification and address of the subscriber;

3. The number of shares it subscribes and the type of them, if any;

4. The amount paid by the subscriber in accordance with the incorporation program; and,

5. The date and signature of the subscriber or his/her representative.

A copy of the certificate shall be delivered to the subscriber. (*)

**(*) In accordance with Article 1 of Resolution No. 089-2009-EF-94.01.1, published on December 05, 2009, the certificate of subscription referred to in this article may be represented by means of financial assets, which will be referred to as "subscription records". These values can be represented by physical titles or account entries and may contain the following information: 1.- Corporate name of the issuer 2.- Number of shares and Type 3.- Nominal value.**

**Article 60.- Interests of monetary contributions**

Monetary contributions deposited in bank or financial companies must generate interest in favor of company.

If the company is not ultimately formed, interests shall correspond to subscribers in proportion to the amount and date that each of them made their contribution.

**Article 61.- Summons to Attend a Meeting for Subscribers**

The subscribers assembly is held in the place and date specified in the program or, alternatively, where the founders designate in the summons. The founders shall send the summons with no less than fifteen days in advance, starting from the date of the summons notice.

The founders can make subsequent announcements, provided that the meeting be held within eighteen months counted from the date of deposit of the program in the Registry.

**Article 62.- Assembly of Subscribers**

Prior to the assembly, a list of subscribers and their representatives; the number of shares corresponding to each one, their types and, if applicable, its nominal value are expressly stated. This list will be available to any interested party with no less than forty-eight hours prior to the holding of the meeting.

Powers of attorney presented by subscribers can be registered up to three days prior to the holding of assembly.

A list of the attendees is formulated at the start of the assembly, indicating their names, addresses and number and type of subscribed shares. In the case of representatives, their names and addresses must be indicated. The list shall accompany the minute.

For the validity of the assembly, it is necessary to have the presence of subscribers representing at least an absolute majority of the subscribed shares. The quorum is calculated at the beginning of the assembly. The founders appoint the chairman and secretary of the assembly.

**Article 63.- Majority and Agreements made by the Assembly**

Each subscribed share entitles to one vote.

The adoption of any agreement requires the affirmative vote of an absolute majority of the represented shares. It requires the affirmative vote of an absolute majority of the subscribed shares so that the assembly can modify the foundation program content. If non-monetary contributions exist, contributors cannot vote in the case of the approval of their contributions or the value thereof.

The founders cannot vote neither on issues related to special rights conferred to them by means of bylaws or in the case of foundation expenses.

Subscribers and non-attenders who disagree with the modification of the program(*)NOTE SPIJ may use the right of separation, within ten days after the meeting has been held. Such subscribers shall recover their contributions, in addition to corresponding interests as provided in Article 59, and their share subscriptions will no longer be valid.

**Article 64.- Minutes of assembly**

Agreements adopted by the assembly are recorded in a notarized minute undersigned by both Chairman and Secretary. Subscribers may sign the minutes if they wish to.

**Article 65.- Competence of the assembly of subscribers**

The assembly discuss and decides on the following matters:

1. Acts and expenses incurred by founders;

2. Value assigned in the program to non-capital contributions, if any;

3. Appointment of the board members of the company as well as the manager; and,

4. Appointment of person or persons who must execute the public deed containing the company's deed of incorporation and by-law.

The assembly shall also discuss and decide on any other matter, taking into account the provisions of this article and previous ones.

**Article 66.- Execution and registration of articles of incorporation**

Within thirty days after the assembly has been held, the person or persons(*)NOTE SPIJ appointed to execute the public deed of incorporation must do so following the agreements adopted by the meeting, inserting the corresponding minute.

**Article 67.- Disposition of Contributions**

The founders of the company are subject to the provisions of Article 24 with regard to the necessary expenses for the registration of the company in the Registry.

**Article 68.- Termination of the incorporation program**

The incorporation process is ended:

1. If the minimum number of subscriptions is not achieved within the period planned in the program;

2. If the assembly decides not to(*)NOTE SPIJ execute the incorporation of company, in which case the expenses must be reimbursed to founders, according to the funds contributed; and,

3. If the schedule meeting under the program is not made within the indicated deadline.

**Article 69.- Notice of extinction**

Within fifteen days after the grounds for extinction is produced, founders must give notice to:

1. Subscribers, if any;

2. The banking or financial companies that had received deposits, in order that these are returned in the way provided in Article 60, after deduction of reimbursable expenses in accordance with subparagraph 2. of the preceding article;

3. People who were hired provided the formation of the company;

4. The Registry where they would have deposited the program.

Founders who do not comply this obligation are jointly and severally liable for the damages they cause.

**TITLE III**

**FOUNDERS**

**Article 70.- Founders**

In the simultaneous incorporation, founders are those who are listed in the public deed of incorporation and subscribe all shares. In the incorporation by offer to third parties, founders are the ones who sign the incorporation program. Founders are also those people on whose behalf these acts may have performed in the manner indicated in this article.

**Article 71.- Responsibility of the founders**

In the stage prior to the constitution, founders who act on behalf of the company or on their own behalf but in interest and on behalf of the company, are jointly and severally liable before those with whom they have contracted.

Founders are released from such liability(*)NOTE SPIJ since the assumed obligations are ratified by the company within the period prescribed in Article 7(*)NOTE SPIJ . If the company does not make a declaration within that period, it is presumed that the acts and contracts made by the founders have been ratified.

Additionally, founders are jointly and severally liable before the partnership, to the other partners and to third parties:

1. For the comprehensive capital subscription and the payment of the minimum contribution required for the incorporation;

2. For the existence of non-capital contributions, according to their nature, characteristics and contribution value entered in the report of corresponding valuation; and,

3. For the truthfulness of the information made by them to the public for incorporation of company.

**Article 72.- Benefits of Founders**

Regardless of the shareholders capacity, founders may reserve special rights of different economic content, which must appear in the by-law. In the case of profit participation or any right over these, the benefits may not exceed, as a whole, one tenth of the annual distributable income that appears in the financial statements of the first five years, in a maximum period of ten years from the exercise that follows the company incorporation.

**Article 73.- Expiration of founders liability**

The founder's liability expires two years from the registration date of the company in the Registry, from the final rejection of it or notice in which subscribers are informed about extinction of the company's incorporation process.

**TITLE IV**

**ONEROUS CONTRIBUTIONS AND PURCHASES**

**Article 74.- Object of contribution**

Only goods or rights subject to economic valuation may be object of contribution for the corporation.

**Article 75.- Ancillary obligations**

The articles of incorporation may comprise ancillary obligations for all or some shareholders, other than their contribution. The content, duration, modality, retribution and fine for non-compliance of these ancillary obligations shall be determined and they may be in favor of the corporation, of other shareholders or of third parties, but they shall not constitute part of the capital.

Such ancillary obligations may also be created by resolution from the general shareholders' meeting with the consent of the shareholder or shareholders who shall perform them.

Amendments to such ancillary obligations and of the rights granted by them shall only be agreed unanimously, or by resolution from the general shareholders' meeting in case the shareholder or shareholders upon who the obligations rest expressly state their agreement.

**Article 76.- Value revision of the non-monetary contribution**

Within sixty days from the incorporation of the corporation or from the payment of the capital increase, the Board is required to review the valuation of the non-monetary contributions. More than fifty percent of the directors are needed in order for the agreement to be adopted.

Once such term has expired and within the following thirty days, any shareholder may request that the court, via summary proceedings, confirms the valuation through a qualified procedure and shall provide sufficient security to cover the costs of the expert analysis.

The shares corresponding to the contribution subject to review shall not be issue until after the review has been conducted by the Board and the term for its confirmation has expired.

In case the value of the contributed goods has been proved to be twenty percent or(*)NOTE SPIJ more less than the amount received as contribution, the contributing shareholder shall decide among the annulment of the shares equivalent to the difference, their separation from the articles of incorporation or the monetary payment of the difference.

In any of the first two cases, the corporation shall reduce its capital by the corresponding ratio in case the shares had not been purchased back and paid in money within thirty days.

**Article 77.- Purchases for value**

Purchases for value of goods of an amount exceeding ten percent of the paid capital, made by the corporation within the first six months from their incorporation shall be previously approved by the general meeting and a report shall be submitted to the board of directors.

When a meeting is summoned, the board of director's report shall be made available to the shareholders.

The provision herein is not to be applied for the purchase of goods whose trade is attached to the corporate purpose or those made in the stock exchange.

**Article 78.- Payment of call on shares**

The shareholder shall cover the unpaid portion of their shares in the modality and term established in the articles of incorporation or otherwise established in the general meeting. In case of non-compliance, the shareholder shall be deemed in arrears without the need to be notified.

**Article 79.- Consequences of arrears**

The shareholder in arrears shall not exercise their right to vote regarding the shares whose call on shares has not been paid in the modality and term aforementioned.

Such shares shall not be accounted for the general meeting's quorum or to gain majority on polls. Nor shall the shareholder have the preemptive right for new shares or the right to purchase convertible bonds, regarding such shares.

The company shall use the calls corresponding to the shareholder in arrears for the paid portion of their shares, as well as from their fully paid shares, to amortize first the default expenses and interests, and then, the call on shares.

In case the call is paid in kind or in their own shares, the corporation shall sell them through a force auction established in the Code of Civil Procedure and shall use the proceeds from the sale for the aforementioned purposes.

**Article 80.- Payment of calls on shares**

Notwithstanding the preceding provisions, in case the shareholder is in arrears, the corporation may, as appropriate and based on the nature of the unpaid contribution, take legal actions to force the compliance of the obligation or go on with the sale of the shareholder in arrears' shares on their behalf and risk. In both cases, the corporation shall collect the expenses, default interests and damages caused by the arrears.

In case the corporation decides to sale the shares, the sale shall be verified via the corporation's stockbroker and entails the substitution of the original share certificate for a duplicate.

In case the sale does not come to good conclusion due to the lack of a buyer, the unsold shares shall be retired, thereby reducing the capital. The amounts received shall be in the benefit of the corporation, without prejudice to the indemnification for major damages caused to the corporation.

**Article 81.- Liability for the payment of calls on shares**

The transferee of the share not paid in full shall have joint and several liability before the corporation with all the transferors they succeed for the payment of the unpaid portion. The liability of each transferor matures after three years counted from the date of such transfer.

**SECTION THREE**

**SHARES**

**TITLE I**

**GENERAL PROVISIONS**

**Article 82.- Definition of share**

Shares represent aliquot parts of the capital. They all have the same nominal value and grant a right to vote, except for that provided in article 164 and other exceptions provided by law.

**Article 83.- Creation of shares**

Shares are created on the articles of incorporation or**(*)NOTE SPIJ** afterwards by a general meeting's agreement.

The creation of actions granting the right to receive proceeds without share profits is void.

They right to receive a maximum, minimum or**(*)NOTE SPIJ** fixed, cumulative or non-cumulative**(*)NOTE SPIJ** proceed**(*)NOTE SPIJ** may be granted to certain shares, always subject to the existence of share profits.

**Article 84.- Issue of shares**

Shares shall only be issue once they have been subscribed and at least twenty-five percent of their nominal value has been paid for, except for that provided herein.

The issue of shares in the case of contribution in kind shall be governed by article 76.

The rights corresponding to shares issue are independent to whether they are represented by share scripts or definitive certificates, book entries or any other form permitted by law.

**Article 85.- Amount payable for the shares**

The amount payable for the shares is established in the Public Deed of the articles of incorporation or agreed upon by the general meeting.

The amount received for the allotment of shares above their nominal value is a capital surplus.

The payment's terms and conditions for the surplus and its execution are subject to that(*)NOTE SPIJ established by law, by the Public Deed of the articles of incorporation or by a general meeting's agreement.

In case the allotment of shares is less than their nominal value, the difference is accounted for as an allotment loss.

The shares allotted for an amount inferior to their nominal value shall be deemed fully paid for its nominal value for all purposes once their allotment value has been cancelled.

**Article 86.- Additional obligations beyond the payment for shares**

It may established in the articles of incorporation or in the capital increase agreement that the subscriber of a portion or of all the shares assume certain obligations in favor of other shareholders, of the corporation or of third parties, additional to the payment of their value, whether nominal or allotted. These additional obligations may be monetary or not and shall fall over all the corporation's shares or over all shares of a certain kind.

The additional obligations shall be included in the certificates, book entries or any other representation of such shares.

**Article 87.- Issue of share certificates**

The issue of share certificates and their sale are void before their corresponding registration of the(*)NOTE SPIJ corporation or of the capital increase. Exceptionally, should that provided in the first and second paragraphs of article 84(*)NOTE SPIJ have been fulfilled and should the by-law allow it, share scripts may be issued with the expressed observation that their registration in the corporation is outstanding and that in the case of transfer, the transferee would have joint and several liability to all the transferors they succeed for the obligations the original holder of the certificates may have as shareholder and law compliant before the corporation, other shareholders or third parties.

In cases of incorporation or capital increase via an offer to third parties, the certificates article 59 refers to(*)NOTE SPIJ may be freely transferred subject to the rules governing the transfer of rights.

**CONCORDANCE: Resolution No. 089-2009-EF-94.01.1 (Provisions applicable to subscription certificates and to the incorporation or capital increase via an initial public offering, and amendment of the Third Final Provision of the Regulations for the Cut-off, Registration and Delivery dates)**

**Article 88.- Types of shares**

There may be different kinds of shares. The difference may be the rights entitled to their holders, the obligations they entail or both. All shares that are the same kind shall enjoy the same rights and shall have the same obligations.

Types of shares may be created by the articles of incorporation or by a general meeting's agreement.

The removal of any kind of shares and the amendment of the rights or obligations of share of any kind is agreed upon fulfilling the requirements for the amendment of the by-law, notwithstanding the need of prior approval via special meeting of the holders of the type of share being removed or whose rights or obligations are been amended.

In case the removal of a type of shares or the amendment of the terms and the conditions under which they it was created entails the amendment or the removal of the obligations their holders may have assumed before the(*)NOTE SPIJ corporation, other shareholders or third parties, the approval of those affected is required.

The by-law may establish assumptions for(*)NOTE SPIJ the conversion of shares from one kind into another, without the need of a general meeting's agreement, or special meetings or the amendment of the by-law. The amendment of the by-law shall only be necessary in case as a consequence of the conversion another kind of shares disappears.

**CONCORDANCE: CONASEV RESOLUTION No. 077-2005-EF.94.10, Art. 1**

**Article 89.- Indivisibility of shares**

Shares are indivisible. Co-holders shall appoint only one individual to exercise the shareholder rights and to have joint and several liability before the corporation for all the obligations entailed. The appointment shall be made via a letter signed by the co-holders representing more than fifty percent of the rights and shares of the shares in co-ownership. Such signatures shall be notarized.

**Article 90.- Representation of shares**

All shares belonging to one shareholder shall be represented by one sole individual, unless otherwise stated in the by-law or in case such shares belonging individually to different people are recorded in the corporation under the name of one conservator or depositary.

In case the shares had been subject to pledge or usufruct and their entailed right to vote had been transferred, such shares may be represented by the corresponding individual in accordance with the incorporating document of such pledge or usufruct.

In case shares belonging to the same shareholders are represented by more than one individual as permitted by the by-law, the rights referred to in articles 140 y 200(*)NOTE SPIJ may only be exercise in the case that all the shareholder's representatives meet the requirements stated in such provisions.

**Article 91.- Holding of shares**

The corporations deems holder of a share the individual who appears as such in the stock record.

In case the holding of shares is disputed, the corporation shall accept the exercise of the shareholder rights by the individual registered in the corporation as their holder, unless an injunction states it otherwise.

**CONCORDANCE: Securities Market Superintendence Resolution No. 013-2013-SMV, item 3.1 (Stock record)**

**Article 92.- Stock record**

The creation of shares shall be registered in the stock record as appropriate in accordance with provisions of article 83. Likewise, the issue of shares, whether they are represented by share scrips or definite certificates, shall also be registered in the stock record as stated in article 84.

The transfers, stock exchanges and splits, the rights and liens on them, the limitations to(*)NOTE SPIJ shares' transfer and the agreements among shareholders or among shareholders an third parties regarding shares or that have the purpose of exercising the rights attached to them, shall also be registered in this stock record.

The stock record shall be kept in a book particularly for this purpose or in fly sheets, both duly legalized, or in book entries or in any other manner permitted by law. Two or more of the systems described may be used; in case of discrepancy, that registered in the book or in the fly sheets shall prevail, as appropriate.**(*)**

**(*) Paragraph amended by the Third Provision of the Amendment of Act No. 27287, published on June 19, 2000, whose text is as follows:**

"The stock record shall be kept in a book particularly for this purpose or in fly sheets, both duly legalized, or in electronic record or any other manner permitted by law. Two or more of the systems described may be used; in case of discrepancy, that registered in the book or in the fly sheets shall prevail, as appropriate".

The scheme of securities representation through book entries shall be governed by the legislation of the securities market.

**CONCORDANCE: Resolution No. 234-2006-SUNAT, Art.14, item d)**

**Article 93.- Communication to the (*)NOTE SPIJ corporation**

The acts referred to in the second paragraph of the preceding article shall be communicated in writing to the corporation for its registration in the stock record.

In case the shares are represented by certificates, their transfer may be proved by the delivery of the certificate endorsed on behalf of the transferee to the corporation or by any other written means. The corporation shall only accept the endorsement made by the individual registered as holder of the share in the stock record or their representative. In case there were two or more endorsements, the corporation may require successive transfers to be proved otherwise.**(*)**

**(*) Paragraph amended by the Third Provision of the Amendment of Act No. 27287, published on June 19, 2000, whose text is as follows:**

"In case the shares are represented by certificates, their transfer may be proved by the delivery of the certificate endorsed on behalf of the transferee to the corporation or by any other written means. The corporation shall only accept the endorsement made by the individual registered as holder of the share in the stock record or their representative. In case there were two or more endorsements, the corporation may require successive transfers to be proved otherwise, observing the formalities of the Securities Act".

**Article 94.- Creation of non-voting shares**

One or more types of non-voting shares may be created.

Non-voting shares are not accounted for determining the quorum for general meetings.

**Article 95.- Voting shares**

Voting shares confer their holders the shareholder status and grant them the following rights:

1. To participate in the profit sharing and in the equity resulting from the settlement;

2. to intervene and vote at the general or special meetings, as appropriate;

3. To oversee as established by law and the by-law, the management of social affairs;

4. to have preemptive rights, with the exceptions and in the manner stated herein, for:

a) The subscription of shares in case of share capital increase and in other cases of shares allotment; and

b) The subscription of convertible bonds or convertible securities or with the right to be converted into shares; and,

5. To withdraw from the corporation in the cases provided by law and in the by-law.

**Article 96.- Non-voting shares**

Non-voting shares confer their holders the shareholder status and grant them, at least, the following rights:

1. To participate in the profit sharing and in the equity resulting from the settlement in the priority stated in article 97**(*)NOTE SPIJ** ;

2. To be informed at least biannually of the corporation's activities and management;

3. To challenge the agreements**(*)NOTE SPIJ** infringing their rights;

4. To withdraw from the corporation in the cases provided by law and in the by-law; and,

5. In the case of capital increase:

a) To subscribe voting shares pro rata to(*)NOTE SPIJ their capital participation, in case the general meeting agrees to increase(*)NOTE SPIJ capital only through the creation of voting shares;

b) To subscribe voting shares proportionally and in the number needed to maintain their capital participation, in case the meeting agrees that the increase includes the creation of non-voting shares, but in a number insufficient for the holders of such shares to maintain the capital participation;

c) To subscribe non-voting shares pro rata to their capital participation in case of capital increase where the general meeting's agreement does not solely create voting rights(*)NOTE SPIJ or in the cases it has been agreed that the capital shall solely been increased by the creation of non-voting shares; and,

d) To subscribe convertible bonds or convertible securities or with the right to be converted into shares, in compliance with the rules of the previous provisions as applicable to the corresponding issue of convertible bonds or securities.

**Article 97.- Preemptive right for non-voting shares**

Non-voting shares give their holders the right to receive the preferred dividend established in the by-law.

In the existence of share profits, the corporation shall share the preferred dividend referred to in the preceding paragraph.**(*)**

**(*) Paragraph amended by the Fourth Supplemental Final Provision of Legislative Decree No. 1061, published on** June 28, 2008**, a provision that became effective on January 1, 2009, whose text is as follows:**

"In the existence of share profits(*)NOTE SPIJ , the corporation shall share the preferred dividend referred to in the preceding paragraph, without the need of an additional general meeting's agreement".

In case of liquidation of the corporation, the non-voting shares grant their holder the right to obtain a reimbursement for the nominal value of their shares, deducting the corresponding the capital calls, before the nominal value of the other shares is paid.

**CONCORDANCE CONASEV Resolution No. 024-2006-EF-94.10 (Interpretation of the scope of this Article in the case of securities publicly offered in the securities market)**

**Article 98.- Treasury stock**

In the articles of incorporation or by agreement to increase capital, the corporation may create shares, voting or non-voting, which shall remain unissued. Treasury stock, as long as they are not issue, may not be put in the capital account on the(*)NOTE SPIJ balance sheet. These are only issue by the corporation once at least twenty-five percent of their nominal value has been paid and once they are subscribed. The Public Deed of incorporation or the agreement for the capital increase also states the period and conditions of their issue.

The rights attached to the(*)NOTE SPIJ treasury stock are only generated once they are issue. In case the allotment of such shares had been requested to a third party, this third party shall also communicate their issue to the corporation.

Treasury stock created as stated herein shall not represent more than twenty percent of the total number of shares issue(*)NOTE SPIJ .

**Article 99.- Subscription of treasury stock**

Shareholders have the preemptive right to subscribe treasury stock, except in the case provided in article 259. Once the corporation has agreed to issue certificates of preferred subscription, they shall be delivered to the corresponding(*)NOTE SPIJ shareholders.

The right to preferred subscription, in this case, shall be exercised within five days counted from the date in which the corporation announces the creation of treasury stock.

**Article 100.- Certificates and other forms of shares representation**

The shares issued, without consideration of their type, are represented by certificates, by book entries or any other form permitted by law.

Share certificates, whether scripts or definitive, shall contain, at least, the following information:

1. The name of the corporation, address, duration, date of the Public Deed of incorporation, the notary before whom it was granted and the registration data of the corporation in the Registry;

2. The capital amount and the nominal value of each share;

3. The shares the certificate represents, the type they belong to, and the rights and obligation attached thereto;

4. The amount paid or the observation of been fully paid;

5. The liens or levies that may be imposed on the share;

6. Any limitation to its transferability; and,

7. The date of issue and the certificate number.

The certificate shall be signed by two directors, unless otherwise stated in the by-law.

**Article 101.- Restrictions and prohibitions applicable to shares**

Restrictions to the transfer, to the liens or to the encumbrance of shares shall not mean the absolute prohibition to transfer, to lien or to encumber.

The restrictions to free transferability of the shares are mandatory for the corporation when they are included in the articles of incorporation, in the by-law or(*)NOTE SPIJ are originated in agreements among the shareholders or among the shareholders and third parties that have been

notified to the corporation. The restrictions shall be registered in the stock record and in the corresponding certificate.

The temporary prohibition to transfer, lien or encumber shares in any other manner shall be valid when stated in the articles of incorporation or in the by-law or agreed upon by the holder of the corresponding shares.

Equally, the temporary prohibition to transfer, lien or encumber shares adopted by a general meeting's agreement shall be valid, in which case it only affects the shares of those who voted in favor of the agreement, and during this same act such shares shall be divided into one or(*)NOTE SPIJ more types, notwithstanding the requirements by law or in the by-law for the amendment of the by-law.

The prohibition shall be at a fixed or determinable period and may not exceed ten years extendable before its maturity for periods no longer than that. The terms and the conditions of the temporary prohibition shall be observed on the stock record and on the certificates, book entries or in the document evidencing the holding of such share.

**Article 102.- Transmission of shares with additional obligations**

Unless otherwise stated in the articles of incorporation, in the by-law or(*)NOTE SPIJ in an agreement with third parties, the transmission of shares whose holding entails the fulfillment of obligations to the corporation, to other shareholders or to third parties, shall have, as appropriate, the approval of the corporation, of the shareholders or of third parties with whom the obligation had been undertaken. Such approval shall not be necessary when the obligor warrants in joint and several liability their compliance, in case the nature of the obligation permits it.

**Article 103.- Option to subscribe shares**

In case stated in the Public Deed of incorporation or agreed upon by the general meeting with the affirmative vote of the shareholders representing all the voting shares, the corporation may give the option to subscribe new shares in certain periods, terms and conditions to third parties or to other shareholders. The period for this option shall not exceed two years.

The grant of this option does not prevent that during its duration the corporation agrees capital increases, the creation of treasury stock or the issue of convertible bonds, unless otherwise state in the terms of the option.

**Article 104.- Purchase of their own shares by the corporation**

The corporation may purchase their own shares from the capital solely to amortize them, prior agreement for capital reduction adopted as provided by law.

In case the purchase is made for an amount over the nominal value, the difference may only be paid from the corporation's benefits and general reserves.

The corporation may purchase their own shares to amortize them without capital reduction and without reimbursement of the nominal value to the shareholder, giving them in exchange equity securities that grant the right to receive, during the term established, a percentage of the corporation's share profits. Such equity securities are nominal and transferable.

The corporation may purchase their own shares from benefits and general reserves in the following cases:

1. to amortize them without capital reduction, in which case an prior general meeting's agreement is required to proportionally increase the nominal value of the other shares in order for the share capital to be divided among them in aliquots of equal value;

2. to amortize them without capital reduction as stated in the preceding item but giving equity securities in exchange granting the right to receive the corporation's share profits for a certain period;

3. without the need to amortize them, in case the purchase is made to avoid a serious damage, in which case they shall be sold in a period no longer than two years; and,

4. without the need to amortize them, prior general meeting's agreement to keep them as treasury stock for a maximum period of two years and at amount no greater than ten percent of the capital subscribed.

The corporation may purchase their own shares without consideration in which case it may or may not amortize them.

The shares purchased by the corporation for value shall be fully paid, unless the purchase is made to avoid a serious damage.

The purchase shall be made pro rate among the shareholders unless:

a) They are purchased to avoid a serious damage;

b) They are purchased without consideration;

c) The purchase is made through stock exchange;

d) Other form of purchase is agreed unanimously at a general meeting; and,

e) It is one of the cases provided in articles 238 and 239.

As long as the shares referred to herein are under the corporation's control, the rights attached thereto remain suspended. Such shares shall not be accounted for the quorum and majorities and their value shall be represented in a special account on the balance sheet.

**Article 105.- Indirect control of shares**

Shares owned by a corporation controlled by a corporation issuing such shares do not give their holder the right to vote nor are they accounted for quorum. “Controlled corporation” refers to that who direct or indirect right to choose the**(*)NOTE SPIJ** majority of the members of the board of directors or voting shares (more than fifty percent) are owned by the corporation who issued the shares.

**Article 106.- Loans with own shares as warranty**

In no case may the corporation grant loans or securities with the warranty of their own shares or for the purchase of these under the responsibility of the board of directors.

## TITLE II

## RIGHTS AND LIENS ON SHARES

### Article 107.- Usufruct of shares

Unless agreed otherwise, the holder has shareholder rights in the usufruct of shares and the usufructuary has the right to access cash dividends or dividends in kind agreed by the corporation during the period of the usufruct.

It may also be agreed that the dividends paid in self-issued shares corresponding to the holder go to the usufructuary during the period of the usufruct.

### Article 108.- Usufruct of shares not fully paid

The holder shall be held responsible for the payment of the calls on shares in the usufruct of shares, unless agreed otherwise.

In case the holder had no complied with their obligation within the period established for such payment, the usufructuary may do so within the following five days without detriment to the right of the holder to recover the payment made.

### Article 109.- Pledge of shares

The shareholder rights correspond to the holder in the pledge of shares.

The pledgee shall facilitate the exercise of the shareholder's rights. The pledgee is in charge of the corresponding expenses.

In case the holder fails the obligation to pay the calls on shares, the pledgee may fulfill this obligation, deflecting against the holder, or may execute the pledge, with the recognition of the preference that the corporate has for the collection of the calls of shares.

The provision herein admits contrary agreements.**(*)**

**(*) Compare against the Sixth Final Provision of Act No. 28677,** published on March 1st, 2006, in effect after ninety days from its publication.

### Article 110.- Injunctive relief over shares

In the case of shares subject to injunctive relief, including seizure, the holder maintains the shareholder rights.

The depositary shall facilitate the exercise of the shareholder's rights. The depositary is in charge of the corresponding expenses.

The injunctive relief over shares does not mean the withholding of the corresponding dividend, unless contrary court order.

The execution of shares subject to injunctive relief shall be governed by article 239

**SECTION FOUR**

**GOVERNING BODIES OF THE COMPANY (*)NOTE SPIJ**

**TITLE ONE**

**GENERAL MEETING OF SHAREHOLDERS**

**Article 111.- Definition**

The general meeting of shareholders is the supreme body of the company. The shareholders being present at the duly called general meeting, and with the corresponding quorum, decide matters within their competence by majority established by this Law. Every shareholder, even dissident shareholders and those not attending the meeting, shall abide to the resolutions passed by the general meeting.

**Article 112.- Meeting Place**

The general meeting shall be held at the registered office unless the possibility of holding it at a different place is stated in the Bylaws.

**Article 113.- Notice (*)NOTE SPIJ of Meeting**

The board of directors or, as the case may be, the company management calls the general meeting(*)NOTE SPIJ whenever it is ordered by Law, established in the Bylaws, agreed by the board of directors if it is deemed necessary for the company's best interests or it is requested by a number of shareholders representing at least 20% of subscribed voting shares.

**Article 114.- Annual Mandatory Meeting**

The general meeting it is held mandatorily at least once a year within three months after the end of the business year.

Its purposes are the following:

1. To pronounce on the corporate management and financial results of the previous business year expressed on the financial statements corresponding to the previous year.

2. To determine the application of profits, if any;

3. To choose the board members, when applicable, and set their payment;

4. To appoint or delegate in the board of directors external auditors, when applicable; and,

5. To decide on other issues related to it according to the Bylaws and on any other issue stated in the notice.

**Article 115.- Other Duties of the Meeting**

The general meeting is also responsible for:

1. Removing members from the board of directors and appointing their successors;

2. Modifying the Bylaws;

3. Increasing or reducing share capital;

4. Issuing bonds;

5. Agreeing the disposal, in a single act, of assets with an accounting value exceeding 50% of the company capital.

6. Ordering investigations and special audits;

7. Agreeing the transformation, merge, spin-off, reorganization and dissolution of the company, as well as its liquidation; and,

8. Resolving any other cases where the Law and Bylaws indicate its intervention and any other matter as required by the social interest.

**Article 116.- Notice Requirements**

The notice of the mandatory annual general meeting and other meetings foreseen in the Bylaws shall be published with not less than ten days prior to the date set for the meeting. In other cases, except for those where the Law**(*)NOTE SPIJ** or Bylaws estipulate longer terms, the publication shall not be less than three days in advance.

The notice of meeting specifies the place, day and hour for the general meeting, as well as the matters to be dealt with. The place, day and hour where the general meeting shall gather on second call, if applicable, may also be stated in the notice. This second meeting shall be held not less than three days or more than ten days after the first one.

The general meeting shall not address other matters than those indicated in the notice of meeting, except for the cases permitted by Law.

**Article 117.- Notice Upon Shareholders' Request**

When one or more shareholders representing not less than 20% of the subscribed voting shares requests by means of a notary instrument**(*)NOTE SPIJ** a general meeting, the board of directors shall published the notice of meeting within fifteen days after receiving the corresponding request, which shall state the topics proposed to be addressed by the shareholders requesting the meeting.

The general meeting shall be called to be held within fifteen days from the publication date of the meeting.

If the request mentioned in the previous paragraph was denied and more the fifteen days have elapsed since its submission and the meeting was not held, the shareholder(s), certifying that they hold the required percentage of shares, may request the competent judge of the registered office to order the meeting for the non-contentious proceedings.

If the judge approves the request, then he will order the meeting, indicate the place, day and hour for the meeting, as well as its purpose, the person who will preside over it and the notary public who will testify the resolutions.**(*)**

**(*) Article modified by Article 3 of Act Nº 29560, published on July 16, 2010, which reads as follows:**

**"Article 117.- Notice Upon Shareholders' Request**

When one or more shareholders representing not less than twenty percent (20%) of the subscribed voting shares requests by means of a notary instrument a general meeting, the board of directors shall state the topics proposed to be addressed by the shareholders requesting the meeting.

The general meeting shall be called to be held within fifteen (15) days from the publication date of the meeting.

If the request mentioned in the previous paragraph was denied and more the fifteen days have elapsed since its submission and the meeting was not held, the shareholder(s), certifying that they hold the required percentage of shares, may request the competent notary public and/or judge of the registered office to order the meeting, indicate the place, day and hour for the meeting, as well as its purpose, the person who will preside over it, with summons from the body in charge, and, if it is carried out by or through court action, and the judge appoint the notary public who will testify the resolutions."

**Article 118.- Second Call**

If the dully called general meeting is not held on first called and if the date for a second call is not foreseen in the notice, the later shall be announced with the same requirements of publication than the first one, specifying that it is about the second call, within ten days after the date of the meeting not held, and at least three days prior to the second meeting.

**Article 119.- Judicial summons**

If the mandatory annual board meeting or any other ordered by the deed of incorporation is not convened within the term and for its purposes, or if the matters dealt with in it are not the adequate ones, the board meeting is convened at the request of the holder of a single subscribed share with voting right, before a notary or the judge from the company's domicile, by means of a non-contentious procedure or process

The judicial or notarial summons must meet the requirements established in Article 116."**(*)**

**(*) Article modified by Article 3 of Act Nº 29560, pu blished on July 16, 2010, which reads as follows:**

**"Article 119.- Judicial summons**

If the mandatory annual board meeting or any other ordered by the bylaws is not convened within the term and for its purposes, or if the matters dealt with in it are not the adequate ones, the board meeting is convened at the request of the holder of a single subscribed share with voting right, before a notary or the judge from the company's domicile, by means of a non-contentious procedure or process.

The judicial or notarial summons must meet the requirements established in Article 116."**(*)NOTE SPIJ**

**Article 120.- General meeting**

Without prejudice to the statements of the preceding articles, the general meeting is assumed as convened and validly formed for dealing with any matter and adopting the corresponding agreements if shareholders representing all of the subscribed voting-right shares are present and if they unanimously accept the holding of the meeting and the matters that are intended to be dealt in it.

**Article 121.- Right to attend general meeting**

Holders of voting-right shares that are registered in the share record, in their name, at least two days ahead of the holding of a general meeting are entitled to attending this meeting and exercising their rights.

The directors and the general manager who are no shareholders may attend the general meeting with voice but without voting right.

The bylaws, the general board or the board of directors can decide about the attendance, with voice but without voting right, of officers, professionals, and technicians who work for the company or the attendance of other people who may be interested in the company's good running.

**Article 122.- Representation in general meeting**

Any shareholder with right to participate in general meetings can have someone else represent him/her. The bylaws may limit this power, restricting the representation to another shareholder or to a director or manager.

The representation must be recorded in writing and especially for each general meeting, except if it goes along with powers granted by a public deed.

The powers must be registered before the company at least twenty-four hours ahead of the**(*)NOTE SPIJ** time established for holding the general meeting.

The representation before the general meeting can be revoked. The represented shareholder's personal attendance to the general meeting shall result in a revocation of the power conferred - referring to the special power - while it shall suspend, for this occasion, the power granted by a public

deed. The provisions of this paragraph shall not be applied in cases of irrevocable powers, express agreements or other cases permitted by law.

**Article 123.- List of attendees**

Before calling for a general meeting, a list of attendees is prepared, expressing each attendee's type or representation and the number of own or proxy shares he/she attends with, grouping the shares into classes, should there be any.

At the end of the list, the number of shares represented is determined, as well as their percentage with respect to their total number, with an indication of the percentage of each one of their classes, should there be any.

**Article 124.- General rules regarding quorum**

The quorum is computed and established at the beginning of the meeting. Upon ascertaining the quorum, the chairman declares it opened.

In general meetings convened to deal with matters that, according to the law or(*)NOTE SPIJ the bylaws, require different attendance, when a shareholder indicates thus expressly and leaves a record the moment the list of attendees is formulated, his/her shares shall not be counted to establish the quorum required for dealing with one or some of the matters referred to in Article 126(*)NOTE SPIJ .

The shares of shareholders who join the meeting after it has been opened are not counted for establishing the quorum, but it is possible to exercise the voting right with regard to these shares.

**Article 125.- Simple quorum**

Except for the considerations of the following article, the general meeting is validly constituted in its first call when at least fifty percent of the subscribed voting-right shares are represented.

In its second call, the attendance of any number of subscribed voting-right shares shall suffice.

In any case, it shall be possible to hold the meeting even if the shares represented in it belong to a single holder.

**CONCORDANCE: CONASEV RESOLUTION No. 077-2005-EF.94.10, Art. 1**

**Article 126.- Qualified (*)NOTE SPIJ quorum**

In order that the general meeting can validly adopt agreements related to the matters mentioned in sub-paragraphs 2, 3, 4, 5, and 7 of Article 115, the attendance, in its first call, of at least two thirds of the subscribed voting-right shares is required.

In its second call, the attendance of at least three fifths of the subscribed voting-right shares suffices.

**Article 127.- Adoption of agreements**

Agreements are adopted with votes in favor by the absolute majority of the subscribed voting-right shares represented in the meeting. When the matters dealt with are the ones mentioned in the preceding article, it is necessary that the agreement be adopted by a number of shares that represent at least the absolute majority of the subscribed voting-right shares.

The bylaws can establish a quorum and majorities(*)NOTE SPIJ that are larger than the ones established in this article and in articles 125 and 126(*)NOTE SPIJ , but never smaller.

**CONCORDANCE: CONASEV RESOLUTION No. 077-2005-EF.94.10, Art. 1**

**Article 128.- Agreements in fulfillment of mandatory rules**

When the adoption of agreements related to the matters of Article 126 must be conducted complying with a mandatory legal provision, neither the quorum nor the qualified majority mentioned in the preceding articles is required.

**CONCORDANCE: CONASEV RESOLUTION No. 077-2005-EF.94.10, Art. 1**

**Article 129.- Chairmanship and secretariat (*)NOTE SPIJ of meeting**

Unless otherwise provided in the deed of incorporation, the general meeting is chaired by the president of the board of directors. The general manager of the company acts as secretary. Should any of them be absent or hindered, these functions shall be performed by those attendees appointed by the board itself.

**Article 130.- Shareholder right to information**

From the day the call is announced, the documents, motions, and projects related to the subject of the general meeting must be available to the shareholders in the company's offices or at the place where the general meeting is held, during the company's office hours.

The shareholders can request, either ahead of the general meeting or during the meeting, the reports or clarifications they deem necessary regarding the matters included in the call. The board of directors is obliged to supply this information, except in those cases where it judges that the dissemination of the requested data may harm the company's interests. This exception does not apply when the request is formulated by shareholders present in the meeting and representing at least twenty-five percent of the subscribed voting-right shares.

**Article 131.- Meeting postponement**

At the request of shareholders representing at least twenty-five percent of the subscribed voting-right shares, the general meeting shall be postponed once only, for no less than three nor more than five days, and without requiring a further call, to deliberate and vote regarding matters they consider not to be sufficiently informed about.

Whatever the number of meetings a general meeting may ultimately be divided into, it is considered a single meeting and the minutes taken shall form a single record.

In the cases considered in this article, the provisions of the first paragraph of Article 124(*)NOTE SPIJ should be applied.

**Article 132.- Special meetings**

When there are different classes of shares, the general meeting's agreements that affect the particular rights of any of them must be approved in a separate session by a special board consisting of the shareholders of the affected class.

The special board shall be governed by the provisions of the general meeting, as far as they are applicable, even regarding the quorum and the qualified majority, when the matters dealt with are the ones considered in Article 126(*)NOTE SPIJ .

**Article 133.- Suspension of voting right**

The voting right cannot be exercised by those who have, on their own or on someone else's account, interests that are in conflict with those of the company.

In this case, the shares with regard to which it is not possible to exercise the voting right are countable for establishing the general meeting's quorum and uncountable for establishing the majorities in voting.

Agreements adopted without complying with the provisions of the first paragraph of this article are vulnerable to being challenged under the terms of Article 139, and the shareholders who have voted despite this prohibition are jointly and severally liable for the damages and losses when no majority would have been achieved without their vote.

**Article 134.- Minutes, formalities**

The general meeting and the agreements adopted in it are recorded in minutes that express a summary of what happened in the meeting. The minutes can be recorded in a book especially opened to this effect, on loose sheets or in any other way permitted by law. When they are recorded in books or documents, they shall be legalized in conformity with the law.

**CONCORDANCE: RESOLUTION No. 234-2006-SUNAT, Art. 14, Sub-Paragraph b)**

**Article 135.- Content, approval and validity of minutes**

The minutes of each meeting must include the place, date and time it took place; the indication of whether it was held in first, second or third call; the name of the shareholders present or of those representing them; the number and class of the shares they are holders of; the name of those who acted as chairperson and secretary; an indication of the dates and newspapers where the call ads were published; the way and result of the votes; and the agreements adopted.

The abovementioned requirements that they must be included in the attendee list can be omitted if the list is part of the minutes.

Any attending shareholder or(*)NOTE SPIJ his/her representative and the people with right to attend the general meeting are entitled to request that his inputs and the votes he/she may have cast be recorded in the minutes.

The minutes, including a summary of the inputs referred in the previous paragraph, shall be prepared by the secretary within five days after the(*)NOTE SPIJ holding of the general meeting.

When the minutes are approved in the meeting itself, they must contain a record of this approval and have been signed, at least, by the chairperson, the secretary, and a shareholder appointed to this effect.

When the minutes are not approved in the meeting itself, no fewer than two shareholders shall be appointed so that, together with the chairperson and the secretary, they revise and approve them. The minutes must have been approved and signed within ten days after the holding of the meeting and made available to the attending shareholders or to their representatives, who shall be able to express their observations or disagreement by means of a notarized letter.

Since these are universal general meetings, it is mandatory that all attending shareholders sign the minutes, except if they have signed the list of attendees and this list includes the number of shares they are holders of and the various matters dealt with in the meeting. In this case, it suffices that it be signed by the chairperson, the secretary, and a shareholder appointed to this effect, and the list of attendees is considered an integral and inseparable part of the minutes.

Any shareholder attending the general meeting has the right to sign the minutes. The minutes are legally binding as of the moment of their approval.

**CONCORDANCE: RESOLUTION No. 234-2006-SUNAT, Art. 14, Sub-Paragraph b)**

**Article 136.- Minutes outside of book or of loose sheets**

Exceptionally, when the circumstances do not allow recording the minutes in the way established in Article 134, they shall be recorded in a special document and signed by all the attending shareholders. This document shall be attached or transcribed to the book or to the loose sheets as soon as they are available, or in any other way permitted by law. The special document shall be handed to the general manager, who shall be responsible for complying with the above-established in the shortest possible time.

**CONCORDANCE: RESOLUTION No. 234-2006-SUNAT, Art. 14, Sub-Paragraph b)**

**Article 137.- Certified copy of minutes**

Any shareholder, even if he/she may not have attended the general meeting, has the right to receive, at his/her own expense, a certified copy of the corresponding minutes or of the specific part he/she indicates. The company's general manager is obliged to issue it, under his/her signature and liability, within five days counted from the date of receipt of the respective request.

In case of non-compliance, the person concerned may resort to the judge from the domicile, through a non-contentious procedure, in order that the company display the respective minutes and the secretary of the court issue the corresponding certified copy for its delivery to the requester. The costs and procedure expenses are to be covered by the company.

**Article 138.- Notary presence**

By agreement of the board of directors or at a request presented no less than forty-eight hours before the holding of the general meeting, by shareholders who represent at least twenty percent of the subscribed voting-right shares, the meeting shall take place in the presence of a notary, who shall certify the authenticity of the agreements adopted in the meeting.

The general manager is responsible for appointing the notary and, in case the request is prepared by the shareholders, they shall cover the respective expenses.

**Article 139.- Agreement vulnerable to legal challenge**

General meeting agreements whose content is contrary to this law, opposes the bylaws or the articles of incorporation, or harms, to the direct or indirect benefit of one or several shareholders, the company's interests may be challenged. Those agreements that give cause to voidability as considered in the Law or in the Civil Code shall also be vulnerable to legal challenge within the terms and in the ways stated by the law.

The challenge does not proceed when the agreement has been revoked or substituted by another one adopted in conformity with the law, the articles of incorporation or(*)NOTE SPIJ the bylaws.

The judge shall order to consider the process as concluded and shall provide the file with the decrees, regardless of their state, if the company proves that the agreement has been revoked or substituted according to the provisions of the preceding paragraph.

In the cases considered in the two previous paragraphs, the right acquired by the third party in good faith is not harmed.

**CONCORDANCE: Supreme Decree No. 014-2008-JUS, Art. 8 (matters that are not compatible)**

**Article 140.- Active legitimation of challenge**

The challenge considered in the first paragraph of the previous article can be interposed by those shareholders who, in the general meeting, have had their opposition to the agreement recorded, as well as by the absent shareholders, and by those who have unlawfully been deprived of casting their vote.

In cases of shares without voting right, the challenge can only be interposed with regard to the agreements that affect the special rights of the holders of such shares.

**Article 141.- Supporting participation of shareholders in process**

The shareholders who have voted in favor of the challenged agreement can participate at their own expense in the process, in order to support the defense of its validity.

**Article 142.- Expiry of challenge**

The challenge referred to in Article 139 expires two months after the date of adoption of the agreement if the shareholder attended the meeting; after three months if he/she did not attend; and, if the agreement is a registrable one, within a month after the registration.

**Article 143.- Challenge process. Competent judge**

The challenge is filed by the abbreviated process. Those based on summoning defects or lack of a quorum, are processed by the summary proceedings.

The Judge with competence on the domicile of the company has jurisdiction to hear a challenge to the resolutions adopted by the general meeting.

**Article 144.- Condition of the challenger**

Shareholders challenging in court any resolution of the general meeting must maintain his/her member status during the process, for which the corresponding entry in the share register will be made.

Voluntary, partial or total transfer of the shares owned by the challenging shareholder shall extinguish the challenging process in his/her respect.

**Article 145.- Suspension of the agreement**

The judge, at the request of shareholders who represent more than twenty percent of the subscribed capital, may issue preventive measure to suspend the challenged agreement.

The judge shall establish that challengers provide an injunction bond to compensate damages that could result from suspension.

**Article 146.- Accumulation of challenge claims**

All actions aimed at challenging the same agreement shall be heard and decided in the same process.

No accumulation can be made to the challenge claim initiated by grounds provided in Art. 139**(*)NOTE SPIJ** , of the Compensation for damages or any other to be processed in the knowledge process nor any counterclaim by the partnership shall be allowed for this concept; however, the right of the parties to initiate separate processes shall be preserved.

**Article 147.- Injunction**

At the request of a party, the judge may issue a injunction measure, providing annotation of the demand in the Registry.

The final suspension of the challenged agreement shall be entered when the resolution providing its suspension is final.

The above annotations shall be canceled at the request of the company when the demand on which they are grounded is rejected by a final judgment, or where the applicant has withdrawn, conciliated, traded or where a neglect of the process has occurred.

**Article 148.- Execution of the judgment**

The decision declaring the objection founded shall produce effects against the company and all shareholders, but shall not affect the rights acquired by third parties in good faith as a result of the challenged agreement.

The final judgment declaring the invalidity of a registered agreement must be registered in the Registry.

**Article 149.- Sanction for the complainant acting in bad faith**

When challenge has been promoted in bad faith or on notorious unfounded ground, the judge shall impose the applicant, benefiting the company affected by the dispute, a penalty according to the seriousness of the matter as well as compensation for damages and losses as appropriate.

**Article 150.- Action of Nullity, Legitimation, Process and Expiration**

Nullity action may be applied to invalidate board agreements contrary to mandatory rules meeting or when they give cause for annulment under this Act or the Civil Code.

Any person having a legitimate interest may lodge an action for annulment of the agreements referred to in the preceding paragraph, which shall be conducted in the knowledge process.

An action for annulment under this Article expires one year after the adoption of the respective agreement.

**CONCORDANCES: D.S. Nº 014-2008-JUS, Art. 8 (Non-reconcilable matter)**

**Article 151.- Other Challenges**

The judge shall not consider admissible, under his/her own responsibility, an action to challenge or otherwise question the validity of the agreement of a general meeting or its purpose, other than those mentioned in Articles 139 and 150.

**TITLE TWO**

**BOARD OF DIRECTORS OF THE COMPANY CHAPTER I**

**GENERAL PROVISIONS (*)NOTE SPIJ**

**Article 152.- Managers**

The company management is in charge of the board of directors and one or more managers, except as provided in Article 247.

**CHAPTER II**

**BOARD OF DIRECTORS**

**CONCORDANCE: D.S. Nº 032-2008-AG, Art. 35, Inc. a) (Regulation of Leg. D. Nº 1020 - Legislative Decree to promote the organization of agricultural producers and the rural land consolidation for agricultural credit)**

**Article 153.- Collective Body and Election**

The Board of Directors is a collective body elected by the general meeting. When one or more types of shares are entitled to elect a number of directors, the election of those directors shall be made in a special meeting.

**Article 154.- Removal**

Directors may be removed at any time, either by the general meeting or special meeting that elected them, even if their appointment had been one of the conditions of the articles of incorporation.

**Article 155.- Number of Directors**

The bylaws of the company shall set a fixed number or minimum and maximum number of directors.

When the number is variable, the general meeting shall decide before the election, the number of directors to be elected for the corresponding period.

In no event shall the number of directors be less than three.

**Article 156.- Substitute or alternate Directors**

The bylaws may provide that substitute directors are elected by fixing their number or that one or more alternate director be chosen for each main director. Unless the bylaws provides otherwise, substitute or alternate directors replace the corresponding main director definitively in case of vacancy or on temporary basis in case of absence or impediment.

At the request of shareholders to elect directors by minority or types of shares, the substitute or alternate directors shall be elected in the same manner as the main directors.

**Article 157.- Vacancy**

The position of director falls vacant by death, resignation, removal, or in case the director incurred in one of the grounds for impediment specified by law or bylaws.

If there were no substitute directors and a vacancy of one or more directors occurs, the same board of directors may elect replacements to complete their number for the remaining period of the present board of directors, unless different provision of the bylaws.

**Article 158.- Multiple vacancies.**

If directors' vacancy occurs in such numbers that the board of directors cannot properly meet, the competent directors shall temporarily assume administration and shall immediately convene appropriate shareholders' meetings to choose a new board of directors. Failure to do this summons or given the vacancy of all directors, the general manager shall perform such call immediately. If the referred summons do not occur within ten days thereafter, any shareholder may request the judge to order it, by the summary proceeding.

**Article 159.- Personal position and representation (*)NOTE SPIJ**

The position of director, whether main, substitute or alternate, is personal, unless the bylaws authorizes the representation.

**Article 160.- Shareholder status and natural person**

It is not a requirement to be a shareholder in order to be a director, unless the bylaws provides otherwise.

The position of director lies only in natural persons.

**Article 161.- Impediments**

The following individuals cannot be directors:

1. The incapable persons;

2. The broken persons;

3. The persons that due to their positions or duties are barred from engaging in commerce;

4. Officers and employees of public administration and business sector entities in which the State has control whose functions are related to the activities of the company, unless it is a Company of the State of Public or Private Law, or the state involvement in the company is a majority;**(*)**

**(*)Amended by the Sole Article of Law No. 26931, issued on 11-03-98; which text reads as follows:**

"4. Officials and Public Servants serving in public bodies whose functions were directly linked to the economic sector in which the company conducts its business activity, except they represent the State's participation in these companies".

5. Those who have pending litigation with the company as plaintiffs or who are subject to corporate liability action initiated by the company and those who are prevented by mandate of an injunction issued by a judicial or arbitral authority; and,

6. Those who are directors, administrators, legal representatives or agents of companies or partners of partnerships that have interests permanently opposed to the company or have personally permanent opposition to its interests.

**Article 162.- Consequences of impediment**

Directors that shall be disqualified on any of the impediments mentioned in the previous article cannot accept the position and should resign immediately if the impediment supervene. Otherwise, they shall be hold responsible for the damages to the company and shall be removed immediately by the general meeting, at the request of any director or shareholder. While the general meeting convenes, the board of directors may suspend the director involved in the impediment.

**Article 163.- Duration of the Board of Directors**

The bylaws indicates the length of the board of directors for specified periods, not exceeding three years or less than one. If the bylaws does not indicate the duration term, it is understood to be for one year.

The board of directors is completely renewed at the end of its period, including those directors who were appointed to complete periods. Directors may be re-elected, unless otherwise provided by bylaws.

The period of the board of directors ends at the general meeting resolving on the financial statements of its last financial year and at the election of a new board, but the board remains in place, although it had completed its term while no new election occurs.

**Article 164.- Election by cumulative voting**

Companies are required to provide their board of directors with minority representation.

For that purpose, each share entitles as many votes as directors must be elected, and each voter may gather his/her votes on behalf on one single person or distribute them among several of them.

Those who obtain the largest number of votes shall be proclaimed directors, following the order of votes.

If two or more persons receive the same number of votes and they cannot all be part of the board of directors due to the number of directors allowed by bylaws, their designation as directors is decided by drawing lots.

Unless the main directors had been elected together with their corresponding substitutes or alternates, in the cases mentioned in the final paragraph of Article 157, the same above procedure for their election is required.

The bylaws may establish a different system of election, if minority representation shall not be less.

Provisions of this Article are not applicable when directors are elected unanimously.

**Article 165.- Presidency**

Unless otherwise specified in bylaws, the board of directors shall elect a Chairman from among its members at its first meeting.

**Article 166.- Remuneration**

The position of director is remunerated. If the bylaws does not provide the amount of remuneration, it shall be determined at the annual mandatory general meeting.

Profit sharing for the board of directors can only be subtracted from the net income and, where necessary, after the subtraction of the legal reserve corresponding to the fiscal year.

**Article 167.- Summons**

The President or his substitute, shall call to the board of directors on the periods or opportunities stated by the bylaws and whenever he/she deemed necessary for the corporate purposes, or when requested by any director or the general manager. If the president does not make the call within ten days or the time provided in the request, the call shall be made by any of the directors.

The call is made in the manner indicated by the bylaws and, alternatively, under registered letter with proof of delivery, and no less than three days prior to the date set for the meeting. The notice must clearly state the place, date and time of the meeting and the matters to be discussed; however, any director may submit for the consideration of the board of directors those matters that he/she considers of interest for the company.

The call can be disregarded when all the directors meet and unanimously agree to meet and the issues at hand.

**Article 168.- Attendance Quorum**

The quorum of the board of directors is half plus one of its members. If the number of directors is odd, the quorum is the next whole number greater than one half of it.

The bylaws may determine a greater quorum in a general manner or for certain issues, but the provision requiring the attendance of all directors is not valid.

**Article 169.- Agreements. Teleconference sessions**

Each director has right to one vote. Board agreements are adopted by absolute majority vote of the directors who participated. The bylaws may establish higher majorities. If the bylaws does not provide otherwise, in the event of a tied vote, the one who chairs the session makes the decision.

Decisions taken out of active directory, by unanimous vote, have the same validity as if they had been adopted at the meeting provided that they are confirmed in written.

The bylaws may provide for the holding of absentee meetings, through written, electronic, or other communication means that enable and ensure the authenticity of the agreement. Any director may object to the exercise of this procedure and require the completion of a face-to-face session.

**Article 170.- Minutes**

The deliberations and resolutions of the board must be recorded by any means, in minutes that shall be gathered in a book, in single sheets or otherwise permitted by law and, exceptionally, in accordance with Article 136. Minutes should express, had a session been held: date, time and venue, and the names of those present. In case no session has been held: the manner and circumstances in which the agreement(s) were adopted or; and in any case, the matters discussed, decisions taken and the number of cast votes as well as the records the directors might want to be recorded.

If the bylaws does not provides otherwise, those who serve as president and secretary of the meeting, or who were expressly designated for this purpose shall sign the minutes. The minutes shall be legally binding and the agreements that it refers may take effect from the moment it was signed, under the responsibility of those who had signed it. The minutes shall be signed no later than ten business days following the date of the meeting or the agreement, as applicable.

Any director may sign the minutes if he desires and manifests so in the session.

The director considering that a minutes has inaccuracies or omissions has the right to demand that his/her observations are recorded as part of the minutes, and he/she has the right to sign the corresponding additions.

The director wanting to save his responsibility for any act or agreement of the board should ask to record his/her opposition in the minutes. If it is not entered in the minutes, he/she will request it to be added to the minutes, as indicated above.

The deadline to request that comments be consigned or opposition included expires after twenty working days from the session.

**CONCORDANCE: R. Nº 234-2006-SUNAT, Art.14, Inc. c)**

**Article 171.- Performance of the position and reserve**

The directors perform the position with the diligence of a prudent businessperson and a loyal representative.

They are obliged to maintain confidentiality regarding the affairs of the company and the company information they can access to, even after resigning their functions.

**Article 172.- Management and representation**

The board has the powers of management and legal representation(*)NOTE SPIJ necessary for the administration of the company in its object, with the exception of the matters that the law or the bylaws attribute to the general meeting.

**Article 173.- Information and functions**

Each director has the right to be informed by the management of all matters related to the progress of the company. This right must be executed within the board so it does not affect the social management.

Directors elected by a group or class of shareholders have the same duties to the company and the(*)NOTE SPIJ other shareholders than the remaining directors, and their performance cannot be restricted to defend the interests of those who elected them.

**Article 174.- Delegation**

The board may appoint one or more directors to resolve or perform certain acts. The delegation may be made to act individually or, if two or more, to act also as a committee.

The permanent delegation of any power of the Board and the appointment of the directors, who are to exercise it, requires the affirmative vote of two-thirds of the board members and their registration in the Registry. For the registration, it is enough a certified copy of the relevant part of the record.

In no case, the accountability and the submittal of financial statements to the general meeting may be object of delegation, nor may be the powers given by it to the board, unless the general meeting expressly authorizes it.

**Article 175.- Reliable information**

The board should provide shareholders and the public the sufficient, reliable and timely information, as determined by law regarding the legal, economic and financial situation of the company.

**CONCORDANCE: D.R. No. 008-2007-EF-93.01, Art. 4.5**

**Article 176.- Obligations by losses**

If when preparing the financial statements for the year or a lesser period, there is a loss of half or more than a half of the capital, or if the loss would be presumed, the board shall immediately convene a general meeting to inform them of the situation.

If the assets of the company would not be sufficient to meet the liabilities, or if such failure would be presumed, the board shall immediately convene a general meeting to report on the situation; and within fifteen days from the date of notice of the meeting, the board shall call the creditors and request, if applicable, the insolvency of the company.

**Article 177.- Responsibility**

Then directors shall respond, jointly and severally, to the company, shareholders and third parties for damages caused by the agreements or acts contrary to the law, to the bylaws or those made intentionally, with abuse of authority or gross negligence.

It is the responsibility of the board, the compliance with the agreements of the general meeting, unless the Board provides otherwise for specific cases.

The directors are also jointly and severally liable along with the directors that have preceded them for irregularities they have committed if, being aware of them, they had not denounced them in writing to the general meeting.

**Article 178.- Disclaimer**

The director who, having participated in the agreement or being aware of it, has expressed his/her disconformity at the time of the agreement or when he/she was aware of it is not responsible, provided that he has made that such disagreement is stated in the minutes or has stated his/her disagreement by means of notarized letter.

**Article 179.- Agreements, credits, loans or guarantees**

The principal can only enter with the company into agreements dealing with those operations normally carried out among the company and third parties and if they are agreed according to the market conditions. The company can only grant credit or loans to directors or grant guarantees on its behalf when it comes to operations usually executed with third parties.

The agreements, credits loans or guarantees that do not meet the requirements of the previous paragraph may be entered into or granted with the prior approval of the board, received by the vote of at least two thirds of its members.

The provisions of the preceding paragraphs applies in the case of directors of related companies and spouses, children, parents and relatives within the third degree of consanguinity or second degree of kingship of the directors of the company and of the directors of the related companies.

The directors are jointly and severally liable before the company and third party creditors for the agreements, credits, loans or guarantees entered into or granted in violation of the provisions in this Article.

**Article 180.- Conflict of interests**

Directors may not adopt agreements that do not watch over the social interest but their own interests or(*)NOTE SPIJ those of the related third parties, or use the business or commercial opportunities they would be aware of by virtue of their position, for personal or third party benefit. They cannot participate on their own behalf or on behalf of third parties in activities competing with the company, without its express consent.

The director, who has an interest in any matter contrary to the company, must state it and refrain from participating in the deliberation and resolution concerning such matter.

The director who contravenes the provisions of this Article is responsible for the damages caused to the company and may be removed by the board or the general meeting upon proposal of any shareholder or director.

**Article 181.- Social claim of responsibility**

The social claim of responsibility against any director is promoted by virtue of the general meeting, even when the company is in liquidation(*)NOTE SPIJ . The agreement may be adopted although it has not been the subject of the call.

The shareholders representing at least one third of the share capital may directly exercise the social claim of responsibility against the directors, provided that the following requirements are satisfied:

1. That, the demand includes the responsibilities on behalf of the company and not the particular interest of the plaintiffs;

2. That, actors have not approved the resolution taken by the general meeting regarding the lack of substance against the directors.

Any shareholder may directly be engaged in social claim of responsibility against the directors, if three months after the general meeting resolved the initiation of the claim would have not filed the lawsuit. It is applicable to this case the provisions of paragraphs 1 and 2 of this article.

The company perceives goods that are obtained by virtue of the lawsuit filed by the shareholders, and the shareholders are entitled to be reimbursed the costs of the proceedings.

The creditors of the company can only act against directors when their claim tends to reconstitute the equity, when it has not been exercised by the company or its shareholders and in addition, when it is an act that seriously threatens the credit guarantee.

**CONCORDANCES: Law No. 29720, Art. 4 (Law promoting the transferable securities and strengthening the capital market)**

**Article 182.- Personal claim of responsibility**

Notwithstanding the provisions of the preceding articles, the claims for compensation that may apply to partners and third parties for acts of the directors directly affecting their interests shall remain safe. It is not considered as direct injury, the one referred to damage caused to company, although it involves, as a result, damage to the shareholder.

**Article 183.- Criminal responsibility**

The lawsuit in civil proceedings against directors does not undermine the criminal liability that may be applicable.

**Article 184.- Expiration of responsibility**

The civil responsibility of the directors will expire two years from the date of adoption of the agreement or the realization of the act that caused the damage, notwithstanding the criminal liability.

## CHAPTER III

## MANAGEMENT

**Article 185.- Designation**

The company has one or more managers appointed by the board, unless the bylaws reserves that power to the general meeting.

When one manager is appointed, this will be the general manager and when more than one manager is appointed, it shall be indicated in which of them the title of general manager falls on. If no such indication exists, it is considered as general manager the first appointed one.

**Article 186.- Term of position**

The term of position of manager is for an indefinite period, unless otherwise specified in the bylaws or that the appointment is made for a specified period.

**Article 187.- Removal**

The manager may be removed at any time by the Board or**(*)NOTE SPIJ** by the general assembly, whichever is the body that has issued its appointment.

The provision of the bylaws or the agreement of the general meeting or the board establishing the irrevocability of the position of manager or imposing for removal a majority superior than the absolute majority is null.

**Article 188.- Powers of the manager**

The powers of the manager shall be established in the bylaws, when appointed or by subsequent act.

Unless otherwise provided in the bylaws or other express agreement of the general meeting or the board, it is presumed that the general manager has the following powers:

1. Celebrate and execute the acts and ordinary agreements for the corporate purpose;

2. Represent the(*)NOTE SPIJ company, with the general and special powers s under the Civil Procedural Code;**(*)**

**(*) Paragraph 2 amended by sub-section 3 of the Third Amending Provision of Legislative Decree No. 1071, published on June 28, 2008, which in accordance with the Third Final Provision, shall be in force on September 1, 2008, which text is as follows:**

"2. Represent the company, with the general and special powers under the Civil Procedural Code and the powers under the Arbitration Act (*)RECTIFIED BY CORRIGENDA."

3. Attend, with voice but without vote at meetings of the board, unless it agrees sessions in a reserved manner;

4. Attend, with voice but without vote at meetings of the general meeting, unless the Board decides otherwise;

5. Issue certificates and certifications regarding the content of the ledgers and records of the company; and,

6. Act as secretary for the meetings of shareholders and the board.

**Article 189.- Impediments and responsibility actions**

They are applicable to the manager, if any, the provisions on impediments and responsibility actions of directors.

**Article 190.- Responsibility**

The manager is in charge of the company, shareholders and third parties for damages caused by the breach of duty, fraud, abuse of powers and gross negligence.

The manager is particularly responsible for:

1. The existence, regularity and accuracy of accounting systems, the ledgers required by law for companies and other ledgers and records that an organized merchant shall have;

2. The establishment and maintenance of an internal control structure designed to provide reasonable assurance that the assets of the company are protected against unauthorized use and all transactions are carried out in accordance with established authorizations and are properly recorded;

3. The veracity of the information provided to the board and the general meeting;

4. The concealment of the irregularities observed in the activities of the company;

5. The conservation of social funds on behalf of the company;

6. The use of social resources in business other than the purpose of the company;

7. The veracity of the certificates and certifications issued by him regarding the content of the ledgers and records of the company;

8. Comply in form and opportunities prescribed by law in accordance with the provisions of Articles 130 and 224; and,

9. Compliance with the law, the bylaws and the decisions of the general meeting and the board.

**Article 191.- Joint and several liability with the directors**

The manager is responsible, jointly with the members of the board, when engaged in acts that give rise to liability for them or when, being aware of the existence of such acts, does not report them to the board or to**(*)NOTE SPIJ** the general meeting.

**CONCORDANCES: D.R. No. 008-2007-EF-93.01, Art. 4.5**

**Article 192.- Agreements, credits, loans or guarantees**

It applies to managers and agents of the company, in accordance with the provisions of Article 179.

**Article 193.- Appointment of a legal person**

When a legal person is appointed as manager, he/she shall appoint a natural person to represent him/her for such purpose, who shall be subject to the responsibilities outlined in this Chapter, notwithstanding that those corresponding to the directors and managers of the manager entity and this one.

**Article 194.- Nullity of anticipated acquittal of liability**

Every statutory provision or agreement of general meeting or board designed to acquit in an anticipated manner the manager from responsibility is void.

**Article 195.- Effects of the Responsibility Agreement**

The agreement to commence claim for damages against the manager, adopted by the general meeting or the board, imports the automatic removal of the latter, who may not be reappointed for the position or for any other function in the company but in the case the claim is declared unfounded or the company desists of the claim filed.

**Article 196.- Criminal responsibility**

Civil claims against the manager did not prejudice a criminal responsibility that may correspond to him.

**Article 197.- Expiration of the responsibility**

The civil responsibility of the manager expires after two years of the act done or omitted by him, subject to criminal responsibility.

**FIFTH SECTION**

**AMENDMENT OF THE BYLAWS, INCREASE AND**

**REDUCTION OF THE CAPITAL**

**TITLE I**

**AMENDMENT OF THE BYLAWS**

**Article 198.- Competent authority and formal requirements**

The amendments to the Bylaws are agreed by general meeting.

For any amendment of the bylaws it is required:

1. To express in the call of the general meeting, clearly and accurately, the matters whose amendment is submitted to the${?}$ board.

2. That the agreement is adopted in accordance with Articles 126 and 127, notwithstanding the provisions of Article 120.

With the same requirements, the general meeting may agree to delegate in the board or management the right to modify certain Articles in the terms and conditions expressly specified.

**Article 199.- Extension of the amendment**

No modification of the bylaws may impose to shareholders new obligations of economic nature, except for those who have certified their acceptance at the general meeting or who shall make it subsequently in an undoubted manner.

The general meeting may agree, although it is not provided in the bylaws, the creation of different classes of shares or the conversion of shares on preferential.

**Article 200.- Right of separation of the shareholder**

The adoption of the resolutions below, grants the right to withdraw from the company:

1. The change of the corporate purpose;

2. The transfer of the registered office abroad;

3. The creation of restraints to the${?}$ transfer of shares or the modification of the existing ones; and,

4. In the other cases, as provided by law or the bylaws.

There can only exercise the right of separation the shareholders who, in the meeting would have stated on record their opposition to the agreement, the absent ones, those who have been unlawfully deprived of casting their vote and the holders of non-voting shares.

The company must disclose those agreements leading to the right of separation only once, within ten days of their adoption, except those cases where the law provides another publication requirement.

The right of separation is exercised by notarial letter delivered to the company until the tenth day following the date of publication of the notice referred to in the previous section.

The shares of those who use the right of separation are reimbursed to the value agreed between the shareholder and the company. If no agreement, the shares having quote in Stock Exchange shall be reimbursed to the value of the weighted average price in the last semester. If they do not have quote to the book value as of the last day of the previous month as of the date of the exercise of the right of separation. The book value is obtained by dividing the net assets by the total number of shares.

The agreed set value may not exceed the result of applying the corresponding valuation as indicated in the previous paragraph.

The company must refund the value of the shares within a period not exceeding two months from the date of exercise of the right of separation. The company will pay the compensatory interests accrued between the date of exercise of the right of separation and the date of payment; which will be calculated using the highest rate permitted by law for loans between people outside the financial system. After this term, the amount of reimbursement shall accrue penalty interest.

If the reimbursement indicated in the previous paragraph would endanger the stability of the company or the company would not be in a position to do so, it shall be made within the time and form of payment determined by the judge upon request, by the summary process.

Any deal excluding the right of separation or make more burdensome its exercise is void.

**TITLE II**

**CAPITAL INCREASE**

**Article 201.- Competent authority and formalities**

The capital increase is agreed upon by general meeting in compliance with the established requirements for amending the bylaws, as stated in public deed and entered in the Registry.

**Article 202.- Modalities**

The capital increase may stem from:

1. New contribution;

2. Capitalization of claims against the company, including the conversion of debentures into shares,

3. Capitalization of earnings, reserves, profits, capital grants, revaluation surplus; and;,

4. Other cases provided by law.

**Article 203.- Effects**

The capital increase determines the creation of new shares or the increase of the nominal value of the existing ones.

**Article 204.- Prerequisite**

For the capital increase related to new contributions or capitalization of claims against the company, it is a prerequisite that all the outstanding shares, regardless of the class they belong to, are paid in full. This requirement is waived when there are liabilities that are payable by debtor shareholders who are in litigation brought by the company and in other cases that are provided for in this law.

**Article 205.- Automatic changes in share capital and the nominal value of shares**

Exceptionally, when the share capital needs to be changed as mandated by the law, the share capital and the nominal value of the shares are legally amended with the approval by the general meeting of the financial statements reflecting such change of the share capital figure without altering the participation of each shareholder. The general meeting may resolve that instead of changing the nominal value of shares, shares be issued or canceled by pro rata for the amount representing the change in the share capital figure. A certified copy of the minutes is all that is needed for the registration of the amendment.

**Article 206.- Delegation to increase capital**

The general meeting may delegate the authority to the board of directors to:

1. Determine the timing to effect the capital increase agreed to at the general meeting. The agreement shall establish the terms and conditions of the increase, which can be determined by the board of directors; and,

2. Agree on one or more capital increases up to a set amount by means of new contributions or capitalization of claims against the company, within a maximum period of five years, in opportunities, the amounts, conditions, according to the procedure that the board may decide without previous consultation of the general meeting. The authorization may not exceed the amount of the paid equity capital in force at the time that the delegation is agreed.

The delegation subject of this article may not appear in any form in the balance as long as the board of directors does not come to an agreement on the capital increase and it is put in effect.

**Article 207.- Preemptive subscription rights**

In the capital increase by new contributions, the shareholders have a preferential right to subscribe, in proportion to their shareholdings, the shares that are created. This right is transferable in the manner provided in this law.

Shareholders who are delinquent in the payment of capital calls cannot exercise this right, and their shares will not be considered to establish the pro rata share of the preemptive rights.

There is no preemptive subscription right in the capital increase in the conversion of bonds into shares, in the cases of articles 103 and 259 or in the cases of corporate reorganization established in this law.

**Article 208.- Exercising preemptive rights**

The preemptive right is exercised in at least two rounds. In the first round, the shareholder is entitled to subscribe the new shares in proportion to his holdings on the date specified in the agreement. If unsubscribed shares remaining, those who have intervened in the first round can subscribe, in the second round, the remaining shares in proportion to their shareholding, considering in this calculation the shares they may have subscribed in the first round.

The general meeting or, as the case may be, the board of directors, establishes the procedure to be followed for the case of remaining unsubscribed shares after the completion of the second round.

Unless unanimously agreed to by all the shareholders of the company, the period for exercising the preemptive right, in the first round${?}$ will not be less than ten days, counted from the date of the notice to be published to that effect or from a later date stated in the notice to that effect. The deadline for the second round, and the following if it is to be the case, is established by the general meeting, and each round cannot under any circumstances be less than three days.

The company is obliged to provide the information for each round to subscribers in a timely manner.

**Article 209.- Preemptive subscription certificate**

The preemptive subscription right is incorporated in a title named preemptive subscription certificate or by entry form , both freely transferable, in whole or in part, which gives its holder the preferential right to subscribe for new shares in the opportunities, the amount, conditions and procedures established by the general meeting or, if applicable, by the board of directors.

The provisions of the preceding paragraph shall not apply where by resolution passed by all the shareholders of the company, by statutory provision or agreement between shareholders duly registered in the company, the free transfer of preferential subscription rights is restricted.

The preemptive subscription certificate, or the entries, must be made available to holders within fifteen business days following the date on which the capital increase resolution was adopted. The date they are made available to shareholders must be indicated in the notice mentioned in the previous article.

The certificate must contain the following information:

1. The name of the company, particulars of its registration in the Registry and the amount of its capital

2. The date of the general or board of directors meeting, as the case may be, that agreed to the capital increase and the amount thereof;

3. The name of the holder;

4. The number of shares conferring preemptive subscription rights and the number of shares entitled to subscribe in the first round;

5. The period for exercising the right, the day and time of the start and expiration, as well as where and how it can be exercised;

6. The manner in which the certificate may be transferred;

7. The issue date; and,

8. The signature of the authorized representative of the company for this purpose.**(*)**

**(*) Paragraph repealed by the First Repealing Provision of Law No. 27287, issued on 06-19-2000, repeal to take effect after 120 days from its publication in the official newspaper El Peruano, in accordance with article 278 of the aforementioned law..**

The entries have the specified information in the manner provided by special legislation on the matter.

The mechanisms and formalities for the transfer of preemptive subscription certificate will be established in the agreement that decrees its issuance.

Holders of preemptive subscription certificate who participated in the first round shall be entitled to do so in the second and subsequent rounds if any, considering in each one the amount of shares they subscribed in exercise of their preemptive subscription right they have acquired, as well as those that would apply to the holding of the shareholder who transferred his right.

**Article 210.- Subscription certificate**

The subscription of shares is recorded in a duplicate receipt, with the information and in the manner specified in Article 59.

**Article 211.- Publicizing**

The general meeting or the board of directors, if applicable, provides the opportunities, amount, conditions and procedure for the increase, all to be published by a notice. The notice is not required when the increase has been agreed in a general shareholders' meeting and the company has no outstanding nonvoting shares issued.

**Article 212.- Offer to third parties**

When new shares are subject to sale to third parties, the company drafts and makes the capital increase program available to the interested parties.

The program contains the following:

1. The name, purpose, address and capital of the company, as well as data concerning its registration in the Registry;

2. The nominal value of the shares, their class, if any, stating the preferences given them;

3. The way to exercise the preemptive subscription rights corresponding to the shareholders, except where the provisions of Article 259 are applicable, in which case it shall make express reference to this circumstance;

4. The financial statements for the past two financial years with the independent auditors report, unless the company was established within that period;

5. The total amount of debentures issued by the company, identifying those that can be converted into shares, and conditions of each issuance;

6. The amount of the capital increase; the class of shares to be issued; and in the case of preferred shares, the differences attributed to them; and,

7. Other matters or information that the company deems of importance.

The special legislation regulating public offers is applicable when the offer to third parties has that legal status and, consequently, the provisions in the above paragraphs shall not apply.

**Article 213.- Capital increase with non-cash contributions**

The relevant general provisions for non-cash contributions are applicable to such capital increases and, as relevant, those for capital increases by cash contributions.

The capital increase with non- cash contributions agreement must recognize the right to make cash contributions for an amount that enables all shareholders to exercise their preemptive subscription right to maintain the proportion they have in the capital.

When the agreement provides to receive no cash contributions, the name of the contributor and the valuation report referred to in Article 27 must be indicated.

**Article 214.- Increased capital through capitalization of credits**

A report from the board of directors that supports the convenience of receiving such contributions must be prepared when the capital increase is made through the capitalization of credits against the company. The provisions of the second paragraph of the preceding article are applicable to this case.

When the capital increase is made by the conversion of debentures into shares and it has been provided the terms of the issue are applied. If the conversion has not been provided the capital increase is made under the terms and conditions agreed to with the bondholders.

## TITLE III

## CAPITAL REDUCTION

### Article 215.- COMPETENT AUTHORITY AND FORMALITIES

The capital reduction is agreed upon by general meeting in compliance with the established requirements for amending the bylaws, as stated in public deed and entered in the Registry.

### Article 216.- Modalities

The reduction of capital determines the amortization of shares issued or the reduction of their par value.

It is implemented through:

1. The issuance to its holders of the amortized nominal value;

2. The issuance to its holders of the amount corresponding to their share of the net assets of the company;

3. The remission of capital call;

4. The reestablishment of the balance between equity capital and net equity reduced due to losses; or,

5. Other means specifically established at the time of the agreement to reduce the capital.

### Article 217.- Formalities

The capital reduction agreement must state the amount that capital is to be reduced, the way it is done, the resources to which the procedure is applied and the procedure by which it is carried out.

The reduction must affect all shareholders in proportion to their equity without changing their shareholding percentage or by lottery to be applied equally to all shareholders. When a different involvement is agreed, it must be decided by unanimous vote of the outstanding shares entitled to vote.

The reduction agreement must be published three times at intervals of five days.

### Article 218.- Deadline for implementation

The reduction may be executed immediately when it is intended to restore the balance between capital and net equity or any other amount that does not entail contributions refunds or debt exemption to shareholders.

When the capital reduction entails contributions refunds or exemption from capital calls or any other amount owed because of the contributions, it may only take place after thirty days of the last publication of the notice referred to in the preceding article.

If the refund or remission mentioned in the preceding paragraph is made before the expiration of that period, it will not be opposable to the creditor and the directors shall be jointly liable with the company to the creditor exercising the right to object referred to in following Article.

**Article 219.- Right of objection**

The creditor of the company, even if his credit is subject to a condition or term, has the right to oppose the execution of the agreement to reduce capital if his credit is not properly secured.

The exercise of the right to object expires within thirty days of the date of the last publication of the notices referred to in Article 217. Opposition made jointly by two or more creditors is valid; if they are raised separately they must come jointly as one before the judge who heard the first opposition.

The opposition is filed by the summary process, suspending the implementation of the agreement until the company pays claims or guarantees to the satisfaction of the judge, who proceeds to issue the corresponding injunction. Similarly, reduction of capital may be executed as soon as the creditor is notified that an entity subject to supervision by the Superintendency of Banking and Insurance has made joint bond in favor of the company for the amount of its credit, interest, fees and other components of the debt and for the period necessary for the enforceable claim period to expire.

**Article 220.- Mandatory reduction for losses**

The reduction of capital shall be mandatory when losses have decreased equity by more than fifty percent and one year has elapsed without recovery, except when legal or unrestricted reserves are on hand, new contributions are made or shareholders assume the loss, in an amount to offset the loss.

**SECTION SIX**

**FINANCIAL STATEMENTS AND ALLOCATION OF PROFITS**

**Article 221.- Annual report and financial information**

At year-end the board must prepare the annual report, the financial statements and the proposed allocation of profits, if any. These documents must show, with clarity and precision, the economic and financial situation of the company, the balance sheet and the financial results of the previous year.

Financial statements must be made available to shareholders in adequate time to be submitted, according to law, for the consideration of the annual shareholders meeting.

**Article 222.- Annual report**

In the annual report, the board of directors informs to the general meeting of the progress and status of the business, the projects and major developments during the year and the position of the company and the financial results.

The annual report must contain at least:

1. The significant investments made during the year;

2. The existence of significant contingencies;

3. The significant events occurred after the balance sheet date;

4. Any other relevant information the general meeting should know; and,

5. Other reports and requirements as provided by law.

**Article 223.- Preparation and presentation of financial statements**

The financial statements are prepared and presented in accordance with the legal provisions on the subject and with accounting principles generally accepted in the country.**(*)**

**(*) In accordance with Article 1 of Resolution No. 013-98-EF-93.01, published on 07/23/98, it states that the Generally Accepted Accounting Principles that the text of this article refers to comprises, substantially, International Accounting Standards (IAS ), formalized through resolutions of the Accounting Standards Board, and the standards established by supervisory and control agencies for institutions in their area whenever they are within the theoretical framework in which the international accounting rules are based.**

**CONFORMITY: R. CONASEV No. 102-2010-EF-94.01.1 (States that legal persons under the scope of CONASEV supervision should prepare financial statements in full compliance with the International Financial Reporting Standards (IFRS))**

**Article 224.- Shareholder's right to information**

From the day following the publication of the notice of the general meeting, any shareholder may obtain, free of charge, in the offices of the company, copies of the documents mentioned in the previous articles.

**Article 225.- Effects of approvals by the general meeting**

The approval by the general meeting of the documents mentioned in the previous articles does not convey a waiver of responsibilities that the directors or managers of the company may have incurred.

**Article 226.- External Audit**

The articles of incorporation, bylaws or agreement of the general meeting adopted by ten percent of the outstanding shares entitled to vote, may provide for an annual external audit of the corporation.

The companies that under the law or as${?}$ indicated in the preceding paragraph are subject to annual external audit, shall appoint their external auditors annually.

The report of the auditors to the general meeting will be presented in conjunction with the financial statements.

**Article 227.- Specialty Audits**

In companies that do not have permanent external audits, their financial statements are audited by external auditors on behalf of the company, if so requested by shareholders representing at least ten percent of the total outstanding shares entitled to vote. The application is filed before or during the meeting or at the latest within thirty days of the meeting. Shareholders holding shares without voting rights may also exercise this right, inasmuch as the deadline and the requirements outlined in this article are met, by providing written communication to the company.

Reviews and special investigations will be made under the same conditions on specific aspects of management or accounts of the company that are brought by those requesting it and in relation to matters relating to the latest financial statements. This right can be exercised, even in those companies that have permanent external audits and also by the holders of shares without voting rights. The expenses resulting from these reviews are borne by those requesting them, unless they represent more than a third of the paid-in capital of the company, in which case the costs shall be borne by the latter.

**Article 228.- Amortization and revaluation of assets**

Real estate, furniture, fixtures and other property of the company assets are recorded at their acquisition value or cost adjusted for inflation, where applicable, in accordance with generally accepted accounting principles in the country. These assets are amortized or depreciated annually in proportion to the time of their useful life and${?}$ at a diminished value applied for their use or enjoyment.

Such assets may be revalued upon expert appraisal.

**Article 229.- Legal reserve**

A minimum of ten percent of the distributable income for each fiscal year, less the income tax, should be allocated to a legal reserve, until it reaches an amount equal to a fifth of the capital. The excess over this limit does not enjoy the status of legal reserve.

The losses for a year are offset by profits or free reserves.

In their absence, these are offset by the legal reserve. In the latter case, the legal reserve must be replenished.

The company may capitalize on this reserve, being bound to replace it.

The replacement of the legal reserve is made by allocating future earnings in the manner prescribed in this article.

**Article 230.- Dividends**

The following rules shall be observed for the distribution of dividends:

1. Dividends may be paid only on account of profits earned or for free reserves, provided that the net worth is not less than the paid-in capital;

2. All shares in the company, even if they are not fully paid, are equally entitled to the dividend, regardless of the time these have been issued or paid, unless otherwise provided by bylaws or agreement by the general meeting;

3. The distribution of interim dividends is valid, except for those companies for which there is express statutory prohibition;

4. If the general meeting agrees on an interim dividend without the favorable opinion of the board of directors, the sole liability for payment rests exclusively with the shareholders who voted in favor of the agreement; and

5. The delegation in the${?}$ board of directors of the power to approve the distribution of dividends is valid.

**Article 231.- Mandatory dividend**

The distribution of cash dividends is mandatory for an amount equal to half of the distributable income for each year, after the amount to be applied to the legal reserve is deducted, if so requested by the shareholders representing at least twenty percent of the total outstanding shares entitled to vote. This request can only refer to the profits of the immediately preceding financial year.

The right to request the said dividend cannot be exercised by the holders of shares subject to the special regime on dividends.

**Article 232.- Expiry on receipt of dividends**

The right to receive the dividend expires three years from the date on which payment was due in accordance with the dividend declaration agreement. Dividends whose collection has expired shall increase the legal reserve.**(*) (**)**

**(*) In accordance with the Sole Article of Law No. 26948, issued 09/05/98, it extended to October 31, 1998 the limitation period established by this Article for the dividend for 1994 in the cases of the shareholders of the companies that Emergency Decree No. 106-97 refers to.**

**(**) Article amended by the First Final Provision of Law No. 26985, published on 29/10/98, which reads as follows:.**

**“Article 232.- Expiry on collection of dividends**

The right to collect the dividend expires three years from the date on which payment was due in accordance with the dividend declaration agreement.

Only in the case of Publicly Traded Corporations, the limitation period described in the preceding paragraph shall be ten years.

Dividends whose collection has expired increase the legal reserve..”

**Article 233.- Capital premiums**

Capital premiums can only be distributed when the legal reserve has reached its maximum limit. They can be capitalized at any time.

Their balance may be distributed if the maximum limit of the legal reserve of raw capital is complete.

**SECTION SEVEN**

**SPECIAL TYPES OF PUBLIC LIMITED**

**COMPANIES TITLE I**

**CLOSELY HELD COMPANY**

**Article 234.- Requirements**

The corporation may become subject to the regime of the closely held corporation when it has no more than twenty shareholders and has shares registered in the Public Registry of the Stock Market. Registration in this Registry of shares of a closely held corporation cannot be requested

**Article 235.- Name**

The name must include the words “Closely Held Company” or${?}$ the S.A.C. acronym.

**Article 236.- System**

The closely held corporation is governed by the rules of this Section and, as a complement to, by the rules of the corporation, as they may be applicable.

**Article 237.- Preferential acquisition right**

A shareholder who intends to transfer all or part of his shares to another shareholder or third parties must notify the company in writing to the general manager who shall notify other shareholders within ten days, so that within thirty days they may exercise their preferential acquisition right in proportion to their shareholding.

The communication of the shareholder shall state the name of the potential buyer and, if a legal person, of its major partners or shareholders, the number and class of shares to be transferred, the price and other conditions of the transfer.

The price of the shares, the form of payment and other conditions of the operation shall be as communicated to the company by the shareholder interested in the transfer. If the transfer of shares is for value different than the sale, or on a grant basis, the purchase price shall be fixed by agreement between the parties or by the valuation mechanism established by the bylaws. Failing that, the amount payable is set by the judge by the summary process.

A shareholder may transfer shares to non-shareholders under the conditions reported to the company, sixty days after having brought to their attention the intention to transfer, without the company and / or other shareholders having indicated their intention to purchase.

The bylaws may provide other covenants, terms and conditions for the transfer and valuation of shares, including the removal of the preferential acquisition right.

**Article 238.- Company consent**

The bylaws may provide that any transfer of shares or shares of a certain class becomes subject to the prior consent of the company, who will communicate this by agreement of the general meeting adopted with no less than an absolute majority of the outstanding shares entitled to vote.

The company must give written notice to its shareholders of their refusal to the transfer.

The refusal of consent to${?}$ the transfer determines that company is bound to acquire the shares offered at the price and conditions offered.

In any case of a transfer of shares and if the shareholders do not exercise their preferential acquisition right, the company may acquire the shares by resolution adopted by a majority of not less than half of its registered capital.

**Article 239.- Preferred acquisition in case of forced sale**

When a forced sale of the shares of a closely held corporation occurs, the company must be given prior notice of the respective judgment or forced sale demand.

Within ten business days of when the forced sale is made, the company is entitled to be subrogated to the assignee of the shares for the same price paid for them.

**Article 240.- Transfer of shares by inheritance**

The acquisition of shares by hereditary succession gives the heir or legatee membership. However, the articles of incorporation or the bylaws may provide that other shareholders have the right to acquire, within the timeframe which either determines, the shares of the deceased shareholder, at its value at the date of death. If there were several shareholders who wish to purchase these shares, they will be distributed among all at a proportion to their share of the equity capital.

In case of any discrepancy in the value of the shares three experts appointed, one by each party and the third by the other two. If the price cannot be set by the experts, the share value is set by the judge by the summary process.

**Article 241.- Ineffective transfer**

The transfer of shares that is not subjected to the provisions of this title is ineffective to the company.

**Article 242.- Annual external audit**

The articles of incorporation, bylaws or agreement adopted by the general meeting with fifty percent of the outstanding shares entitled to vote, may provide that the closely held company has an annual external audit.

**Article 243.- Representation at the general meetings**

Shareholders may only be represented at the general meeting by another shareholder, their spouse or forebears or descendants in the first degree. The bylaws may extend representation to others.

**Article 244.- Separation rights**

A partner who did not vote in favor of the amendment to the rules on limitations on the transferability of shares or the preemptive subscription right has the right to secede from the closely held company without prejudice to the other cases of separation granted by law.

**Article 245.- Notice to shareholders´ meeting**

The shareholders' meeting is convened by the board of directors or the general manager, as applicable, with the anticipation prescribed in Article 116 of this law, through notices with delivery receipt, facsimile, email or other means of communication that allows obtaining proof of receipt, addressed to the home address or the address designated by the shareholder for this purpose.

**Article 246.- Non-attending meetings**

The corporate will can be established by any means whether written, electronic or other communication to enable and guarantee their authenticity.

A shareholders' meeting is mandatory when called for by shareholders representing twenty percent of the outstanding shares entitled to vote.

**Article 247.- Optional board of directors**

The articles of incorporation or the bylaws of the company may provide that the company has no board of directors.

When the non-existence of the board of directors is determined, all the functions under this law for this corporate body shall be exercised by the CEO.

**Article 248.- Exclusion of shareholders**

The articles of incorporation or the bylaws of the closely held company can establish the grounds for excluding shareholders. For the exclusion it is necessary to have the agreement of the general meeting adopted with the quorum and majority established by the bylaws. The provisions of Articles 126 and 127 of this law are in force in the absence of such statutory provision.

The exclusion agreement can be challenged under the rules for contesting the resolutions of the general shareholders´ meetings.

**TITLE II**

**PUBLICLY TRADED CORPORATIONS**

**CONCORDANCE: LAW No. 26985**

**CONASEV Resolution No. 015-2005-EF-94.10 (Provisions applicable to publicly traded corporations)**

**Article 249.- Definition**

A corporation is publicly traded when one ormore of the following conditions are met:

1. Has issued an initial public offering of shares or convertible bonds;

2. Has more of seven hundred and fifty shareholders;

3. More than thirty and five percent of its capital belongs to one hundred seventy-five or${?}$ more shareholders, without considering within this number those shareholders whose individual share ownership does not reach two per thousand of capital or exceeds five percent of capital;

4. It has been incorporated as such; or${?}$ ,

5. All shareholders with right to vote have approved by unanimity the adoption of such regime.

**Article 250.- Name**

The name must include the words “Publicly Traded Corporation” or the “S.A.A.” abbreviation.

**Article 251.- Regime**

The publicly traded corporation is governed by the rules of this Section and in a supplementary manner by the rules of stock corporations, as they may be applicable.

**Article 252.- Registration**

The publicly traded corporation must register all its shares in the Public Securities Market Registry.**(*)**

**(*)Article amended by the Single Article of Law No. 27303, published on 07-10-2000, whose text is as follows:**

**“Article 252.- Registration**

The publicly traded corporation must register all its shares in the Public Securities Market Registry.

There is no obligation to register the type or types of shares that are subject to provisions that limit free transferability, restrict negotiations or grant preemptive right to acquire them deriving from agreements made prior to the verification of the cases provided in subsections 1), 2) and 3) of Article 249 or subscribed in full, directly or indirectly, by the State.

The registration exemption shall apply provided the above-mentioned provisions are in force and as long as it does not prevent the publicly traded corporation from registering the other types of shares in the Public Securities Market Registry.”

**Article 253.- CONASEV Control**

The National Supervisory Commission of Companies and Securities (Comisión Nacional Supervisora de Empresas y Valores)is responsible for monitoring and controlling publicly traded corporations. To this end and in addition to the powers specifically listed in this section, it has the following:**(*)**

**(*)Paragraph replaced by the Twelfth Final and Transitory Provision of Law No. 27649, published on 01-23-2002, whose text is as follows:**

**"Article 253.- CONASEV Control**

The National Supervisory Commission of Companies and Securitiesis responsible for monitoring and controlling publicly traded corporations, and is empowered to regulate the provisions contained in this Section related to these corporations, which supervision and control is under its responsibility. To this end and in addition to the powers specifically listed in this section, it has the following:"

1. Require the adaptation of a publicly traded corporation, when applicable;

2. Require the adaptation of a publicly traded corporation into another type of stock corporation where appropriate;

3. Require the submission of financial information and, at the request of shareholders representing at least five per cent of the subscribed capital, other information related to corporate progress mentioned in article 261; and,**(*)**

**(*)Paragraph repealed by the Fourth Amending Supplementary Provision of Act No. 29782, published on** July 28**,** 2011.

4. Convene${?}$ a general or special meeting when the company fails to do so in the opportunities provided by law or articles of incorporation.**(*)**

**(*)Paragraph repealed by the Fourth Amending Supplementary Provision of Act No. 29782, published on** July 28**,** 2011.

**"** 5.Determine violations of the provisions of this Section and of the rules established by CONASEV, according to the provisions of this article which constitute punishable conduct and impose appropriate sanctions.**"(*)**

**(*)Paragraph incorporated by the Twelfth Final and Transitory Provision of Law No. 27649, published on 01-23-2002.**

**CONCORDANCE:** CONASEV Resolution No. 015-2005-EF-94.10

**(Provisions applicable to publicly traded corporations)**

**Article 254.- Invalid provisions**

The articles of incorporation or by-laws of the publicly traded corporation are invalid if they contain:

1. Restrictions on the free transferability of shares;

2. Any form of restriction on the trading of shares; or${?}$ ,

3. A preemptive right to shareholders or the company to acquire shares in case of transfer thereof.

The publicly traded corporation does not recognize shareholders' pacts containing the aforementioned limitations, restrictions or preemptive rights even when reported and registered in the company.**(*)**

**(*)Article amended by the Single Article of Law No. 27303, published on 07-10-2000, whose text is as follows:**

**"Article 254.- Invalid provisions**

The articles of incorporation or by-laws of the publicly traded corporation are invalid if they contain:

1. Restrictions on the free transferability of shares;

2. Any form of restriction on the trading of shares; or

3. A preemptive right to shareholders or the company to acquire shares in case of transfer thereof.

The publicly traded corporation does not recognize shareholders' pacts containing the aforementioned limitations, restrictions or preemptive rights even when reported and registered in the company${?}$ .

The provisions of this article do not apply to types of shares not registered in accordance with the provisions of Article 252.**"**

**Article 255.- Request for meetings by the shareholders**

Pursuant to article 117, in publicly traded corporations, the number of shares required to convene a general meeting is five percent${?}$ of the outstanding shares entitled to vote.

If the request is denied or the period specified in that article expires and no announcement has been made, it will be convened by the National Supervisory Commission of Companies and Securities.

The provisions of this article apply to convocation requests for special meetings.**(*)**

**(*)Article amended by the Fourth Supplemental and Final Provision of Legislative Decree No. 1061, published on** June 28, 2008**, a provision that became effective on January 1, 2009, whose text is as follows:º**

**"Article 255.- Request for meetings by the shareholders**

Pursuant to article 117, in publicly traded corporations, the number of shares required to convene a general meeting is five percent of the outstanding shares entitled to vote and which voting rights are not suspended under the provisions in article105.

CONASEV is the only competent authority to provide for the convening of general shareholders meetings, which will apply in the following cases:

i) When the request submitted by the shareholders is rejected by the company;

ii) When the period specified in that article expires without having made the call; or,

ii)When the holding of the meeting is arranged by the Board of the Company within an excessive period not in proportion to the advanced publication of the meeting notice.

The provisions of this article apply to convocation requests for special meetings. The calculation basis for determining five percent consists of the shares that make up the type that plans to meet at a special meeting.**"(*)**

**(*)Article repealed by the Fourth Amending Supplementary Provision of Act No. 29782, published on** July 28, 2011.

**CONCORDANCE: CONASEV Resolution No. 015-2005-EF-94.10, Art.1**

**"Article 255.- Request for meetings by the shareholders**

Pursuant to article 117, in publicly traded corporations, the number of shares required to request the holding of a general meeting to the notary or judge having jurisdiction for the company's domicile is five percent (5%) of the outstanding shares entitled to vote and which voting rights are not suspended under the provisions in article 105.

The provisions of the previous paragraph apply to convocation requests for special meetings. The calculation basis for determining five percent (5%) consists of the shares that make up the type that plans to meet at a special meeting. In the case of special meeting calls, compliance with admissibility requirements set out in article 88 and article 132 of this law or those established in the relevant bylaws must be demonstrated.

The notary or judge having jurisdiction for the company's domicile shall arrange the call, provided that the Board of the Company registered in the public records or body exercising their functions had denied the request, explicitly or implicitly. Implicit refusal occurs in the following cases:

(i) When the board had not convened within the period prescribed in the third paragraph of article 117 of this law.

(ii) When the board rescinds, suspends or in any form alters or modifies the terms of the call made at the request of that percentage of shareholders.

(iii) When the board had ordered the holding of the meeting within a period of more than forty (40) days from the publication of the notice of meeting.

Exceptionally, and subject to receiving a duly justified and supported case, the judge having jurisdiction for the company's domicile, having previously convened a general shareholders meeting, may suspend or revoke it at the request of the applicants who called the meeting.**"(*)**

**(*)Article added by Article 10 of Law No. 30050, published on** June 26, 2013.

Article**256.- Right to attend the meeting**

In publicly traded corporations, the anticipation with which shares must be registered for the purposes of article 121 is ten days.

**Article 257.- Quorum and majority**

In publicly traded corporations, for the general meeting to validly adopt agreements related to the matters referred to in article 126, at least fifty percent of the outstanding shares entitled to vote should have attended on the first call.

Attendance of at least twenty-five percent of the outstanding shares entitled to vote will suffice on the second call.

If this quorum is not reached on the second call, the general meeting takes place on the third call, and attendance of any number of outstanding shares entitled to vote will suffice.

Unless, as provided in the following article, two or more calls are published in a single notice, the second call general meeting must be held within thirty days of the first and the third call within the same term as the second call.

Agreements are adopted, in any case, by an absolute majority of the outstanding shares entitled to vote represented at the meeting.

The bylaws cannot require higher quorum or majority.

The provisions of this article also apply to special meetings of publicly traded corporations, where appropriate.

**Article 258.- Publication of the call**

Publication of the notice convening to publicly traded corporation general meetings is twenty-five days in advance.

More than one call can be made in one single notice. In this case, there should not be less than three or more than ten days between each call.

**Article 259.- Capital increase without preemptive right**

In increasing capital by new contributions to the publicly traded corporation, it may be provided that shareholders shall not have a preemptive right to subscribe shares provided the following requirements are met:

1. That the agreement was adopted in the form and with the corresponding quorum, as provided in article 257 and that it also has the vote of not less than forty percent of the outstanding shares entitled to vote; and,

2. That the increase is not directly or indirectly intended to enhance the shareholding position of any of the shareholders.

Exceptionally, the agreement may be adopted${?}$ with a lower number of votes than that indicated in paragraph 1 above, provided there is a public share offer of the shares to be created.

**Article 260.- Annual external audit**

Publicly traded corporations undergo an annual audit performed by selected external auditors that are working and registered with the National Register of Auditing Companies (Registro Único de Sociedades de Auditoría).

**Article 261.- Right to be informed after the meeting**

Publicly traded corporations must provide the information that shareholders representing at least five percent of the paid up capital request after the meeting, provided that these are not confidential matters or issues whose disclosure could cause harm to the company.

In case of disagreement on the privileged and confidential nature of the information the National Supervisory Commission of Companies and Securities shall resolve.**(*)**

**(*)Article repealed by the Fourth Amending Supplementary Provision of Law No. 29782, published on July 28, 2011.**

**Article 262.- Right of withdrawal**

When a publicly traded corporation agrees to exclude the shares or debentures registered in the Public Securities Market Registry and this implies losing that capacity and the obligation to adapt to another form of stock corporations, the shareholders who did not vote in favor of the agreement have the right of withdrawal in accordance with the provisions of article 200. The right of withdrawal must be exercised within ten days from the date of adaptation registration in the Registry.

**“Article 262-A.- Procedure for protection of minority shareholders**

In order to effectively protect the rights of minority shareholders, the Company must publish within a period not to exceed sixty (60) days after holding the Mandatory Annual Meeting referred to in article114:**(*)**

**(*)Paragraph amended by the Fourth Supplemental Final Provision of Legislative Decree No. 1061, published on** June 28, 2008**, a provision that became effective on January 1, 2009, whose text is as follows:**

**“Article 262-A.- Procedure for protection of minority shareholders**

In order to effectively protect the rights of minority shareholders, the Company must disseminate the following within a period not to exceed sixty (60) days after the Mandatory Annual Meeting or after the period referred to in article 114, whichever occurs first:**"**

1. The total number of unclaimed shares and the total value thereof, according to the prevailing securities market price. In the absence of a price in force, the nominal value of the shares must be entered;

2. The total amount of dividends receivable and payable under the dividend declaration agreement;

3. The place where the listings with detailed information can be found, as well as the location and hours of operation for minority shareholders to claim their shares and/or cash their dividends;

4. The list of shareholders who have not claimed their shares and/or dividends; and

5. The amount of dissemination expenses incurred as a result of the protection procedure.**(*)**

**(*)Paragraph repealed by the Fifth Supplemental Final Provision of Legislative Decree No. 1061, published on** June 28, 2008**. The provision became effective on January 1, 2009.**

Such publication shall be made in the official newspaper and on the Company's website. In addition, other mass media may be used at the discretion of the Company.**(*)**

**(*)Paragraph amended by the Fourth Supplemental Final Provision of Legislative Decree No. 1061, published on** June 28, 2008**, a provision that became effective on January 1, 2009, whose text is as follows:**

**"** This dissemination will be performed on the company's website, if available, and CONASEV Securities Market Portal. Additionally, other mass media may be used.**"**

For companies that are in liquidation, insolvency or with negative equity, the obligation referred to in the first paragraph of this article will be fulfilled with one publication of a notice stating where the information required above is available and hours of operation."**(*)**

**(*)Article added by Article 1 of Law No. 28370, published on 10-30-2004.**

**"Article 262-B.- Request to deliver titles that represent shares and/or dividends**

Those interested should go to the Company's offices designated for this purpose to request delivery of shares and/or dividends. To this end, they must submit the following documents depending on whether they are natural or legal persons:

* Identity document, attaching a copy thereof;

* Powers of attorney evidencing the holder's representation, if applicable;

* Documents certifying the heir or legatee's status, if applicable;

* Documents evidencing ownership of shares, if applicable.

With the presentation of any documents specified in this Article, the Company shall deliver the shares and/or dividends within thirty (30) days. After this deadline and without a statement by the Company, the request shall be deemed denied, opening an administrative dispute resolution procedure referred to in Article262-F."**(1)(2)**

**(1) Article added by Article1of Law No. 28370,published on 10-30-2004.**

**(2) Paragraph amended by the Second Amending Supplementary Provision of Law No. 29782, published on** July 28, 2011**, whose text is as follows:**

**"** With the presentation of any documents specified in this Article, the Company shall deliver the shares and/or dividends within thirty (30) days. After this deadline and without a statement by the Company, the request shall be deemed denied, opening a claim procedure regulated in article262-F.**"(*)**

**(*)Article amended by Article 9 of Law No. 30050, published on** June 26, 2013**, whose text is as follows:**

**"Article 262-B.- Request to deliver titles that represent shares and/or dividends**

To request delivery of shares and/or dividends, those interested should submit the following documents depending on whether they are natural or legal persons:

a) Identity document, attaching a copy thereof;

b) Powers of attorney evidencing the holder's representation, if applicable;

c) Documents certifying the heir or legatee's status, if applicable;

d) Documents evidencing ownership of shares, if applicable.

For delivery of dividends, interested parties may instruct the company to make the respective deposit in an account opened in a company established in the national financial system explicitly designated by the holders for this purpose, where appropriate.

With the presentation of any documents specified in this article, the Company shall deliver the shares and/or dividends within a maximum period of thirty (30) days. After this deadline and without a statement by the Company, the request shall be deemed denied, opening a claim procedure regulated in article262-F.**"**

**"Article 262-C.- Supervision by CONASEV**

The Company, within sixty (60) days of such publication referred to in article 262-A, shall send the following to CONASEV:

a) Copy of the publication under article 262-A, in the Official Journal and on the Company's website;

b) The list of shareholders who had claimed their titles representing shares and/or cashed their dividends;

c) The list of shareholders who had not claimed their titles representing shares and/or dividends."**(1)(2)**

**(1) Article added by Article 1of Law No. 28370, published on 10-30-2004.**

**(2) Article amended by the Fourth Supplemental Final Provision of Legislative Decree No. 1061, published on** June 28, 2008**, a provision that became effective on January 1, 2009, whose text is as follows:**

**"Article 262-C.- Supervision by CONASEV** .

The Company, within sixty (60) days of such publication referred to in article 262-A, shall send the following to CONASEV:

a) Have posted on its website and in the CONASEV Securities Market Portal as indicated in the preceding article;

b) The list of shareholders who had claimed their shares and/or cashed their dividends; and,

c) The list of shareholders who had not claimed their shares and/or dividends."**(*)**

**(*)Article repealed by the Fourth Amending Supplementary Provision of Law No. 29782, published on** July 28, 2011.

**"Article 262-D.- Analysis and certification**

CONASEV will analyze the documentation received referred to in article 262-C and if in compliance it will issue the corresponding certificate attesting that the Company has complied with the procedure for the protection of minority shareholders."**(1)(2)**

**(1) Article added byArticle1of Law No. 28370, published on 10-30-2004.**

**(2) Article repealed by the Fourth Amending Supplementary Provision of Law No. 29782, published on** July 28, 2011.

**"Article 262-E.- Dissemination costs**

Dissemination costs resulting from the procedure for the protection of minority shareholders shall be borne by the Company, which may be deducted proportionately from uncollected dividends that had given rise to this procedure.

The deduction shall be made no later than fifteen (15) days of successful publishing, otherwise it shall be presumed, without evidence to the contrary, that the dissemination costs have been borne by the Company.**" (1) (2)**

**(2) Paragraph amended by the Fourth Supplemental Final Provision of Legislative Decree No. 1061, published on** June 28, 2008**, a provision that became effective on January 1, 2009, whose text is as follows:**

" The deduction of costs shall be made no later than fifteen (15) days of successful publishing, otherwise it shall be presumed, without evidence to the contrary, that the dissemination costs have been borne by the Company."

**(1)Article added by Article 1 of Law No. 28370, published on 10-30-2004.**

**"Article 262-F.- Dispute resolution and complaint procedure**

A requester, who was denied the delivery of shares and/or dividends, in an express or tacit manner, can claim this before CONASEV.

The claim shall be submitted to the Company within fifteen (15) working days from the Company's notification of refusal or the tacit refusal. The case will be submitted to CONASEV with the documents necessary for the resolution held by the Company, within a period of three (3) business days. CONASEV must resolve the claim within ninety (90) days from receipt of the documents submitted by the Company, without further ado that the analysis thereof. Within this period, CONASEV may request any additional document to the person concerned and to the Company."**(1)(2)**

**(1) Article added by Article 1 of Law No. 28370, published on 10-30-2004.**

**(2) Article amended by the Second Amending Supplemental Provision of Law No. 29782, published on** July 28, 2011**, whose text is as follows:**

**"Article 262-F. - Complaint Procedure**

A requester, who was denied the delivery of shares and/or dividends, in an express or tacit manner, can claim this before the Securities Market Superintendency (SMV).

The claim shall be submitted to the Company within fifteen working days from the Company's notification of refusal or the tacit refusal. The case will be submitted to the Securities Market Superintendency (SMV) with the documents necessary for the resolution held by the Company, within a period of three business days. SMV must resolve the claim within ninety (90) days from receipt of the documents submitted by the Company, without further ado that the analysis thereof. Within this period, SMV may request any additional document to the person concerned and to the Company.

The criteria used by the Securities Market Superintendency (SMV) to resolve the request should be followed by publicly traded corporations in successive requests of similar cases."

**"Article 262-G.- Effects of CONASEV resolution**

Once CONASEV notifies its resolution, it may be subject to contentious-administrative action, within fifteen (15) business days. In case the claim is declared founded, the resolution will have pending effect.

After the period in the preceding paragraph has expired, and without CONASEV's administrative decision being contested, it will be final.

If necessary, the shareholder will go to the Company with a copy of the resolution in order to obtain the shares and/or dividends within a period not exceeding fifteen (15) days of the filing."**(1)(2)**

**(1) Article added by Article 1 of Law No. 28370, published on 10-30-2004.**

**(2) Article repealed by the Fourth Amending Supplementary Provision of Law No. 29782, published on** July 28, 2011.

**"Article 262-H.- CONASEV sanctions and provisions**

If the Company fails to comply with any of the obligations of minority shareholders protection provided for in this Law or the regulations issued by CONASEV, the latter will apply with reasonableness and proportionality criteria, administrative sanctions and a fine of not less than one (1) or greater than twenty-five (25) tax units.

CONASEV will approve, by board resolution, supplemental rules concerning sanctions for violations of this Law or the provisions related to the protection of minority shareholders rights."**(*)**

**(*) Article added by Article 1 of Law No. 28370, published on 10-30-2004.**

**"Article 262-I.- Trustees' obligation to make publications to protect minority shareholders**

Trustees of trust funds constituted under the provisions of Subchapter II of Title III, Second Section, of Law No. 26702, General Law of the Financial System, of the Insurance System and Organic Law of the Superintendency of Banking and Insurance, which are intended to perform all actions necessary to protect the rights of shareholders and promote the delivery of shares and/or dividends to their owners, are required to publish under those assets, the list of shareholders who have not claimed their shares and/or those who have not collected their dividends or of those whose shares have been swapped.

The publication should be conducted annually during the second quarter of each year in the Official Journal and on the website of such media, every thirty (30) days for three (3) consecutive months.

After thirty (30) days from the last publication, the trustees shall publish and maintain in their website the list of shareholders who have not claimed their shares and/or collected their dividends for a period of sixty (60) calendar days."**(1)(2)**

**(1) Article added by Article 1 of Law No. 28370, published on 10-30-2004.**

**(2) Article amended by the Fourth Supplemental Final Provision of Legislative Decree No. 1061, published on** June 28, 2008**, a provision that became effective on January 1, 2009, whose text is as follows:**

**"Article 262-I.- Trustees' obligation to make publications to protect minority shareholders**

Trustees of trust funds constituted under the provisions of Subchapter II of Title III, Second Section, of Law No. 26702, General Law of the Financial System, of the Insurance System and Organic Law of the Superintendency of Banking and Insurance, which are intended to perform all actions necessary to protect the rights of shareholders and promote the delivery of shares and/or dividends to their owners, are required to publish under those assets, the list of shareholders who have not claimed their shares and/or those who have not collected their dividends or of those whose shares have been swapped.

The publication should be conducted annually during the second quarter of each year on the company and trustee's website, as well as in CONASEV Security Market Portal.

If the company does not have a web page, it must disseminate the news in the above-mentioned Portal."

**"Article 262-J.- Exemption of publication**

The obligation referred to in Article 262-A, shall be satisfied with the publication of a notice stating the place where the information required therein and opening hours are as long as the cost of the publication does not exceed 50% of the total value of shares and/or dividends to be delivered."**(1)(2)**

**(1) Article added by Article 1 of Law No. 28370, published on 10-30-2004.**

**(2) Article repealed by the Fifth Supplemental Final Provision of Legislative Decree No. 1061, published on** June 28, 2008**. The provision became effective on January 1, 2009.**

**TITLE III**

**ADAPTATION TO** ${?}$ **FORMS OF STOCK CORPORATIONS GOVERNED BY THE LAW**

**Article 263.- Adaptation of the stock corporation**

When a stock corporation is eligible to be considered a closely held corporation, it may be adapted to this company form by modification of the articles of incorporation and the bylaws, as necessary.

Adaptation to a publicly traded company will be compulsory when at the end of a financial year the company complies with any of the conditions provided for in paragraphs 1, 2 or 3 of article 249. In this case, any member or interested party can apply. Management should take the necessary actions and relevant meetings will be held and agreements adopted without quorum or majority requirements.

**Article 264.- Adaptation of the closely held corporation or publicly traded company**

The closely held corporation or publicly traded corporation that fails to meet the requirements of the law to be considered as such must conform to the stock corporation that applies. To this end, provisions outlined in the previous article shall apply.

**BOOK THREE**

**OTHER COMPANY FORMS**

**SECTION I**

**GENERAL PARTNERSHIP**

**Article 265.- Liability**

In a general partnership the partners bear unrestricted and joint liability for the company's commitments. Any agreement providing otherwise does not have any effects with regard to third parties.

**Article 266.- Company name**

The general partnership performs its activities under a company name that is related to the name of all or some or one of the partners, adding the expression “Sociedad Colectiva” (General Partnership) or the acronym “S.C.”

The person who, despite not being a partner, allows his/her name to be used as part of the company name is held accountable as if he/she were a partner.

**Article 267.- Duration**

The general partnership has a fixed term of duration. Any extension requires unanimous consent by the partners and is performed after compliance with the provisions of Article 275.

**Article 268.- Modification of articles of incorporation**

Any modification of the articles of incorporation must be adopted by unanimous agreement of the partners and is recorded in the Register. Without compliance with this requirement, the modification has no effect against third parties.

**Article 269.- Establishment of will of members**

Except where otherwise provided for in this Act, the company's agreements are adopted by a majority of votes, counted based on people.

If it is agreed that the majority is determined by capital, the articles of incorporation must establish the vote that corresponds to the industrial partners. Whenever one of the partners holds more than half of the votes, an additional vote by another partner is required.

**Article 270.- Administration**

Except where otherwise provided for in the articles of incorporation, the company's administration corresponds, separately and individually, to each one of the partners.

**Article 271.- Transfer of holdings**

No partner is allowed to transfer his/her company holdings without the others' consent. The partners' holdings are recorded in the public deed of incorporation. The same formality is required for transfer of holdings.

**Article 272.- Private business**

The businesses the partners may perform in their own name, at their own risk and expense, and with their private funds, neither obligate nor benefit the company, except where otherwise provided for in the articles of incorporation.

**Article 273.- Benefit of excussion**

Partners required to settle corporate debts may oppose the excussion of the corporate assets, indicating the assets with which the creditor can achieve his payment, even if the company is in liquidation.

Partners who use their own assets to pay an enforceable debt chargeable to the company have the right to demand a total reimbursement from the company or to demand it from the other partners in proportion to their respective shares, except where otherwise provided for in the articles of incorporation.

**Article 274.- Rights of partner creditor**

A partner's creditors - even in the event that this partner has gone bankrupt - do not have any rights with respect to the company beyond the seizure and appropriation of what corresponds to the debtor partner due to benefits or liquidation, as appropriate.

**Article 275.- Extension of company duration**

The company extension agreement is to be published three times. The opposition referred to in the previous article is to be filed within thirty days of the last notice or the recording in the Register and is processed through an abbreviated proceeding. In case the opposition is considered well-founded, the company must liquidate the debtor partner's shares within a time period not exceeding three months.

**Article 276.- Separation, exclusion or death of partner**

In case of separation or exclusion, the partner remains liable, towards third parties, of the corporate obligations he/she has assumed, until the day he/she concludes his/her relation with the company. The partner's exclusion has to be agreed on by the majority of the partners, without considering the vote of the partner whose exclusion is being discussed. Within fifteen days after informing the excluded partner of his/her exclusion, he/she may file an opposition through a petition, which is to be dealt with in an abbreviated proceeding.

If the company only has two partners, the exclusion of one of them can only be decided by a judge, by means of an abbreviated proceeding. In case the exclusion is declared well-founded, the provisions established in the first part of Article 4 are to be applied.

A partner's heirs are liable for the corporate obligations he/she has assumed, until the day of the tortfeasor's death. This liability is limited to the tortfeasor's estate.

**Article 277.- Provisions to be included in articles of incorporation**

The articles of incorporation, additionally to the subjects they may contain according to the provisions of this Section, must contain rules regarding:

1. The administration system and the representation and management obligations, powers, and limitations that correspond to the administrators;

2. The controls assigned to the non-administrative partners regarding the administration and the way and procedures how the partners exercise the right to be informed about how the company is doing;

3. The liabilities and consequences derived for the partner who uses the corporate assets or uses the company name for purposes outside the company;

4. The other obligations the partners have towards the company;

5. The establishment of the remunerations that correspond to the partners and the limitations regarding the performance of activities outside the company;

6. The establishment of the way how the profits are distributed or how the losses are supported;

7. The cases of separation or exclusion of partners and the procedures that should be followed to this effect; and

8. The procedure of liquidating and paying the separated or excluded partner's share, and the way to solve cases of disagreement.

The articles of incorporation may also include the other rules and procedures that, in the opinion of the partners, are deemed necessary or${?}$ convenient for the organization and functioning of the company, as well as the other legal articles they may wish to establish - all of this, assuming that it does not disagree with any substantive aspects of this form of company.

**SECTION II**

**LIMITED**

**PARTNERSHIPS**

**TITLE I**

**GENERAL PROVISIONS**

**Article 278.- Liability**

In limited partnerships, the general partners bear unrestricted and joint liability for the corporate obligations, while the limited partners only bear liability up to the capital share they have committed themselves to contribute. The incorporating act must indicate who the general and who the limited partners are.

The partnership can be simple or limited by shares.

**Article 279.- Company name**

The limited partnership performs its activities under a company name that is related to the name of all or some or one of the partners, adding the expressions “Sociedad en Comandita” (Limited Partnership) or “Sociedad en Comandita por Acciones” (Partnership Limited by Shares) or their

respective acronyms “S. en C.”or “S. en C. por A.,” as appropriate. The limited partner who agrees that his/her name be used in the company's name bears liability towards third parties for the corporate obligations as if he/she were a general partner.

**Article 280.- Content of deed of incorporation**

The articles of incorporation must contain the rules specific to the respective form of limited partnership adopted and may furthermore include the mechanisms, procedures, and rules, as well as other legal articles the contracting parties may deem necessary or${?}$ convenient for the organization and functioning of the company, assuming that this does not disagree with any substantive aspects of the respective form of limited partnership.

**TITLE II**

**SPECIFIC RULES OF LIMITED PARTNERSHIP**

**Article 281.- Limited partnership**

The provisions that apply to a limited partnership are the ones for a general partnership, as long as they are compatible with indications in this Section.

This form of partnership must comply, in particular, with the following rules:

1. The articles of incorporation must indicate the amount of capital and the way how it is divided. The holding in the capital cannot be represented by shares or any other type of negotiable instrument;

2. The limited partners' contributions can only consist of assets in kind or of money;

3. Unless stated otherwise in an article, the limited partners do not participate in the administration; and

4. The transfer of the general partner's holding requires a unanimous agreement of the general partners and an absolute majority of the limited partners, based on capital. For the one of the limited partners, the agreement of the absolute majority - counted per person of the general partners and of the absolute majority of the limited partners based on capital - is required.

**TITLE III**

**SPECIFIC RULES OF**

**PARTNERSHIP LIMITED BY SHARES**

**Article 282.- Partnership limited by shares**

The provisions that apply to a${?}$ partnership limited by shares are the ones of a public limited company, as long as they are compatible with indications in this Section.

This form of partnership must comply, in particular, with the following rules:

1. All of its capital must be divided in shares, independently of whether they belong to general of limited partners;

2. The general partners carry out the corporate administration and are subject to the obligations and liabilities of public limited company directors.

The administrators can be removed, provided that the decision is made with the quorum and majority established for the matters to which articles 126 and 127 of this law refer to. The same kind of majority is required to appoint new administrators;

3. The limited partners who assume the administration acquire general partner status from the moment they accept the appointment.

The general partner who leaves the position of administrator, does not bear liability for the obligations assumed by the company subsequent to the recording of this resignation in the Register;

4. The general partners' liability towards third parties is regulated by the rules of articles 265 and 273; and

5. Shares that belong to the general partners cannot be transferred without consent of all of the general partners and of the absolute majority, based on capital, of the limited partners; the limited partners' shares can be freely transferred, except for any limitations that the articles of incorporation may establish regarding their transfer.

**THIRD SECTION**

**LIMITED LIABILITY COMPANY**

**Article 283.- Definition and liability**

In a Limited Liability Company the capital is divided into equal holdings, which are accumulable and indivisible, that can neither be incorporated into securities nor be called “shares.”

The partners cannot exceed twenty and do not bear any personal liability for the corporate obligations.

**Article 284.- Name**

The Limited Liability Company has a name and can also use an abbreviated name, to which it must - in any case - add the indication “Sociedad Comercial de Responsabilidad Limitada” (Limited Liability Company) or its (Spanish) acronym “S.R.L.”

**Article 285.- Equity capital**

The equity capital consists of the partners' contributions. When creating the company, the capital must have been paid for a value no less than twenty-five percent of each holding, and deposited in the company's name in a banking or financial entity of the national financial system.

**Article 286.- Establishment of will of members**

The will of the partners who represent the majority of the equity capital determines the company's doings.

The bylaws establishes the way and manner how the partners' will is expressed. It can determine any means that guarantees its authenticity.

Notwithstanding the foregoing, it shall be mandatory to hold a general meeting whenever partners representing at least one fifth of the equity capital may request so.

**Article 287.- Administration: managers**

One or more managers, be they partners or not, are in charge of administration. They represent the company in all matters regarding its corporate purpose. The managers can neither on their own behalf nor on someone else's behalf engage in the same type of business that is the company's corporate purpose. The managers or administrators are endowed with the general and special powers of procedural representation on the sole merit of their appointment. The managers can be dismissed from their position based on an agreement adopted by simple majority of the equity capital, except when such an appointment has been part of the articles of incorporation; in this latter case, it shall only be possible to dismiss them judicially and due to fraud, fault or inability to exercise their duties.

**Article 288.- Manager liability**

The managers bear liability towards the company for the damages caused due to fraud, abuse of discretion or gross negligence. The company's liability-related actions against its managers demand prior agreement of partners representing the majority of the equity capital.

**Article 289.- Liability expiration**

The manager's liability expires two years after the act performed or omitted by him/her, without prejudice to the criminal liability or redress that may have been ordered, if applicable.

**Article 290.- Transfer of holdings due to succession**

The acquisition of company holdings due to hereditary succession confers a partner status on the heir or legatee. However, the bylaws may establish that the other partners have the right to acquire - within the time period it may determine - the company holdings of the deceased partner, according to the valuation mechanism indicated in this stipulation. If there are several partners who wish to acquire these holdings, they shall be distributed among them all, proportionally to their respective company holdings.

**Article291.- Preferential acquisition right**

The partner who intends to transfer his/her holding or${?}$ company holdings to a person from outside the company must inform the manager in writing. The manager, in turn, shall inform the other partners within a period of ten days. The partners may express their desire to buy within thirty days after the notice and, if there are several who are interested, the holdings shall be distributed among all of them, proportionally to their respective company holdings. In case no partner exercises the stated right, the company shall be able to acquire these holdings so that they are amortized, with the consequent reduction of equity capital. If the time period finishes without anybody making use of the preference, the partner shall be free to transfer his/her company holdings in the form and way he deems convenient, except if there has been a call for a meeting in order to decide about the

acquisition of the holdings by the company. In this latter case, if after the date established for holding the meeting there has been no decision regarding the acquisition of the holdings, the partner shall be allowed to proceed with transferring them.

To exercise the right granted in this article, the sales price - in case of divergence - shall be established by three experts, one appointed by each party and a third one appointed by the other two, or - if this cannot be achieved - by a judge by means of a suit through summary trial.

The bylaws may establish other articles and conditions for the transfer of company holdings and their assessment under these conditions, but in no case shall an article prohibiting transfers altogether be valid.

Transfers to a person outside the company that do not conform to the provisions of this article shall be invalid. The transfer of holdings is formalized in a public deed and recorded in the Register.

**Article 292.- Usufruct, pledge and precautionary measures related to holdings**

In cases of usufruct and pledge of company holdings, one shall be subject to the provisions stated in articles 107 and 109 for public limited companies, respectively. However, their incorporation must be laid down in a public deed and recorded in the Register.

The social holding can be the subject of a precautionary measure. The company must be informed about the court decision ordering the sale of the holding. The company shall have a period of ten days as of the day of the notice to substitute the possible bidders who are to show up for the selloff event, and acquire the holding for the base price that is to be determined for this event.

Once the holding has been acquired by the Company, the manager shall proceed in the manner stated in the previous article. If no partner is interested in buying, the holding shall be considered as amortized, with the consequent capital reduction.

**Article 293.- Exclusion and separation of partners**

A manager partner infringing the articles of incorporation's provisions, committing malicious acts against the company or engaging on his/her own behalf in the same type of business as the one that is the company's corporate purpose may be excluded. The partner's exclusion is agreed on with favorable votes by the majority of the Company holdings, without considering the ones belonging to the partner whose exclusion is being discussed. It must be laid down in a public deed and recorded in the Register.

Within fifteen days after informing the excluded partner of his/her exclusion, he/she may file an opposition through a suit that is to be dealt with in an abbreviated proceeding.

If the company only has two partners, the exclusion of one of them can only be decided by a judge by means of a suit through summary trial. If the exclusion is declared well-founded, the provisions of the first part of article 4${?}$ are applied.

Any partner can leave the company in the cases laid down in the law and in the bylaws.

**Article 294.- Stipulations to be included in the articles of incorporation**

The articles of incorporation, in addition to the${?}$ subjects they may contain in accordance with this Section, must include rules regarding:

1. The assets each partner contributes, indicating the title deed with which this contribution is made, as well as the valuation report referred to in Article 27${?}$ ;

2. The additional provisions the partners may have committed to, if applicable, expressing their type and the compensation that, charging this to profits, those who are to perform it shall receive; as well as the reference to the possibility that they be transferable with nothing but the administrator's consent;

3. The way and opportunity of the call that shall${?}$ be performed by the manager by registered letter with proof of delivery, fax, email or any other means of communication that allows obtaining a proof of receipt, addressed to the domicile or address designated by the partner for this purpose;

4. The requirements and other formalities for the modification of the articles of incorporation and bylaws, for extending the partnership's duration and agreeing on its transformation, merging, splitting up, dissolution, liquidation, and expiry;

5. The formalities that must be fulfilled to increase or reduce the equity capital, indicating the preference right the partners may hold and the circumstances under which the capital that has not been assumed by them may be offered to someone from outside the company${?}$ . In turn, it shall be possible to repay the capital proportionally to the respective company holdings, except if another system is agreed on and approved by all partners; and

6. The formulation and approval of the financial statements, quorum and majority required, and the right to the distributable profits in the proportion corresponding to their respective company holdings, unless otherwise provided in the bylaws.

The articles of incorporation may also include the other rules and procedures that the partners may deem necessary or${?}$ convenient for the organization and functioning of the company, as well as the other legal articles they may wish to establish, as long as they do not disagree with any substantive aspects of this form of company.

The call and holding of the general meeting, as well as the representation of the partners therein, shall be governed by the provisions of the public limited company as far as they are applicable to them.

## FOURTH SECTION

## CIVIL LAW PARTNERSHIPS

### Article 295.- Definition, categories and liability

The civil law partnership is constituted for a common economic purpose that is performed through the personal exercise of a profession, trade, skill, practice or another type of personal activities by one, some or all of the partners.

The civil law partnership can be ordinary or of limited liability. In the former form, the partners are personally liable and, in a subsidiary way, with benefit of excussion, they are liable for the company

obligations; unless otherwise agreed on, they are liable proportionally to their contributions. In the latter form, whose partners cannot exceed thirty, they are not personally liable for the company debts.

**Article 296.- Company name**

The ordinary civil law partnership and the civil law partnership of limited liability develop their activities under a company name that is related to the name of one or more partners and to the indication “Sociedad Civil” (Civil Law Partnership) or its abbreviated (Spanish) expression “S. Civil”; or, “Sociedad Civil de Responsabilidad Limitada” (Civil Law Partnership of Limited Liability) or its abbreviated expression “S. Civil de R. L.”

**Article 297.- Equity capital**

The capital of the civil law partnership must have been entirely paid by the moment the articles of incorporation are established.

**Article 298.- Holdings and transfer**

The partners' shares in the capital can neither be incorporated into securities nor be called “shares.” No partner can transfer to another person without the others' consent the holding he/she has in the company, nor can he/she let someone else replace him/her in the performance of his/her profession, office, or, in general, the services he/she is supposed to perform himself/herself according to the corporate purpose. The company holdings must have been recorded in the articles of incorporation. Their transfer is performed by public deed and is recorded in the Register.

**Article 299.- Administration**

Unless otherwise provided in the articles of incorporation, the company's administration is governed by the following rules:

1. The administration, which is in charge of one or several partners as a condition of the articles of incorporation, can only be revoked due to a justified cause;

2. The administration granted to one or more partners without such condition can be revoked at any moment;

3. The administrative partner must adhere to the terms in which the administration has been granted. It is understood that it is not allowed to him/her to enter - in the name of the company - into obligations different or foreign to the ones${?}$ conducive to the corporate purpose. He/she is held accountable of his/her administration in the indicated periods and, in the absence of stipulation, quarterly; and

4. The rules from paragraphs 1 and 2 above are applicable to the managers or administrators, even if they do not have a partner status${?}$ .

**Article 300.- Profits and losses**

The profits or losses are divided among the partners according to the provisions in the articles of incorporation; and${?}$ , in the absence of stipulation, proportionally to their contributions. In this

latter case, and unless stipulated otherwise, the partner who only offers his profession or trade is entitled to a percentage equal to the average value of the capitalist partners' contributions.

**Article 301.- Partner board**

The partner board is the company's supreme body and, as such, it exercises the rights and powers of decision and disposition that it is legally entitled to, except for those that, under the articles of incorporation, have been entrusted to the administrators. The agreements are reached by majority of votes counted${?}$ according to the articles of incorporation and, in the absence of a stipulation, based on capital rather than on people; and the default rule of the article above is applied to the partner who offers only his profession or trade. Any modification of the articles of incorporation requires the partners' unanimous agreement.

**Article 302.- Books and registers**

The civil law partnerships shall keep the minutes and accounting records established for trading companies in the Law.

**Article 303.- Stipulations to be agreed in articles of incorporation**

The articles of incorporation, additionally to the subjects that are appropriate according to the indications in this Section, must include rules regarding:

1. The duration of the partnership, stating whether it has been formed for a specific objective, determined time period or whether it is for an undetermined time period;

2. In partnerships with undetermined duration, the rules for exercising the right of separation of partners by means of an advance notice;

3. The other cases of separation of partners and those where their exclusion takes place;

4. The liability of those partners who only offer their profession or${?}$ trade in case of losses, when the losses exceed the value of the corporate assets or${?}$ if he/she has total exemption;

5. The extension of the obligation of the partner who contributes his/her services of giving the company the profits he/she may have obtained in the exercise of these activities;

6. The company's administration that is to establish who is responsible for the company's legal representation and the cases where the administrator partner requires special power;

7. The exercise of the partners' right to oppose to specific operations before they have been concluded;

8. The way how the benefit of excussion is exercised in an ordinary civil law partnership;

9. The way and regularity with which the administrators${?}$ must render account to the partners about how the company is doing;

10. The way how the partners can exercise their rights to being informed about how the company is doing, the state of the administration and the company's registers and accounts; and

11. The specific grounds for dissolution.

The articles of incorporation may also include the other rules and procedures that the partners may deem necessary or${?}$ convenient for the company's organization and functioning, as well as the other legal articles they may wish to establish, provided they do not disagree with any substantive aspects of this form of company.

**FOURTH BOOK**

**COMPLEMENTARY RULES**

**FIRST SECTION**

**ISSUANCE OF BONDS**

**TITLE I**

**GENERAL** ${?}$ **PROVISIONS**

**Article 304.- Issuance**

The company can issue numbered series of bonds that recognize or create a debt in favor of its holders.

The same bond issuance can be performed in one or more stages or in one or more series, if so decided in the partner or shareholder meeting, as appropriate.

**Article 305.- Amount**

The total amount of the bonds, as of the date of issuance, shall not be higher than the company's net equity, with the following exceptions:

1. That a specific guarantee has been granted; or

2. That the operation take place to settle the price of assets whose acquisition or construction has been hired beforehand by the company; or

3. In special cases where the Law allows it.

**CONCORDANCE: Law No. 29720, Art. 2 (Law promoting the issuance of transferable securities and strengthening the capital market)**

**Article 306.- Issuance conditions**

The conditions of each issuance, as well as the company's capacity to formalize them, in so far as they are not regulated by the Law, shall be the ones established in the bylaws and agreed in the shareholder or partner meeting, as appropriate.

The creation of a union of debt security holders and the appointment, by the company, of a banking or financial institution or stock brokerage company that, named “representative of the debt security holders,” attends the granting of the issuance contract in the name of the future debt security holders.

**Article 307.- Issuance guarantees**

The specific guarantees can be:

1. Real guarantee right; or

2. Joint and several guarantee issued by entities of the national financial system, national or foreign insurance companies, or foreign banks.

Independently of the mentioned guarantees, the debt security holders can give effect to their credits over the other assets and rights of the issuing company or the assets of the partners, if the company form allows it${?}$ .

**Article 308.- Public deed and recording**

The issuance of bonds shall be put down in a public deed, with the participation of the Representative of the Debt Security Holders. The deed states:

1. The name, capital, purpose, domicile, and duration of the issuing company;

2. The conditions of issuance and of being an issuance program, the ones of the different placement series or stages;

3. The nominal value of the bonds, their interest rates, expiration, discounts or bonuses, if any, and the way and place of payment;

4. The total issuance amount and, where appropriate, the amount of each issuance series or phase;

5. The issuance guarantees, where appropriate;

6. The regime of the union of debt security holders, as well as the fundamental rules regarding its relations with the company; and

7. Any other covenant or agreement part of the issuance.

The placement of the bonds can start as of the date of the public deed of issuance. If there are any registrable guarantees, placement can only start after their registration.

**Article 309.- Precedence system**

There is no precedence between a company's different issuances or series of bonds on grounds of date of issuance or placement, unless such precedence has been expressly agreed in favor of a particular issuance or series. Should an order that is more favorable for an issuance or series of

bonds be agreed, it shall be necessary that the debt security holder assemblies of the previous issuances or series give their consent.

The above-stated does not affect the preferential right each issuance or series holds with regard to its own guarantees.

The rights of the debt security holders with regard to the other company creditors are governed by the rules determining their preference.**(*)**

**(*) Article modified by the Third Amendment to Law No. 27,287, published on June 19, 2000, whose text is as follows:**

**"Article 309.- Precedence system**

The date of issuance and bond series of one and the same issuer shall determine the precedence among them, unless such precedence is expressly agreed in favor of a particular issuance or series; in this case, it shall be necessary that the debt security holder assemblies of the previous issuances or series give their consent.

The above-indicated does not affect the preferential right each issuance or series holds with regard to its own specific guarantees.

The rights of the debt security holders with regard to the other issuer creditors are governed by the rules determining their preference."

**Article 310.- Subscription**

The bond subscription signifies for the debt security holder his/her full ratification of the issuance contract and his/her incorporation into the union of debt security holders.

**Article 311.- Issued bonds to be placed abroad**

In case of issuance of bonds that are to be entirely placed abroad, the shareholder or partner meeting, as appropriate, shall be able to agree, in the public deed of issuance, a regime that differs from the one laid down in this law, even dispensing with the Representative of the Debt Security Holders, the union of the debt security holders, and with any other requirement demandable for the issued bonds to be placed in the country.

**Article 312.- Delegation to administrative body**

Upon making the issuance agreement, the shareholder or partner meeting, as appropriate, can delegate all other decisions, as well as the issuance process execution, to the board of directors and, when such board doesn't exist, to the company administrator.

**TITLE II**

**REPRESENTATION OF BONDS**

**Article 313.- Representation**

The bonds can be represented through title deeds, certificates, book entries, or in any other form permitted by law.

The title deeds or certificates that represent bonds and the coupons corresponding to their interests, where appropriate, can be either register or bearer, are enforceable and transferable subject to the${?}$ stipulations contained in the public deed of issuance.

The deeds represented by means of book entries are governed by the laws of matter.

**Article 314.- Title deeds**

A bond's title deed or certificate contains:

1. The specific name of the bonds it represents and, where applicable, the series to which it belongs and whether it is convertible into shares or not;

2. The name domicile and capital of the issuing company and the data regarding its recording in the Register;

3. The date of the issuance's public deed and the name of the notary to whom it was granted;

4. The issuance amount and, where applicable, the series amount;

5. The specific guarantees it is supported by;

6. The nominal value of each bond it represents, its expiration, way and place of payment, and interest rate regime applicable to it;

7. The number of bonds it represents;

8. The indication of whether it is bearer or register and, in this latter case, the name of the title holder or beneficiary;

9. The title deed's or certificate's number and the date of its issuance;

10. The other stipulations and conditions of the issuance or${?}$ of the series; and

11. The signature of both the representative of the issuing company and the Representative of the Debt Security Holders.

The title deed or certificate may contain the information referred to in paragraphs 5, 6, and 10 above in a summarized form, if one states that the information appears complete and in detail in a prospectus that is deposited in the Register and in the National Supervisory Commission of Companies and Securities before putting the title deed or certificate into circulation.

**TITLE III**

**CONVERTIBLE BONDS**

**Article 315.- Issuance requirements**

Both public limited companies and partnerships limited by shares can issue bonds convertible into shares in accordance with the public deed of issuance, which must consider the terms and other conditions of conversion.

The company may agree the issuance of bonds convertible into any type of shares, with or without voting right.

**Article 316.- Preferential subscription right**

The company shareholders have a preferential right to subscribe for convertible bonds, according to the provisions applicable to the shares, as appropriate.

**Article 317.- Conversion**

The capital increase resulting from the conversion of bonds into shares is formalized without any need of a resolution other than the one that gave rise to the public deed of issuance.

**TITLE IV** ${?}$

**DEBT SECURITY HOLDER UNION AND DEBT SECURITY HOLDER REPRESENTATIVE**

**Article 318.- Union creation**

The union of debt security holders is created by granting the public deed of issuance. By subscribing to them, the bond purchasers join the union.

**Article 319.- Union expenses**

The normal expenses caused by the union's maintenance are entirely covered by the issuing company and, unless otherwise agreed, they must not exceed the equivalent of two percent of the annual accrued interests for the bonds issued.

**Article 320.- Assembly of debt security holders**

As soon as fifty percent of the issuance has been subscribed, a debt security holder meeting is called, which should approve or reject the management of the Representative of the Debt Security Holders and either confirm his/her position or appoint someone else to replace him/her.

**Article 321.- Call**

The debt security holder meeting is called by the board of directors of the issuing company; when such a board does not exist, it is called by the company administrator or by the Representative of the Debt Security Holders. Moreover, the latter must call the meeting whenever this is requested by debt security holders representing no less than twenty percent of the bonds in circulation.

The Representative of the Debt Security Holders may request assistance by the administrators of the issuing company and must do so if this is requested by the ones who asked for the call. The administrators have the liberty to attend even if they may not have been called.

**Article 322.- Competence of assembly**

The assembly of debt security holders, duly called, has the following powers:

1. To agree the necessary for defending the debt security holders' interests;

2. To modify, in agreement with the company, the established guarantees and the issuance conditions;

3. To remove the Representative of the Debt Security Holders and to name his/her substitute, in this case covering the entire expenses this decision may cause;

4. To arrange for the start of the corresponding legal or administrative procedures; and

5. To approve the expenses caused by the defense of common interests.

**Article 323.- Validity of assembly agreements**

In the first call, the attendance of at least the absolute majority of the total of bonds in circulation is required, and for the agreements to be valid, they must also be adopted at least by an absolute majority.

If the referred attendance is not achieved, it is possible to proceed with a second call programmed for ten days later and the assembly shall be installed with the attendance of any number of bonds. In this case, it shall be possible to adopt agreements based on an absolute majority of the bonds present or represented in the assembly, except in the case of Paragraph 2 of the previous article, which shall always require that the agreement is adopted by the absolute majority of the total of bonds in circulation.

The agreements of the assembly of debt security holders shall bind them, including the ones that do not attend and the ones that dissent. However, agreements that are contrary to the law or${?}$ that oppose the terms of the public deed of issuance, or that harm the interests of the others to the benefit of one or several debt security holders can be judicially challenged.

The rules to be applied are the ones for challenging agreements made in the general meeting of shareholders, both in matters concerning the procedure and in other aspects that may be pertinent.

**Article 324.- Applicable rules**

The provisions to be applied to the debt security holder assembly, as appropriate, are the ones considered in this law regarding the general meeting of shareholders.

**Article 325.- Representative of Debt Security Holders**

The Representative of the Debt Security Holders is the intermediary between the company and the union and has at least the following powers, rights and responsibilities:

1. To preside over the debt security holder assemblies;

2. To exercise the legal representation of the union;

3. To attend, with voice but without vote, the deliberations of the meeting of shareholders or partners, as appropriate, of the issuing company, informing the company about the union agreements and requesting from the meeting organizers the reports that they or the debt security holder assembly deem of interest;

4. To participate in the draws that are held in relation to the title deeds; to watch over the payment of interests and principal and, in general, safeguard the rights of the debt security holders;

5. To appoint the natural person who shall represent him/her permanently before the issuing company in his/her functions as Representative of the Debt Security Holders;

6. To appoint a natural person so that he/she becomes part of the administrative body of the issuing company when the participation of a representative of the debt security holders in this body has been established in the public deed of issuance;

7. To call a meeting of shareholders or partners, as appropriate, of the${?}$ issuing company if there is a delay of more than eight days in the payment of the accrued interests or in the principal repayment;

8. To demand and supervise the execution of the conversion procedure of bonds into shares;

9. To verify that the issuance guarantees have been properly established, controlling the${?}$ existence and the${?}$ value of the affected assets;

10. To take care that the assets given as guarantee are, according to their nature, duly insured in favor of the Representative of the Debt Security Holders, representing the debt security holders, at least for an amount equivalent to the amount guaranteed; and

11. To start and continue the judicial and extrajudicial claims, especially the ones whose purpose it is to achieve the payment of the owed interests and capital, the execution of the guarantees, the conversion of bonds, and the practice of acts of conservation.

Additionally to the${?}$ powers, rights and responsibilities above-mentioned, the deed of issuance or the${?}$ debt security holder assembly shall be able to confer to him/her the ones deemed convenient or${?}$ necessary.

**Article 326.- Individual claims**

The debt security holders can individually exercise the claims they are entitled to regarding the following:

1. Requesting the nullification of the issuance or of the assembly agreements when either of them has been performed in breach of mandatory rules of the law;

2. Demanding from the issuing company, by means of an execution procedure, the payment of expired interests, obligations, amortizations or refunds;

3. Demanding from the Representative of the Debt Security Holders that he/she carry out the acts of conservation of the rights corresponding to the debt security holders or that he/she fulfill these rights; or

4. Demanding, as appropriate, the liability incurred by the Representative of the Debt Security Holders.

The individual claims of the debt security holders, supported by paragraphs 1, 2, and 3 of this article, do not proceed when there is an ongoing action by the Representative of the Debt Security Holders regarding the same matter, or when they are incompatible with an agreement duly approved by the debt security holder assembly.

**Article 327.- Execution of guarantees**

Before executing the specific issuance guarantees, if there is a delay of the issuing company regarding the payment of the interests or principal, the Representative of the Debt Security Holders shall inform the general assembly of debt security holders, unless the nature of the guarantee or${?}$ the circumstances require their immediate execution.

**Article 328.- Claim to Representative of Debt Security Holders**

If there has been a delay in the payment of interests or principal on the part of the issuing company, any debt security holder can ask the Representative of the Debt Security Holders to file the corresponding application in an executive process. If the Representative of the Debt Security Holders does not file the application within a time period of thirty days, any debt security holder can individually execute the guarantees, to the benefit of all unpaid debt security holders.

**TITLE V**

**REFUND, REDEMPTION, CANCELATION OF BONDS, AND SPECIAL REGIME**

**Article 329.- Refund**

The issuing company must meet the amount of the bonds within the agreed terms, with the bonuses and benefits that may have been stipulated in the public deed of issuance.

Furthermore, the issuing company is required to hold the periodic draws, within the terms and in${?}$ the way considered in the public deed of issuance, with the participation of the Representative of the Deed Security Holders and in the presence of a notary, who shall draw up the corresponding minutes.

Non-compliance with these obligations results in the expiration of the issuance term and authorizes the debt security holders to claim a refund of the bonds and corresponding interests.

**Article 330.- Redemption**

The issuing company can redeem the issued bonds, in order to amortize them:

1. Through an advanced payment, in agreement with the terms of the public deed of issuance;

2. Through an offer made to all the debt security holders or to${?}$ those of a specific series;

3. In compliance with agreements reached with the union of debt security holders;

4. Through purchase in the stock market; and

5. Through conversion into shares, in accordance with the bond holders or in conformity with the public deed of issuance.

**Article 331.- Purchase without amortization**

The company can purchase the bonds without any need to amortize them, when the purchase has been authorized by the board of directors and, if such board does not exist, by the company administrator; in this latter case, the company must place them again within the most convenient term.

While the bonds this article refers to are held by the company, the rights that correspond to them are suspended, and the interests and other credits derived from them that are demandable are extinguished through consolidation.

**Article 332.- Special regime**

The issuance of bonds subject to a special legal regime is governed by the provisions of this title in a supplementary manner.

**SECOND SECTION**

**REORGANIZATION OF COMPANIES**

**TITLE I** ${?}$

**TRANSFORMATION**

**Article 333.- Casesof transformation**

The companies regulated by this law can transform into any other type of company or legal person considered in the laws of Peru.

Unless there is a law that prevents it, any legal person constituted in Peru can transform into one of the companies regulated by this law.

The transformation does not imply a change of the legal person.

**Article 334.- Change in partner liability**

The partners who, under the new company form adopted, assume unlimited liability for the corporate debts are held liable in the same form for the debts incurred before the transformation. Transformation into a company where the partners' liability is limited does not affect the unlimited liability that corresponds to them for the company debts incurred before the transformation, except in case of those debts whose creditor expressly accepts it.

**Article 335.- Modification of holdings or rights**

The transformation does not modify the partners' percent holding in the equity capital without their express consent, except for those changes that take place as a result of exercising the separation right. Likewise, it does not affect the rights of third parties derived from matters unrelated to the shares or holdings in the capital, unless it is expressly accepted by the holder of such title deeds.

**Article 336.- Requirements of transformation agreement**

The transformation is agreed with the requirements established by the law and the company's or legal person's bylaws for the modification of its articles of incorporation and bylaws.

**Article 337.- Agreement publication**

The transformation agreement is published three times, with an interval of five days between each notice. The term for exercising the separation right starts as of the last notice.

**Article 338.- Separation right**

The transformation agreement results in the exercise of the separation right regulated by Article 200${?}$ .

The exercise of the separation right does not free the partner from the personal liability that corresponds to him/her based on the company obligations assumed before the transformation.

**Article 339.- Transformation balance**

The company is required to formulate a transformation balance on the day before the date of the corresponding public deed. The transformation balance is not required to be inserted in the public deed, but the company must make it available to the partners and to interested third parties, at the company's domicile, within a term not exceeding thirty days as of the date of the referred public deed.

**Article 340.- Public deed of transformation**

Upon verifying the separation of those partners who exercise their right or after the deadline established has expired without their making use of this right, the transformation is formalized by a public deed that shall contain a record of the notice publications referred to in Article 337.

**Article 341.- Date of validity**

The transformation takes effect on the day after the date of the respective public deed. The effect of this provision is conditioned by the${?}$ recording of this transformation in the Register.

**Article 342.- Transformation of companies in liquidation**

If the liquidation is not a consequence of the declaration of invalidity regarding the articles of incorporation or the bylaws, or of the expiration of their${?}$ term of duration, the company in liquidation can be transformed by previously revoking the dissolution agreement, provided that the company's assets are not being distributed among its partners yet.

**Article 343.- Claim of transformation nullification**

A legal claim of invalidity against a transformation recorded in the Register can only be based on the invalidity of the${?}$ agreements of the general meeting or assembly of partners of the company being transformed. The claim must be directed against the transformed company.

The claim must be processed in an abbreviated process.

The term for exercising a claim of transformation invalidity expires after six months as of the date of recording the public deed of transformation in the Register.

**TITLE II**

**MERGER**

**Article 344.- Concept and forms of merger**

For a merger, two or more companies join to form a single one complying with the requirements prescribed by this law. It can assume one of the following forms:

1. The merger of two or more companies to form a new incorporated company causes the extinction of the legal personality of the incorporated companies and the full and universal transfer of their assets to the new company; or

2. The takeover of one or more companies by another existing company causes the extinction of the legal personality of the company or companies taken over. The company that takes over assumes the entirety of the assets of the companies taken over.

In both cases, the partners or shareholders of the companies that cease to exist due to the merger receive shares or holdings as shareholders or partners of the new company or of the company taking over, as appropriate.

**Article 345.- Requirements of merger agreement**

The merger is agreed with the requirements established by law and the bylaws of the participating companies for the modification of their articles of incorporation and bylaws.

It is not necessary to agree the dissolution, and the company or companies that cease to exist due to a merger are not liquidated.

**Article 346.- Approval of merger project**

The board of directors of each of the companies that participate in the merger approves, with votes in favor by the absolute majority of their members, the text of the merger project

In case of companies that do not have a board of directors, the merger project is approved by the absolute majority of the people in charge of the company's administration.

**Article 347.- Content of merger project**

The merger project contains:

1. The name, domicile, capital, and data of registration in the Register of the participating companies;

2. The way of the merger;

3. An explanation of the merger project, its main legal and economic aspects and the valuation criteria used to determine the exchange ratio between the respective shares or holdings of the companies participating in the merger;

4. The amount and type of the shares or holdings the company that is incorporating or taking over must issue and deliver and, if appropriate, the variation of the latter's capital amount;

5. The additional compensations, if necessary;

6. The procedure for the exchange of title deeds, if appropriate;

7. The date established for its entry into force;

8. The rights of the title deeds issued by the companies participating that are neither shares nor holdings;

9. The legal, economic or accounting reports hired by the participating companies, if any;

10. The modalities the merger is subject to, if appropriate; and

11. Any other piece of information or reference that the directors or administrators may deem pertinent to record.

**Article 348.- Abstention from performing significant acts**

The approval of the merger project by the board of directors or the administrators of the companies implies the obligation to abstain from performing or executing any act or contract that could compromise the project's approval or significantly alter the exchange ratio of the shares${?}$ or holdings, until the date of the general meetings or assemblies of the participating companies called to express their opinion about the merger.

**Article 349.- Call to general meeting or** ${?}$ **assembly**

The call to a general meeting or assembly of the companies to whose deliberation the merger project shall be subjected takes place by means of a notice published for each participating company, no less than ten days ahead of the date the meeting or assembly is to be held.

**Article 350.- Call requirements**

From the publication of the call notice, each participating company must make available, in its company domicile, to its partners, shareholders, debt security holders and other holders of credit rights or special title deeds the following documents:

1. The merger project;

2. The audited financial statements of the last financial year of the participating companies. Those companies that have been set up in the same financial year in which the merger is agreed must present an audited balance closed the last day of the month previous to the one of the approval of the merger project;

3. The project of the articles of incorporation and the bylaws of the incorporating company or of the modifications to the ones of the company taking over; and

4. A list of the main shareholders, directors and administrators of the participating companies.

**Article 351.- Merger agreement**

The general meeting or assembly of each of the participating companies approves the merger project with the modifications that are expressly agreed and determines a common date for the merger to enter into force.

The directors or administrators must inform, before the adoption of the agreement, about any significant variation experienced by the assets of the participating companies as of the date the exchange ratio was established.

**Article 352.- Project extinction**

The merger process expires if it is not approved by the general meetings or assemblies of the participating companies within the terms planned in the merger project and, in any case, three months after the project date.

**Article 353.- Date of entry into force**

The merger enters into force at the date established in the merger agreements. At this date, both the operations and the rights and obligations of the companies that cease to exist expire; they are assumed by the company taking over or${?}$ incorporating.

Without prejudice to its immediate entry into force, the merger is conditioned by the registration of the public deed in the Register, in the record corresponding to the participating companies.

The registration of the merger produces the extinction of the companies taken over or incorporated, as appropriate. On their sole merits, the transfer of the individual goods, rights and obligations that make up the transferred assets are also recorded in the respective registers, where applicable.

**Article 354.- Balance sheets**

Each of the companies that cease to exist due to the merger formulates a balance sheet the day before the date of entry into force of the merger. The company that takes over or incorporates, as appropriate, formulates an opening balance sheet on the day the merger enters into force.

The balance sheets referred to in the previous paragraph must have been formulated within a period of no more than thirty days, counted as of the date the merger enters into force. It is not necessary that the balance sheets are inserted into the public deed of the merger. The balance sheets

must be approved by the respective board of directors and, when such a board does not exist, by the manager, and be made available to the people mentioned in Article 350, at the company domicile of the company taking over or incorporating, for no less than sixty days after the maximum term for their preparation.

**Article 355.- Agreement publication**

Each of the merger agreements must be published three times, with a five-day interval between each notice. The participating companies shall be allowed to publish the notices either independently or jointly.

The term for exercising the separation right starts to be counted as of the corresponding company's last notice.

**Article 356.- Right of separation**

The merger agreement gives the partners and shareholders of the companies that are merging the right of separation regulated by Article 200${?}$ .

The exercise of the right of separation does not free the partner of the personal liability that corresponds to him/her based on the company obligations assumed before the merger.

**Article 357.- Public deed of merger**

The public deed of the merger is granted once a term of thirty days has expired, counted as of the date of publication of the last notice the Article 355 refers to, provided there is no opposition. If the opposition has been notified within the referred term, the public deed is granted once the suspension has been lifted or after the process that declares the opposition as unfounded is concluded.

**Article 358.- Content of public deed**

The public deed of the merger contains:

1. The agreements of the general meetings or of the assemblies of the participating companies;

2. The articles of incorporation and the bylaws of the new company or the modifications of the articles of incorporation and bylaws of the company taking over;

3. The date when the merger enters into force;

4. The publication record of the notices established in Article 355${?}$ ; and

5. The other articles that the participating companies may deem pertinent.

**Article 359.- Right of opposition**

The creditor of any of the participating companies holds the right of opposition, which is regulated by the provisions of Article 219${?}$ .

**Article 360.- Sanction for opposition in bad faith or without foundation**

When the opposition has been advanced in bad faith or with notorious lack of foundation, the judge shall impose on the plaintiff and to the benefit of the company affected by the opposition a penalty in accordance to the seriousness of the matter, as well as the applicable compensation for damages and losses.

**Article 361.- Change in partner liability**

The provisions of Article 334${?}$ are applicable to the merger when the merger causes a change in the liability of the partners or shareholders of one of the participating companies.

**Article 362.- Other rights**

The holders of special rights other than shares or capital holdings enjoy the same rights in the company taking over or incorporating, unless they expressly accept any modification or compensation of these rights. When the acceptance comes from an agreement adopted by an assembly that brings together the holders of these rights, it is binding for all of them.

**Article 363.- Simple merger**

If the company taking over owns all the shares or holdings of the companies taken over, it is not necessary to comply with the requirements established in paragraphs 3),4),5), and 6) of Article 347${?}$ .

**Article 364.- Merger of companies in liquidation**

The provisions of Article 342${?}$ are applicable to the merger of companies in liquidation.

**Article 365** ${?}$ **.- Claim of merger invalidity**

The judicial claim of invalidity against a merger recorded in the Register can only be based on an invalidity of the agreements of the assemblies or general meetings of partners of the companies that participated in the merger. The claim must be directed against the company taking over or against the incorporating company, as appropriate. The claim must be processed through an abbreviated process.

The term for exercising the claim of merger invalidity expires after six months, counted as of the date of registration of the public deed of merger in the Register.

**Article 366.- Effects of invalidity declaration**

The declaration of invalidity does not affect the validity of obligations arising after the date the merger enters into force. All companies participating in the merger are severally liable for such obligations towards the creditors.

**TITLE III**

**SPIN-OFF**

**Article 367.- Concept and kinds of spin-off**

Through a spin-off, a company splits up its assets into two or more blocks to transfer them entirely to other companies or to keep one of them, complying with the requirements and formalities established by this law. A spin-off can assume any of the following forms:

1. The division of all of a company's assets into two or more asset blocks that are transferred to new companies or taken over by already existing companies, or both things at the same time. This form of spin-off gives rise to the extinction of the company that has been divided; or

2. The segregation of one or more asset blocks from a company that does not cease to exist and that transfers them to one or more new companies, or the asset blocks are taken over by existing companies, or both things at the same time. The company that has been divided adjusts its capital by the corresponding amount.

In both cases, the partners or shareholders of the companies that have been divided receive shares or holdings as shareholders or partners of the new companies or of the companies taking over, as appropriate.

**Article 368.- New shares or holdings**

The new shares or holdings that are issued due to the spin-off belong to the partners or shareholders of the company that has been divided, who receive them proportionally to their share in the company's capital, unless there is an agreement stating otherwise.

An agreement stating otherwise can establish that one or more partners do not receive shares or holdings from one or some of the beneficiary companies.

**Article 369.- Definition asset blocks**

For the effects of this Title, “asset block” refers to:

1. An asset or a set of assets from the company that has been divided;

2. The set of one or more assets and of one or more liabilities from the company that has been divided; and

3. A business fund

**Article 370.- Requirements of spin-off agreement**

The spin-off is agreed with the same requirements established by the law and the participating companies' bylaws for the modification of their articles of incorporation and bylaws.

It is not necessary to agree the dissolution of the company or companies that cease to exist due to the spin-off.

**Article 371.- Approval of spin-off project**

The board of directors of each of the companies that participate in the spin-off approves, with votes in favor by the absolute majority of its members, the text of the spin-off project.

In case of companies that do not have a board of directors, the spin-off project is approved by the absolute majority of the people in charge of the company's administration.

**Article 372.- Content of spin-off project**

The spin-off project contains:

1. The participating companies' name, domicile, capital, and data of registration in the${?}$ Register;

2. The form proposed for the spin-off and the function of each participating company;

3. An explanation of the spin-off project, its main legal and economic aspects, the valuation criteria used and the determination of the exchange ratio between the respective shares or holdings of the companies participating in the spin-off;

4. The list of the asset and liability elements, as appropriate, that correspond to each one of the asset blocks resulting from the spin-off;

5. The list of the distribution, among the shareholders or partners of the company that is being divided, of the shares or holdings to be issued by the beneficiary companies;

6. The additional compensations, should there be any;

7. The equity capital and the shares or holdings to be issued by the new companies, if applicable, or the variation of the beneficiary company's or companies' capital amount, should there be any;

8. The procedure for exchanging title deeds, if applicable;

9. The date planned for its entry into force;

10. The rights of the title deeds issued by the participating companies that are neither shares nor holdings;

11. The economic or accounting reports hired by the participating companies, should there be any;

12. The modalities the spin-off is subject to, if applicable; and

13. Any other information or${?}$ reference the directors or administrators may deem pertinent recording.

**Article 373.- Abstention from performing significant acts**

The approval of the spin-off project by the directors or administrators of the participating companies implies the obligation to abstain from performing or${?}$ executing any act or${?}$ contract that could compromise the project's approval or could significantly alter the exchange ratio

of the shares or holdings, until the date of the assemblies or general meetings of the participating companies called to express their opinion about the spin-off.

**Article 374.- Call for** ${?}$ **assemblies or general meetings**

The call for an assembly or general meeting of the companies that are supposed to deliberate about the spin-off project is performed by means of a notice published by each participating company at least ten days ahead of the date the meeting or assembly is to be held.

**Article 375.- Call requirements**

From the moment of the publication of the call notice, each participating company must make available to its partners, shareholders, debt security holders, and other holders of credit rights or special title deeds the following documents at its company domicile:

1. The spin-off project;

2. The audited financial statements of the last financial year of the participating companies. Those companies that have been set up during the same financial year in which the spin-off is agreed present an audited balance closed on the last day of the month preceding the project's approval;

3. The modification project for the articles of incorporation and the bylaws of the company being divided; the project for the articles of incorporation and bylaws of the new beneficiary company; or, if the spin-off is through takeover, the modifications that are introduced in the articles of incorporation and bylaws of the companies benefitting from the asset blocks; and

4. A list of the main partners, directors and administrators of the participating companies.

**Article 376.- Spin-off agreement**

Upon informing the administrators or directors about any significant variation experienced by the assets of the participating companies as of the date the exchange ratio has been established in the spin-off project, the assemblies or general meetings of each of the participating companies approve the spin-off project in all aspects that have not expressly been modified by all of them, and determine a common date for the spin-off to enter into force.

**Article 377.- Project extinction**

The spin-off project ceases if it is not approved in all general meetings or in all assemblies of the participating companies within the terms established in the spin-off project and, in any case, three months after the project's date.

**Article 378.- Date of entry into force**

The spin-off enters into force on the date established in the agreement in which the spin-off is approved according to the${?}$ provisions of Article 376${?}$ . As of this date, the beneficiary companies automatically assume the operations, rights, and obligations of the separated asset blocks, while the operations, rights, and obligations of the companies that have been divided cease with regard to them, regardless of whether the companies cease to exist or not.

Without prejudice of its imminent entry into force, the spin-off is conditioned by the registration of the public deed in the Register and in the records corresponding to all the participating companies. The spin-off registration results in the extinction of the company that has been divided, when applicable. By its sole merit, the transfer of the individual goods, rights and obligations that are part of the transferred asset blocks is also recorded in their respective Registers, when applicable.

**Article 379.- Spin-off balance sheets**

Each of the participating companies closes its respective spin-off balance sheet on the day preceding the one established as the date of the spin-off's entry into force, except for the new companies that are set up due to the spin-off, which must formulate an opening balance sheet on the day established for the spin-off's entry into force.

The spin-off balance sheets must be formulated within a maximum term of thirty days, counted as of the date of the spin-off's entry into force. It is not necessary to insert the spin-off balance sheets in the corresponding public deed, but they must be approved by the respective board of directors and, if such a board does not exist, by the manager, and the participating companies must make them available to the people mentioned in Article 375${?}$ , at the company domicile, for no less than sixty days after the maximum term for their preparation.

**Article 380.- Notice publication**

Each of the spin-off agreements is published three times, with a five-day interval between each notice. The participating companies shall be allowed to publish the notices either independently or jointly.

The term for exercising the right of separation starts to be counted as of the last notice.

**Article 381.- Public deed of spin-off**

The public deed of spin-off is granted after the expiry of the thirty-day term counted from the date of publication of the last notice to which the previous article refers to, provided there is no opposition. If the opposition has been notified within the referred term, the deed is granted upon lifting the suspension or upon concluding the procedure that declares the opposition as unfounded.

**Article 382.- Content of public deed**

The public deed of spin-off contains:

1. The agreements of the assemblies or general meetings of the participating companies;

2. The legal requirements of the articles of incorporation and bylaws of the new companies, if applicable;

3. The modifications of the articles of incorporation, bylaws, and capital of the companies participating in the spin-off, if applicable;

4. The date of the spin-off's entry into force;

5. The record proving that one has complied with the requirements established in Article 380${?}$ ; and

6. The other articles the participating companies may deem pertinent.

**Article 383.- Right of opposition**

The creditor of any of the participating companies holds a right of opposition, which is regulated by the provisions of Article 219${?}$ .

**Article 384.- Sanction for opposition in bad faith or without foundation**

When the opposition has been advanced in bad faith or with notorious lack of foundation, the judge shall impose on the plaintiff, to the benefit of the company affected by the opposition, a penalty according to the seriousness of the matter, as well as the compensation for damages and losses that may correspond.

**Article 385.- Right of separation**

The spin-off agreement grants the partners or shareholders of the companies that have been divided the right of separation established in Article 200${?}$ .

The exercise of the right of separation does not free the partner of the personal liability that corresponds to him/her based on the company obligations assumed before the spin-off.

**Article 386.- Change in partner liability**

The provisions of Article 334${?}$ are applicable to a spin-off that causes changes in the liability of the partners or shareholders of the participating companies.

**Article 387.- Other rights**

The holders of special rights, in the company that has been divided, that are no shares or capital holdings enjoy the same rights in the company that assumes these shares or holdings, unless they state their express acceptance of any modification or compensation regarding these rights. If the acceptance comes from an agreement adopted by an assembly that brings together the holders of such rights, it is binding for all of them.

**Article 388.- Spin-off of companies in liquidation**

The provisions of Article 342${?}$ are applicable to the spin-off of companies in liquidation.

**Article 389.- Liabilities after spin-off**

From the date of the spin-off's entry into force, the beneficiary companies are held liable for the obligations that make up the liability of the asset block that has been transferred to them or that they have taken over due to the spin-off.

The companies that have been divided but have not ceased to exist are held liable towards the beneficiary companies only for write-downs of the assets that make up the transferred asset block, but not for the obligations that make up the liability of this block.

These cases admit an agreement that states otherwise.

**Article 390.- Claim of spin-off invalidity**

The judicial claim of invalidity against a spin-off registered in the Register is governed by the merger provisions of articles 366 and 365${?}$ .

**TITLE IV**

**OTHER FORMS OF REORGANIZATION**

**Article 391.- Simple reorganization**

By reorganization one understands the act by which a company segregates one or more asset blocks and contributes them to one or more new or existing companies, receiving in exchange and keeping among its assets the shares and holdings that correspond to these contributions.

**Article 392.- Other forms of reorganization**

Other forms of company reorganizations are:

1. Multiple spin-offs, where two or more companies that have been divided participate;

2. Combined multiple spin-offs, where the asset blocks of the different companies that have been divided are received, in a combined manner, by different companies: by beneficiary ones and by the ones divided themselves;

3. Spin-offs combined with mergers, among the participating companies themselves;

4. Spin-offs and mergers combined among multiple companies; and

5. Any other operation that combines transformations, mergers or${?}$ spin-offs.

**Article 393.- Simultaneous operations**

The reorganizations referred to in the preceding paragraphs are performed in a single operation, without prejudice to the possibility that each of the participating companies comply with the legal requirements established by the current law for each one of the different acts that make them up, and that the consequences that are pertinent to them be derived from each one of them.

**Article 394.- Reorganization of companies set up abroad**

Any company that has been set up and has a domicile abroad can settle in Peru, keeping its legal personality and transforming itself, and adapting its articles of incorporation and bylaws to the

company form it may have decided to assume in Peru. To this effect, the company must cancel its registration abroad and formalize its registration in the Register.

**CONCORDANCE: R. No. 103-98-SUNARP**

**Article 395.- Reorganization of the branch of a company set up abroad**

The branch established in Peru of a company set up abroad can reorganize itself. It can also be transformed in order to be set up in Peru, assuming some of the company forms regulated by this law, complying with the legal requirements demanded for this and formalizing its registration in the Register.

**THIRD SECTION**

**BRANCHES**

**Article 396.- Concept**

A branch is any secondary establishment through which a company conducts - at a site other than its domicile - certain activities comprised in its corporate purpose. The branch lacks a legal personality independent from that of the main office. It has been granted permanent legal representation and enjoys management autonomy regarding the activities the main office assigns to it, in conformity with the powers it grants its representatives.

**Article 397.- Liability of main office**

The main company is held liable for the obligations of the branch. Any agreement stating otherwise is invalid.

**Article 398.- Establishment and registration of branch**

As long as there is no separate bylaws rule, the company's board of directors decides about the establishment of its branch. Its registration in the Register, both of the site where the main company has its domicile and of the place where of the branch operation, is performed by means of a certified copy of the respective agreement, except if the establishment of the branch has been decided when the company was set up; in this latter case, the branch is registered through a public deed of incorporation.

**Article 399.- Permanent** ${?}$ **legal representation of branch**

The agreement to establish the branch contains the appointment of the permanent legal representative, who holds, at least, the powers necessary to make the company liable for the operations performed by the branch, as well as the general powers of procedural representation required by the corresponding legal provisions. The other powers of the permanent legal representative are established in the authorization he/she is granted. In order to exercise them, it suffices to present a certified copy of his/her appointment in the Register.

**Article 400.- Rules applicable to representative**

The permanent legal representative of a branch has to follow the rules established in this law for the general manager of a company, if applicable. Upon concluding his/her representation for any

reason - except if the main company has already appointed a replacement - he/she must immediately appoint a permanent legal representative.

**Article 401.- Lacking of representative appointment**

If the position remains vacant for ninety days, without the main company designating a permanent legal representative, the Register - at the request of a party with a legitimate economic interest - cancels the registration of the branch. The cancelation of the branch registration does not affect the main company's liability for the branch's obligations, even for the damages and losses that may have been caused by the lack of appointment of a permanent legal representative.

**Article 402.- Branch cancelation**

The branch is canceled through an agreement of the company's competent corporate body. Its registration in the Register takes place through a certified copy of the agreement and adding an operation closure balance of the branch, which must contain pending obligations it is in charge of and for which the main company is held liable.

**Article 403.- Peruvian branch of foreign company**

In Peru, the branch of an already constituted company with a foreign domicile is established through a public deed registered in the Register, which must contain at least:

1. A certificate showing that the main company is still in existence in its country of origin, with a record stating that neither its articles of incorporation nor its bylaws prevent it from establishing branches abroad;

2. A copy of the articles of incorporation and bylaws or of the equivalent instruments in the country of origin; and

3. The agreement to establish the branch in Peru, adopted by the company's competent corporate body, which must indicate: the capital that is assigned to the branch so it can exercise its activities in the country; a declaration stating that such activities are comprised within its corporate purpose; the branch's place of domicile; the appointment of at least one permanent legal representative in the country; the powers the representative is endowed with; and the branch's submission to the laws of Peru so as to be held liable for the obligations it may assume in the country.

**Article 404.- Dissolution and liquidation of foreign company's branch**

The Peruvian branch of a company set up abroad is dissolved through a public deed registered in the Register, which must contain the agreement adopted by the main company's competent corporate body, and which appoints its liquidators and empowers them to carry out the functions required for the liquidation. The branch's liquidation up to its extinction is performed in conformity with the rules contained in Title II of the Fourth Section of this book.

**Article 405.- Effect on branch of merger or spin-off from main company**

When a company participating in a merger or spin-off has established a branch, the procedure shall be as follows:

1. The company taking over or incorporating in the merger, or to which the corresponding asset block is transferred in the spin-off assumes the branches of the companies that cease to exist or are divided, unless there is an indication stating otherwise; and

2. In order to record, in the Register, a change regarding the company holding the branch, it is necessary to present a certificate issued by the Register and showing that the merger or spin-off has been registered in the records corresponding to the participating main companies.

**Article 406.- Effects on branch of merger or spin-off from foreign main company**

When foreign companies with a branch established in Peru participate in a merger or spin-off, the procedure shall be the following:

1. In order to record, in the country, a change - resulting from a merger of the main company set up abroad - of the company holding the branch, the Register shall demand presenting the documents that accredit that the merger has entered into force at the site of the main company; the name, place where it has been set up, and domicile of the main company taking over or incorporating, and that it is authorized to have foreign branches.

2. In order to record, in the country, a change - resulting from a spin-off of the main company set up abroad - of the company holding the branch, the Register shall demand presenting the documents that accredit that the spin-off has entered into force at the site of the respective main company; the name, place where it has been set up, and domicile of the company benefitting from the asset block that includes the branch's assets, and that it is allowed to have branches in another country.

**FOURTH SECTION**

**DISSOLUTION, LIQUIDATION AND EXTINCTION OF COMPANIES**

**TITLE I**

**DISSOLUTION**

**Article 407.- Dissolution causes**

A company is dissolved for any of the following reasons:

1. Expiry of term, operating in full right, except if an extension was previously approved and recorded in the Register;

2. Conclusion of its purpose, non-fulfillment of its purpose during a long period or notorious impossibility to fulfill it;

3. Continuous inactivity of general board;

4. Losses that reduce the net assets to an amount smaller than one third of the capital paid, except if the losses are reimbursed or the capital paid is increased or reduced by a big enough amount;

5. Agreement of the creditor assembly, adopted in conformity with the pertinent law, or bankruptcy;

6. Lack of plurality of partners, if such plurality is not reestablished within six months;

7. Resolution adopted by the Supreme Court, in conformity with Article 410;

8. Agreement of general board, without need of legal or${?}$ statutory cause; and

9. Any other cause established in the law or considered in the articles of incorporation, in the bylaws or in a partner agreement registered with the company.

**Article 408.- Specific causes for dissolution of general or limited partnerships**

A general partnership is also dissolved due to sudden death or inability of one of the partners, unless the articles of incorporation consider the possibility that the company continue with the heirs of the deceased or disabled partner or with the other partners. In case the company continues with the other partners, it shall reduce its capital and return the corresponding holding to those who are entitled to it, in accordance with the rules that regulate the right of separation.

A limited partnership is also dissolved when there is no limited partner or general partner left, unless the missing partner is replaced within a period of six months. If all the general partners are missing, the limited partners appoint a temporary administrator for performing ordinary administration activities during the period referred to in the previous paragraph. The temporary administrator does not assume a general partner status.

A partnership limited by shares is also dissolved if all the administrators vacate their positions and, within the following six months, no replacement has been appointed or if the ones appointed have not accepted the position.

**Article 409.- Call and dissolution agreement**

In the cases considered in the previous articles, the board of directors or - when such a board does not exist - any partner, administrator or${?}$ manager calls to hold a meeting within a term of no more than thirty days, in order to adopt the dissolution agreement or the appropriate measures.

Any partner, director or manager may request from the board of directors that it call for a general meeting if, in their opinion, any of the dissolution grounds established in the law is given. Should there be no call, it shall be performed through the judge from the company's domicile.

If the general board does not gather or if, upon gathering, it does not adopt the dissolution agreement or the appropriate measures, any partner, administrator, director or the manager can request from the judge from the company's domicile that he/she declare the company's dissolution.

When resorting to a judge, the request is processed according to the rules of an abbreviated process.

**Article 410.- Dissolution at the request of the executive power**

By means of a supreme resolution issued with the Council of Ministers' consent, the executive power shall request from the Supreme Court that it dissolve the companies whose purposes or activities are contrary to the laws concerned with public order or morality. In both instances, the Supreme Court rules about the company's dissolution or continuation.

The company can include the rebuttal evidence it deems pertinent, within a term of thirty days, additionally to a distance term if its company head office is located outside of Lima or Callao.

Upon producing the dissolution resolution and, unless the Court has decided anything else, the board of directors, manager or responsible administrators call for a general meeting so that, within ten days, it appoints the liquidators and the liquidation process can start.

If the call does not take place or if the general board does not gather or adopt the agreements that fall within its responsibilities, any partner, shareholder or third party may request from the judge from the company's head office that he/she appoint the liquidators and start the liquidation process, by an abbreviated process.

**Article 411.- Forced continuation of public limited company**

Despite there being a dissolution agreement regarding the public limited company, the State may order its forced continuation if it considers the company vital for national security or public need, declared by law. The respective resolution establishes the way how the company is supposed to continue and determines the resources that are required for the shareholders to receive, in cash and immediately, the assessed compensation they are entitled to. In any case, the shareholders have the right to agree whether they wish to continue the company's activities, as long as they decide so within the following ten days, counted from the day of publication of the resolution.

**Article 412.- Publicity and registration of dissolution agreement**

The dissolution agreement must be published within ten days upon being adopted, for three consecutive times.

The registration request is presented to the Register within ten days after the last publication. To this effect, it suffices to have a notary-certified copy of the record deciding the dissolution.

**TITLE II**

**LIQUIDATION**

**Article 413.- General provisions**

Upon dissolving the company, the liquidation process starts.

The dissolved company keeps its legal personality for as long as the liquidation process goes on and until the extinction is recorded in the Register.

During the liquidation, all of the company's documents and correspondence must include the expression “in liquidation.”

The representation by directors, managers, and representatives in general ceases as of the dissolution agreement, with the liquidators assuming the functions that correspond to them according to the law, the bylaws, the articles of incorporation, the shareholder agreements registered with the company, and the general meeting agreements.

However, should the referred people be requested by the liquidators to provide the information and documents that are needed to facilitate the liquidation operations; they are obliged to do so.

During the liquidation, the provisions of general meetings are applied, and the partners or shareholders can adopt the agreements they deem convenient.

**Article 414.- Liquidators**

The general board, the partners or${?}$ , if applicable, the judge appoint the liquidators and, if applicable, their respective replacement when declaring the dissolution, unless the bylaws, the articles of incorporation or the shareholder agreements registered with the company have made the appointment or the law provides otherwise. The number of liquidators must be uneven.

If the appointed liquidators do not assume the position within five days counted from the communication of the appointment and there is no replacement, any director or manager calls for a general meeting to appoint the replacement.

The liquidator position is paid, unless the bylaws, the articles of incorporation or the general meeting provides otherwise.

**CONCORDANCE. Consolidated Amended Text (TUO, after its Spanish abbreviation) for the Directive of Management and Budgetary Procedures of Companies under the scope of FONAFE, approved by Board Agreement No. 007-2005-006-FONAFE, Sub-Paragraph 7.4.3**

The liquidators can be natural or legal persons. In this latter case, the person must appoint a natural person who shall represent it and who shall be subject to the liabilities that are established in this law for the manager of the public limited company, without prejudice to the liabilities that correspond to the administrators of the liquidating entity and to the entity itself.

The legal and statutory limitations for the liquidator appointment, the position vacancy, and the position liability are governed, if applicable, by the rules that regulate the public limited company's directors and manager.

Partners representing one tenth of the equity capital have the right to appoint a representative who monitors the liquidation operations.

The debt security holder union can appoint a representative with the powers established in the previous paragraph.

**Article 415.- Ceasing of liquidator functions**

The liquidators' function ceases due to the following:

1. The liquidation has been carried out;

2. Removal agreed by the general meeting or by resignation. In order that the removal or${?}$ the resignation takes effect, new liquidators must be appointed along with it; and

3. Judicial resolution issued at the request of partners who, under a just cause, represent at least one fifth of the equity capital. The request shall be supported according to an abbreviated process.

The liquidators' responsibilities expire two years after they have left the position or from the day the company's extinction is recorded in the Register.

**Article 416.- Liquidator functions**

The liquidators are responsible for the representation of the company in liquidation and for the administration required to liquidate it, with the powers and liabilities established by the law, the bylaws, the articles of incorporation, the shareholder agreements recorded with the company, and the general meeting agreements.

By virtue of the mere fact of appointing these liquidators, they exercise the company's procedural representation, with the general and special powers established by the pertinent procedural rules; if applicable, provisions to the contrary or the limitations imposed by the bylaws, the articles of incorporation, the shareholder agreements registered with the company, and the general meeting agreements are to be applied.

In order to exercise the procedural representation, it suffices to present a certified copy of the document showing the appointment.

Additionally, liquidators are responsible for:

1. Formulating the inventory, financial statements and other accounts for the day on which the liquidation is started;

2. The liquidators have the power to request the participation of the leaving directors or administrators, so that they cooperate with the formulation of these documents;

3. Bookkeeping and taking care of the books and correspondence of the company in liquidation, and delivering them to the person who shall keep them after the company's extinction;

4. Ensuring the company assets' integrity;

5. Performing the pending operations and the new ones that may be necessary for the company's liquidation;

6. Transferring the company assets in exchange of a payment;

7. Demanding the payment of the credits and capital calls existing at the moment the liquidation is started. They can also demand the payment of other capital calls corresponding to equity capital increases agreed by the general meeting after the dissolution declaration, for an amount that is enough to meet the credits and commitments with third parties;

8. Concerting transactions and assuming commitments and obligations that are convenient for the liquidation process;

9. Paying creditors and partners; and

10. Calling for a general meeting when they consider it necessary for the liquidation process, as well as on occasions established in the law, bylaws, articles of incorporation, shareholder agreements registered with the company, or by a general meeting provision.

**Article 417.- Insolvency or bankruptcy of company in liquidation**

If the company's assets are extinguished during liquidation and there are creditors left, who still need to be paid, the liquidators must call for a general meeting to inform about the situation without prejudice to requesting the judicial declaration of bankruptcy, according to the pertinent law.

**Article 418.- Information for partners and shareholders**

The liquidators must present the financial statements and other accounts of the fiscal years that expire during liquidation at a general meeting. They must call for this general meeting in the manner established by the law, the articles of incorporation, and the bylaws.

They must fulfill the same obligation with regard to balance sheets for other periods whose formulation is considered by the law, the bylaws, the articles of incorporation, the agreements between shareholders or partners registered with the company, or the general meeting agreements.

Partners or shareholders representing at least a tenth of the equity capital have the right to request a call for a general meeting for liquidators to inform about the progress of the liquidation.

**Article 419.- Final liquidation balance sheet**

The liquidators must present at the general meeting the liquidation report, the proposal for distribution of the net equity among the partners, the final liquidation balance sheet, the profit and loss statement, and other accounts that may be required, with the audit decided by the general meeting or established by the law.

In case a general meeting takes place neither in the first nor in the second call, the documents are considered approved by the meeting.

Having been approved, either expressly or tacitly, the final liquidation balance sheet is published once only.

**Article 420.- Distribution of company assets**

Once the documents referred in the previous article have been approved, the distribution of the remaining company assets among the partners takes place.

The distribution of company assets is practiced according to the rules established by the law, the bylaws, the articles of incorporation, and the shareholder agreements registered with the company. In their absence, the distribution is performed proportionally to each partner's holding in the equity capital.

In any case, the following rules should be followed:

1. The liquidators cannot distribute the company assets among the partners without having met the obligations towards the creditors or having recorded the amount of their credits;

2. If not all the company shares or holdings have been included in the equity capital in the same proportion, one shall pay first and in a descending order those partners who have paid the highest

amount, up to the excess over the contribution of the one who has paid the least; the balance is distributed among the partners proportionally to their holding in the equity capital;

3. If the capital calls have been included in the equity capital during the current fiscal year, the company assets shall be distributed first and in descending order among the partners whose capital calls would have been paid first;

4. Quotas that have not been claimed must be allocated in a banking or financial institution of the national financial system; and

5. Under several liability of the liquidators, it is possible to give the partners advance payments against the company assets.

**TITLE III**

**EXTINCTION**

**Article 421.- Company extinction**

Upon distributing the company assets, the company's extinction is recorded in the Register.

The request is presented through an appeal signed by the liquidator or liquidators, indicating the way how the company assets have been divided, the distribution of the remainder, and the assignments performed, and a record showing that the notice to which Article 149 refers has been published is attached.

When registering the extinction, one must indicate the name and domicile of the person in charge of safekeeping the company's books and documents.

If any liquidator refuses to sign the appeal, in spite of it having been requested, or if he/she is precluded from doing so, the request is presented by the other liquidators, attaching a copy of the request with the due record of receipt.

**Article 422.- Liability towards unpaid creditors**

After extinction of the general partnership, its unpaid creditors can assert their credits with the partners.

Without prejudice to the right with the general partners that is established in the previous paragraph, the creditors of the public limited company and the ones of the limited partnership and of the partnership limited by shares, who have not been paid despite the liquidation of these companies, shall be able to assert their credits with the partners or${?}$ shareholders, up to the amount of the sum received by them due to the liquidation.

The creditors can assert their credits with the liquidators after the company's extinction if the lack of payment has been due to the liquidators' fault. The actions shall be processed through a hearing.

The creditors' claims that are referred to in this article expire two years after registration of the extinction.

**SECTION V**

**IRREGULAR COMPANIES**

**Article 423.- Causes of irregularity**

A company that has not been set up and registered according to this law, or the de facto situation that results from two or more persons acting manifestly as a company without having set it up or registered is considered an irregular company. In any case, a company acquires an irregular status under the following conditions:

1. If sixty days have passed since the founding partners signed the articles of incorporation without anybody requesting the granting of the public deed of incorporation;

2. If thirty days have passed since the assembly appointed the signatory or signatories to grant the public deed without their requesting its granting;

3. If more than thirty days have passed since the granting of the public deed of incorporation without anybody requesting its recording in the Register;

4. If thirty days have passed since the decision rejecting the registration - formulated by the Register - came into force;

5. When the company has been transformed without complying with the provisions of this law; or

6. When it remains in activity despite having provided grounds for dissolution as considered in the law, the articles of incorporation or${?}$ the bylaws.

**Article 424.- Effects of irregularity**

The administrators, representatives and, in general, those who come before third parties acting in the name of the irregular company are personnel that is jointly and severally liable for the contracts and, in general, for the legal acts performed since the irregularity occurred.

If the irregularity exists since the incorporation, the partners have equal liability.

The liabilities established in this article comprise the fulfillment of the respective obligation, as well as, if applicable, the compensation for the damages and losses caused by acts or omissions that directly hurt the interests of the company, partners or third parties. The third parties and, when applicable, the company and the partners may simultaneously present the appropriate claims against the company and, when applicable, against the partners, to this effect pursuing an abbreviated process.

The provisions of the previous paragraphs do not undermine the criminal liability that could correspond to the liable parties.

**Article 425.- Partner obligation to contribute**

The partners are obliged to carry out the contributions and provisions they may have committed to in the articles of incorporation or in a subsequent act, in all that is necessary to comply with the

corporate purpose or, in case of liquidation of the irregular company, to comply with the obligations assumed towards third parties.

If there is no stipulation in this regard, it is assumed that all partners must contribute in equal parts.

**Article 426.- Regularization or dissolution of irregular company**

The partners, their creditors, the company creditors or the administrators may alternatively request the regularization or${?}$ the dissolution of the company, in conformity with the procedure established in Article 119 or 409${?}$ , as appropriate.

**Article 427.- Right of separation of partners**

The partners may leave the company if the general board does not accept the regularization or dissolution request. The partners are not freed of the liabilities that, according to this section, correspond to them up to the moment of their separation.

**Article 428.- Relations among partners and with third parties**

In irregular companies, the internal relations among partners and between partners and the company are governed by the provisions of the agreement from which they derive and, additionally, by the provisions of this law.

The articles of incorporation, the bylaws, the agreements among partners and their modifications, as well as the consequences that derive from them are valid among partners. They do not harm third parties, who can use them in anything that may benefit them, without the possibility that the agreement or contract or its modifications are put up against them such as to limit or exclude the liability established in the previous articles of this section.

The contracts the company establishes with third parties are valid.

**Article 429.- Administration and representation of irregular company**

The irregular company's administration corresponds to its administrators and representatives appointed in the articles of incorporation or in the bylaws or in the agreements among partners.

It is assumed that the irregular company's partners and administrators, acting individually, are empowered to perform urgent acts and to request precautionary judicial measures.

**Article 430.- Concurrence of private and corporate creditors**

According to the type of company that can be assigned to an irregular company, the partners' private creditors shall concur with the irregular company's creditors for the collection of their claims, taking into account the preference that corresponds to these claims according to the law.

**Article 431.- Dissolution and liquidation of irregular company**

The dissolution of the irregular company can take place without observing any formalities and can be accredited, among the partners and with third parties, by any form of proof.

The irregular company's dissolution must be recorded in the Register.

The irregular company's dissolution does not prevent its creditors from exercising actions against it, its partners, administrators or representatives.

The irregular company's liquidation is subject to the provisions of the articles of incorporation and this law.

**Article 432.- Insolvency and bankruptcy of irregular company**

The irregular company's insolvency or bankruptcy is subject to the pertinent law.

**SECTION VI**

**REGISTER**

**Article 433.- Register definition**

Whenever this law text refers to the Register, it refers to the Register of Legal Persons, in its Books of Trading Companies and Civil-Law Companies, as appropriate for the respective company that is being referred to.

**Article 434.- Depositing of documents**

Programs for foundation or capital increase by offer to third parties, which are deposited at the Register, give rise to the preventive opening of a record, which becomes final when the company is set up.

The depositing of obligation prospectuses is noted in the issuing company's record.

**Article 435.- Publications**

The publications and other documents demanded by this law must be inserted in the public deeds or attached to the certified copies or requests presented to the Register, for registration of the respective act.

**Article 436.- Dissolution due to term expiry**

Once the term determined for the company's duration has expired, the dissolution becomes full-fledged and is registered at the request of any stakeholder.

**Article 437.- Revocation of dissolution agreement**

The revocation of the voluntary dissolution agreement is registered by means of a certified copy of the general meeting record showing the agreement and the declaration of the liquidator or liquidators that the distribution of the company assets among the partners has not started yet.

**BOOK FIVE**

## PARTNERSHIP CONTRACTS

### Article 438.- Scopes

A contract is considered a partnership contract when it creates and regulates relations regarding the participation and integration in specific businesses and companies, in the participants' common interest. The partnership contract does not create any legal person. Furthermore, it must be available in writing and is not subject to registration in the Register.

### Article 439.- Contributions in money, goods or ${?}$ services

The parties are obliged to perform the contributions in money, goods or services established in the contract. If the amount of the contributions has not been stated, the parties are obliged to perform the ones necessary for carrying out the business or enterprise, proportionally to their share in the profits.

The submission of money, goods or the provision of services shall take place on the occasion, place and way established in the contract. If there is no stipulation, the rules to be applied are the contribution rules established in this law, as far as they are applicable.

### Article 440.- Joint venture contract

This is the contract through which a person, referred to as the managing partner, grants to another or other persons, referred to as the partners, a share in the result or in the profits of one or several of the managing partner's businesses or companies, in exchange for a specific contribution.

### Article 441.- Characteristics

The managing partner acts in his/her own behalf and the partnership in participation has no name.

The management of the business or company corresponds only and exclusively to the managing partner and there is no legal relation between the third parties and the partners.

The third parties do not acquire any rights or assume any obligations towards the partners, nor do the partners assume any obligations towards the third parties.

The contract can determine the type of supervision or control to be performed by the partners regarding the managing partner's businesses and companies that are the subject of the contract.

The partners have the right to accountability at the conclusion of the performed business and at the conclusion of each fiscal year.

### Article 442.- Associating limitation

The managing partner cannot assign a share in the same business or${?}$ company to other people without the partners' express consent.

### Article 443.- Presumption of ownership of contributed assets

With regard to third parties, the assets contributed by the partners are presumed to be owned by the managing partner, except for those that are registered in the Register in the partner's name.

**Article 444.- Holdings and special cases**

Unless there is an agreement stating otherwise, the partners participate in the losses to the same extent as they participate in the profits, and the losses they are affected by do not exceed the amount of their contribution. It can be agreed in the contract that a person participate in the profits without participating in the losses, as well as that he/she be assigned a share in the profits or in the losses without there being a specific contribution.

**Article 445.- Consortium contract**

This is a contract through which two or more people form a partnership in order to actively and directly participate in a specific business or company with the purpose of obtaining an economic benefit, while each person keeps his/her own autonomy.

Each consortium member is responsible for performing the activities that are specific of the consortium he/she is in charge of and those he/she has committed to. By doing so, he/she must coordinate with the other consortium members according to the procedures and mechanisms considered in the contract.

**Article 446.- Attachment of assets**

The assets the consortium members attach to the fulfillment of the activity they have committed to continue being owned exclusively by them. The joint purchase of specific assets is regulated by the co-ownership rules.

**Article 447.- Relation with third parties and liabilities**

Each consortium member connects individually with third parties in the performance of the activity that corresponds to him/her in the consortium, individually also acquiring rights and assuming obligations and liabilities.

When the consortium hires with third parties, the liability among the consortium members shall only be joint if it is thus agreed in the contract or if it is provided by the law.

**Article 448.- Participation systems**

The contract shall establish the regime and the participation systems for the consortium results; if this is omitted, it shall be understood that this is in equal parts.

**FINAL TITLE**

**FINAL PROVISIONS**

**FIRST.- Titles of this law's articles**

The titles of this law's articles are merely illustrative; therefore, they should not be taken into account for the legal text's interpretation.

**SECOND.- Application of law**

All trading companies and civil-law companies, as well as the branches are subject to this law, independently of the moment they were set up, without exception.

**THIRD.- Repeals**

Law No. 16,123 is repealed, modified by Legislative Decree No. 311 and all its addenda, repeals and subsequent modifications, as well as by Legislative Decree No. 672, articles 260 to 268${?}$ of Legislative Decree No. 755, and the laws and other provisions that oppose to this law.

**FOURTH.- Definition of financial statements**

For the effect of this law, financial statements shall refer to: the balance sheet and the profit and loss statement.

**FIFTH.- Non-application of law to labor shares**

For the effect of this law, in no case does the term “shares” include the labor shares, nor does the term “shareholders” include the holders of such labor shares.

**SIXTH.- Validity of Law No. 26844**

Law No. 26,844 keeps its validity.**(*)**

**(*) In conformity with the sole article of Law No. 27,017, published on December 22, 1998, it is specified that the statements of this final provision comprise also the validity of Article 10 of Law No. 26,876, Law against Monopolies and Oligopolies in the Power Sector.**

**SEVENTH.- Tax exemption and reduction**

The acts and documents legally necessary so that the companies and branches set up in conformity with the previous legislation can adjust to the provisions of this law and so that they are exempt from all taxes in their temporary provisions. The registration fees for the Trading Register shall be applied with a fifty percent reduction.

**EIGHTH.- Validity of law**

This law shall enter into force on${?}$ January 1, 1998, unless an article of this law contains provisions establishing otherwise.

**“NINETH.- Preferential application of Asset Restructuring Law.-** Given that these are debtors in the middle of an asset restructuring process, simplified procedure, reorganization proceeding, dissolution and liquidation, and arrangement with creditors, in any case of incompatibility between a provision contained in this law and a provision contained in the Asset Restructuring Law, the rule contained in the Asset Restructuring Law shall be preferred, as a special rule applicable to cases of asset restructuring processes, simplified process, reorganization proceeding, dissolution and liquidation, and arrangement with creditors.”**(*)**

**(*) Added by the Tenth Final Provision of Law No. 27,146, published on 06/24/1999**

**TEMPORARY PROVISIONS**

**FIRST.- Adjustment of companies to law**

The companies shall adjust their articles of incorporation and their bylaws to the provisions of this law, on the occasion of the first reform they perform on them or, at the latest, within 270 days after the date it enters into force. Within the aforementioned term, the companies set up in the country or abroad shall adopt the agreements required to adapt their branches or other facilities to the provisions of this law.

During the term pointed out in the previous paragraph and for as long as the companies do not adjust yet to this law, they shall continue being governed by their own stipulations in all those matters that do not oppose to the mandatory rules of this law.**(*)**

**(*) Provision modified by the sole article of Law No. 26,977, published on 09/19/1998, whose text is the following:**

**"FIRST.- Adjustment of companies to law**

The companies shall adjust their articles of incorporation and bylaws to the provisions of this law, on the occasion of the first reform they conduct on them or, at the latest, on December 31, 1999. Within the above-stated term, the companies set up in the country or abroad shall adopt the agreements necessary for adjusting their branches or other premises to the provisions of this law.

During the term indicated in the previous paragraph and until the companies do not adapt yet to this law, they shall keep being governed by their own stipulations in all matters that do not oppose to the mandatory rules of this law."**(*)**

**(*) Provision modified for the sole article of Law No. 27219, published on 12/12/1999, whose text is the following:**

**"FIRST.- Adjustment of companies to law**

The companies shall adjust their articles of incorporation and their bylaws to the provisions of this law, on the occasion of their first reform or, at the latest, on December 31, 2000. This act shall be considered fulfilled with the signing of the public deed. However, its effectiveness shall be subject to the registration in the public records. Within the abovementioned term, the companies set up in the country or abroad shall adopt the agreements required for adjusting their branches or other facilities to the provisions of this law.

During the term indicated in the previous paragraph and for as long as the companies do not adjust to this law, they shall continue being governed by their own stipulations in all that does not oppose to the mandatory rules of this law.**"(1)(2)**

**(1) In conformity with Article 1 of Law No. 27388, published on 12/30/2000, the term to which this temporary provision refers to is extended until 12/31/2001.**

**(2) In conformity with the sole article of Law No. 27673, published on 02/21/2002, it is established that the companies that adjust their articles of incorporation and bylaws to the provisions contained in this law after the term established in this provision, shall not require**

**a judicial call and shall not be considered irregular and, consequently, the consequences indicated in the Second Temporary Provision shall not be applied to them, nor the presumption of extinction due to long inactivity to which the Tenth Temporary Provision of this rule refers to.**

**CONCORDANCE:** Emergency Decree No. 111-2000

**Resolution No. 211-2001-SUNARP-SN**

**SECOND.- Consequences of non-adjustment to law**

Upon expiry of the term established in the First Temporary Provision, the companies that have not adjusted to this law become irregular.

The partners or administrators, as appropriate, who do not comply with executing the acts that fall within their competence and are necessary for adopting the agreements required for adjusting the company's articles of incorporation or the bylaws shall be held personally, severally and unlimitedly liable to third parties and to the company itself for any prejudice that may be caused by their non-compliance.

It shall be possible to demand the liability considered in the previous paragraph from those partners who, duly called, prevent the adoption of the adjustment agreements without any just cause and thus cause the company to become irregular.

Without prejudice to the above, any partner or administrator may request from the judge from the head office to call for a general meeting or for the assembly mentioned in the third and fourth temporary provision, as appropriate.

**THIRD.- Adjustment to public limited company law**

For the sole effect of adjusting the articles of incorporation and the bylaws of the public limited companies to the rules of this law, the general meeting requires, in a first call, the presence of shares representing at least half the paid capital. In a second call, the presence of any number of shares shall suffice.

The agreements shall be adopted by the absolute majority of the present shares.

In the public limited companies that, according to this law, are considered open, one shall be subject to the quorum and majorities established by this law.

The companies that are comprised in the regime of articles 260 to 268${?}$ of Legislative Decree No. 755, which is repealed by this law, acquire the status of a publicly traded corporation when they find themselves in any of the cases considered in Article 249${?}$ ; they then should proceed with the adjustment in the way established in Article 263${?}$ .

The public limited companies set up before the entry into force of this law shall only be able to adapt to the regime of a closely held corporation with the approval of all of the shareholders.

**FOURTH.- Adjustment to law of other company forms**

The call, the quorum and the majorities required for company forms different from the considered in the Third Temporary Provision to adopt the agreements required for adjusting to the rules of this law are governed by the provisions therein.

**FIFTH.- Shares without voting right**

The shares lacking voting right issued before the entry into force of this law continue being governed by the previous legal and statutory rules. However, the issuing company shall be able to agree with the holders of these shares that they be adjusted to the regime of the current law, after complying with the provisions of Article 132${?}$ .

**SIXTH.- Absence or dissent with transformation and adjustment agreements**

Any partner's absence or dissent with the adjustment and transformation agreements adopted in compliance with this law do not, in any case, grant a right of separation.

**SEVENTH.- Registration of acts placed on public record before the enactment of the law**

Exceptionally, it shall be possible to record the public deeds of modification of the articles of incorporation and bylaws and, in general, those of issuance of obligations, transformation, merger, spin-off or dissolution, or any other corporate act that have been granted or that correspond to agreements adopted before the entry into force of this law, in the Register, even if they contain agreements or are subject to formalities that do not adjust to the provisions of this law.

**EIGHTH.- Articles suspended**

The effects of the provisions of the second paragraph of Article 176, of Article 220${?}$ , and of Sub-Paragraph 4 of Article 407${?}$ of this law are suspended until December 31, 1999.**(*)**

**(*) Provision modified by the sole article of Law No. 27237, published on 12/21/1999, whose text is as follows:**

**"EIGHTH.- Articles suspended**

The effects of the provisions of the second paragraph of Article 176, of Article 220, and of Sub-Paragraph 4 of Article 407 of this law are suspended until December 31, 2000."**(*)**

**(*) Provision modified by Article 2 of Law No. 27388, published on 12/12/2000, whose text is as follows:**

**"EIGHTH.- Articles suspended**

The effects of the provisions of the second paragraph of Article 176, of Article 220, and of Sub-Paragraph 4 of Article 407 of this law are suspended one last time until December 31, 2001." (*)

**(*) Provision modified by the sole article of Law No. 27610, published on 12/28/2001, whose text is as follows:**

**"Eighth.- Articles suspended**

The effects of the provisions of the second paragraph of Article 176, of Article 220, and of Sub-Paragraph 4 of Article 407 of this law are suspended until December 31, 2003."**(*)**

**(*) Provision modified by the sole article of Law No. 28233, published on 05/28/2004, whose text is as follows:**

**"EIGHTH.- Articles suspended**

The effects of the provisions of the second paragraph of Article 176, of Article 220, and of Sub-Paragraph 4 of Article 407 of this law are suspended until December 31, 2004."

**NINTH.- Company with expired duration term**

The trading or civil-law company recorded in the Register and whose period of duration has expired, is in liquidation and must, within sixty days upon publication of the list indicated in the Eleventh Temporary Provision, proceed with the appointment of liquidators, in conformity with the provisions of this law, as well as with the request of the corresponding registration in the Register. If this is not done before the expiry of the above-indicated term, it is automatically considered included in what is established in the first paragraph of the following temporary provision.

**CONCORDANCE: Record No. 233-2000-SUNARP-SN (DIRECTIVE)**

**TENTH.- Extinction due to long inactivity**

The extinction of any trading or civil-law company for which no corporate act has been registered in the ten years preceding the publication of this law is presumed. The Register shall cancel the registration.

However, any partner, administrator or creditor can issue a request for the presumption not to be applied. To this effect, he/she must present a request to the corresponding Register office and publish a notice following the provisions of Article 43, within thirty days after the publication of the list the following temporary provision refers to. Should there be any opposition to the request, it shall be processed through an abbreviated process and the judge's decision shall determine whether the presumption is applied or not.

The extinction resulting by virtue of what is established in this temporary provision does not in any way affect the partners' rights with regard to the extinguished company or those of third party creditors with regard to the company or its partners. Likewise, it does not affect the extinguished company's tax rights or obligations.

**CONCORDANCE: Record No. 233-2000-SUNARP-SN (DIRECTIVE)**

**ELEVENTH.- SUNARP publications**

To the effect of what is established in the ninth and tenth temporary provisions, the National Superintendency of Public Records shall publish nationwide, within sixty days of this law entering into force, in the official newspaper "El Peruano" one list for each of the companies whose term of duration has expired and for the companies that have not requested any registration in the Register after December 31, 1986.

To this effect, the Register offices shall send to the National Superintendency of Public Records, under the responsibility of their director, the corresponding information within a time period that shall not exceed thirty days after the entry into force of this law.

Once the terms indicated in the referred temporary provisions have expired, the respective Register office shall proceed with an ex officio cancelation of the registration of those extinguished companies with regard to which no request of non-application of presumption has been presented.

Let it be communicated to the President of the Republic, for its enactment.

Lima, November 19, 1997.

CARLOS TORRES Y TORRES LARA

President of the Congress of the Republic

EDITH MELLADO CESPEDES

First Vice-President of the Congress of the Republic

TO THE CONSTITUTIONAL PRESIDENT OF THE REPUBLIC

I.E.:

I order this law to be published and enforced.

Executed in the House of Government, in Lima, on December 5, 1997.

ALBERTO FUJIMORI FUJIMORI

Constitutional President of the Republic

ALBERTO PANDOLFI ARBULU

President of the Council of Ministers

ALFREDO QUISPE CORREA

Minister of Justice