



**JUSTIFICATORY REPORT OF THE BOARD
OF DIRECTORS OF FOMENTO DE
CONSTRUCCIONES Y CONTRATAS, S.A. RELATING
TO THE PROPOSAL TO AMEND THE ARTICLES OF
ASSOCIATION**

JUSTIFICATORY REPORT OF THE BOARD OF DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. RELATING TO THE PROPOSAL TO AMEND THE ARTICLES OF ASSOCIATION

I. INTRODUCTION AND PURPOSE OF THE REPORT

Recently *Law 5/2021, of April 12* was approved modifying the revised text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, with regard to promoting the long-term involvement of shareholders in listed companies - transposing EU Directive 2017/828 of the European Parliament and of the Council of 17 May 2017, amending Directive 2007/36/CE - ("**Law 5/2021**"), which was published on 13 April 2021 in the Official Gazette of the State and that included the introduction of a new article 182 bis in the revised text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July ("**LSC**") to allow the General Shareholders' Meetings to be held exclusively in electronic format, if the Articles of Association provide for it and if it meets a series of requirements. Other matters provided for in the LSC have also been modified, including the regime of related-party transactions, the identification of shareholders and exercise of voting rights, capital increase and preferential subscription rights, the members of the Board and the remuneration of Directors.

Previously, the Official Gazette of the State dated 29 December 2018 published *Law 11/2018, of 28 December which modifies the Commercial Code, the revised text for the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July and Law 22 / 2015, of 20 July for Auditing of Accounts, in the matter of non-financial information and diversity ("**Law 11/2018**")*, which also modified certain articles of the LSC in matters, essentially, of non-financial information and the diversity of the Board.

The Board of Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (the "**Company**") analysed the aforementioned remodelling in order to determine the matters that it is really necessary or advisable to expressly incorporate or adapt in the Articles of Association and which, on the contrary, do not require their express incorporation into the Articles of Association to the extent that in any case, the legal regime will apply. In this regard, the Board considered it advisable to submit for the approval of the General Shareholders' Meeting the modification of certain articles of the Articles of Association for the purposes of **adapting them essentially to the remodelling of the LSC introduced by the aforementioned Law 5/2021 and Law 11/2018, as well as to incorporate certain technical details.**

Based on the foregoing and in accordance with the provisions of article 286 LSC, the Company's Board of Directors, at its meeting on 25 May 2021, approved this Report in order to explain the **modification** of the current articles 6 ("Shares"), 14 ("Powers of the General Shareholders Meeting"), 18 ("Right to attend the Meeting"), 19 ("Proxy"), 20 ("Remote voting"), 24 ("Right to information"), 26 ("Deliberations. Adopting resolutions. Minutes"), 28 ("Members"), 30 ("Requirements and duration of the position"), 36 ("Executive Committee and Managing Director"), 37 ("Functioning of the Executive

Committee"), 38 ("Remuneration"), 40 ("The Audit and Control Committee"), 41 ("The Appointments and Remuneration Committee"), 44 ("Formulation of the financial statements") and 46 ("Deposit of the accounts") of the Articles of Association, as well as the **incorporation** of the new article 18 bis ("Attendance at the General Meeting by electronic means. Exclusively telematic Shareholders Meetings"), whose approval is submitted to the Ordinary General Shareholders' Meeting called to be held on 29 June 2021, on first call and on 30 June 2021, on second call, under the Third point of the agenda.

II JUSTIFICATION OF THE MODIFICATION PROPOSALS

- **Modification of article 6 ("Actions").**

It is proposed to adapt article 6 in accordance with the new regulation provided for in articles 497 and 497 bis of the LSC, as expressed in Law 5/2021, in relation to the right to know the identity of the shareholders and the ultimate beneficiaries of the Company, respectively.

It is also proposed to incorporate the clarification in the last paragraph of section 2 "*all in accordance with the applicable regulations at all times*", to avoid any possible conflict between this internal registry and other legally foreseen registries.

- **Modification of article 14 ("Powers of the General Shareholders Meeting").**

It is proposed to extend the powers of the General Shareholders' Meeting, firstly, with the "*approval, where appropriate, of the status of non-financial information*" in accordance with the provisions of article 49.6 of the Commercial Code, in the wording given by Law 11/2018 and secondly, with the "*approval of related-party transactions whose approval corresponds to the General Shareholders Meeting in the terms envisaged in the Law*", in accordance with the provisions of article 529 u, section 1, of the LSC, introduced by Law 5/2021.

- **Article 18. "Right to attend the Meeting").**

Firstly, it is proposed to modify the heading of this article to "*Right of attendance*", in coordination with the provisions of the Regulations for the General Shareholders Meeting in this regard.

Secondly, it is proposed to incorporate a technical clarification in section 1 regarding the right of shareholders to attend the Meeting, replacing "*by exhibiting, at the registered office or in the entities indicated in the call, the corresponding certificate of right or attendance card, proxy or representation and remote voting, or in any other way allowed by current legislation*" with "*in the terms provided for in the Regulations for the General Shareholders Meeting and in the announcement of the call*", given that exhibiting the attendance card or certificate of right at the registered office is usually only mandatory in the case of physical attendance at the Meeting and not in the case of voting or delegation by electronic means prior to the Meeting nor in the case of telematic attendance.

- **Incorporation of a new article 18 bis ("Attendance at the General Shareholders Meeting by electronic means. Exclusively electronic Meetings").**

Firstly, it is proposed to incorporate as section 1 of this new article the **possibility for shareholders and representatives to attend the General Shareholders Meeting by electronic means whenever so agreed by the Board of Directors**, in accordance with the provisions of article 182 LSC, as expressed in Law 5/2021.

Secondly, it is proposed to incorporate as section 2 of this new article 18 bis, the **possibility of holding General Shareholders Meetings exclusively by electronic means whenever so agreed by the Board of Directors, in accordance with the provisions of articles 182 bis and 521.3 LSC, introduced by Law 5/2021**. This proposal consists of allowing, when so permitted in the applicable regulations, the convening of General Shareholders Meetings to be held with the participation of the shareholders by exclusively electronic means, that is, without physical attendance by the shareholders and their representatives.

In this regard, the critical situation arising from the Covid-19 pandemic has given an unprecedented impulse to the inclusion of electronic means of remote communication with regard to the organisation and operation of corporations and, particularly of listed companies. The exceptional regulations enacted in 2020 and 2021 to face the economic and social impact caused by this situation, have also incorporated measures to facilitate the holding of meetings of the governing bodies of the companies, both the administrative body and the General Shareholders Meeting, by remote means of communication and this also includes a provision for the possibility of holding General Shareholders Meetings exclusively by electronic means, without the physical presence of shareholders or their representatives, all within the framework of promoting the involvement of shareholders in the life of the company in accordance with the provisions of the Good Governance Code.

Based on the experience in the use of these measures during the state of alarm, within the framework of Law 5/2021, an authorisation has been incorporated so that, in general and no longer linked to the exceptional circumstances referred to, General Shareholders Meetings may be held by exclusively electronic means, without prejudice to guaranteeing the full exercise of their rights by the shareholders or their representatives. In this regard, Law 5/2021 has included a new article 182 bis in the LSC including this provision and incorporated a new section 3 in article 521 LSC. It concerns possibility already provided for in other legal codes and which is also incorporated into Spanish law.

Therefore, and without prejudice to the fact that the Board of Directors considers the physical attendance of the shareholders or their representatives at the meetings of the General Meeting as an ordinary channel for the exercise of their rights, together with the possibility of exercising them by means of remote communication prior to the holding of the Meeting, the incorporation that is proposed in the Articles of Association of the possibility of holding General Meetings with the attendance of shareholders and their representatives by exclusively electronic means, may be very useful in certain situations that make it advisable to facilitate the holding of the Meetings. And all this without prejudice to any of the shareholders' rights, which may be exercised by them or by their representatives in terms equivalent to those corresponding in the event that the General Shareholders Meeting is held with the physical attendance of the shareholders or their representatives.

- **Modification of article 19 ("Representation").**

Firstly, it is proposed to extend section 2 regarding the means of remote communication to grant representation (postal and electronic correspondence), in coordination with what is already provided for in the current article 20 of the Statutes regarding the casting of votes by remote means of communication, and in accordance with the provisions of Recommendation 7 of the Code of Good Governance for listed companies after its partial remodelling by the CNMV in June 2020, which establishes that companies should have mechanisms that allow delegation and the exercise of the vote by electronic means (which should be understood to mean both postal correspondence and electronic communication, in accordance with the provisions of article 521.1 LSC).

Secondly, it is proposed to extend section 4 regarding the repeal of the representation establishing that personal attendance "*physical or electronic*" by the shareholder represented in the Meeting will have repeal value "*for the representation granted, whatever the date for this*", all this in coordination, firstly with the proposal of incorporation into the Articles of Association of the possibility of holding Meetings with electronic attendance and exclusively electronic Meetings and secondly, with the provisions of the current Article 11 on the Regulations for the Company's General Shareholders' Meeting.

Finally, it is proposed to adapt the provisions relating to the delegation of representation and exercise of the vote by intermediary entities to the new wording of article 524 of the LSC, as expressed in Law 5/2021.

- **Modification of article 20 ("Casting of remote votes").**

Firstly, it is proposed to modify the heading of this article to "*Casting of remote votes prior to the Meeting*", in order to avoid possible confusion with the case of electronic voting during the Meeting by the attendees by electronic means.

Secondly, it is proposed to incorporate clarification in the wording, eliminating what is related to "*delegation*" since this article only regulates the exercise of the vote by the shareholder by means of remote communication "*prior to the Meeting*".

Finally, it is proposed to extend section 3 with regard to the fact that personal attendance "*physical or electronic*" at the General Shareholders Meeting will have the effect of revoking the vote cast by postal or electronic correspondence, in coordination with the proposed incorporation into the Articles of Association of the possibility of holding Meetings with electronic attendance and exclusively electronic Meetings.

- **Modification of article 24 ("Right to information").**

It is proposed to incorporate clarification in the wording in section 2 as well as a new section 3 ("*the provisions in the previous section shall be understood without prejudice to the fact that shareholders who attend by electronic means may request the information or clarifications that they consider appropriate about the matters referred to in the previous section in the terms provided in the announcement of the call in accordance with what is envisaged in the applicable regulations*"), in coordination with the proposed incorporation into the Articles of Association of the possibility of holding Meetings with electronic attendance and exclusively electronic Meetings.

It is also proposed to eliminate the last paragraph of section 5 of this article 24 since its provisions are already included identically in the previous paragraph.

- **Modification of article 26 ("Deliberations. Adopting resolutions. Minutes").**

It is proposed to modify section 1, eliminating "*in writing, and then to those who request it verbally*" and incorporating "*in the terms provided for in the Regulations for the General Shareholders Meeting*", always providing the proposed statutory remodelling should take into account not only the possibility of physical attendance but also of electronic attendance and the holding of exclusively electronic Meetings.

- **Modification of article 28 ("Composition").**

It is proposed to adapt the last section of article 28 to the provisions of article 529 bis.2 LSC, as expressed in Law 11/2018, regarding the diversity requirements that should govern the selection procedures for directors.

- **Modification of article 30 ("Requirements and duration of the position").**

Firstly, it is proposed to adapt section 1 to the provisions of article 529 bis.1 LSC, as expressed in Law 5/2021, which establishes the obligation that the Board of Directors of listed companies should be composed exclusively of natural persons, without prejudice to the provisions of the First Transitional Provision, section 4, of Law 5/2021, which provides that the requirement for directors of listed companies to be natural persons shall only apply to appointments, including renewals, occurring as from the month following the publication of the aforementioned Law in the Official State Gazette. Also, expressly including that these directors must be persons should be "*of recognised good repute, solvency, technical competence and experience*", in coordination with the provisions of the current article 16.1 of the Regulations of the Board of Directors.

Secondly, the references to specific regulations provided for in section 2 (Law 3/2015 and 53/1984) are replaced by "*provided for in the applicable regulations*", in order to prevent the aforementioned regulations from ceasing to be in force when they are repealed by others that may be approved in the future.

- **Modification of article 36 ("Executive Committee and Managing Director").**

It is proposed to eliminate the reference that the Board may delegate all or some of its delegable powers to the President, given that article 34.1 of the Articles of Association expressly provides that "*the position of Chairman of the Board of Directors should necessarily be held by a non-executive director of the Company*".

It is also proposed to eliminate the current provision according to which "*the composition of the Executive Committee will be, in terms of the participation of the different categories of directors, similar to that of the Board of Directors.*", since it is not a legal requirement but rather included in Recommendation 37 of the Good Governance Code, which the Company does not comply with either in its wording prior to the amendment of the Code by the CNMV in June 2020, or in its current wording.

- **Modification of article 37 ("Functioning of the Executive Committee").**

It is proposed to eliminate from section 3 of this article 37 the provision that establishes, with respect to the replacement of the President of the Executive Committee in the event of absence or impossibility, that "*in the case of legal persons, the age of their natural person representative will be taken into account for these purposes.*", in accordance with article 529 bis.1 LSC, as expressed in Law 5/2021, which provides that the Board of Directors of listed companies should be composed only of natural persons.

- **Modification of article 38 ("Remuneration").**

It is proposed to modify article 38 of the Articles of Association, with regard to the remuneration regime for Directors, in order to adapt it to the new features introduced in the LSC by Law 5/2021 and, in particular:

- The regulation of sections 2 and 3 relating to the remuneration of Directors in their capacity as such is extended specifically to include the Appointments and Remuneration Committee's obligation to previously report to the Board on its distribution, in accordance with article 529 17.3 of the LSC.
- The remuneration concepts for the CEO and other directors to whom executive functions are attributed by virtue of other titles are expressly incorporated in a general way, in accordance with article 529 18.1 LSC, as expressed in Law 5/2021.

Furthermore, the provisions regarding the individual determination of the remuneration for each director are extended, establishing that "*it is the responsibility of the Board of Directors to individually determine the remuneration for each director for the performance of the executive functions attributed to him/her within the framework of the remuneration policy and in accordance with the provisions of his/her contract, following a report from the Appointments and Remuneration Committee*", in accordance with article 529 18.3 LSC, as expressed in Law 5/2021.

- A summary is included in reference to the Directors' remuneration policy and its basic content, in accordance with articles 529 19.1, 529 17.2 and 529 18.2 LSC, as expressed in Law 5/2021.
- The provisions relating to the Annual Report on Directors' Remuneration are adapted to the wording of article 541 LSC.

In addition to the above, it is proposed to incorporate certain systematic and drafting provisions into this article.

- **Modification of article 40 ("The Audit and Control Committee").**

With regard to the powers of the Commission, it is proposed, firstly, to incorporate the power "*to report on related-party transactions that should be approved by the General Shareholders Meeting or the Board of Directors and to supervise the internal procedure established by the Company for those whose approval has been delegated in accordance with applicable regulations*" in accordance with article 529 m.4.g) LSC, as expressed in Law 5/2021.

In this regard, although currently the power to report related-party transactions is attributed to the Appointments and Remuneration Committee, the new wording of the last paragraph of article 529 14.4 LSC, introduced by Law 5/2021, establishes that this function may be undertaken by a Committee other than the Audit Committee, the aforementioned Committee should have the same composition as that legally required for the Audit Committee.

Secondly, it is proposed to extend the function of the Committee reporting to the Board regarding the financial information that the Company should periodically make public in order to report "*the management report, which will include, where appropriate, the mandatory non-financial information*", in accordance with the provisions of article 529 14.4.h) LSC, as expressed in Law 5/2021.

It is also proposed to eliminate the subsection "*including public prosecutors*" with regard to the risk management systems in the in the letter b) of section 4, in accordance with article 529 14.4.b) LSC, as expressed in Law 22/2015, of July 20.

- **Modification of article 41 ("The Appointments and Remuneration Committee").**

In coordination with the proposal to assign the Audit and Control Committee the function of reporting on related-party transactions, it is proposed to eliminate the reference to such related-party transactions in section 3 of article 41.

- **Modification of article 44 ("Formulation of the financial statements").**

It is proposed to extend the provisions relating to the formulation of the financial statements in accordance with article 253 LSC, as expressed in Law 11/2018, regarding the management report "*which will include, where appropriate, the status of non-financial information*".

- **Modification of article 46 ("Deposit of accounts").**

It is proposed to extend the provisions relating to depositing the financial statements in accordance with article 279.1 LSC, as expressed in Law 11/2018, regarding the management report "*which will include, where appropriate, the status of non-financial information*".

III SEPARATE VOTING BY ITEM

With regard to the proposed modification the Articles of Association that is submitted for approval by the Ordinary General Shareholders' Meeting, there will be **separate voting for each item or group of items** that have their own autonomy, in accordance with the provisions of article 197 bis LSC.

IV ANNEX

Attached as an **Annex** to this Report you will find the text comparing the current Articles of Association and the proposed modification thereof, which highlights the proposed amendments.

ANNEX

Proposed modification of the Articles of Association



STATUTES
OF
FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

[Note: This proposed modification of the Articles of Association has been prepared taking into account those matters that should strictly be incorporated into the Statutes as a result of the remodelling of the Spanish Corporate Enterprises Act introduced by Law 5/2021, of 12 April which modifies the revised text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, with regard to promoting the long-term involvement of shareholders in listed companies ("Law 5/2021").

In addition, Law 11/2018, of 28 December has been taken into account, which modifies the Commercial Code, the revised text of the Spanish Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of July 20, on the Auditing of Accounts, in the matter of non-financial information and diversity ("Law 11/2018").

The modifications have been incorporated with change control including the corresponding explanatory notes.]

CONTENTS

TITLE ONE	4
GENERAL PROVISIONS	4
Article 1. Name.....	4
Article 2. Corporate Purpose	4
Article 3. Duration.....	6
Article 4. Registered office, branches and corporate website.....	6
SECOND TITLE CAPITAL STOCK AND SHARES	6
Article 5. Capital Stock.....	7
Article 6. Shares.....	7
Article 7. Transfer of shares.....	7
Article 8. Shares without a vote	7
Article 9. Joint ownership of shares.....	8
Article 10. Usufruct, pledge and seizure of shares.....	8
TITLE THREE	8
ON THE GOVERNANCE OF THE COMPANY	8
Article 11. Bodies of the Company	8
Section 1.- On the General Shareholders Meeting.....	8
Article 12. The General Shareholders Meeting	9
Article 13. Categories of Meetings.....	9
Article 14. Powers of the General Shareholders Meeting	9
Article 15 Calling the Meeting.	10
Article 16. Power and obligation to convene the Meeting.....	11
Article 17. Constitution of the Board	12
Article 18. Legal right to attend the Meeting Right of attendance	12
Article 18 bis. Attendance at the General Shareholders Meeting by electronic means. Exclusively electronic Meetings	13
Article 19. Attendance by Proxy	14
Article 20. Remote casting of votes prior to the Meeting.....	15
Article 21. Place and time for holding the Meeting.....	15
Article 22. President and Secretary of the Meeting	16
Article 23. List of those attending.....	16
Article 24. Right to information.....	16
Article 25. Conflict of interests	17
Article. 26 Deliberations. Adopting resolutions. Minutes	18
Section 2. Regarding the Board of Directors	19
Article 27. The Board of Directors	19

Article 28. Members	19
Article 29. Appointment, re-election, ratification and dismissal of directors	20
Article 30. Requirements and duration of the position	20
Article 31. Convening. Meetings	21
Article 32. Constitution.....	21
Article. 33 Deliberations. Resolutions. Minutes.....	21
Article 34. Organisation.....	22
Article 35. Powers.....	24
Article 36. - Executive Committee and Managing Director	24
Article 37. Operation of the Executive Committee.....	24
Article 38. Remuneration.....	25
Section 3. On Board of Directors Committees	28
Article 39. Board of Directors Committees	28
Article 40. Audit and Control Committee	28
Article 41. The Appointments and Remuneration Committee	31
TITLE FOUR	32
ON THE ADVISORY BOARD.....	32
Article 42. The Advisory Board	32
TITLE FIVE.....	33
ON THE BUSINESS YEAR AND THE FINANCIAL STATEMENTS.....	33
Article 43. On the Business Year	33
Article 44. Preparation of Financial Statements	33
Article 45. Allocation of the results	34
Article 46. Presentation of statements	34
TITLE SIX.....	35
WINDING-UP AND LIQUIDATION	35
Article 47. Winding-up	35
Article 48. Liquidation	35
Article 49. Division of corporate assets	35
TITLE SEVEN.....	35
ISSUE OF BONDS	35
Article 50. Issue of bonds.....	35

TITLE ONE

GENERAL PROVISIONS

Article 1. Name

These Statutes contain the rules governing the Company denominated "FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A." (hereinafter, the "**Company**"). In addition, the Spanish Corporate Enterprises Act (hereinafter the "**Act**") and the other provisions in force at all times shall apply.

Article 2. Corporate Purpose

1. The purpose of the Company is:

- 1) The construction, execution and maintenance of public and private works, as well as the exploitation of all types of infrastructure.
- 2) The provision of sanitation, cleaning, management, maintenance and repair services for buildings, works, infrastructure, ships, aircraft and, in general, all types of installations, public or private. The provision of all types of services owned by Public Administrations, including any collaborative task inherent in the collection management of any such administration, which does not involve the exercise of authority or holding of public funds.
- 3) The design, research, development, operation, maintenance and marketing of water treatment plants and installations. Use, transformation and marketing of all kinds of water.
- 4) The management of waste and contaminated soils as well as any advisory, research or consultancy activity related to them. The design, research, development, operation, maintenance and marketing of plants and installations for the re-use, recycling, recovery, removal, storage or transfer station of waste or contaminated soils, as well as the purchase and sale of both the by-products originating from these treatments and all types of waste.
- 5) The establishment and operation of cement, lime, plaster and precast elements derived from these materials, as well as the concrete industry and the creation and operation of all industries related to these products. The investigation and exploitation of mineral deposits as well as the acquisition, use and enjoyment of permits, concessions and other mining rights and interests; the industrialisation and marketing of mining products derived from those rights.
- 6) The promotion and sale of plots, land, residential complexes, housing developments, commercial premises, offices and, in general, all types of property. The operation of these properties by means of a lease, or in any other form that does not involve the transfer of ownership, and the provision of research, advisory, administrative and management services for third-party owners.
- 7) Studying, planning, acquiring, assigning, disposing of, promoting, advising, administering, managing or operating shopping centres under lease or in any other way.

- 8) The design, manufacture, quality control, purchase, sale, supply, import, export, rental, maintenance, repair, distribution, representation and operation, including advertising, of furniture and urban equipment, understood in the broadest sense, as well as road signs, both in towns and on interurban roads, as well as machinery and its components, tools, vehicles, installations, materials and equipment.
- 9) The creation, design, purchase, sale, exploitation and assignment, in any form, of patents, models, trademarks, licences and other forms of industrial or intellectual property.
- 10) Studying, planning, acquiring, assigning, disposing of, promoting, advising, administering, managing or operating geriatric residential centres, as well as all activities related to social services and health care for the elderly, those with mental and physical disabilities and mental disorders; managing and attending to them with the opening of day centres, health and social care centres, residences, community housing or supervised apartments and home care.
- 11) Studying, planning, acquiring, assigning, disposing of, promoting, advising, administering, managing or operating of businesses related to the food sector.
- 12) The provision of technical engineering services, including projects, studies and reports, as well as conducting pre-investment studies, quality controls, internal audits and electronic data processing.
- 13) The design, manufacture, installation, assembly, purchase, sale, supply, import, export, rental, maintenance, distribution, representation and operation of electrical, electronic, computer and telecommunications services and systems, as well as the design, research, development and marketing of products related to these services.
- 14) The electricity and energy business in general, in all its aspects and variants as well as in its different industrial and commercial activities. The provision of services of an industrial nature, as well as those that are preparatory or complementary regarding the activities included in the corporate purpose, particularly with regard to the surveillance, operation, maintenance, repair and construction of installations. Conducting all types of studies and research related to the electricity and energy business in general, particularly with regard to renewable energies. The provision of services and implementation of projects designed to achieve energy savings, energy efficiency and sustainable development.
- 15) Studying, planning, acquiring, assigning, disposing of, promoting, advising, administering, managing or operating passenger and goods transport services, including medical transport services for patients in vehicles especially fitted out for this purpose, in transport centres of all kinds, airports and port stations and all manner of services for transport companies. Management, operation and maintenance of any type of car park, as well as the service of removal and storage of vehicles.
- 16) Studying, planning, acquiring, assigning, disposing of, promoting, advising, administering, managing or operating businesses related to logistics services.
- 17) Studying, planning, acquiring, assigning, disposing of, promoting, advising, administering, managing or operating businesses related to tourism and leisure.

- 18) Studying, planning, acquiring, assigning, disposing of, promoting, advising, administering, managing or operating cemeteries and funeral homes.
 - 19) Studying, planning, acquiring, assigning, disposing of, promoting, advising, administering, managing or operating businesses related to financial services.
 - 20) Participation in other companies and enterprises, domestic or foreign, through the subscription, acquisition, negotiation and holding of shares, equity interests and any other securities, whether fixed or variable income. Under no circumstances will the Company undertake the activities of companies or collective investment institutions regulated by Law 35/2003 of 4 November on collective investment institutions.
2. The Company may undertake all the aforementioned activities on its own, both in Spain and abroad, or may have stakes in other national or foreign companies with identical or similar objectives. Such ownership interest will involve both the subscription, purchase and acquisition, by any means validated by Law, of commercial shares or values, that grant an equity interest in the capital stock or profits of such companies, and any type of association between companies.
 3. Excluded are all activities for which the law has special requirements that the Company does not meet.

Article 3. Duration

The Company will exist for an indefinite period of time, having started its operations on the day the articles of incorporation were granted.

Article 4. Registered office, branches and corporate website

1. The Company will have its registered office in the city of Barcelona, at 36 calle Balmes, n° 36.
2. The Board of Directors is empowered to establish, remove and transfer branches, local offices, agencies, establishments, factories or representatives in any town in Spain or abroad, as well as to change the registered office within national territory, modifying this article so that the new registered office that the Company has by virtue of the transfer is recorded within it.
3. The Company will have a corporate website ("www.fcc.es"), under the terms established by Law.

The shareholders' right to information shall be exercised through this corporate website, and the documents and information required by law, these Articles of Association and other internal regulations of the Company shall be published, as well as all the information deemed appropriate to be made available to shareholders and investors through this medium.

The modification, deletion and transfer of the Company's website will be the responsibility of the Board of Directors.

SECOND TITLE CAPITAL STOCK AND SHARES

Article 5. Capital Stock

The capital stock is set at FOUR HUNDRED AND NINE MILLION ONE HUNDRED AND SIX THOUSAND SIX HUNDRED AND EIGHTEEN EUROS (€409,106,618), represented by FOUR HUNDRED AND NINE MILLION ONE HUNDRED AND SIX THOUSAND SIX HUNDRED AND EIGHTEEN (409,106,618) shares, belonging to a single class and series, with a nominal value of one (€1) euro each.

These shares have been fully subscribed and paid up.

Article 6. Shares

1. The shares are represented by book entries, and their accounting records are kept by the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (IBERCLEAR), or the entity or entities to which, in accordance with the Act, this function corresponds, and shall be governed by the provisions of the regulations governing the securities market. Each share grants the right to one vote.
2. The Company or a third party appointed by it will have the right to obtain at any time from the central securities depository the information provided by law that enables the identity of its shareholders to be established, in order to communicate directly with them with a view to facilitating the exercise of their rights and their involvement in the Company. Furthermore, in the event that the entity or person legitimised as a shareholder by virtue of the accounting record for the shares is an intermediary entity that holds these shares on behalf of the final beneficiaries or another intermediary entity, the Company or a third party designated by them, the identification of the final beneficiaries may be requested directly from the intermediary entity or indirectly through the central depository of securities, all in the terms provided for in the Law. The data corresponding to the shareholders may be requested at any time from the entity responsible for managing the accounts registry, including the addresses and means of contact available to them, and will recognise as such those who appear legitimised in the entries for the entity responsible for the aforementioned registry.

[Note: It is adapted in accordance with the provisions of articles 497 and 497 bis LSC, as expressed in Law 5/2021, with regard to the right to know the identity of the shareholders and the final beneficiaries, respectively.]

By means of the corresponding resolution of the Board of Directors, the Company may in turn create a Register of Shareholders for the purposes of being able to communicate with them, all in accordance with the applicable regulations at all times.

[Note: Since this shareholder register is internal, we have added the reference to compliance with applicable regulations, to avoid any possible conflict with other legally required records.]

Article 7. Transfer of shares

Shares shall be transferable by all means permitted by Law, from the point in time specified in the Act. Foreign natural persons or legal entities may subscribe or acquire shares in the Company under the terms and conditions established by the prevailing laws and regulations at all times.

Article 8. Shares without a vote

The Company may issue shares without voting rights for a nominal amount not exceeding half of the paid-up capital stock.

Holders of non-voting shares shall be entitled to receive the minimum annual dividend of five percent (5%) of the paid-up capital for each non-voting share, subject to the provisions of the Act, which shall apply to all matters relating to these shares.

Article 9. Joint ownership of shares

Shares cannot be divided. The joint owners of a share are jointly and severally liable to the Company for any obligations arising from their status as shareholders and should appoint a single person to exercise the rights inherent in their status as a shareholder on their behalf. The same rule shall apply to other cases of joint ownership of rights to shares.

Article 10. Usufruct, pledge and seizure of shares

In the case of usufruct of shares, the status of partner resides in the bare owner, but the usufructuary is in any case entitled to the dividends agreed by the Company during the usufruct. The exercise of the other shareholder's rights corresponds to the usufructuary. The relationship between the usufructuary and the bare owner and the remaining content of the usufruct will be governed by what determines the constitutional deed of the usufruct in accordance with the Law, and, in what is not provided for in this, by the applicable civil law.

TITLE THREE

ON THE GOVERNANCE OF THE COMPANY

Article 11. Bodies of the Company

1. The governance and administration of the Company is the responsibility of the General Shareholders' Meeting and the Board of Directors appointed by it, respectively, within the scope of their duties and powers.
2. Furthermore and in accordance with the provisions of the law and with its organisational powers, the Board of Directors will establish an Audit and Control Committee, an Appointments and Remuneration Committee and any other internal committees that may be necessary or considered appropriate for the best performance of its functions, appointing its members and establishing the duties assigned to each of them.

The Board of Directors may also establish Advisory Boards in order to contribute to greater efficiency in the exercise of its functions.

Section 1.- On the General Shareholders Meeting

Article 12. The General Shareholders Meeting

1. The shareholders constituted in a General Shareholders Meeting, duly called, shall decide by simple majority (a resolution being deemed adopted when it obtains more votes in favour than against the capital present or represented at the Meeting) on matters within its powers, unless the Act or these Articles of Association establish a higher majority for the adoption of certain resolutions. All shareholders, including those who disagree with the majority opinion and those who did not participate in the meeting, are subject to the resolutions of the General Meeting, notwithstanding the rights to dissent and challenge established by law.
2. The General Shareholders Meeting is governed by the provisions of the Act, these Articles of Association and the Regulations for the General Shareholders Meeting.
3. The Company shall guarantee, at all times, the equal treatment of all shareholders who are in the same position, especially with regard to information, participation and the exercise of voting rights at the General Shareholders Meeting.

Article 13. Categories of Meetings

1. General Shareholders Meetings may be Ordinary or Extraordinary.
2. The Ordinary General Shareholders Meeting will necessarily be held within the first six (6) months of each year, to approve, where appropriate, the corporate management and the accounts of the previous business year, as well as how to resolve on the application of the result, being able to adopt any other agreement that is submitted and is included in the Agenda.

The Ordinary General Shareholders Meeting will be valid even if it has been called or is held outside the aforementioned deadline.

3. Any meeting other than that provided for in the preceding section shall be considered an Extraordinary General Shareholders Meeting.

Article 14. Powers of the General Shareholders Meeting

The General Shareholders Meeting shall decide on the matters attributed to it by law, by these Articles of Association and by the Regulations for the General Shareholders Meeting and, in particular, on the following:

- a) The approval of the financial statements, the allocation of profits and the approval of corporate management.
- b) The approval, where appropriate, of the status of non-financial information.

[Note: It is proposed to incorporate this function in accordance with the provisions of Article 49.6 of the Commercial Code, as expressed in Law 11/2018.]

- ~~b)~~ c) The appointment, ratification and dismissal of directors, as well as the appointment and removal of the liquidators and, where applicable, the auditors, as well as the exercise of corporate responsibility action against any of them.
- ~~e)~~ d) Modification of these Articles of Association.
- ~~e)~~ e) The increase and reduction of the capital stock, as well as the delegation to the Board of Directors of the power to increase the capital stock, in which case it may also confer on it the power to exclude or restrict the right of first refusal under the terms established by law.

- e)f) The issue or creation of new categories or series of shares.
- f) g) The issue of bonds and other securities which, in accordance with the regulations applicable at any given time, are the responsibility of the General Shareholders Meeting and the delegation to the Board of Directors of the power to issue them.
- g) h) The elimination or limitation of the right of first refusal.
- h) i) The acquisition, sale or contribution to another company of essential assets; as well as the transfer to dependent entities of essential activities undertaken up to that moment by the Company, even though it maintains full control of these.

Operational activities and assets shall be presumed to be essential when the volume of the transaction exceeds twenty-five percent (25%) of the total assets on the balance sheet.
- i) j) Transformation, merger, spin-off, general assignment of assets and liabilities and transfer of the registered office abroad.
- j) k) Winding up the Company.
- k) l) Approval of the final balance sheet for liquidation.
- m) Operations where the effect is equivalent to winding up the Company.
- n) The approval of related-party transactions whose approval corresponds to the General Shareholders Meeting in the terms envisaged in the Law.

[Note: This function is expressly incorporated in accordance with the provisions of Article 529 22.1 LSC, introduced by Law 5/2021.]
- o) The policy on the remuneration of directors under the terms established by Law.
- m) p) Any system for remuneration or incentives to directors or senior management consisting of the delivery of shares, share options or in any way linked to the value of the share.
- n) q) Authorisation for the acquisition of own shares within the legal boundaries.
- o) r) The approval and modification of the Regulations for the General Shareholders Meeting.
- p) s) Any other matters as determined by law or these Articles of Association.

Article 15 Calling the Meeting.

1. Both Ordinary and Extraordinary General Shareholders Meetings should be called by means of a notice published in the Official Gazette of the Mercantile Registry or in one of the newspapers with the highest circulation in Spain, on the Company's website and on the website of the National Securities Market Commission, at least one month before the date set for the meeting. Nevertheless, Extraordinary General Shareholders Meetings may be called at least fifteen (15) days in advance and in accordance with the requirements established by law and in the Regulations for the General Shareholders Meeting.

2. Where applicable, the announcement may also include the date on which the Meeting will take in a second call. At least twenty-four (24) hours should elapse between the first and second meeting. If the duly called General Shareholders Meeting, whatever its type, cannot be held on first call and the date of the second call has not been provided for in the announcement, the second call should be announced with the same Agenda and publicity requirements as the first, within fifteen (15) days following the date of the General Shareholders Meeting not held and at least ten (10) days prior to the date set for the meeting.
3. The announcement shall state the name of the Company, the place, day and time at which the meeting is to be held, the agenda, which shall include all the items to be discussed, the position of the person or persons issuing the notice for the meeting and the right of shareholders to examine at the registered office and, if applicable, to obtain, immediately and free of charge, a copy of the documents to be submitted for the approval of the meeting. In addition, and if applicable, the report from the auditors and the corresponding technical reports, as well as all other references and information required by law for listed companies and those contained in the Regulations for the General Shareholders Meeting and any other information or documentation that the Board of Directors considers appropriate in the interest of the shareholders.
4. Shareholders representing at least three percent (3%) of the capital stock may request the publication of a supplement to the call for the Ordinary General Shareholders Meeting, including one or more items on the agenda, provided that the new items are accompanied by a justification or, where appropriate, a justified proposal for a resolution. The exercise of this right, which in no case shall be applicable to the Extraordinary General Shareholders Meetings, shall be made

by means of a reliable notification, which should be received at the registered office within five (5) days following the publication of the call. The supplement to the notice shall be published at least fifteen (15) days prior to the date set for the meeting. Failure to publish the supplement to the notice of meeting within the legally established deadline shall be grounds for contesting the meeting.
5. Shareholders representing at least three percent (3%) of the capital stock may, within five (5) days following the publication of the notice of meeting, submit reasoned proposals for resolutions on matters already included or to be included on the agenda of the meeting called. As they are received, the Company will ensure the dissemination of these proposals and any accompanying documentation among the rest of the shareholders, publishing them continuously on its website.

Article 16. Power and obligation to convene the Meeting

1. General Shareholders Meetings should be called by the Board of Directors or, where appropriate, by the Company's liquidators. The Board of Directors shall call the General Meeting whenever it believes it necessary or appropriate in the company's interests, and in any case, on the dates or periods determined by the Act and these Articles of Association.
2. The Board of Directors should convene the General Shareholders Meeting when requested by a notary, by shareholders representing at least three percent (3%) of the capital stock, expressing in the request the matters to be discussed at the meeting.

3. In this case, the General Shareholders Meeting should be called by the Board of Directors to be held within two (2) months from the date on which the Board of Directors has been requested by a notary to convene it, including in the Agenda the issues that were the reason for the request.
4. If the General Shareholders Meeting is not called within the corresponding legal or statutory deadline, it may be called at the request of any shareholder, by the clerk or commercial registrar of the registered office, and after hearing the directors.
5. If the Board of Directors does not respond at the appropriate time to the request made by the minority for a meeting to be convened, the meeting may be convened by the court clerk or the mercantile registrar of the same location as the company's registered office, after consultation with the directors.

Article 17. Constitution of the Board

1. An Ordinary or Extraordinary General Shareholders Meeting shall be validly constituted, at the first call, when the shareholders present or represented account for at least fifty percent (50%) of the subscribed capital with the right to vote; and at the second call, the constitution of the Meeting shall be valid when the shareholders present or represented account for at least forty-five percent (45%) of the subscribed capital with the right to vote. Exceptions to the foregoing are those cases in which, in accordance with the items included on the Agenda, it is not legally possible to require a higher percentage of capital for the General Shareholders Meeting to be validly constituted than that established by the applicable regulations.
2. Likewise, the percentages mentioned in the previous paragraph shall also be those applicable so that the Ordinary and Extraordinary General Shareholders Meeting can validly resolve on the issue of bonds which, in accordance with the regulations applicable at any given time, are within the powers of the General Shareholders Meeting, the increase or reduction of capital, the transformation, merger or spin-off of the Company, the general assignment of assets and liabilities, the suppression or removal of the right of first refusal on new shares, the transfer of address abroad and, in general, any modification to the Articles of Association.
3. If, to validly adopt an agreement with respect to any, or several, items on the agenda of the General Shareholders Meeting, pursuant to the applicable legal or statutory regulations, a certain percentage of the capital stock must be in attendance and this percentage is not reached, or the consent of the specific shareholders affected is required and they are not present or represented, the General Shareholders Meeting shall be limited to discussing and deciding on items on the agenda that do not require the attendance of this percentage of the capital stock or the aforementioned shareholders.

Article 18. ~~Legal right to attend the Meeting~~ Right of attendance

1. Shareholders holding one or more shares, including those without voting rights, where their ownership is recorded in the corresponding register of shareholders five (5) days prior to the date on which the meeting is to be held and who prove this in the terms envisaged in the Regulations for the General Shareholders' Meeting and in the call for the meeting~~by showing the corresponding certificate of authority or attendance card, proxy or representation and remote voting, or in any other manner permitted by current legislation, at the registered office or at the entities indicated in the notice of meeting.~~

[Note: Since showing the card at the registered office is usually only mandatory in the event of physical attendance at the Meeting (and not in the case of voting or delegation by electronic means or in the case of electronic attendance), we propose to replace the current reference with a general reference to "the terms provided for in the Regulations for the General Shareholders Meeting and in the announcement of the call".]

2. Directors, managers, technicians and other persons with an interest in the proper conduct of corporate affairs may also attend the General Shareholders Meetings, when required to do so. The directors of the Company are obliged to attend but their presence is not necessary for the valid constitution of the Meeting. In all matters not established in this article, with regard to the right to attend the Meeting, the provisions of the Act shall apply.
3. Shareholders may attend and vote at the General Shareholders Meeting and grant the corresponding proxy, in accordance with the provisions of these Articles of Association and the Regulations for the General Shareholders Meeting.
4. From the announcement of the meeting and until the General Shareholders Meeting is held, the Company shall publish uninterruptedly on its corporate website, information regarding remote communication media, including electronic media, which shareholders may use to exercise their rights of representation, voting and, where appropriate, attendance. It will also include the deadlines, forms and methods of exercising the rights of shareholders attending the meeting by electronic or remote means, if this possibility is provided for.

Article 18 bis. Attendance at the General Shareholders Meeting by electronic means. Exclusively electronic Meetings

1. The Company may enable attendance at the General Shareholders Meeting by electronic means that duly guarantee the identity of the subject and the casting of the vote remotely during the Meeting, provided that the Board of Directors so agrees. In this case, the call will describe the deadlines, forms and modes of exercise of the shareholders' rights provided for by the Board of Directors to enable the General Shareholders Meeting to be properly conducted.

The Regulations for the General Shareholders Meeting may attribute to the Board of Directors the regulation, with regard to the Law, the Articles of Association and the Regulations for the General Shareholders Meeting, of all necessary procedural aspects.

2. The General Shareholders Meeting may be called to be held exclusively electronically and, therefore, without physical attendance by the shareholders, their representatives and, where appropriate, the members of the Board of Directors, provided the Board of Directors so agrees and it is permitted under the applicable regulations.

The holding of the General Shareholders Meeting exclusively online will be in accordance with the legal and statutory provisions and the application of those contained in the Regulations for the General Shareholders Meeting and, in any case, will be subject to the identity and legitimacy of the shareholders and their representatives being duly guaranteed since all those attending may participate effectively in the meeting by means of remote communication in accordance with the announcement of the call, both to exercise in real time their rights of speech, information, proposal and vote that correspond to them, as well as to hear the speeches of the others attending by the indicated means, taking into account the state of the art and the circumstances of the Company, all in accordance with the applicable regulations.

[Note: The possibility of electronic attendance at the General Shareholders Meeting is included in section 1 when so agreed by the Board, in accordance with articles 182 and 521.2 LSC, and in section 2 the possibility of holding exclusively electronic Meetings, in accordance with the provisions of articles 182 bis and 521.3 LSC, introduced by Law 5/2021.]

Article 19. Attendance by Proxy

1. Any shareholder entitled to attend may be represented at the General Meeting by another person, even if that person is not a shareholder. The representation should be conferred in the terms and within the scope established by law, in writing and specifically for each meeting, except for a spouse, ascendant or descendant of the represented shareholder or general proxy, in a public document, in order to manage all the assets that the represented shareholder has in national territory.
2. Proxies may also be granted by post, e-mail or any other remote means of communication which, duly guaranteeing the identity of the represented party and the proxy and, where appropriate, the security of the electronic communications, the Board of Directors shall determine at the time of calling each meeting, in accordance with the provisions of the Regulations for the Company's General Shareholders' Meeting.

[Note: This section is extended, in coordination with the provisions of article 20 for casting remote votes, that proxy may be granted both by post and e-mail, in accordance with the provisions of Recommendation 7 of the CBG, in its draft of June 2020 (that the Company declares that it fully complies with the IAGC 2020), and that establishes that the company has mechanisms that allow delegation and voting by electronic means (which should include both postal correspondence and electronic communication, in accordance with the provisions of article 521.1 LSC).]

3. The President, the Secretary of the General Shareholders Meeting, or the persons appointed through them, shall be deemed empowered to determine the validity of the proxies granted and compliance with the requirements for attendance at the Meeting.
4. Proxy will always be revocable. The personal attendance, physical or electronic, of the person represented at the Meeting will imply the revocation of the proxy granted, whatever the date of this.

[Note: It is proposed to incorporate "physical or electronic" in coordination with the proposal for incorporation in the Statutes of the possibility of holding Meetings with electronic attendance and exclusively electronic Meetings.

The following will also be incorporated "of the representation granted, whatever the date for this" in coordination with the provisions of the current article 11 of the Regulation for the General Shareholders Meeting.]

5. Intermediaries who appear legitimised as shareholders by virtue of the accounting record of the shares but who act on behalf of other final beneficiaries may in any case divide their vote and exercise it divergently in compliance with different voting instructions, if they have received them. Furthermore, they may delegate the vote to each of the indirect holders final beneficiaries or to third parties designated by them, without being able to restrict the number of proxies granted.

[Note: Adapted to article 524.1 LSC, as expressed in Law 5/2021.]

6. The Board of Directors may develop the above provisions, establishing the rules, means and procedures appropriate to the technical status to implement the granting of remote representation, in accordance with the provisions of these Articles of Association and the Regulations for the General Shareholders Meeting.

Article 20. Remote casting of votes prior to the Meeting

[Note: The heading is extended for clarity, in order to avoid possible confusion in the event of casting the electronic vote during the Meeting by those attending by electronic means.]

1. ~~Participation in the General Shareholders Meeting and~~ Voting on proposals regarding items included on the agenda of any type of General Shareholders Meeting may be delegated or exercised directly by the shareholder casting the vote prior to the General Shareholders Meeting by post, e-mail or any other remote means of communication which, duly guaranteeing the identity of the person ~~participating or~~ voting and the security of the electronic communications, the Board of Directors shall determine at the time of calling each meeting, in accordance with the provisions of the Regulations for the Company's General Shareholders' Meeting.

[Note: Changes to the wording will be incorporated, eliminating what is related to "proxy" since this article only regulates the exercise of the vote by the shareholder by remote means of communication "prior to the Meeting".]

2. Shareholders who cast their votes remotely in accordance with the provisions of this article shall be deemed to be present for the purposes of constituting the General Meeting in question.
3. Personal attendance, physical or electronic, at the General Shareholders' Meeting shall have the effect of revoking the vote cast by post or electronic means.

[Note: It is proposed to incorporate this clarification in coordination with the proposal for incorporation into the Articles of Association of the possibility of holding Meetings with electronic attendance and exclusively electronic Meetings.]

4. The Board of Directors may develop the above provisions, establishing the rules, means and procedures appropriate to the technological status to implement the granting of remote representation, in accordance with the provisions of these Articles of Association and the Regulations for the General Shareholders Meeting.

Article 21. Place and time for holding the Meeting

1. The General Shareholders Meetings shall be held in the Spanish city that, at the time of each call, is agreed by the Board of Directors, on the day and time indicated in the call.

If the place of the meeting is not indicated in the call, it will be understood that the meeting will take place at the registered office.

2. Attendance at the General Shareholders Meeting may take place either at the place where the meeting is to be held or, where applicable, at other places arranged by the Company, indicating this in the notice of call, and which are connected to it by any valid system that allows for the recognition and identification of those attending, permanent communication between those attending regardless of their location, and participating and the casting of votes, all in real time. Those attending at any of the places will be considered, for all purposes relating to the General Shareholders Meeting, as attending the same and only meeting. The meeting shall be deemed to have taken place where the main venue is located.

3. The General Shareholders Meeting, provided there is good cause, may decide to extend the meeting over one or more consecutive days, at the proposal of the President of the General Shareholders Meeting, the majority of the directors attending the meeting or at the request of a number of shareholders representing at least twenty-five percent (25%) of the capital stock in attendance. Regardless of the number of sessions, the General Shareholders Meeting shall be considered unique, with a single set of minutes being taken for all the sessions. The General Shareholders Meeting may also be temporarily suspended in the cases and manner provided for in the Regulations.

Article 22. President and Secretary of the Meeting

1. General Shareholders Meetings will be chaired by the President of the Board of Directors. If the President of the Board is absent or unavailable, he or she shall be replaced by the Deputy Presidents in their order and if this is not pre-determined, it will be established depending on the length of time that directors have been in their position in the Company, and in the absence of this, by the oldest director.
2. The Secretary of the Board of Directors will assume the position of Secretary of the General Shareholders Meeting. If the Secretary of the Board is absent or unavailable, the Deputy Secretary of the Board will be his or her replacement, and if this party is also absent, the person designated for this purpose by the shareholders present at the beginning of the meeting will act as Secretary of the General Shareholders Meeting.

Article 23. List of those attending

1. Before addressing the Agenda, a list of those attending will be made, expressing the nature or representation of each one and the number of own or third-party shares with which they are participating.
2. At the end of the list, the number of shareholders present or represented will be established, as well as the amount of capital they hold, specifying that which corresponds to shareholders with voting rights.

Article 24. Right to information

1. Shareholders may request from the Board of Directors, in writing or by other electronic or remote telematic communication means, up to five calendar days prior to the date on which the meeting is scheduled to be held on the first call, any information or clarification they consider necessary, or ask any questions they consider appropriate with regard to the items on the agenda, the information accessible to the public provided by the Company to the National Securities Market Commission since the last General Meeting was held, and the auditor's report. The information or clarifications so requested will be provided by the Board of Directors in writing until the day of the General Shareholders Meeting.
2. Requests for information or clarification of the matters or information referred to in the preceding section made verbally by shareholders attending the General Shareholders Meeting during the meeting itself, prior to consideration and discussion of the items on the Agenda, or in writing from the fifth fourth calendar day prior to the scheduled date of the General Meeting, shall be answered verbally and during the General Meeting by any of the directors present, as indicated by the President. If the information or clarifications requested relate to matters within the responsibilities of the Audit and Control Committee, they shall be provided by any of the members or consultants to this Committee present at the meeting. If, in the opinion of the President, it is not possible to satisfy the shareholder's right at the Meeting itself, the information to be provided will be sent in writing to the requesting shareholder within seven (7) calendar days following the end of the General Shareholders Meeting.

3. The provisions of the previous section shall be understood without prejudice to the fact that the shareholders who attend by electronic means may request the information or clarifications that they consider appropriate about the matters referred to in the previous section in the terms provided in the announcement of the call in accordance with the provisions for the applicable regulations.

[Note: It is proposed to incorporate this clarification in coordination with the proposal for incorporation into the Articles of Association of the possibility of holding Meetings with electronic attendance and exclusively electronic Meetings.]

- ~~2.4.~~ The Board of Directors is obliged to provide the information requested under the ~~two~~ three previous sections, unless this information is unnecessary for the protection of the rights of the shareholder, or there are objective reasons to believe that it could be used for non-corporate purposes or where its disclosure could be detrimental to the Company or its related companies.

The information requested may not be denied when the request is supported by shareholders representing at least twenty-five percent (25%) of the capital stock.

- ~~3.5.~~ The Company has a website containing the legally required information that shareholders may use to exercise their right to information, in accordance with the legislation applicable at the time. Valid requests for information, clarifications or questions made in writing and the answers provided in writing by the directors will be included on the company's website at the time the information is provided to the requesting party. In this regard, when, prior to asking a specific question, the information requested is clearly, expressly and directly available to all shareholders on the Company's website under the question-answer format, the Board of Directors may limit its response to referring to the information provided in that format.

~~Likewise, valid requests for information, clarifications or questions made in writing and the answers provided in writing by the Board of Directors shall be included on the Company's website.~~

[Note: Since this article needs to be modified in the issues indicated above, we propose to delete this last paragraph, since it is a reiteration in identical terms of what is foreseen in the previous paragraph.]

Article 25. Conflict of interests

1. The shareholder may not exercise the right to vote corresponding to his or her shares when it is a question of adopting a resolution whose purpose is to:
 - a) Exclude him or her from the eCompany;
 - b) Release him or her from an obligation or grant him or her a right;
 - c) Provide him or her with any financial assistance, including the provision of guarantees in his or her favour; or
 - d) Exempt him or her from the obligations arising from the duty of loyalty of the directors, in accordance with the provisions of the Act.
2. The shares of a shareholder that may be in a situations of conflict of interest as mentioned in the previous section will be deducted from the capital stock for the calculation of the majority of the votes that may be necessary in each case.

3. In cases of conflict of interest other than those referred to in section 1, shareholders shall not be deprived of their voting rights.

Article. 26 Deliberations. Adopting resolutions. Minutes

1. The President will direct the proceedings of the Meeting and the deliberations, granting the right to speak, to all shareholders who have requested it ~~in writing and then to those who request it verbally~~ in the terms envisaged in the Regulations for the General Shareholders Meeting, until it is considered that the matter has been sufficiently debated.

[Note: It is proposed to eliminate this provision incorporating "in the terms envisaged in the Regulations for the General Shareholders Meeting", since we have to take into account not only the possibility of physical attendance but also of electronic attendance and holding exclusively electronic Meetings.]

2. The General Meeting will vote separately on those matters that are substantially independent and, in any case, although they are included in the same point on the Agenda, the appointment, ratification, re-election or dismissal of each director should be voted separately, as well as, in the modification of the Articles of Association, the modification of each article or group of articles that have their own autonomy, as well as the matters referred to in the following section.
3. Resolutions shall be adopted by a simple majority of the votes of shareholders present or represented at the Meeting, on the understanding that a resolution is adopted when it obtains more votes in favour than votes against from the capital present or represented, except in the cases in which the Law or these Articles of Association require a qualified majority.

In particular, the issuance of shares or bonds or securities convertible into shares with the exclusion of the first right of refusal in favour of the shareholders of the Company shall be approved when more than fifty percent (50%) of the subscribed capital stock present or represented with voting rights vote in favour.

4. Each share with voting rights present or represented at the Meeting shall grant the right to one vote.
5. For each resolution, the number of shares for which valid votes have been cast, the proportion of capital stock represented by such votes, the total number of valid votes, the number of votes for and against each resolution, and the number of abstentions, if any, will be determined.
6. The resolutions of the Meeting, with a summary of the matters debated and the speeches for which confirmation has been requested, will be recorded through minutes meeting the legal requirements, which will be signed by the Secretary, with the approval of the President, or those who have replaced them. The minutes may be approved by the Meeting itself at the end of the meeting or, failing this, and within a deadline of fifteen (15) days, by the President of the General Shareholders Meeting and two (2) shareholders, one representing the majority and the other the minority.
7. The Minutes approved in any of these forms shall be enforceable as from the date of their approval. In the event that the presence of a notary has been required to draw up the Minutes, the Notarial Minutes will not be submitted for approval and will be considered the Minutes of the Meeting.

8. The certifications of the Minutes and the resolutions of the General Shareholders Meetings will be issued by the Secretary or Deputy Secretary of the Board of Directors with the approval of the President or, where applicable, the Vice President of the Board itself.
9. The resolutions approved and the results of the voting shall be published in full on the Company's website within five (5) days following the end of the General Shareholders Meeting.

Section 2. Regarding the Board of Directors

Article 27. The Board of Directors

1. The Board of Directors is the body responsible for the management, administration and representation of the Company, in and out of court, notwithstanding the powers which, in accordance with the Act and these Articles of Association, correspond to the General Shareholders Meeting, focussing its activity mainly on the supervision and control of the ordinary management of the Company entrusted to the executive directors and senior management, as well as on the consideration of all those matters of particular significance for the Company.
2. Those powers and duties that are legally or statutorily reserved for the full knowledge of the Board of Directors, those necessary for responsibly undertaking its general supervisory function, as well as those that the General Shareholders Meeting had delegated to the Board of Directors may not be delegated, unless it has been expressly authorised by it to sub-delegate them.

Article 28. Members

1. The Board of Directors will consist of a minimum of nine (9) and a maximum of fifteen (15) members. The General Shareholders' Meeting shall be responsible for determining the specific number of its members, i.e. the minimum and maximum number of members referred to above.
2. Directors shall be classified as executive or non-executive, and a distinction shall be made within the latter between proprietary, independent and other external directors, all in accordance with the corresponding legal provisions.
3. Specifically, the Board of Directors should have three independent directors, who should be elected by the General Shareholders' Meeting on the basis of the application of criteria of rigorous professionalism and full independence, and should be proposed for election by the Appointments and Remuneration Committee following a proposal from it, by a company of recognised prestige responsible for the selection of directors of listed companies. In turn this party should act in its selection process in accordance with the profile of the director sought by the Company and in order to satisfy the requirements of professionalism and independence that are required at all times both by law and by good corporate governance practices. The selected candidates will be proposed to the Board of Directors and by the latter to the General Shareholders Meeting unless vacancies are directly filled by co-option.

4. The Board of Directors should ensure that the selection procedures for its members favour diversity with regard to issues such as age, gender, disability or training and professional experiences and knowledge and they do not suffer from implicit biases that may imply any discrimination and, in particular, that facilitate the selection of female directors in a number that allows a balanced presence of women and men to be achieved.

[Note: This is in accordance with the provisions of article 529 bis.2 LSC, as expressed in Law 11/2018.]

Article 29. Appointment, re-election, ratification and dismissal of directors

1. The appointment of directors corresponds to the General Shareholders Meeting.
2. If vacancies arise during the term for which the directors were appointed, the Board may appoint the persons to fill them until the next General Shareholders Meeting is held. Furthermore, if the vacancy arises once the General Shareholders Meeting has been called and before it is held, the Board of Directors may appoint a Director until the next General Shareholders Meeting is held.
3. The dismissal of directors may be agreed at any time by the General Shareholders Meeting.
4. The Board of Directors shall follow the criteria and guidelines established in the Regulations for the Board of Directors in its proposals for the appointment, re-election, ratification or dismissal of Directors submitted to the General Shareholders Meeting and in the appointment decisions adopted by the Board by virtue of the powers of co-option legally granted to it.

Article 30. Requirements and duration of the position

1. To be appointed as a director, it is not necessary to be a shareholder and ~~both natural persons of recognised good repute, solvency, technical competence and experience may be appointed, and legal entities may be shareholders. In the latter case, the legal entity appointed should designate a single individual as its permanent representative to perform the duties corresponding to the position. The revocation of its representative by the managing legal entity shall not take effect until the person replacing this representative has been appointed.~~

[Note: This is in accordance with the provisions of article 529 bis.1 LSC, as expressed in Law 5/2021, that establishes the obligation that the Board of Directors of listed companies should consist exclusively of natural persons, expressly including "of recognised good repute, solvency, technical competence and experience" in accordance with the provisions of article 16.1 of the Regulations for the Board and the First Transitional Provision 4. of Law 5/2021, amending the consolidated text of the LSC, which provides that the requirement for directors of listed companies to be natural persons shall only apply to appointments, including renewals, occurring as from the month following its publication.]

2. Directors may not be those who are legally incapacitated or involved with a conflict of interest, ~~especially those in senior positions determined by Law 3/2015 of 30 March and 53/1984 of 26 December and others that may be established in the future as provided for in the applicable regulations.~~

[Note: It is proposed to replace Law 3/2015 and 53/1984 by "as provided for in the applicable regulations", in order to prevent the aforementioned regulations from being in force if they are repealed by others that may be approved in the future.]

3. Directors may serve for a term of no more than four (4) years, but may be re-elected one or more times for terms of equal length.

Article 31. Convening. Meetings

1. The Board of Directors will meet at least once a quarter, and whenever agreed by the President, or whoever is acting on his or her behalf, or when requested by the Executive Committee or at least one third of the members of the Board of Directors.

In the latter case, if the President, without just cause, has not agreed to convene the meeting within one month, the Board may be convened by the directors who have requested the meeting, to be held in the town where the registered office is located.

2. In general, and notwithstanding the provisions of the preceding paragraph, the Secretary shall convene the meetings on behalf of the President, by letter, telegram or fax, e-mail, addressed to each director at least four (4) days prior to the date of the meeting. In urgent cases, freely determined by the President, the meeting may be convened 24 (twenty-four) hours prior to the date and time of the Meeting of the Board of Directors.
3. Meetings shall be held at the Company's registered office or at any location previously designated by the President and indicated in the call.
4. Board meetings may be held via conference call, videoconference or any other similar system, so that one or more of the directors may attend the meeting via the aforementioned system. In this regard, when calling the meeting, in addition to stating the location where the meeting is physically to be held, which must be attended by the Secretary of the Board, it should be mentioned that it may be attended via conference call, videoconference or an equivalent system, and should indicate and make available the technical and/or electronic and/or communication means required for this purpose, which in any case should enable direct and simultaneous communication among all those attending.

Article 32. Constitution

For the Board to be validly constituted, the majority of its members should be present or represented at the meeting.

Absent directors may be represented by another director. Notwithstanding the above, non-executive directors may only be represented by another non-executive director.

Article. 33 Deliberations. Resolutions. Minutes

1. The deliberations shall be presided over by the President of the Board, in his or her absence, by the corresponding Vice President, and in his or her absence, by the oldest director.

The President of the meeting will be assisted by the Secretary and, in his or her absence, by the Vice Secretary, and if he or she is also absent, a director appointed by the Board itself will assume the position.

2. The President shall give the floor to those directors who so request until he or she believes the matter has been sufficiently debated, in which case he or she shall submit it to a vote.
3. Resolutions shall be adopted with the vote in favour of an absolute majority of the directors attending the meeting, with the exception of the permanent delegation of all or some of the powers that may legally be delegated by the Board of Directors to the Executive Committee, the President or the Managing Director and the appointment of the directors who are to occupy these positions, and the approval of the contracts between the directors with executive functions and the Company, which will require for their validity the vote in favour of two thirds (2/3) of the members of the Board, with the director affected by these contracts abstaining from attending the deliberation and participating in the vote.
4. At the President's initiative, the Board of Directors may adopt resolutions in writing and without its members being present at the meeting, providing no director objects to this procedure. When this voting procedure is followed by all the members of the Board of Directors, the Secretary of the Board of Directors shall record the resolutions adopted in the minutes, stating the names of the directors and the system followed to determine the Board's intentions, with an indication of the vote cast by each director. In this case, the resolutions shall be deemed to have been adopted at the place of the registered office and on the date of receipt of the last of the votes cast or within the ten (10) day period mentioned below, whichever occurs first. It shall also be stated that no member of the Board of Directors has opposed this procedure.

A vote in writing should be sent to the Secretary of the Board of Directors, with acknowledgement of receipt, within ten (10) days from the date the request to cast the vote is received, otherwise it is invalid.

Once the period for casting votes has elapsed, the Secretary shall notify the directors of the result of the vote, or of the impossibility of using this voting procedure because a director has opposed it.

5. The debates and resolutions of the Board shall be recorded in minutes, which shall be signed by the President and the Secretary or by those who acted in that capacity at the meeting in question. The minutes should be approved by the Board itself at the end of the meeting or at the next meeting.

In the case of Board meetings held via conference call, videoconference or any other similar system, the Secretary of the Board of Directors should record this in the minutes of the meetings held in such a way, in addition to the directors physically attending or, where appropriate, represented by another director, those attending the meeting via the conference call, videoconference or similar system. Resolutions shall be deemed to have been adopted at the place where the President is located.

6. The certifications for the minutes of the resolutions of the Board shall be issued by the Secretary or, where appropriate, by the Vice Secretary, even if they are not directors, with the approval of the President where applicable, the Vice President.

Article 34. Organisation

1. The Board shall elect a President from among the directors, following a report from the Appointments and Remuneration Committee, and may also elect one or more Vice Presidents. The duration of these positions may not exceed their term of

appointment as directors, notwithstanding their dismissal by the Board before their term expires, or their re-election. The position of President of the Board of Directors should be held by a non-executive director of the Company.

2. The President, as the highest authority for the efficient conducting of the Meeting, shall convene and preside over the meetings of the Board of Directors, creating the Agenda for them, and shall ensure, with the Secretary's cooperation, that the directors receive sufficient information in advance to discuss the items on the Agenda, directing and stimulating debate and the active participation of directors during Board meetings, safeguarding their freedom to assume duties and express their opinions, organising and coordinating with the Presidents of the corresponding Committees the regular assessment of the Board of Directors and its Committees and, where applicable, that of the CEO.
3. The Board may appoint persons in the capacity of deputies to the Board or technical advisors, with a voice but without vote, under the conditions it deems appropriate. The Board of Directors shall appoint, following a report from the Appointments and Remuneration Committee, a Secretary, and may elect a Vice Secretary, who may or may not be directors, in which case they shall attend the meetings with voice but no vote. The appointment of a Secretary and Vice Secretary, as applicable, will be for an indefinite period if the appointee is not a director, and if he or she is a director, the duration of these positions may not exceed their term of office as a director, notwithstanding his or her removal or re-election by resolution of the Board. In addition to the functions assigned by law and the Articles of Association or the Regulations of the Board of Directors, the Secretary should undertake the following:
 - i. Keep the documentation of the Board of Directors, record in the minutes books the proceedings of the meetings and to attest to their content and the resolutions adopted.
 - ii. Ensure that the actions of the Board of Directors comply with the applicable regulations and are in accordance with the Articles of Association and other internal regulations.
 - iii. Assist the President in ensuring that directors receive the appropriate information for them to undertake their duties sufficiently in advance and in a suitable format.
4. The President shall be replaced, if he or she is absent or unavailable, by the Vice President and, if there is more than one, by seniority and, in the absence of a Vice President, by the oldest director. The Secretary will be replaced, if he or she is absent or unavailable, by the Vice Secretary and, if he or she is also absent, by the Director authorised by the Board in each case.
5. The Board may also accept the resignation of its members, fill any vacancies that may arise from among the shareholders until the next General Shareholders Meeting is held, and regulate its own operation in matters not expressly regulated by law and these Articles of Association.

For this purpose, the Board of Directors shall approve a set of regulations containing its operating and internal rules, as well as those governing the Audit and Control Committee, the Appointments and Remuneration Committee and the other committees whose creation is decided by the Board of Directors.

The Board of Directors shall report the contents of the Regulations and any amendments to them to the General Shareholders Meeting held closest in time to the meeting of the Board of Directors at which any such resolutions were adopted.

Article 35. Powers

The Board of Directors will exercise all the functions and powers necessary to conduct the business that constitutes the corporate purpose, being invested with the widest powers to direct, manage, dispose of the assets and represent the Company, in court and outside it, being able to enter into all kinds of contracts and acts related to the corporate purpose, even if they involve the acquisition, disposal or encumbrance of property, the guaranteeing of third-party business or transactions, without limitation, since the Board of Directors is vested with all the powers that, as a body, correspond to the Company, except for those acts that the Act or these Articles of Association reserve exclusively for the General Shareholders Meeting.

The powers of the Board of Directors cannot be delegated, notwithstanding those mentioned in Article 27 of these Articles of Association, which are established as such by Law.

Article 36. - Executive Committee and Managing Director

1. The Board of Directors may appoint, from among its members, an Executive Committee and a CEO, and permanently delegate, ~~to the President~~, in the latter and in this Committee, all or part of the powers that may be legally, statutorily or in accordance with the Regulations of the Board of Directors, notwithstanding the powers of attorney that may be conferred on any person. ~~The composition of the Executive Committee will be similar to that of the Board of Directors in terms of the involvement of the different categories of directors.~~

[Note: The reference to the President is eliminated, since article 34.1 of these Articles of Association expressly provide that "the office of President of the Board of Directors should necessarily be assigned to a non-executive director of the Company".

Furthermore, the provision relating to the composition of the Executive Committee is eliminated given that it is not a legal requirement but included in Recommendation 37 of the GGC (which the Company declares not to comply with in its IAGC of 2020) in the wording prior to its modification by the CNMV in June 2020, and that currently foresees that "when there is an executive committee, it should include at least two non-executive directors, at least one of them being independent ", which is not complied with by the Company at present.]

2. Permanent delegation of one or more of the powers that the Board of Directors may delegate to one of the directors or to the Executive Committee, and appointment of the directors who are to hold such positions, will require the favourable vote of at least two thirds of the members of the Board, and will not take effect until it has been registered in the Mercantile Registry.

Article 37. Operation of the Executive Committee

1. When the Executive Committee is created, the Board of Directors will determine its powers and appoint the directors who are to form part of it.
2. The Executive Committee shall be convened by its President, or on his or her own initiative, or when requested by two (2) of its members, by means of a letter, telegram, e-mail or fax, addressed to each of its members at least forty-eight

(48) hours prior to the date of the meeting, although it may be convened immediately twenty-four (24) hours in advance for urgent reasons, in which case the agenda of the meeting shall be restricted to the issues that were the cause of the urgency.

3. In the absence of the President of the Executive Committee or if he or she is unable to attend a meeting, or if this position has been vacated, the meeting may be called by the member of the Committee who has served in his or her position the longest and, in the event of a tie, the oldest in age. ~~In the case of a legal person, the age of the natural person representing them shall be taken into account for this purpose.~~

[Note: This is eliminated in accordance with article 529 bis.1 LSC, as expressed in Law 5/2021, which establishes that the Board of Directors of listed companies should be composed solely of natural persons.]

4. Meetings shall be held at the Company's registered office or at any place designated by the President and indicated in the call.
5. For the Executive Committee to be validly constituted, the majority of its members should be present or represented at the meeting.
6. Those absent may be represented by another member of the Executive Committee, by writing to the President of the Committee.
7. Deliberations shall be guided by the President, who shall hand the floor over to attendees who ask to speak.
8. In the absence of the President of the Executive Committee or if this position has been vacated, his or her duties may be undertaken by the member of the Committee elected to this post by the majority of those in attendance at the meeting.
9. Resolutions shall be adopted by an absolute majority of the Committee's members.
10. In the event of a tie, the matter will be submitted to the Board of Directors, for which purpose the members of the Executive Committee will request that it be convened in accordance with the provisions of Article 32 of these Articles of Association, unless a meeting of that body has already been called within the following thirty calendar days, in which case the Committee will ask the President of the Board to include the items on which the tie has occurred in the agenda of that meeting.

Article 38. Remuneration

1. The position of director is remunerated.
2. The remuneration of directors in their capacity as such, ~~for the Board of Directors as a whole,~~ shall consist of (i) a share in the liquid profits, which may not exceed two percent (2%) of the profit for the business year attributed to the Company in the Group's consolidated financial statements of the of which it is the parent company, once the ~~Legal Reserve~~ has been covered, and if a minimum dividend of four percent (4%) of the nominal value of the shares has been recognised for the shareholders, ~~the percentage that corresponds to the entire Board of Directors for this concept into~~ each business year will be established by the General Shareholders Meeting; and (ii) allowances for attending the meetings of the Board and its internal Committees.
- ~~3. It corresponds And~~ to the Board to determine the remuneration of each director in their capacity as such within the statutory framework and the remuneration policy, following a report from the Appointments and Remuneration Committee, the remuneration

~~agreed by the General Shareholders Meeting will be distributed among its members, taking into account the functions and responsibilities undertaken by each one within the Board itself or the internal Committees and other criteria provided for in the Regulations of the Board of Directors.~~

- ~~3. Notwithstanding the above, directors will be paid for their attendance at the meetings of the Board and the internal committees. For these purposes, the General Shareholders Meeting will determine the amount that corresponds to each business year for this concept, and that will be distributed by the Board among its members taking this into account, as well as their actual attendance at meetings of the Board and of the internal Committees of the same and of which they are members and other criteria as provided for in the Regulations of the Board of Directors.~~

~~*[Note: The preceding sections are adapted to article 529 17 LSC, as expressed in Law 5/2021.]*~~

- ~~4. Furthermore, the Company will in any case hold third-party liability insurance for its directors.~~
- ~~5. In accordance with the resolution adopted by the General Shareholders Meeting in this regard, the remuneration of the directors may also, independently of the provisions of the previous sections, consist of the delivery of shares or share options or remuneration linked to the value of the Company's shares.~~

~~*[Note: For systematic reasons, the two previous sections have been moved to follow the provisions relating to the remuneration of directors in accordance with their status as such and their executive duties.]*~~

- ~~4. The remuneration of directors should in any case be in reasonable proportion to the importance of the Company, its economic situation at any given time and the market standards for comparable companies. The established remuneration system should be aimed at promoting the long-term profitability and sustainability of the Company and incorporate the necessary precautions to avoid excessive risk taking and the rewarding of unfavourable results.~~

- ~~5. In addition to the provisions in the previous sections, the remuneration for the executive functions of the Chief Executive Officer and other directors to whom functions of this nature are attributed by virtue of other titles, may consist of a fixed annual remuneration, a variable remuneration based on different parameters, savings and pension systems, severance pay, non-competition and insurance agreements and a system of remuneration in kind for the management team, all in accordance with the provisions of the directors' remuneration policy and the contract that exists between the director and the Company.~~

~~*[Note: Until now, the majority of companies have expressly introduced the remuneration items for Executive Directors included in the Articles of Association, and it has been considered whether the remodelling of article 529 18.1 LSC by Law 5/2021 would enable this statutory establishment of concepts to be obviated, making it sufficient for them to be included in the Remuneration Policy.]*~~

~~*The companies that had already included them have kept them and others that did not have included them in these Boards for greater legal security and also given the tax criteria in this regard, although these concepts are included in a general way by means of a reference to different remuneration concepts applicable to executive directors, so the remuneration policy may include all or just some of them.]*~~

~~The contract to be entered into between the director and the Company should be previously approved by the Board of Directors with the favourable vote of at least two-thirds of its members, and should be included as an annex to the minutes of the meeting. The director concerned should abstain from attending the deliberation and~~

from participating in the vote. This contract, which should be in accordance with the Company's remuneration policy should contain all the details required by law and, in particular, include all the concepts for which the director may obtain any remuneration for the performance of executive duties.

[Note: For systematic reasons, what is already provided for in the current article is included in this paragraph.]

6. The Board of Directors is responsible for the individual determination of the remuneration of each director for the performance of the executive duties assigned to him or her within the framework of the remuneration policy and in accordance with the provisions of his contract, following a report from the Appointments and Remuneration Committee.

[Note: It expressly incorporates the obligation for the Appointments and Remunerations Committee to report previously on the individual determination of the remuneration for each Director for their executive duties, in accordance with article 529 18.3 LSC, as expressed in Law 5/2021.]

- ~~6-7. The remuneration provided for in the preceding sections, derived from membership of the Board of Directors, will be compatible with the other labour, service or professional payments that correspond to the Directors for the performance of their duties as directors, executives, counsellors or of a nature other than those corresponding to supervision and collegiate decision inherent to their condition as directors, which, where applicable, they may perform for the Company those corresponding to the directors in their capacity as such or, where appropriate, by the executive functions attributed to them, which will be determined by the Board of Directors in accordance with the provisions of the remuneration policy for directors approved by the General Shareholders Meeting and which will be included in a contract to be entered into between the director and the Company, which should be previously approved by the Board of Directors with the favourable vote of at least two-thirds of its members, and should be included as an annex to the minutes of the meeting. The director concerned should abstain from attending the deliberation and from participating in the vote.~~

~~*[Note: This section only maintains what is related to the functions that, where applicable, a director could perform outside the scope of his or her duties as a director, both in his or her capacity as such and, where appropriate, for executive functions.]*~~

~~This contract, which should be in accordance with the Company's remuneration policy, should contain all the details required by law and, in particular, include all the concepts for which the director may obtain any remuneration for the performance of executive duties.~~

8. Furthermore, the Company will in any case hold third-party liability insurance for its directors.

9. In accordance with the resolution adopted by the General Shareholders Meeting in this regard, the remuneration of the directors may also, independently of the provisions of the previous sections, consist of the delivery of shares or share options or remuneration linked to the value of the Company's shares.

[Note: The two previous sections have been moved since they are applicable to all directors, both in their capacity as such and, where applicable, for any executive functions they may perform.]

10. The remuneration policy for the directors should comply with the statutory remuneration system and will be approved by the General Shareholders Meeting as a separate item on the agenda, and should establish at least the maximum amount of

the annual remuneration to be paid to all of the directors in their capacity as such and the criteria for their distribution in accordance with the functions and responsibilities attributed to each of them, the amount of the annual fixed remuneration corresponding to the directors for the performance of their executive functions and other provisions established in the Law.

[Note: The provisions of articles 529 19. 1, 529 17.2 and 529 18.2 LSC are included, as expressed in Law 5/2021.]

11. The Board of Directors shall draw up an annual report on the remuneration of the directors, containing that includes information on the remuneration policy for ~~the Company~~the directors approved by the General Meeting and applicable to the current business year, an overall summary of the application of policy for ~~payments~~ remuneration during the business year now closed, and details of the individual remuneration earned under all headings by each of the directors in the said business year, which shall be distributed as other significant information by the Company simultaneously with the annual corporate governance report and be submitted to the Ordinary General Shareholders' Meeting as a separate item on the Agenda, in accordance with the terms established by law.

[Note: Adapted to article 541 LSC, as expressed in Law 5/2021.]

Section 3. On Board of Directors Committees

Article 39. Board of Directors Committees

1. The Board of Directors must create and maintain, on a permanent and internal basis, an Audit and Control Committee and an Appointments and Remuneration Committee, with the powers established by law, in these Articles of Association, in the Regulations of the Board of Directors and, where appropriate, in the Regulations of the Committee itself, and should encourage independence in the exercise of its duties.
2. Notwithstanding the foregoing, the Board of Directors may also set up other internal Committees, with the powers, members and operating regime that the Board of Directors itself may determine in each case.

Article 40. Audit and Control Committee

1. The Board of Directors shall have an Audit and Control Committee with no executive functions and with powers to inform, advise and propose within its scope of action, which shall be composed of a minimum of three (3) and a maximum of six (6) directors, appointed by the Board of Directors following a report from the Appointments and Remuneration Committee, for a period not exceeding their term in the position as directors and notwithstanding the possibility of being re-elected indefinitely, insofar as they may also be re-elected as directors. All the members of the Audit and Control Committee should be non-executive directors, and the majority of its members should be independent directors, one of whom shall be appointed on the basis of his or her knowledge and experience in accounting and/or auditing matters. As a whole, the members of the Committee shall have relevant technical

knowledge with regard to the activity sector of the Company.

2. The Committee shall elect a President from among its independent members and may also elect a Vice President. The duration of these positions may not exceed four (4) years nor that of their terms of office as members of the Committee, and they may be re-elected after at least one year has elapsed after they have left the position.

The Secretary and, where applicable, the Vice Secretary shall be the person appointed by the Committee, without specifying his or her status as a director.

3. The members of the Committee may be assisted in their meetings by persons who they consider appropriate in the capacity of advisors, and up to a maximum of two (2) for each of these members. These advisors shall attend meetings with a voice but no vote.
4. Without prejudice to the other functions attributed to it by Law, these Articles of Association and the Board Regulations, the powers of the Audit and Control Committee will include at least the following:

- a) To inform the General Shareholders Meeting of any issues that may arise with regard to those matters that fall within the scope of the Committee and, in particular, of the result of the audit, explaining how it has contributed to the integrity of the financial information and the role that the Committee has played in this process.
- b) To supervise the effectiveness of the Company's internal control and the Company's internal audit services and risk management systems, ~~including fiscal risk~~, as well as to debate with the accounts auditor significant weaknesses in the internal control system detected in the course of the audit, and all this without infringing its independence. For this purpose, and where appropriate, they may submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up.

[Note: It is eliminated in accordance with the wording of article 529 14. 4.b) LSC, as expressed in Law 22/2015, of July 20.]

- c) To supervise the process of preparing and submitting the required financial information and to submit recommendations or proposals to the Board of Directors, aimed at safeguarding its integrity.
- d) To submit to the Board of Directors proposals for the selection, appointment, re-election and replacement of the auditor, taking responsibility for the selection process, in accordance with the provisions of EU regulations, as well as the terms and conditions of his or her contract, and to obtain from him or her regular information on the audit plan and its implementation, as well as to maintain his or her independence in the performance of his or her duties.
- e) To establish appropriate relationships with the external auditor to receive information on issues that may pose a threat to their independence, for consideration by the Committee, and any other relating to the process of conducting accounts audits and, where appropriate, the authorisation of services other than those prohibited, under the terms provided for in the regulations governing account auditing activities on the system of independence, as well as any other communications provided for in account auditing legislation and in auditing regulations. In any case, it should receive annually from the external

auditors a declaration of their independence with regard to the Company or entities directly or indirectly related to it, as well as detailed and individualised information on the additional services of any kind provided and the corresponding fees received from these entities by the external auditor or by the persons or entities related to it in accordance with the provisions of the regulations governing the auditing of accounts.

f) To issue annually, prior to the issuance of the audit report, a report expressing an opinion on **whether** the independence of the auditors or audit firms has been compromised. In any case, this report shall contain a reasoned assessment on the provision of each and every one of the additional services referred to in the previous section, taken individually and as a whole, other than the legal audit and with regard to the system of independence or the regulations governing account auditing activities.

g) To report on related-party transactions that should be approved by the General Shareholders Meeting or the Board of Directors and to supervise the internal procedure established by the Company for those whose approval has been delegated in accordance with the applicable regulations.

[Note: It is incorporated in accordance with article 529 14. 4.g) LSC, as expressed in Law 5/2021.]

In this regard, although currently the power to report related-party transactions is attributed to the Appointments and Remuneration Committee, the new wording of the last paragraph of article 529 14.4 LSC, introduced by Law 5/2021, establishes that this function may be undertaken by a Committee other than the Audit Committee, the aforementioned Committee should have the same composition as that legally required for the Audit Committee, that is: (i) all non-executive directors, (ii) majority of independent directors, (iii) of which one will be appointed taking into account their knowledge and experience in the field of accounting, auditing or in both; and (iv) as a whole, the members of the committee will have the proper technical knowledge with regard to the sector of activity to which the audited entity belongs.

Since the Appointments and Remuneration Committee does not currently meet these requirements, we propose to attribute this power to the Audit and Control Committee that does in fact meet the legal requirements.]

h) To report in advance to the Board of Directors on all matters provided for by law, these Articles of Association and the Regulations of the Board, and in particular, on:

1 financial information and the management report, which will include, where appropriate, mandatory the non-financial information that the Company should periodically make public, and

[Note: It is extended in accordance with article 529 14. 4.g) LSC, as expressed in Law 5/2021.]

2 the creation or acquisition of a stake in special-purpose entities or entities domiciled in countries or territories considered to be tax havens.

i) Where applicable, those others that are attributed by these Articles of Association or the Regulations of the Board of Directors.

The provisions of points d), e) and f) in this section ~~previous~~ shall be understood notwithstanding the regulations governing the auditing of accounts.

5. For the purposes of its operation, the Committee shall meet when the President so decides, as many times as necessary to perform its duties and at least once a quarter.
6. It shall be validly constituted when the majority of its members are present or represented, and its resolutions shall be adopted by an absolute majority of its members present or represented. In the event of a tie, the President shall have the casting vote.
7. The Audit and Control Committee shall draw up an action plan for the business year, which it shall report to the Board of Directors, as well as a report on its activity during the business year, which shall serve as the basis for the annual assessment by the Board of Directors of its operation and that of its Committees, in order to propose, on the basis of the results, an action plan to correct any deficiencies detected.
8. These Regulations with regard to the Audit and Control Committee will be developed through the Regulations of the Board of Directors, always promoting independence in its operation.

Article 41. The Appointments and Remuneration Committee

1. The Board of Directors shall have an Appointments and Remuneration Committee with no executive functions, consisting of a minimum of four (4) and a maximum of six (6) board members appointed by the Board of Directors, and it shall be composed exclusively of non-executive directors, of which at least two shall be independent directors. The mandate of the members of the Committee shall not exceed their mandate as directors, without prejudice to them being re-elected indefinitely, as long as they remain directors.
2. The Committee shall elect a President from among its independent members. The Committee will also have a Secretary with a voice and without a vote, who shall not need to be a director.
3. The Appointments and Remuneration Committee will have powers to report, advise and propose with regard to the appointment, re-election, ratification and removal of directors, remuneration of directors and senior managers of the Company and situations of conflict of interest and related-party transactions and, without prejudice of the remaining functions attributed to it by Law, the Articles of Association or, in accordance with them, the Regulations of the Board of Directors. It will have, as a minimum, the following functions:

[Note: The power to report on related-party transactions has been transferred to the Audit and Control Committee, in accordance with the provisions of article 529 14. 4 LSC, final paragraph, as expressed in Law 5/2021.]

- a) To assess the necessary skills, knowledge and experience of those on the Board of Directors. For this purpose, it will define the functions and skills necessary in the candidates who must fill each vacancy and will assess the time and dedication required so that they can effectively undertake their duties.
- b) To establish a representation target for the under-represented gender on the Board of Directors and prepare guidelines on how to achieve this target.
- c) To submit proposals to the Board of Directors for the appointment of independent

directors for their appointment by co-option or for their submission to the decision of the General Shareholders Meeting, as well as proposals for the re-election or dismissal of these directors by the General Shareholders Meeting.

- d) To report on proposals for the appointment of the remaining directors for their appointment by co-option or for their submission to the decision of the General Shareholders Meeting, as well as proposals for their re-election or removal by the General Shareholders Meeting.
- e) To report on the proposals for the appointment and removal of senior managers and the basic conditions of their contracts.
- f) To examine and organise the succession of the President of the Board of Directors and the CEO of the Company and, where applicable, to make proposals to the Board of Directors so that this succession takes place in an orderly and planned manner.
- g) To propose the remuneration policy to the Board of Directors for directors and general managers or those who undertake senior management duties reporting directly to the Board, the Executive Committee or the CEO, as well as the individual remuneration and other contractual conditions of the executive directors, ensuring that they are respected.
- h) To report to the Board of Directors in advance on all matters provided for in the law, these Articles of Association and the Regulations of the Board ~~and, in particular, on related-party transactions.~~

[Note: We refer to the note relating to section 4.g) of article 40 of these Articles of Association.]

- 4. For the purposes of the operation of the Committee, it shall meet when the President so decides, as often as is necessary for the performance of its duties, and at least once every quarter.
- 5. It shall be validly constituted when the majority of its members are present or represented, and its resolutions shall be adopted by an absolute majority of the members present or represented. In the event of a tie, the President shall have the casting vote.
- 6. The Appointments and Remuneration Committee shall prepare an action plan for the business year, which it shall submit to the Board of Directors, as well as a report on its activity during the business year which shall serve as the basis for the assessment made by the Board of Directors.
- 7. The Regulations of the Board of Directors will develop these rules regarding the Appointments and Remuneration Committee, always in favour of its independence.

TITLE FOUR

ON THE ADVISORY BOARD

Article 42. The Advisory Board

- 1. The Board of Directors may appoint an Advisory Board consisting of a minimum

of three (3) and a maximum of nine (9) members.

2. The Board of Directors is also responsible for appointing and removing persons who may belong to the Advisory Board at any time.
3. The Advisory Board is a consultative body of the Company and its aim is to advise the General Shareholders Meeting, the Board of Directors and its Committees, the CEO and senior executives of the Company.
4. The members of the Advisory Board shall meet the requirements of knowledge, experience and professionalism necessary to enable the Advisory Board to undertake its functions and powers efficiently. The same duty of care regime for an orderly businessperson shall apply to the members of the Advisory Board, taking into account the nature of the position and the functions attributed to each of them, and the loyalty to which the directors of the Company are subject, acting in good faith and in the best interests of the Company.
5. The position of member of the Advisory Board will be remunerated. The remuneration shall consist of allowances for attendance at meetings of the Advisory Board, the amount of which shall be determined by the Board of Directors following a report from the Appointments and Remuneration Committee.
6. s. The Advisory Board shall elect from among its members a President who shall chair the meetings, convene them at his or her own initiative or at the request of any of its members, and certify their reports.
7. In all matters not provided for in this article, and in particular with regard to its operation and system for adopting resolutions, the Advisory Board shall be governed by the provisions of these Articles of Association for the Board of Directors.
8. The purpose of the Advisory Board will be to:
 - a) Submit proposals to the bodies it advises in the areas of their respective powers.
 - b) Inform the Company about the image it has in the sector, in the business community and in society.
 - c) Study and report on the issues submitted to it by the bodies it advises.
 - d) Provide information on possibilities for new businesses or activities, both in Spain and abroad, as well as the modifications it considers most appropriate for achieving greater stability, development and profitability for the Company.

TITLE FIVE

ON THE BUSINESS YEAR AND THE FINANCIAL STATEMENTS

Article 43. On the Business Year

The business year will coincide with the calendar year.

Article 44. Preparation of Financial Statements

In accordance with the provisions of the Commercial Code, the Company should maintain orderly accounts correctly in accordance with the company's activity, and which enable operations to be monitored chronologically, as well as preparing inventories and balance sheets. The accounting books will be legalised by the Mercantile Registry corresponding to the location of the registered office.

The Board of Directors is obliged to prepare, within a maximum of three (3) months from the end of the business year, the financial statements, the management report, that includes, where applicable, the status of non-financial information, and the proposal for the application of the result, as well as, where applicable, the consolidated statements and management report. The financial statements should be drawn up clearly and provide a true and fair view of the assets, financial situation and results of the Company, in accordance with the provisions of the Act and the Commercial Code. The financial statements and the management report, including, where applicable, the status of non-financial information, should be signed by all the directors. If the signature of any of them is missing, it will be indicated in each of the missing documents, with express indication of the reason for this.

[Note: This is adapted to the provisions of article 253 LSC, as expressed in Law 11/2018.]

Article 45. Allocation of the results

1. The General Shareholders Meeting shall allocate the results for the business year, in accordance with the approved balance sheet.
2. Once the allocation to the legal reserve, the minimum dividend for non-voting shares and other legal and statutory provisions have been covered, the General Shareholders Meeting shall allocate the surplus profit to dividends, to the remuneration of directors, to voluntary reserves, to investment funds or to any other legally permitted activity, in compliance with the provisions of the Act and these Articles of Association.
3. If the General Shareholders Meeting agrees to distribute dividends, it will determine the time and the payment terms. The determination of these matters and any others that may be necessary or advisable for the effectiveness of the agreement may be delegated to the Board of Directors.
4. The General Shareholders Meeting may resolve that the dividend be paid in full or partly in kind, provided that the assets or securities to be distributed are consistent, are admitted to trading on an official market at the time of effectiveness of the resolution, or that the Company duly guarantees that liquidity will be obtained within a maximum period of one year and are not distributed at a value lower than that shown on the Company's balance sheet.
5. Dividends on ordinary shares are distributed in proportion to their paid-up capital stock.

Article 46. Presentation of statements

Within the month following the approval of the annual accounts, the Board of Directors of the Company will present, to be deposited in the Mercantile Registry of the registered office, certification of the agreements of the General Shareholders Meeting of approval of said annual accounts, duly signed, and the allocation of the result, as well as, where appropriate, of the consolidated accounts, to which a copy of each of said accounts will be attached, together with the management report, which will include, where appropriate,

the status of non-financial information, and the auditors' report.

[Note: It is extended in accordance with the provisions of article 279.1 LSC, as expressed in Law 11/2018.]

TITLE SIX

WINDING-UP AND LIQUIDATION

Article 47. Winding-up

The Company shall be wound up for the reasons established in the Law. If winding-up is necessary because equity has been reduced to less than half of the capital it may be avoided by an agreement to increase or reduce the capital stock or by reintegrating the company's assets to a sufficient extent. This regularisation will be effective provided that it is completed before the judicial winding-up of the Company is decreed.

Article 48. Liquidation

Unless otherwise agreed by the General Shareholders Meeting, during the liquidation period, the directors shall assume the duties of liquidators with the powers indicated by law and shall perform the liquidation and division of the company's assets in accordance with the resolutions of the General Shareholders Meeting and the provisions in force.

Article 49. Division of corporate assets

Once all the company's creditors have been satisfied or the amount of their receivables has been deposited, if they are overdue, or payment has been secured in advance in the case of non-matured loans, the resulting assets will be distributed among the shareholders in accordance with the law.

TITLE SEVEN

ISSUE OF BONDS

Article 50. Issue of bonds

The Company may issue bonds or other securities that recognise or create a debt, in accordance with the established limits and legal regulations.

The bonds may be represented by means of securities or book entries, the latter being governed by the applicable legal provisions.
