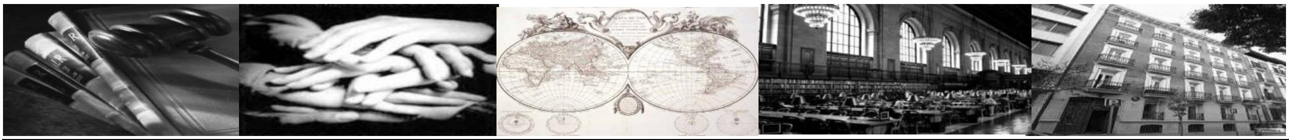
ALAE ABOGADOS

2nd February 2011



Summary

1.- Mortgage execution.

The Provincial Court of Navarra has issued a court order No.11/2010 dated December 17, 2010, which ratifies the decision of the First Instance Court that denied that a bank could continue with the total execution of the debt once the real estate asset was awarded in an auction with no participants for 50% of its value.

The judgment of first instance now supported by the Provincial Court, defends that despite the literal wording of Mortgage Law, which would allow the creditor to claim the remaining debt in this case the attribution of the real estate asset extinguishes the debt.

Given the significance that has had this sentence in the media we consider appropriate to comment on it because its careful review leads to relevant conclusions.

While it is true that the Court Order commented differs from the interpretation of the legal literal wording that might be expected, this Law Firm does not agree with most of the articles that consider this Court allows payment in kind to cover the debt.

The Court Order discussed is based on the doctrine of own acts that establishes that if the bank valued the asset at a certain price for auction, it cannot be accepted now payment for only a part alleging that the auction had no participants.

Therefore, in our opinion this Court Order is not a general acceptance of the payment in kind as criteria in executions, but a resolution of an specific and justified case.

2 .- Pensions reform.

On 28th January, the Council of Ministers has approved a draft law to update, adapt and modernisate the Social Security pensions system from 2013 which increases the retirement age to 67 in certain circumstances.

However, this rule has many exceptions, so that in different circumstances, workers with long contribution careers may retire at 65 and with 100% of their assessment basis evidencing a minimum of 38 years and a half of contribution.

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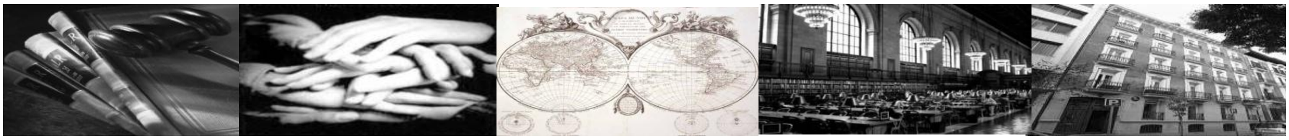

The increase from 35 to 38 years and a half of contribution to access the maximum pension will take place at a rate of six months for each two years, i.e. in seven steps. From the fourth year from the entry into force of the reform, a 65 year person may retire with his/her pension if he/she has 35 years of contribution.

The new retirement model states that a 63 years old worker can retire without further requirement than having a minimum of 15 years quoted and assume a penalty for the years remaining to 67 and which will depend on their working career.

The project, also includes a catalogue with the most risky, toxic and dangerous professions which will be allowed to retire before the age of 65.

Actually, the basis for the calculation of retirement is calculated taking the average of the last 15 years of contribution of the worker, while the reform will increase that term to 25 years, although the change will take place gradually.

It is possible to retire early and voluntary from 63 with a contributive career of 33 years or more, applying a reduction coefficient in relation to the ordinary retirement age depending on the time of development of the reform. The Penalty will be in a range between 15 and 30%.

Another novelty of this reform is that the periods dedicated to caring for the children will be taken into account to calculate the quote. People, who have left work to care for their descendants, may accumulate a maximum of two years of contribution.

On the other hand, the preretirement will suffer a hardening as the reform includes the preretirement will become voluntary and will not have to go through a dismissal and it will be more expensive for entrepreneurs in case of downsizing plan.

Thus, Government reserves retirement for early dismissal, when is it due to objective causes, such as the death or incapacity of the employer, bankruptcy, etc.

Regulation of downsizing files is separated from these causes, If until now only employees beyond 52 years old could be retired assuming the Company the cost up to 61 years old, now the limit will be increased to 55 years old and the Company will assume the cost until he/she reaches 63.

The reform provides that women will be able to account (only for retirement purpose) from 2013, with 116 months of contribution for a child with a maximum of two years if they have been forced to stop working to take care of them.

Trainees also have the right to include their scholarship in the calculation of the contribution term, provided it is properly evidenced.

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Agricultural workers listed as employed in the special agricultural regime will be integrated into the General Regime on a system that will ensure equal treatment on their benefits.

In relation to the special scheme for self-employed workers, over the next fifteen years the minimum contribution basis will be increased similarly to the average of the General Regime to make equal, the intensity of the protective action of workers on their own with employees. The annual increases will be discussed within the framework of social dialogue and shall not apply when the economic crisis affects the income or employment of this collective.

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