



**JUSTIFICATORY REPORT OF THE BOARD OF
DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y
CONTRATAS, S.A. RELATING TO THE PROPOSAL
TO MODIFY THE REGULATIONS FOR THE GENERAL
SHAREHOLDERS MEETING**

JUSTIFICATORY REPORT OF THE BOARD OF DIRECTORS OF FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. RELATING TO THE PROPOSAL TO MODIFY THE REGULATIONS FOR THE GENERAL SHAREHOLDERS MEETING

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**") has analysed the aforementioned modification in order to determine the issues that it is really necessary or advisable to expressly incorporate or adapt in the Regulations for the General Shareholders Meeting and which, on the contrary, do not require their express incorporation into the Regulations in the extent to which the legal regime will be applied in any case. 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 modification 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 above and in accordance with the provisions of article 1.2 of the Regulations for General Shareholders Meetings, 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 4 ("General Shareholder Meeting"), 6 ("Powers of the General Shareholders Meeting"), 9 ("Information available from the date of the call"),

11 ("Proxies"), 12 ("Right and duty of attendance"), 15 ("Presidency, Secretary and Board of the General Shareholders Meeting"), 16 ("Constitution of the General Shareholders Meeting"), 17 ("Requests to speak"), 19 ("Right to information during the Meeting"), 20 ("Voting on proposed resolutions"), 22 ("Remote casting of votes") and 26 ("Minutes of the Meeting") of the Regulations for General Shareholders Meetings, as well as the **incorporation** of the new article 14 bis ("Attendance at the General Shareholders Meeting by electronic means. Exclusively telematic Shareholders Meetings") and the **elimination** of the Final Provision, whose approval will be 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 point Four of the Agenda.

II. JUSTIFICATION OF THE MODIFICATION PROPOSALS

- **Modification of article 4 ("General Shareholders Meeting").**

It is proposed to extend section 3 of article 4 in the terms provided for in article 514 LSC, as expressed in Law 11/2018, providing that the Company *"should cover the accessibility requirements for people with disabilities and the elderly that guarantee their right to have prior information and the necessary support to exercise their vote"*.

- **Modification of article 6 ("Powers of the General Shareholders Meeting").**

It is proposed to extend the powers of the General Shareholders' Meeting, firstly, by incorporating the *"approval, where appropriate, of the status of non-financial information"* in accordance with the provisions of article 49.6 of the Commercial Code, as expressed in Law 11/2018 and secondly, the *"approval of related-party transactions whose approval corresponds to the General Shareholders Meeting in the terms provided for in the Law"*, in accordance with the provisions of article 529 22, section 1, of the LSC, introduced by Law 5/2021.

- **Modification of article 9 ("Information available from the date of the call").**

With regard to the information available on the website from the date of the call, it is proposed to eliminate, in section d), the reference to legal persons and their natural person representative with regard to the appointment, ratification and re-election of Board members, in accordance with the provisions of article 518.e) LSC and in article 529 bis.1 LSC, as expressed in Law 5/2021, which establishes the obligation that the Board of Directors of listed companies should consist exclusively of natural person.

It is also proposed to incorporate a new paragraph with regard to the transmission of information to shareholders and final beneficiaries, in accordance with the provisions of article 520 bis LSC, as expressed in Law 5/2021.

- **Modification of article 11 ("Proxies").**

It is proposed to modify article 11 in order to adapt the provisions with regard to the delegation of representation and exercise of vote by intermediary entities to the provisions of article 524.1 LSC, as expressed in Law 5/2021.

It is also proposed to introduce some technical details and specifically: (i) it is proposed to extend the reference so that the "*personal, physical or electronic*" attendance by the shareholder at the General Shareholders Meeting implies the revocation of any proxy; and (ii) with regard to remote voting, it is proposed to incorporate a reference to "*prior to the Meeting*", in order to avoid possible confusion with the inclusion of electronic voting during the Meeting by those attending by electronic means.

Finally, and with regard to the power of the Board to develop the regulatory provisions with regard to the granting of representation, it is proposed to replace the reference to "*electronic*" media with "*remote means of communication*" to specify that this power of development refers to the granting of representation both by postal and electronic correspondence.

- **Modification of article 12 ("Right and duty of attendance").**

With regard to the right to attend the General Shareholders Meeting, it is proposed to replace the current reference to the exhibition of the corresponding card or certificate of authority at the registered office with a reference to "*the terms provided for in article 16 of these Regulations and in the announcement of the call*", since the exhibition of the card is usually only mandatory in the case of physical attendance at the Meeting and not in the case of voting or proxy by electronic means or in the case of electronic attendance.

- **Incorporation of a new article 14 bis ("Attendance at the General Shareholders Meeting by electronic means. Exclusively electronic Meetings").**

It is proposed to incorporate in a new article 14 bis the possibility, firstly, that shareholders and representatives may attend the General Shareholders Meeting by electronic means when so agreed by the Board of Directors (section 1), in accordance with article 182 LSC, as expressed in Law 5/2021 and, secondly, the possibility of holding General Meetings exclusively by electronic means when so provided for in the announcement of the call (section 2), in accordance with the provisions of articles 182 bis and 521.3 LSC, introduced by Law 5/2021, and also in coordination with the proposed incorporation of a new article 18 bis in the Articles of Association.

- **Modification of article 15 ("Presidency, Secretary and Board of the General Shareholders Meeting").**

With regard to the power of the President of the Board to grant the floor to shareholders, it is proposed to replace the current reference to granting the floor to shareholders who have requested it "*before the Meeting in writing and then to those who request it verbally or in writing during the meeting*" with "*in the terms provided for in article 17 of these Regulations*", to include more general conditions, since both physical and electronic assistance should be considered.

- **Modification of article 16 ("Constitution of the General Shareholders Meeting").**

With regard to the accreditation of the right of attendance by the shareholders, it is proposed to incorporate certain wording details in section 1 of article 16 to expressly contemplate the possibility of attending the Meeting by electronic means, differentiating between electronic attendance (and casting of the vote during this meeting) and casting of the vote by means of remote communication prior to the Meeting.

It is also proposed to modify sections 3 and 4 of article 16, in accordance with the legal modification, so as to clearly distinguish between attendance by electronic means and remote voting by electronic means of communication prior to the Meeting.

- **Modification of article 17 ("Requests to speak").**

It is proposed to incorporate technical details in the first two paragraphs of article 17 in coordination with the proposed incorporation into the Articles of Association and Regulations for Shareholders Meetings regarding the possibility of holding Meetings with telematic attendance and exclusively electronic Meetings.

It is also proposed, for systematic reasons, to transfer the regulations relating to the regime governing shareholders' requests to speak by electronic means to the new article 14 bis ("Attendance at the General Shareholders Meeting by electronic means. Exclusively electronic shareholders meetings ") which it is proposed to incorporate into the Regulations, whilst eliminating the last paragraph relating to the terms, forms and methods for shareholders to exercise their rights since it is also incorporated in the aforementioned new article 14 bis for the Regulations.

- **Modification of article 19 ("Right to information during the Meeting").**

It is proposed to incorporate technical details in section 1 of article 19 in coordination with the proposed incorporation into the Articles of Association and Regulations for Shareholders Meetings regarding the possibility of holding Meetings with telematic attendance and exclusively electronic Meetings. In this regard, it is specified that verbal requests for information will be made by shareholders *"who physically attend the General Shareholders Meeting"*, while *"shareholders and representatives who attend by telematic means may request the information or clarifications they consider appropriate concerning these issues under the terms provided for in the announcement of the call in accordance with the applicable regulations"*.

- **Modification of article 20 ("Voting on proposed resolutions").**

It is proposed, firstly, to modify section 7 of article 20 in order to adapt the provisions relating to dividing the vote for intermediate entities to the provisions of article 524 LSC, as expressed in Law 5/2021 and, secondly,

to include a new section 9 to incorporate the confirmation by the Company of the receipt and counting of the vote cast by the shareholder, in accordance with the new article 527 bis LSC, introduced by Law 5/2021.

- **Modification of article 22 ("Casting of remote votes").**

It is proposed to extend the heading of this article to include *"prior to the Meeting"*, in order to avoid possible confusion when electronic vote is admitted during the Meeting by those attending through electronic means, leaving the heading as *"Casting of remote votes prior to the Meeting"*. It is proposed to modify section 1 of this article 22 in the same way.

It is also proposed to incorporate in section 5.b) a technical clarification in coordination

with the proposal to incorporate into the Articles of Association and these Regulations the possibility of holding Meetings with electronic attendance and exclusively electronic Meetings, providing that the vote cast by means of remote communication will be voided by physical "*or electronic*" attendance at the meeting by the shareholder who had cast the vote.

Finally, and with regard to the power of the Board to develop the regulatory provisions relating to the casting of votes by remote means of communication, it is proposed to replace the reference to "*electronic*" media by "*remote communication*" media to specify that the section refers to the casting of votes both by postal and electronic correspondence.

- **Modification of article 26 ("Minutes of the Meeting").**

It is proposed to extend section 3 of article 26 with the provisions of article 521.3.b) LSC, introduced by Law 5/2021, according to which in the event that the General Meeting of listed companies is held exclusively electronically in accordance with the provisions of article 182 bis LSC, it will be necessary for the minutes of the meeting to be taken by a notary.

III. SEPARATE VOTING BY ITEM

With regard to the proposed modification of the Regulations for General Shareholders Meetings 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 a comparative text between the current General Shareholders Meeting Regulations and the proposed modification, which features the proposed amendments.

ANNEX

Proposal for modification of the Regulations for General Shareholders Meetings



Regulations for General Shareholders Meetings

[Note: This proposed modification of the Regulations for General Shareholders Meetings was prepared taking into account those matters that should strictly be incorporated into the Statutes as a result of the reform 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.]

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**REGULATIONS FOR GENERAL SHAREHOLDERS MEETINGS
OF
FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.**

PREFACE

In accordance with the provisions of article 512 of the Spanish Corporate Enterprises Act (Royal Legislative Decree 1/2010, of July 2), listed companies should approve specific regulations for the General Shareholders Meeting. These Regulations for the General Shareholders Meeting of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (hereinafter, the "**Company**") have a triple purpose. Firstly, they reinforce the transparency that should govern the functioning of the corporate bodies, by making public the procedures for preparing and holding General Shareholders Meetings; secondly, they specify the way in which shareholders may exercise their political rights with regard to calling and holding General Shareholders Meetings, developing what is established in the Articles of Association and in good governance recommendations; and, thirdly, they unify in a single text all the regulations relating to the General Shareholders Meeting, thus favouring the knowledge that any shareholder may have about how the Company's highest body works.

PRELIMINARY TITLE

GENERAL PROVISIONS

Article 1. Validity and modification

1. The responsibility for the approval and modification of these Regulations for the General Shareholders Meeting (the "**Regulations**") corresponds to the General Shareholders Meeting. Once approved, they will be applicable to the General Shareholders Meetings that are convened from the date of their approval.
2. The Board of Directors may propose to the General Shareholders Meeting modifications to the Regulations when it considers they may be appropriate or necessary, accompanying their proposal with a report justifying this modification.

Article 2. Interpretation

1. These Regulations extend and develop the regime applicable to the General Shareholders Meeting as it appears in the applicable regulations and in the Articles of Association. If there is any discrepancy between the provisions of these Regulations and the Articles of Association, the provisions of the Articles of Association shall always prevail.
2. Any doubts that may arise with regard to their interpretation will be resolved by the Board of Directors in accordance, preferably with the law, and where it does not contradict the law with the Company's corporate governance system - consisting of corporate policies, internal regulations for corporate governance and any other internal codes and procedures approved by the Company's proper bodies- and the recommendations for good governance of generally recognised in international markets, all within the framework of the social interest that will propose, where appropriate, the modifications it deems appropriate. Those that may arise with regard to their application and interpretation during the course of the General Shareholders Meeting will be resolved by the President of the same.

Article 3. Publication

1. The Company's Board of Directors should take the necessary steps to ensure the dissemination of these Regulations and their amendments among the shareholders and the investing public.
2. In any case, the Regulations and their modifications should be communicated to the National Securities Market Commission and registered in the Mercantile Registry, and should also be available on the Company's website.

TITLE I

CONCEPT, TYPES AND FUNCTIONS OF THE GENERAL SHAREHOLDERS MEETING

Article 4. General Shareholders Meeting

1. The General Shareholders' Meeting is the Company's highest decision-making body in matters within its powers.
2. The resolutions of a duly constituted General Shareholders Meeting, adopted in accordance with the Articles of Association, these Regulations and the legal provisions in force, will oblige all shareholders, even those who are absent, those who abstain from voting and those who dissent, without prejudice to the rights and actions of any kind that may correspond to them according to the Laws in force.
3. The Company shall at all times guarantee 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.

In particular, it should meet the accessibility requirements of those with disabilities and the elderly to guarantee their right to have prior information and the necessary support to exercise their vote.

[Note: It is extended in accordance with the provisions of current article 514 LSC, as expressed in Law 11/2018.]

Article 5. Categories of Meetings

1. General Shareholders Meetings may be Ordinary or Extraordinary.
2. An Ordinary General Shareholders Meeting, previously called for this purpose, will necessarily meet within the first six (6) months of each business year, to approve, where applicable, the corporate management and the accounts of the previous business year, as well as how to allocate profit/loss, and to approve, where appropriate, the consolidated accounts, without prejudice to its power to deal with and agree on any other matter that appears on the Agenda, provided that the number of shareholders and the legally or statutorily required portion of the capital concur, in accordance with each item. The Ordinary General Shareholders Meeting shall be valid even if it has been called or is held after the deadline.
3. Any meeting other than that provided for in the preceding paragraph shall be considered to be an Extraordinary General Shareholders Meeting.

Article 6. Powers of the General Shareholders Meeting

The General Shareholders Meeting shall decide on matters where it is empowered to do so by law, by these Articles of Association or 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, re-election, ratification and dismissal of directors, as well as the appointment and dismissal of the liquidators and, where applicable, the auditors, as well as the exercise of corporate responsibility action against any of them.

b)d) Modification of the 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.

e)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.

h)i) 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.]

h)o) The policy on the remuneration of directors under the terms established by the Spanish Corporate Enterprises Act.

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.

h)q) Authorisation for the acquisition of own shares within the legal boundaries.

h)r) The approval and modification of these Regulations.

h)s) Any other matters as determined by law or these Articles of Association.

TITLE II

CALLING AND PREPARING THE GENERAL SHAREHOLDERS MEETING

Chapter I

Calling the General Shareholders Meeting

Article 7. Calling the General Shareholders Meeting

1. Without prejudice to what is established in the Spanish Corporate Enterprises Act on the Universal Shareholders Meeting and the call by the judicial secretary or the commercial registrar of the registered office, corresponding to the Board of Directors and, where appropriate, to the liquidators of the Company, the General Shareholders Meeting should be called:
 - a) On a date such that it can be held in the first six (6) months of the business year, in the case of an Ordinary General Shareholders Meeting.
 - b) Providing the Board of Directors deems it advisable for corporate interests, in the case of Extraordinary General Shareholders Meetings.
 - c) In any case, it may be requested, via notarial requirement, by shareholders who hold at least three percent (3%) of the capital stock, stating in the request the matters to be discussed at the Meeting whose call they request. In this case, the General Shareholders Meeting should be called to be held within two (2) months following the date on which the Directors were required by notary public to call it, and the Agenda should include the points that were set forth in that request.
 - d) In other cases provided for in the Laws and the Articles of Association.
2. If the General Shareholders Meeting is not called within the corresponding legal or statutory period, it may be called, at the request of any shareholder, by the court clerk or the mercantile registrar of the same location as the registered office, and after consultation with the Administrators.

If the Board of Directors does not respond in a timely manner to the request to call a General Shareholders Meeting made by the minority described in ~~section-~~

1. c above and in the terms contemplated therein, the call may be made by the judicial secretary or the commercial registrar of the registered office, after consultation with the Administrators.

3. The Ordinary General Shareholders Meeting shall be valid even if it has been called or is held after the deadline. If the duly called General Shareholders Meeting, whatever the type, cannot be held on the first call and the date of the second has not been foreseen in the announcement, the date it is to be held should be announced, with the same Agenda and the same publication requirements as for the first call, within the fifteen (15) days following the date of the Meeting not held and with least ten (10) days prior to the date set for the meeting.

4. In the event of the death or cessation of a majority of the members of the Board of Directors, any shareholder may request from the court clerk and the commercial registrar of the registered office the convening of a General Shareholders Meeting for the appointment of administrators. Furthermore, any of the administrators who remain in their position may call a General Shareholders Meeting for that single purpose.

Article 8. Announcement of the call

1. The call for General Shareholders Meetings, both Ordinary~~s~~ and Extraordinary~~s~~, will be made 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.

Notwithstanding the foregoing, Extraordinary General Shareholders Meetings may be called at least fifteen (15) days in advance. This reduction in the deadline for calling will require an express resolution adopted at the Ordinary General Shareholders Meeting by at least two-thirds of the subscribed capital with voting rights, and the validity of which may not exceed the date of the next meeting.

The administrative body will assess the opportunity to disseminate the announcement of the call in a greater number of social communication media.

2. The announcement of the call will contain:
 - a) The name of the Company, the place, date and time of the meeting in the first and, where appropriate, second call, with at least twenty-four (24) hours between the first and the second meeting, as well as the position of the person or persons making the call.
 - b) The Agenda for the Meeting, drawn up with clarity and precision, will include the issues to be dealt with at the meeting and should be drafted in such a way that it does not prevent separate voting on those matters that are substantially independent, so that shareholders may exercise their voting preferences separately.
 - c) The date on which the shareholder should have the shares registered in his or her name in order to participate and vote at the General Meeting, as well as the means of accrediting this ownership to the Company.
 - d) The place and form in which the full text of the documents and proposed resolutions may be obtained, as well as the address of the Company's website where the information will be available.
 - e) Clear and accurate information on the procedures that shareholders should follow to participate and cast their vote at the General Shareholders Meeting, including, in particular, the following:
 - The right to request information, to include items in the Agenda and to present proposed resolutions, as well as the deadline for exercising these rights. When it is stated that more detailed information on such rights can be obtained on the Company's website, the announcement may be limited to indicating the deadline for exercising these rights.
 - The system for casting votes by proxy, with special indication of the forms to be used for proxy voting and the means to be used so that the Company may accept by electronic means the notification of the proxies granted.

- The procedures established for casting remote votes, either by post or by electronic means.
- 3. The announcement of the call for the Meeting shall also state:
 - a) In the case of an Ordinary General Shareholders Meeting, the right of any shareholder to obtain from the Company, immediately and free of charge, the financial statements and those documents that have to be submitted for the approval of the Meeting, as well as the management report and the report of the auditor.
 - b) When any amendment to the Articles of Association appears on the Agenda, the right of all shareholders to examine at the registered office the full text of the proposed amendment and the report on it, as well as how to request the free delivery or shipment of said documents.
 - c) When the approval of the Directors remuneration policy appears on the Agenda, the shareholders' right to request the delivery or free delivery of the reasoned proposal of the aforementioned policy and the specific report of the Appointments and Remuneration Committee.
- 4. The Agenda that appears in the call will be established by the Board of Directors, without prejudice to the right of shareholders representing at least three percent (3%) of the capital stock, to request that a complement to the call of the Ordinary General Meeting including one or more items on the Agenda, provided that the new items are accompanied by a justification or, where appropriate, a justified resolution proposal. The exercise of this right, which in no case will apply with respect to Extraordinary General Shareholders Meetings, must be undertaken by means of irrefutable 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 to the remaining shareholders together with and any accompanying documentation and publishing them continuously on the company's website.

Chapter II

Preparation of the General Shareholders Meeting

Article 9. Information available from the date of the call

The Company will make the following information available to its shareholders from the moment the announcement of the call is published and until the General Shareholders Meeting takes place, at its registered office and included without interruption on its website:

- a) The full text corresponding the announcement of the call.
- b) The total number of shares and voting rights at the date of the call, itemised by category of shares, if this is the case.
- c) The full texts of all the proposed resolutions on each and every one of the points included in the Agenda or, with regard to those points of a merely informative nature, a report from the proper bodies commenting on each of these points, as well as the proposed resolutions presented by the shareholders, as they are received.
- d) When the proposal consists of the appointment or ratification of Directors, the following information will also be included in this regard: (i) the professional and biographical profile; (ii) other Boards of Directors to which they belong, whether or not they are listed companies; (iii) an indication of the category of Director to which they belong, indicating, in the case of Proprietary Directors, the shareholder at whose request the appointment, ratification or re-election is proposed, or with whom they have ties; (iv) date of their first appointment as Director of the Company, as well as subsequent ones; (v) shares in the Company and options thereon of which he or she is the holder; and (vi) the proposal and reports required by law.

~~If it is a legal person, the information should include that corresponding to the natural person to be appointed to permanently undertake the duties corresponding to the position.~~

[Note: It will be eliminated in accordance with article 518.e) LSC, as expressed in Law 5/2021 (in line with the new article 529 bis.1 LSC, which provides for the fact that the directors of listed companies should necessarily be natural persons).]

- e) The documents that should be submitted to the General Shareholders Meeting and, in particular, reports by the Board, account auditors and independent experts that, in accordance with the Law or the Articles of Association, should be made available to shareholders on the items included in the Agenda from the date of the call.
- f) Information on the channels of communication between the Company and the shareholders in order to be able to collect information or make suggestions, in accordance with the applicable regulations.
- g) The means and procedures for granting proxy at the General Shareholders Meeting, as well as for remote vote casting. In particular, the forms to accredit attendance and voting by proxy and remotely at the General Shareholders Meeting, except when they are sent directly by the Company to each shareholder. In the event that they cannot be published on the website for technical reasons, the Company should indicate how to obtain the paper forms, which will be sent to any shareholder who requests them.
- h) The rules for conducting an Electronic Shareholder Forum.

The Company will send its shareholders, either directly or indirectly through the third parties appointed by said shareholders, the central securities depository or the intermediary entity, a notice indicating where they can find the information necessary to enable them to exercise the rights derived from their actions, in the terms provided for in the applicable regulations.

[Note: This new paragraph is incorporated in accordance with the provisions of article 520 bis LSC, as expressed in Law 5/2021.]

Article 10. Right to information prior to holding the General Shareholders Meeting

1. Up to five (5) days inclusively before the General Shareholders Meeting in question is scheduled to be held, on first call, the shareholders may request information or clarification or formulate in writing the questions they consider appropriate with regard to the items on the Agenda, on the information accessible to the public that has been provided by the Company to the National Securities Market Commission, since the immediately preceding Meeting was held and with regard to the auditor's report.
2. Requests for information may be made using the e-mail address that will be made available to shareholders for this purpose on the Company's website for each General Shareholders Meeting or, where appropriate, by written request addressed to the "Department of Stock Market and Investor Relations" at the registered office, personally or delivered by post or courier. The provisions of this article are understood to be without prejudice to the shareholders' right to obtain the documents in printed form and to request their free delivery as established by Law.
3. Requests for information regulated in this article will be answered in writing, once the identity and status of shareholder of the applicants has been verified, until the day of the General Shareholders Meeting in question, before it is held.
4. The Board of Directors will be obliged to provide the information requested except where (i) this information is unnecessary for the protection of the rights of the shareholder; (ii) 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; or (iii) where this is determined by the legal provisions. 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.
5. The Board of Directors may empower any of its members, as well as its Secretary and Vice Secretary, so that the Company's "Stock Market and Investor Relations Department" may respond to requests for information made by shareholders.
6. Valid requests for information, clarifications or questions sent in writing and the answers provided in writing by the Board of Directors shall be included on the Company's website.
7. When, prior to a specific question being asked, 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 restrict its response to referring to the information provided in that format.

Article 11. Proxies

1. Shareholders with the right to attend may delegate their representation to another person, even if he or she is not a shareholder.

Where the represented shareholder has issued instructions, the proxy will cast the vote in accordance with them and will be obliged to keep these instructions for one year from the date of the corresponding General Shareholders Meeting.

A proxy may have the representation of more than one shareholder without restriction with regard to the number of shareholders represented. When a proxy represents several shareholders, he or she may vote differently depending on the instructions received from each shareholder.

Intermediary entities who appear as legitimate 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.

The intermediary entities ~~referred to in the previous paragraph~~ may delegate the vote to each of the ~~indirect holders~~ final beneficiaries or to third parties designated by them, without limiting the number of proxies granted.

[Note: The two previous paragraphs are adapted to article 524.1 LSC, as expressed in Law 5/2021.]

Proxy may also include those points that have not yet been provided for in the Agenda for the call but may be discussed at the Meeting, as permitted by Law.

In any case, the number of shares represented will be computed for the valid constitution of the Meeting.

Proxy is always revocable. Personal attendance, be it physical or electronic, by the shareholder at the Meeting, supposes the cancellation of any proxy, whatever the date this occurs. In this regard, proxies granted prior to the casting of the remote vote will be considered revoked, and those granted later, will be considered not to have been made.

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

2. Proxy should be granted in the terms and within the scope established by the Spanish Corporate Enterprises Act, 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, to manage all the assets that the represented shareholder has in national territory.

Proxy may also be granted by post, by sending the Company a letter stating the representation granted, accompanied by the attendance, proxy or representation and remote voting card issued by the Company or entities responsible for keeping the registry of book entries. However, the attendance, proxy and remote voting card itself may suffice when there is provision for its use for proxy purposes by postal correspondence.

Proxy may also be granted by electronic means or other remote means of communication that, duly guaranteeing the identity of the person represented and the representative and the security of electronic communications that the Board of Directors shall determine on the occasion of the call for each Meeting, making this public in the announcement of the call and on the Company's corporate website.

Where proxy is granted by electronic means, the regulation contained in article

22 of the Regulations for casting remote votes will be applicable, as far as this is possible, prior to the Meeting.

[Note: For greater precision a clarification is included to avoid possible confusion in the event of an electronic vote being cast during the Meeting by those attending by electronic means.]

Proxy granted by any of the aforementioned electronic means or other remote communication means should be received by the Company before midnight (12 midnight) on the day immediately prior to the day scheduled for holding the General Shareholders Meeting on first call. Otherwise, the proxy will be deemed not to have been granted.

Everything established above will be applicable to the revocation of the appointment of the representative.

3. The President and Secretary of the General Meeting shall have the broadest powers to admit the validity of the document or means of proving the representation, having to consider only as invalid that which lacks the minimum essential requirements and provided that this is insurmountable.
4. Before being appointed, the proxy should inform the shareholder in detail if there is a conflict of interest. If the conflict arises after the appointment and the represented shareholder has not been warned of its possible existence, he or she should be informed immediately. In both cases, if they have not received new precise voting instructions for each of the items on which the proxy has to vote on behalf of the shareholder, they should abstain from casting a vote. In particular, there may be a conflict of interest when the proxy is in any of the situations provided for in article 523.2 of the Spanish Corporate Enterprises Act.
5. In those cases in which the Directors of the Company, or any other person or entity, make a public request for proxy, the rules contained in the Spanish Corporate Enterprises Act and the implementing regulations will apply. In particular, the document stating the power of attorney should contain or be attached to the Agenda, as well as the request for instructions for the exercise of voting rights and the indication of how the proxy will vote in the event that no give instructions are given or they are not precise.

The proxy may vote differently when circumstances are unknown at the time the instructions are sent and there is a risk of damaging the interests of the represented party. In the case of a vote cast that does not follow the instructions, the proxy should immediately inform the represented party, in writing, explaining the reasons for the vote.

A public request for proxy may also be made by electronic means in accordance with the provisions of these Regulations and other internal regulations of the Company.

There will be understood to have been a public request when the same person holds the proxy for more than three shareholders.

6. In addition to complying with the duties set forth in section 5 above, in the event that the Directors or another person on behalf or in the interest of any of them, have made a public request for proxy, the Director who obtains it may not exercise the right of voting corresponding to the shares represented in those points of the Agenda in which there is a conflict of interest, unless the representative has received precise voting instructions for each of these points. In any case, a Director will be understood to be in conflict of interest with regard to the following decisions:

- a) His or her appointment, re-election or ratification as a Director.
 - b) His or her dismissal, separation or termination as a Director.
 - c) The exercise against him or her of the social action of responsibility.
 - d) The approval or ratification, where appropriate, of operations of the Company with the Director in question, companies controlled by him or her or those he or she represents or persons acting on his or her behalf.
7. The Board of Directors is empowered to develop the above provisions, establishing the rules, means and procedures in accordance with the technology available to implement the granting of proxy by remote ~~electronic~~means of communication, adjusting, where applicable, to the regulations issued for this purpose and to the Articles of Association.

[Note: "Electronic" means are replaced by "remote communication" given that this section refers to the granting of proxy both by postal and electronic correspondence.]

In particular, the Board of Directors may: (i) regulate the use of alternative guarantees to the electronic signature for the granting of proxy by electronic correspondence; (ii) reduce the notice to be given established previously for the receipt by the Company of the proxies conferred by postal or electronic correspondence; and (iii) admit and authorise the President and Secretary of the General Shareholders Meeting or the persons to whom any of them may delegate, to admit the proxies received later than the aforementioned deadline, to the extent that the available means allow.

In any case, the Board of Directors will adopt the necessary measures to avoid possible duplications and ensure that whoever has delegated representation by postal or electronic correspondence is duly authorised to do so in accordance with the provisions of the Articles of Associations and these Regulations.

8. The regulations for development that the Board of Directors may adopt under the provisions of this article will be published on the Company's website.

TITLE III HOLDING THE GENERAL SHAREHOLDERS MEETING

Chapter I Constitution of the Meeting

Article 12. Right and duty of attendance

1. The right to attend the General Shareholders Meeting is given to shareholders holding one or more shares, including those without voting rights, where their ownership is recorded in their name in the corresponding register of shareholders five days prior to the date on which the meeting is to be held and who accredit this in the terms envisaged in article 16 of these Regulations and in the call for the meeting~~by showing, in the registered offices or in the entities indicated in the call, the corresponding certificate of authority or attendance, proxy or representation and~~

~~remote voting card issued by the Company, or in any other manner permitted by current legislation.~~

[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 article 16 of these Regulations and in the announcement of the call".]

2. The entities participating in the Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Iberclear) may be authorised by the Company to issue attendance cards to the Meeting in favour of their respective depositing shareholders, cards that, likewise, will be provided where appropriate by the Company itself, against the deposit of the documents proving ownership of actions.

For this purpose, the Company will propose to these entities the format of the attendance card that should be issued in favour of the shareholders, ensuring that the cards issued by such entities are uniform and incorporate a barcode or other system that enables them to be read electronically to facilitate the computerised computation of those attending the meeting, as well as the formula to which such document should comply to delegate representation in favour of another shareholder. The attendance card may foresee the identity of the representative in the absence of an express designation by the represented shareholder, as well as any cases of possible conflicts of interest.

3. The members of the Board of Directors will be obliged to attend General Shareholders Meetings, but their presence is not required for the Meeting to be validly constituted. In addition, Directors, Managers and Technicians may attend the Meeting if they are required to do so, as well as other persons who, in the opinion of the Board of Directors, have an interest in the smooth running of corporate affairs and whose intervention in the Meeting may be in the interests of the Company. The President of the General Shareholders Meeting may authorise the attendance of any other person he deems appropriate, without prejudice to the power of the Meeting to revoke this authorisation.

Article 13. 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. The main venue should be located in the place indicated in the call. 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.

Article 14. Infrastructure and measures

1. The premises selected as the venue for the General Shareholders Meeting should be equipped with personnel, technical equipment and security measures in accordance with the characteristics of the property and the significance of the event.
2. In order to guarantee the safety and security of those attending and good order while the General Shareholders Meeting is in progress, suitable surveillance and protection measures should be established, including access control systems.
3. To facilitate dissemination, an audio-visual recording of the General Shareholders Meeting may also be made available. The General Shareholders Meeting may also be broadcast by any means, including by video on the Internet, and broadcast on social networks. Those attending may not use cameras, video cameras, image and/or sound recording devices, or similar equipment in the room where the General Shareholders Meeting is held, except to the extent permitted by the President of the Meeting.
4. Sufficiently in advance of the day designated for holding the General Shareholders Meeting, the Company will provide the human and technical teams necessary to undertake the control and computerised computation of the proxies arriving with the corresponding voting instructions, where applicable.

On the day the General Shareholders Meeting is held, the premises designated for the meeting will be equipped with the aforementioned computer equipment - human and technical - in order to control the arrival of the shareholders attending the meeting so as to be able to calculate the quorum for the constitution of the General Shareholders Meeting and generate a list of those attending.

Article 14 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 those attending and the casting of remote votes during the Meeting, provided that the Board of Directors so agrees. In this case, the call will describe the deadlines, forms and modes of exercising the shareholders' rights provided by the Board of Directors to enable the Meeting to be suitably conducted, in the terms provided for in the Law, in the Articles of Association and in these Regulations.

The Meeting may establish in the call that the speeches and proposed resolutions that, in accordance with the Law, those attending by electronic means intend to make, where this possibility has been contemplated in the call for the Meeting, should be sent to the Company before the Meeting is held. The responses to shareholders or their representatives who attend the Meeting electronically and exercise their right to information during the meeting will occur during the meeting itself or in writing within seven days after the Meeting has finished.

2. The above provisions for this article, insofar as they are compatible with the legal regime, will also be applicable in the cases in which, based on the provisions of article 18 bis of the Articles of Association and in accordance with the applicable regulations, in the announcement of the call provides for holding the General Shareholders Meeting exclusively electronically and, therefore, without physical attendance of the shareholders and their proxies or, where appropriate, of the

members of the Board of Directors. In any case, the announcement of the call will notify the regulations that are applicable in this regard.

[Note: In coordination with the incorporation of the new article 18 bis to the Articles of Association, section 1 regulates the possibility of electronic attendance to the General Shareholders Meeting when so agreed by the Board, in accordance with articles 182 and 521.2 LSC and, secondly, 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 15. President, Secretary and Board of the General Shareholders Meeting

1. The Board of the General Shareholders Meeting will be composed of the President and the Secretary of the General Shareholders Meeting.
2. The General Shareholders Meeting will be chaired by the President of the Board of Directors. If the President of the Board of Directors is absent or unavailable, he or she shall be replaced by the Vice Presidents in their order, which if not pre-determined, is established depending on the length of time that directors have been Directors of the Company. In the absence of Vice-Presidents, the Board will be chaired by the oldest Director.
3. The responsibilities of the President of the General Shareholders Meeting are:
 - a) To conduct the meeting so that the deliberations take place in accordance with the Agenda.
 - b) To resolve any doubts that may arise with regard to the list of shareholders and the content of the Agenda.
 - c) To give the floor to shareholders who have requested to speak in the terms provided for in article 17 of these Regulations at the Meeting in writing and then to those who make the request verbally or in writing during the Meeting, until he or she considers that an issue has been sufficiently debated or that it makes it difficult for the meeting to progress.

[Note: It is proposed to change the wording to include a further general provision, given that now both physical and electronic attendance will be allowed.]

- d) To indicate when voting on the resolutions is to take place and to announce the results of the vote.
- e) In general, to exercise all the powers required for the better organisation of the meeting, including the interpretation of the provisions of these Regulations.

In the performance of his or her duties, the President of the Meeting will be assisted by the Secretary.

4. The Secretary of the General Shareholders Meeting will be the Secretary of the Board of Directors. If the Secretary of the Board of Directors is absent or unavailable, he or she will be replaced by the Vice Secretary of the Board of Directors, and if he or she 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.

5. The following shall be the functions of the Secretary of the General Shareholders Meeting:
 - a) Report to the General Meeting, by delegation of the President, on the quorum for attendance at the General Shareholders Meeting.
 - b) Read or give a summary of the text of the proposed resolutions, where applicable.
 - c) Resolve, together with the President, any doubts, clarifications or queries raised with regard to the list of those attending and with the proxies or representations.
 - d) Draft the minutes of the General Shareholders Meeting, where applicable.
 - e) And in general, exercise, as instructed by the President of the Meeting, the necessary powers of organisation, order and discipline required for the Meeting to be properly conducted and the resolutions to be adopted and formalised.
6. If for whatever reason, during the General Meeting those who were acting as President or Secretary were to leave the meeting, then the person who would replace them in the exercise of their duties would be selected in accordance with the provisions of sections 2 and 4 above.

Article 16. Constitution of the General Shareholders Meeting

1. In the place, date and time indicated in the call for the General Shareholders Meeting and from two (2) hours before the time announced for the meeting to begin, the shareholders or those who validly represent them may present to the personnel in charge of the attendance record the documents accrediting their right to attend and, where applicable, to represent. The right to attend will be accredited by showing the legitimation certificate issued by the entities responsible for the accounting record of the Company's shares, in which will be confirmed the registration in the name of the shareholder of at least one share five (5) days prior to the date of the Meeting or by the presentation of the attendance card issued by the Company or by the entities participating in the Company Management of Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Iberclear) that, for this purpose, have been authorised by the Company.

Shareholders who wish to vote by ~~electronic or other remote~~ remote means of communication prior to the Meeting or, where appropriate, who attend the General Shareholders Meeting by electronic means, should accredit their identity and condition as a shareholder in the manner that the Board of Directors had determined in the announcement~~in accordance with the provisions of article 22 of this Regulation.~~

[Note: The possibility of attending the Meeting by electronic means is contemplated, differentiating between electronic attendance (and casting the vote during the meeting itself) and casting the vote by means of remote communication prior to the Meeting.]

2. Shareholders or, where applicable, their representatives who access the venue of the General Shareholders Meeting after the Meeting has entered the examination and deliberation phase for the Agenda will not be included in the list of those attending.
3. Before entering into the Agenda, a list of those attending will be made, confirming the nature or representation of each one and the number of own or third-party shares with which they are participating.

At the end of the list, the number of shareholders present will be indicated (including those who have attended remotely by electronic means and those who have cast the vote by means of remote communication prior to the Meeting) or represented, as well as the amount of the capital stock of which they are holders, specifying that which corresponds to the shareholders with voting rights.

[Note: It is proposed to incorporate this clarification in line with the proposals that we have been making, in accordance with the legal amendment that it is advisable to distinguish between attendance by electronic means and casting votes prior to the Meeting by means of remote communication.]

The list of those attending will appear at the beginning of the minutes or will be attached to them by means of an annex signed by the Secretary, with the approval of the President.

4. Shareholders casting their votes by means of remote communication, in accordance with the provisions of article 22 of these Regulations, should be considered as present for the purposes of constituting the General Shareholders Meeting.

[Note: A technical clarification is incorporated in coordination with the above.]

5. Once it has been verified that there is a quorum, the Board for the Meeting will be constituted, marking the beginning of the Meeting at the place, day and time set for its celebration, either on first or second call.
6. The President or, by proxy, the Secretary will announce the call, it can be taken as read if no shareholder opposes it, and will report on the global data resulting from the list of those attending, detailing the number of shareholders present and represented at the meeting with the right to vote, the number of shares corresponding to both and the percentage of capital they represent. The declaration by the President or the Secretary on the list of those attending may be made provisionally, informing the Board of the global data for the final list of those attending after the end of the speech by speeches by the shareholders and before submitting to a vote the proposed resolutions corresponding to the different items on the Agenda of the General Shareholders Meeting.
7. Once these data have been publicly communicated by the President or the Secretary, the Presidency will then declare whether or not the requirements for the valid constitution of the Meeting have been met. Where there is a Notary present, he or she will ask the Assembly if there are any objections or protests to the statements made by the President regarding the number of concurrent partners and the capital present. Any doubts or queries expressed to the Notary, and failing that, to the Secretary, that arise on these points will be reflected in the Minutes and will be resolved by the Presidency.

Immediately afterwards, if that should be the case, the Presidency will declare the Meeting validly constituted.

8. General Shareholders Meetings, both Ordinary and Extraordinary, will be validly constituted:
 - In general terms, on first call when the shareholders present or by proxy possess at least fifty percent (50%) of the subscribed capital with voting rights. On second call, the constitution of the Meeting will be validated when the shareholders present or by proxy possess at least forty-five percent (45%) of the subscribed capital with voting rights. 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.

- The percentages mentioned in the previous paragraph shall also be those applicable so that Ordinary and Extraordinary General Shareholders Meeting may 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, an 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 of the Articles of Association.
9. If for any reason it is necessary to hold the meeting in separate rooms, audio-visual means will be provided that enable interactivity and intercommunication between them in real time and, therefore, the unity of the act.

Chapter II

Shareholders' speaking time

Article 17. Requests to speak

1. Once the General Shareholders Meeting is constituted, those shareholders who physically attend the Meeting and who, in exercise of their rights, wish to speak Meeting during the time allotted to deliberations will identify themselves to the Secretary or, where applicable, to the Notary (or to the people assisting them), showing their National Identity Document, or equivalent identification document in the case of foreigners, and the attendance, proxy and remote voting card, stating the number of shares they hold and the shares they represent. All documents will be returned to them once they have spoken. Those attending by electronic means may request to speak in the terms provided for in the announcement of the call.

If they intend to request that their speech be recorded literally in the Minutes of the Meeting, they will have to deliver it in writing, at that time, to the Secretary or, where applicable, to the Notary (or the persons assisting them), so that it coincide with when the shareholder's speech takes place. Those attending by electronic means should follow the rules established in the announcement of the call in this regard.

~~The Meeting may establish in the call that the speeches and proposed resolutions that, in accordance with the Law, those attending by electronic means intend to make, where this possibility has been contemplated in the call for the Meeting, should be sent to the Company before the Meeting is held. In this call there will be a description of the deadlines, forms and methods of exercising the rights of the shareholders provided for by the Board to enable the Meeting to proceed in an orderly manner.~~

[Note: Technical clarifications are incorporated in the first two paragraphs in coordination with the proposed incorporation into the Articles of Association and to this Regulation of the possibility of holding Meetings with electronic attendance and exclusively electronic Meetings. Furthermore, what is related to the regime of requests to speak by shareholders by electronic means has been transferred to

the new article 14 bis ("Attendance at General Shareholders Meeting by electronic means. Exclusively electronic meetings") for systematic reasons, eliminating the last paragraph since it has already been incorporated into article 14 bis.]

1. Once the Board has the list of shareholders who wish to speak and before voting on the issues included in the Agenda, the list of those wishing to speak will be opened.

Article 18. Speeches

1. Speeches by the shareholders will take place in the order in which they are called to that effect by the Board.
2. The President, in view of the circumstances, will determine the maximum time initially assigned to each speech which will be the same for all and never less than five (5) minutes.
3. In the exercise of his powers to organise the progress of the Meeting, and without prejudice to other actions, the President:
 - (i) May extend, when it is deemed appropriate, the time initially assigned to each shareholder;
 - (ii) May request the speakers to clarify any issues that have not been understood or have not been sufficiently explained during the speech;
 - (iii) May call the shareholders who are speaking to order so that they restrict their speech to the issues subject to the Meeting and refrain from making inappropriate statements or exercising their right in an abusive or obstructionist manner;
 - (iv) May advise the speakers that their allotted time is nearing an end so that they can adjust their speech and, when their allotted time to speak or if they persist in the behaviours described in section (iii) above, they may oblige them to stop speaking; and
 - (v) If he or she considers that the speech may alter the proper order and conducting of the meeting, he or she may order them to leave the premises and, where appropriate, take the necessary measures to comply with this provision.
4. The shareholders may, during their speeches, formulate proposals for resolutions on issues with regard to which the General Shareholders Meeting may legally deliberate and adopt agreements without them being included in the Agenda.

Article 19. Right to information during the Meeting

1. During the speeches, shareholders or their duly accredited representatives who physically attend the General Shareholders Meeting may verbally request any information or clarifications they deem significant regarding issues included in the Agenda for the meeting, information accessible to the public that has been provided by the Company to the National Securities Market Commission since the last General Shareholders Meeting was held and regarding the auditor's report. Those shareholders and representatives who attend by electronic means may request the information or clarifications that they consider appropriate regarding these issues in the terms provided for in the announcement of the call in accordance with the applicable regulations.

[Note: It is proposed to include technical clarifications in coordination with the proposal for incorporation into the Articles of Association and these Regulations of the possibility of holding Meetings with electronic attendance and exclusively electronic Meetings.]

2. The Board of Directors will be obliged to provide the information requested by the shareholders, unless one of the circumstances provided for in article 10.4 of these Regulations occurs or the information requested is not available at the time of the meeting itself. In this case, the information will be provided in writing within seven (7) days following the end of the Meeting, for which purpose the shareholder will indicate the location or address where the information will be sent.
3. Furthermore, when prior to a specific question being asked 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 restrict its response to referring to the information provided in that format.
4. The information or clarification requested will be provided by the President or, where applicable and at the request of the latter, by the Chief Executive Officer or by any of the Directors present. 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. The President may also empower any other person considered suitable, representing and on behalf of the Company, to respond to requests for information made by shareholders.

Chapter III

Voting on and documentation for resolutions

Article 20. Voting on proposed resolutions

1. Once the speeches by the shareholders have ended and the answers provided in accordance with the provisions of these Regulations, the proposed resolutions on the issues included in the Agenda or on those others that by legal mandate do not need to appear will be put to a vote.
2. The Secretary will read a summary of the proposed resolutions, the texts of which appear on the Company's website. If any shareholder so requests or, even if not requested, it is deemed appropriate by the President, they will be read out in full. In any case, those attending will be informed of the item on the Agenda to which, in each case, the proposed resolution that is submitted to a vote refers.
3. The voting process for the proposed resolutions will be conducted following the Agenda envisaged in the call. Firstly, the proposed resolutions that the Board of Directors has formulated in each case will be put to a vote and then, where applicable, those formulated by other proponents and followed by those relating to issues which the General Shareholders Meeting may resolve even though they were not on the Agenda, with the President of the General Shareholders Meeting deciding the order in which they will be voted on. In any case, once a proposal for resolution has been approved, all the others relating to the same issue that are incompatible with it will automatically be rejected without proceeding to put them to a vote.
4. Without prejudice to the fact that, at the initiative of the President, other alternative systems may be used, voting on the proposed resolutions referred to in the preceding section will be undertaken in accordance with the following procedure:

- a) The voting of the proposed resolutions relating to issues included in the Agenda will be conducted by means of a negative deduction system.

For these purposes, for each proposal, those corresponding to all the shares present and represented will be considered votes in favour, deducting the votes corresponding to the shares whose owner or representative states that they vote against or abstain and the votes corresponding to the shares whose owners or representatives have left the meeting prior to the voting on the proposed resolution in question and have recorded their departure before the Secretary or, where applicable, the Notary, to which will be added those corresponding to the proxies received by the Board of Directors stating their intention to vote against, or abstain with regard to the proposal in question. Votes against and abstentions will be counted separately.

- b) Voting on the proposed resolutions relating to issues not included in the Agenda, when such proposals are legally possible, will be conducted by means of a positive deduction system. For these purposes, those corresponding to all the shares present and represented will be considered votes against, deducting the votes corresponding to the shares whose holders or representatives state that they vote in favour or abstain and the votes corresponding to the shares whose holders or representatives have left the meeting prior to voting on the proposed resolution in question and have recorded their departure before the Secretary or, where applicable, the Notary.

5. When technically possible, providing compliance with all legal conditions may be guaranteed, the Board of Directors may establish electronic vote counting systems.
6. Those matters that are substantially independent should be voted on separately, so that shareholders may exercise their voting preferences separately and, in any case, even if they appear in the same item on the Agenda, the following should be voted on separately: (i) the appointment, ratification, re-election or dismissal of each Director, which should be voted on individually; and (ii) in the case of amendments to the Articles of Association, each article or group of articles that have their own autonomy.
7. Those intermediaries who appear legitimised as shareholders by virtue of the accounting record of the shares but who are acting on behalf of other final beneficiaries, may in any case divide their vote and exercise it divergently according to in compliance ~~to~~with the different voting instructions, if they have received them.

[Note: Adapted to article 524 LSC, as expressed in Law 5/2021.]

8. Declarations indicating how the vote will be cast made to the Secretary or, where applicable, to the Notary (or to those assisting them), provided for in paragraph 4, above, may be made individually with regard to each of the proposals or jointly to several or for all of them, expressing to the Secretary or the Notary the identity and condition of shareholder or proxy of the person voting, the number of shares to which they refer, how they will vote or, where applicable, if they wish to abstain.
9. If the shareholder has cast the vote by electronic means, the Company should send him or her electronic confirmation of the receipt of his or her vote. Also, within one month from the date of the General Shareholders Meeting, the shareholder or their representative and the final beneficiary may request confirmation that the votes corresponding to their shares have been recorded and correctly count by the Company, unless they already have this information. The Company should send this confirmation within the deadline established in the applicable regulations.

[Note: This section is incorporated in accordance with the new article 527 bis LSC, introduced by Law 5/2021.]

Article 21. 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) excluding him or her from the Company;
 - 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) Exempting him or her from the obligations arising from the duty of loyalty of the directors, in accordance with the legal provisions.
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.

However, when the vote of the shareholder or shareholders involved in conflict has been decisive for the adoption of the resolution, if there is a challenge, it will correspond to the Company and, where applicable, to the shareholder or shareholders affected by the conflict, the burden of the proof of the conformity of the agreement with the social interest. The shareholder or shareholders making the challenge will be responsible for accrediting the conflict of interest. Exceptions to this rule are agreements relating to the appointment, dismissal, revocation and liability requirements of the Directors and any other of similar significance where the conflict of interest refers exclusively to the position held by the shareholder in the Company. In these cases, the person challenging will be responsible for accrediting the damage to social interest.

Article 22. 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. The vote on the proposals on points included in the Agenda may be made by shareholders prior to the General Shareholders Meeting by post, electronic correspondence or by any other means of remote communication that duly guarantees the identity of the shareholder and, where appropriate, the security of the electronic communications, all in accordance with the legislation in force at all times.
2. To cast a vote by post, the shareholder may send the Company a letter stating their voting intention or if they wish to abstain, accompanied by the attendance, proxy and remote voting card issued in their favour by the Company or by the entity or entities responsible for the registry of book entries. However, the attendance, proxy and remote voting card itself, duly filled in and signed, may suffice when it provides for use for remote voting purposes.

3. Votes by electronic communication will be cast under a recognised electronic signature or other type of guarantee that the Board of Directors deems suitable to ensure the authenticity and identification of the shareholder exercising the right to vote, which will be accompanied by a copy in unalterable electronic format of the attendance, proxy and remote voting card.

Notwithstanding the foregoing, the Company may create on its website a specific computer programme for exercising the right to vote remotely, in which case, it will not be necessary to send a copy in unalterable electronic format of the documents referred to in the previous paragraph.

4. The vote cast by any of the means provided for in the preceding sections should be received by the Company before midnight (12 midnight) on the day immediately prior to the day scheduled for holding the General Shareholders Meeting on first call. Otherwise, the vote will be deemed not to have been cast.
5. The votes cast remotely referred to in this article will be without effect in the following circumstances:
 - a) By subsequent and express revocation undertaken by the same means used to cast the vote and within the deadline established for it.
 - b) Attendance, physical or electronic, at the meeting by the shareholder that cast the vote.

[Note: A technical clarification is included in coordination with the proposal for incorporation into the Articles of Association and these Regulations of the possibility of holding Meetings with electronic attendance and exclusively electronic Meetings.]

6. The Board of Directors is empowered to develop the above provisions, establishing the rules, means and procedures in accordance with the technology available to implement the casting of votes by electronic remote means of communication, adjusting, where applicable, to the regulations issued for this purpose and to the Articles of Association.

[Note: "Electronic" means are replaced by "remote communication" given that this section refers to casting votes both by post and electronic correspondence.]

In particular, the Board of Directors may: (i) regulate the use of alternative guarantees to the electronic signature for casting votes by electronic means in accordance with the provisions of section three above, and (ii) reduce the deadline established in section four above for receipt by the Company of votes cast by post or electronic correspondence.

In any case, the Board of Directors will adopt the necessary measures to avoid possible duplications and ensure that whoever has cast the vote by postal or electronic correspondence is duly authorised to do so in accordance with the provisions of the Articles of Associations and these Regulations.

7. The regulations for development that the Board of Directors may adopt under the provisions of this article will be published on the Company's website.

Article 23. Adoption of resolutions and declaration of the result

1. Resolutions shall be adopted by a simple majority of the share present and represented at the General Shareholders Meeting. A resolution shall be deemed adopted when it obtains more votes in favour than against the capital present or

represented, except in cases where the Law or the 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.

2. Each share with voting rights present or represented at the Meeting shall grant the right to one vote.
3. The President will declare the resolutions approved when he or she has evidence of the existence of sufficient votes in favour, without prejudice to any declarations that, where applicable, the attending shareholders may make to the Notary or the Secretary regarding this matter.
4. For each resolution subject to vote at the General Shareholders Meeting, 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.
5. In any case, once a proposal for resolution has been approved, all the others relating to the same issue that are incompatible with it will automatically be rejected without proceeding to put them to a vote.
6. If proposals have been made regarding matters which the General Meeting can resolve without appearing on the agenda, the President will decide the order in which they will be put to the vote.
7. For the adoption of any of the resolutions referred to in article 526 of the Spanish Corporate Enterprises Act, those shares in respect of which the right to vote cannot be exercised by application of what is established in this provision will not be considered as represented or as present unless it has been provided for by the sub-delegation or alternative delegation in a person who can exercise the right to vote

Article 24. Provisional suspension and extension

1. Exceptionally, in the event of extraordinary circumstances temporarily preventing the normal procedure of the General Shareholders Meeting, the President of the Meeting, may agree to suspend the session for the time he or she deems appropriate, in order to ensure the re-establishment of the conditions necessary for the meeting to continue. The President of the General Shareholders Meeting may adopt any additional measures that he or she deems appropriate to guarantee the safety of those present and avoid the repetition of circumstances that could once again affect the good order of the meeting.

Once the session is resumed, if the situation that led to the meeting being suspended persists, the President may agree to continue the session on the following day or immediately adjourn the session.

2. Notwithstanding the foregoing, at the proposal of the President of the General Shareholders Meeting, the majority of the Directors attending the meeting or at the request of shareholders representing at least a quarter (1/4) of the capital present at the General Shareholders Meeting, those attending may agree to extend the

sessions for one or more consecutive days. 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.

Article 25. Concluding the Meeting

Once the voting on the proposed resolutions has ended and the results of the same have been declared, it is the responsibility of the President to close the General Shareholders Meeting and declare the session adjourned.

Article 26. Minutes of the Meeting

1. The Secretary of the Meeting will draw up the Minutes of the session that will be incorporated into the Book of Minutes, which may be approved by the Meeting itself at the end of the meeting, or failing that, and within a deadline of fifteen (15) days, by the President of the Meeting and two (2) Auditors, one representing the majority and the other representing the minority, having the Minutes approved in either of these two forms as executive force on the date of their approval.
2. The minutes of the Meeting will include the list of those attending referred to in article 192 of the Spanish Corporate Enterprises Act and will contain a summary of the deliberations, literal expression of the resolutions adopted and the result of the voting.

3. The Board of Directors may require the presence of a notary to draw up the minutes of the Meeting and shall be obliged to do so whenever shareholders representing at least one per cent (1%) of the capital stock request it five (5) days prior to the date scheduled for the meeting. Also, in the event that the Company's General Shareholders Meeting is held exclusively by electronic means in accordance with the provisions of articles 14 bis of these Regulations and 18 bis of the Articles of Association, the minutes of the meeting should be drawn up by a Notary.

[Note: It is incorporated in accordance with letter b) of article 521.3 LSC, introduced by Law 5/2021.]

The notarial document shall not be submitted for approval, it shall be considered to be the minutes of the meeting and the resolutions contained therein may be executed as from the date of its closing. The notarial fees shall be paid by the Company.

Article 27. Publishing the resolutions

1. Without prejudice to the registration in the Mercantile Registry of those registrable agreements and the legal provisions that may be applicable with regard to publishing corporate agreements, the Company will send the text of the approved resolutions to the National Securities Market Commission, meeting the deadline established by it.
2. The unabridged text of the resolutions adopted and the results of the voting shall be published on the Company's website within five (5) days following the end of the General Shareholders Meeting.

Article 28. Electronic Shareholders Forum

1. When each General Shareholders Meeting is held, an electronic shareholders' forum will be set up on the Company's website, which may be accessed by the Company's shareholders and the voluntary associations of shareholders that are

validly constituted and registered in the special registry enabled for this purpose at the National Securities Market Commission, in order to facilitate communication between the shareholders of the Company on the occasion of the call and until the respective General Shareholders Meeting is held. In the Forum, proposals may be published that aim to be presented as a complement to the agenda announced in the call, requests to adhere to such proposals, initiatives to achieve a sufficient percentage to exercise a minority right provided for in the Law, as well as offers and requests for voluntary representation.

2. The Board of Directors will approve the rules of operation for this Forum, which will be available on the Company's website.

~~FINAL DISPOSITION~~

~~These Regulations will be applicable as from the call of the General Shareholders Meeting immediately after the one in which they have been approved.~~

[Note: It is proposed to delete this final provision, since we understand that the content is already included in the current article 1.1 of these Regulations.]