

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

**FULL WORDING OF PROPOSED RESOLUTIONS FORMULATED BY THE BOARD OF DIRECTORS TO THE ORDINARY GENERAL SHAREHOLDERS MEETING SCHEDULED FOR 14 JUNE 2022 ON FIRST CALL OR, WHERE APPLICABLE, 15 JUNE 2022 ON SECOND CALL**

**1. Financial statements and corporate management:**

**1.1. Examination and approval, WHERE applicable, of the financial statements and management reports corresponding to Fomento de Construcciones y Contratas, S.A. and its Consolidated Group for the 2021 business year.**

The following is proposed: "Approval of the Financial Statements and Management Report corresponding to FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. for the 2021 business year. (the "**Company**") and entities in its Consolidated Group. These documents were endorsed by the Audit and Control Committee and verified by the Company's Statutory Auditor."

**1.2. Examination and approval, where appropriate, of corporate management during the 2021 business year.**

The following is proposed: "Approval of the management of the Board of Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. during the business year ended on 31 December 2021."

**1.3. Examination and approval, where appropriate, of the status of non-financial information corresponding to the business year ended 31 December 2021 and which is part of the consolidated management report.**

The following is proposed: "Approval of the status of consolidated non-financial information corresponding to the business year ended 31 December 2021, which is an integral part of the consolidated management report for that business year. This document has been verified by an independent expert."

**1.4. Examination and approval, where pertinent, of the proposed application of the 2021 profits.**

With regard to the profit reported in the Profit and Loss Account for the business year for FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (the "**Company**") closed on 31 December 2021, the following is proposed:

"Apply the 2021 business year profit of €274,497,404.64 as follows:

- To the legal reserve: €3,213,403.60.
- To voluntary reserves: €271,284,001.04.

Notwithstanding the foregoing, it is proposed to this General Shareholders Meeting, under item 4 on the agenda, to distribute a scrip dividend of up to €170,069,454.40 (dividend equivalent to 0.40 euros per share), whereby FCC shareholders may choose between (i) receiving newly issued bonus shares: (ii) secure an equivalent amount in cash by transferring to the Company the free-of-charge allocation



rights received for the shares held; and/or iii) obtain a cash value by transferring these rights on the market.

**2. Re-election of directors. Establishment of the number of members of the Board of Directors:**

**2.1. Re-election of Pablo Colio Abril as executive director.**

In accordance with the provisions of article 529 decies of the Corporate Enterprises Act, the proposal for re-election of members of the Board of Directors who are not independent directors is the responsibility of the Board itself, and such proposal must be accompanied by a report from the Board justifying its assessment of the competence, experience and merits of the proposed candidate, and also by a report from the Appointments and Remuneration Committee. Both reports have been made available to shareholders on the Company's website from the time of publication of the notice of the General Meeting.

The following is proposed: "Re-elect, following a favourable report from the Appointments and Remuneration Committee, Pablo Colio Abril as a member of the Board of Directors, with effect from the date of this Meeting and for the statutory period of four (4) years, with the category of executive director."

**2.2. In accordance with the minimum and maximum numbers stipulated in the Bylaws, the number of members of the Board of Directors of the Company is set at thirteen (13).**

The following is proposed: "In accordance with the minimum and maximum numbers stipulated in the Bylaws, the number of members of the Board of Directors of the Company is set at thirteen (13)."

**3. Remuneration of the members of the Board of Directors:**

**3.1. Submission to a vote of an advisory nature of the Annual Director Remuneration Report corresponding to the 2021 business year.**

Pursuant to article 541 of the Corporate Enterprises Act and article 38 of the Articles of Association, the Board of Directors should prepare up an annual report on director remuneration. At its meeting on 23 February 2022, following a favourable report from the Appointments and Remuneration Committee, the Board of Directors of the Company approved the Annual Director Remuneration Report, which was published under "Further Significant Information" on the website of the National Securities Market Committee on 24 February 2022 and made available to shareholders on the Company's website when the call for the General Shareholders Meeting was published.

Based on the foregoing, the following is proposed: "To approve, in an advisory capacity, the FCC Annual Director Remuneration Report corresponding to the 2021 business year."

**3.2. Approval of the Directors' Remuneration Policy.**

The following is proposed: "In accordance with the provisions of article 529r of the Spanish Corporate Enterprises Act, to approve the Remuneration Policy for the Directors of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A., the text of which was made available to the shareholders on the date of publication of the announcement calling the General Shareholders Meeting together with the proposal of the Board of Directors and the report of the Appointments and Remuneration Committee. The Policy will apply for the remainder of 2022 and for 2023 to 2025."

**4. Distribution of a scrip dividend through (i) a capital stock increase for a determinable amount by issuing new ordinary shares of 1 euro par value each, without issue premium, of the same class and series as those currently in circulation, charged against reserves; and (ii) the offer of the acquisition of free allocation rights at a guaranteed price (0.40 euros/right). Express provision for the possibility of incomplete allocation. Delegation of powers.**

The following is proposed: "Implement a flexible dividend (scrip dividend) for a maximum value of €170,069,454.40 (dividend equivalent to 0.40 euros per share), by offering all the shareholders of Fomento de Construcciones y Contratas, S.A. (the "**Company**" or "**FCC**") of newly issued bonus shares or, as the case may be, obtaining cash through the transfer of the free-of-charge allocation rights they receive for the shares they hold.

Therefore, FCC shareholders will have the option, at their own discretion, of:

- a) Not transferring their free allocation rights. In such a case, at the end of the trading period, the shareholder will receive the corresponding number of new shares depending on the proportion described below, fully released.
- b) Transferring all or part of their free allocation rights to FCC under the Purchase Commitment (as defined below) at a guaranteed fixed price of 0.40 euros per right. In this regard, the shareholder may choose to monetise their rights and receive a cash amount instead of receiving shares.
- c) To transfer all or part of their free allocation rights in the market. In this case, the shareholder may also choose to monetise the corresponding rights, although in this case the shareholder would receive no guaranteed fixed price, but the consideration for the rights would depend on the market conditions in general, and the quoted price of the referred rights in particular.

Shareholders of the Company who opt, partially or totally, to receive released new shares will also receive a compensatory dividend in cash so that the options of transferring their free allocation rights to FCC under the Purchase Commitment and receiving this amount in shares released from the Company, i.e., though the economic terms shall neither favour nor penalise any of these options.

#### **A. Capital increase**

For the aforementioned purposes, it is resolved to increase the capital stock of the Company by the amount resulting from multiplying (a) the nominal value of 1 euro per FCC share by (b) the number of new FCC shares resulting from the application of the formula set out in the following paragraphs (the "**New Shares**"), without the sum of the reference market value of the New Shares exceeding a total of a maximum of €170,069,454.40.

The capital increase will be carried out through the issuance and circulation of New Shares, which will be ordinary shares with a par value of 1 euro each, of the same class and series as those currently in circulation, represented by book entries.

The New Shares will be issued at par, i.e. for their nominal value of 1 euro, without issue premium, and will be assigned free of charge to the shareholders of the Company.

The capital increase may be executed by the Board of Directors (with express powers of substitution) in accordance with the provisions of the following sections, at its sole discretion and without having, therefore, to address this General Meeting of Shareholders again.



Article 311 of the consolidated text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of July 2 (the "**Corporate Enterprises Act**"), provides for the possibility of incomplete allocation of the capital increase.

#### **B. New Shares to be issued**

The number of New Shares to be issued will be calculated by the following formula, rounded to the next lower whole number:

$$NAN = \frac{NTAcc}{Núm. derechos}$$

where,

"NNS" = Number of New Shares to be issued;

"NOS" = Number of FCC shares outstanding at the date on which the Board of Directors agrees to carry out the capital increase; and

"No. of rights" = Number of free allocation rights necessary for the allocation of a New Share, which will be the one resulting from the application of the following formula, rounded to the upper whole number:

$$Núm. derechos = \frac{NTAcc}{Núm. provisional accs.}$$

where,

$$Núm. provisional accs. = \frac{Importe del scrip dividend}{Precio de Cotización}$$

For this purpose:

"Scrip Dividend Amount" = the maximum value of the scrip dividend to be distributed among shareholders of the Company; and

"Listing Price" = the arithmetic mean of the weighted average prices of the Company's stock on the Spanish Stock Exchanges in the 5 trading sessions prior to the date of the Board of Directors resolution to carry out the capital increase, rounded to the thousandth of the nearest euro and, in the case of one-half of one thousandth of a euro, to the nearest thousandth of a euro.

#### **C. Free allocation rights**

Each outstanding Company share would grant one free allocation right.

The number of free allocation rights needed to receive a New Share ("No. rights") will be determined automatically according to the proportion existing between the Number of New Shares ("NNS") and the Number of Outstanding Shares ("NOS"). Specifically, FCC shareholders will be entitled to receive one New Share for every so many free allocation rights as determined in accordance with the provisions of the section B for the holders.

If the number of free allocation rights required for the allocation of an action ("No. of rights") multiplied by the Number of New Shares ("NNS") results in a number lower than the Number of Outstanding Shares ("NOS"), FCC (or an entity of its group that, as the case may be, owns shares in FCC), will



renounce a number of free allocation rights equal to the difference between both figures, for the exclusive purposes that the NNS is a whole number.

The free-of-charge allocation rights will be allocated to the shareholders of FCC who appear as such in the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) on the corresponding date in accordance with the applicable securities clearing and settlement rules.

The free allocation rights may be traded in the market during the term determined by the Board of Directors (with express powers of substitution), with a minimum of 14 calendar days. During the trading period of the free allocation rights, sufficient free allocation rights may be acquired in the market in the necessary proportion to subscribe New Shares.

#### **D. Irrevocable commitment to acquire the free allocation rights**

The Company or, with its guarantee, such company of its group as may be determined, will enter into an irrevocable commitment to purchase, at the price set out below, the rights received free of charge by the shareholders, without the same extending to the allocation rights purchased or otherwise acquired on the market (the "**Purchase Commitment**").

The Purchase Commitment will be valid and may be accepted during the term, within the period for trading the rights, as determined by the Board of Directors (with express powers of substitution). For this purpose, it is agreed to authorise the Company, or the corresponding company of its group, to acquire such free allocation rights (and their corresponding shares), with the maximum limit of the total of the rights that are issued, though legal limitations must be complied with in all cases.

The "Purchase Price" of each free allocation right will be equal to 0.40 euros.

#### **E. Compensatory mechanism**

In order to ensure the economic equivalence of the options for (i) transferring the free allocation rights to FCC under the Purchase Commitment and (ii) receiving that amount in New Shares, i.e., without favouring or penalising any options in economic terms, the Company will in turn pay shareholders of the Company who choose to receive New Shares, whether partially or totally, a compensatory dividend in cash to offset the lower economic value that, as a consequence of the application of the above exchange formulas, such New Shares would have with respect to the amount received in cash by the shareholders under the Purchase Commitment.

The compensatory dividend ("**Compensatory dividend**" or "**CD**") that the Company will pay to its shareholders through this equity mechanism will be equal to the results of the following formula, rounded to the lowest thousandth of a euro:

$$DC = (0,40 - \text{Valor teórico del derecho}) \times (\text{Núm. derechos ejercidos} + \text{NAN suscritas})$$

where,

$$\text{"Valor teórico del derecho"} = \text{Precio de cotización} - \frac{(\text{Precio de cotización} \times \text{Núm. de derechos})}{(\text{Núm. de derechos} + 1)}$$

The "Theoretical Value of the Right" will be rounded to the lowest thousandth of a euro.

"No. of exercised rights" = Total number of free allocation rights exercised by the shareholder.

"NNS subscribed" = Total number of New Shares received by the shareholder.



#### **F. Balance for the operation and reserve with charge to which the increase is made**

The balance sheet on which the transaction is based is the duly audited balance sheet as at 31 December 2021, which is submitted for approval at this General Shareholders Meeting under item 1 on the agenda.

The capital increase will be made entirely charged to reserves pursuant to article 303.1 of the Corporate Enterprises Act. When the increase is implemented, the Board of Directors (with express powers of substitution) shall determine the reserve(s) to be used and the amount according to the balance sheet on which the operation is based.

#### **G. Representation of the New Shares**

The shares issued will be represented by book entries, whose accounting record is attributed to Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its participating entities.

#### **H. Rights of the new shares**

New Shares will give their holders the same political and economic rights as ordinary shares of FCC currently in circulation as of the date they are registered in their name in the corresponding accounting records.

#### **I. Application for admission to trading**

It is resolved to apply for admission to trading of the New Shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Spanish Stock Market Interconnection System (Continuous Market), and also to carry out such formalities and actions as may be necessary or appropriate and to submit such documents as may be necessary to the competent bodies for the admission to trading of the New Shares issued as a result of the agreed capital increase, expressly stating FCC's submission to the rules that exist or may be issued in relation to the Stock Exchange and, in particular, on trading, continued listing and delisting.

#### **J. Execution of the increase**

Within a period of one year from the date of the present agreement, the Board of Directors (with express powers of substitution), may indicate the date on which this capital increase must be carried out and set the terms and conditions thereof in all matters not contemplated herein.

Likewise, the resolutions of this General Shareholders' Meeting in relation to the capital increase shall be without any value or effect whatsoever when, within a period of one year from its approval, the Board of Directors does not exercise the delegated powers in that regard.

Once the negotiation period of the free allocation rights has ended:

- a) The New Shares will be allocated to shareholders who, in accordance with the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its participating entities, were holders of free allocation rights in the proportion resulting from section C above.
- b) The Board of Directors (with express powers of substitution) will declare the trading period of the free allocation rights closed and will proceed to formalise the application of the reserves in the amount of the capital increase, which will be disbursed with said application.



Likewise, upon conclusion of the period for trading free allocation, the Board of Directors (with express powers of substitution) will adopt the corresponding amendments to the Bylaws to reflect the new amount of capital stock in accordance with the resulting number of New shares and request for admission to trading of the new shares in the Spanish Stock Exchanges.

#### **K. Delegation for execution**

Notwithstanding the specific delegations contained in the preceding sections (which must be understood to be granted with express powers of substitution in the persons indicated herein), it is resolved to delegate to the Board of Directors, in accordance with the provisions of article 297.1.a) of the Corporate Enterprises Act, the power to set the date on which this capital increase is to be implemented and to set the terms and conditions of the capital increase in all matters not provided for in this resolution. In particular, and by way of illustration only, the Board of Directors is delegated, with express powers of substitution, to carry out all actions necessary or advisable for the execution of this resolution and, in particular, by way of indication and not limitation, to:

- i) Extend and implement this agreement, setting the terms and conditions of this agreement in all matters not provided for and, in particular, setting the date on which this agreement is to be put into effect, in any case within one year of its approval.
- ii) Setting the exact amount of the capital increase, the number of New Shares, the compensatory Dividend, the Scrip dividend amount and the free allocation rights necessary for the allocation of New Shares, applying the rules established by this General Meeting, and being able to, where appropriate, waive free subscription rights to subscribe New Shares for the sole purpose of facilitating the number of New Shares to be a whole number.
- iii) Designating the company or companies to assume the functions of agent and/or financial adviser in relation to the capital increase, and entering into any and all agreements, contracts and documents as necessary for that purpose.
- iv) Setting the duration of the trading period for free allocation rights.
- v) Declaring the part of the capital increase agreed for execution closed and executed.
- vi) Rewording article 5 of FCC's Bylaws relating to the capital stock, adapting it to the result of the execution of the capital increase.
- vii) Waive the number of free-of-charge allocation rights that are necessary to balance the allocation ratio of the new shares, the free-of-charge allocation rights that are acquired pursuant to the purchase commitment and any other free-of-charge allocation rights that are necessary or desirable to waive.
- viii) Renouncing the New Shares that correspond to the free allocation rights of which the Company is the holder at the end of the trading period thereof.
- ix) Carrying out all the necessary or appropriate procedures for the New Shares subject to the capital increase to be registered in the accounting records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and admitted to trading on the Spanish Stock Exchanges.
- x) Draw up and publish such notices as may be necessary or desirable for this purpose.
- xi) Take the necessary or appropriate actions and establish the necessary or appropriate mechanisms and processes for compliance with all tax obligations arising from the execution



of the scrip dividend agreement, including withholdings and/or payments on account (in cash or in kind) which, if applicable, are legally required from time to time.

xii) Taking as many steps as necessary or advisable to execute and formalise the capital increase before any public or private entities or organisations, Spanish or foreign, including making declarations, statements, supplements, corrections on defects or omissions that could impede or interfere with the full effectiveness of the previous agreements.

The Board of Directors is expressly authorised, pursuant to article 249 bis I) of the Corporate Enterprises Act to sub-delegate (with the faculty of substitution when appropriate) in the Executive Committee, the director or Directors it deems pertinent, each and every one of the powers delegated by virtue of this agreement."

#### **5. Reduction of capital stock through the redemption of treasury stock acquired for this purpose through the stock buy-back program.**

The following is proposed: "Reduce the capital stock of Fomento de Construcciones y Contratas, S.A. ("FCC" or the "Company") by a maximum nominal amount of €1,700,000, through the redemption of up to 1,700,000 treasury shares with a par value of 1 euro (representing approximately 0.3998% of the Company's current capital stock).

The capital stock will be reduced through the redemption of the treasury shares that have been acquired by FCC under the treasury share buyback programme (the "**Programme**") that was established by resolution of the Board of Directors of the Company dated 27 July 2021, in accordance with Regulation (EU) 596/2014 of the Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and with Delegated Regulation (EU) 2016/1052 of the Committee of 8 March 2016. In this regard, the purpose of the Programme is the reduction of capital through the redemption of own shares acquired under the Programme.

The final amount of the capital reduction will be set by the Board of Directors, within the maximum limit indicated above, depending on the final number of shares to be acquired under the Programme in accordance with the delegation of powers approved below.

#### *Time limit for the implementation of the reduction of the capital stock*

The term of execution of this resolution shall be until the date of the next Ordinary General Shareholders Meeting, and it shall cease to have effect as from that date.

#### *Purpose and procedure for the reduction of capital and reserves against which it is made.*

The capital reduction does not entail the return of contributions to the shareholders, as the Company itself is the owner of the shares to be redeemed, and will be charged to freely distributable reserves by means of the allocation of a restricted reserve for redeemed capital for an amount equal to the par value of the redeemed shares, which may only be drawn down subject to the same requirements as those required for the reduction of capital stock, in application of the provisions of article 335. c) of the Corporate Enterprises Act, so that the Company's creditors will not have the right of objection referred to in article 334 of the Corporate Enterprises Act.

#### *Delegation of powers*





Notwithstanding the specific powers set out above, it is resolved to empower the Board of Directors, to the fullest extent required by law, without powers of substitution, to execute all or part of the reduction of the capital stock within the established period of execution and in the manner it deems most appropriate, and, in particular and without limitation:

- Specify and implement this resolution, setting the terms and conditions of the capital reduction in all matters not provided for, in particular, without being comprehensive, to establish the date on which the resolution to reduce the capital stock adopted must be carried into effect, in any event, before the holding of the next Ordinary General Shareholders Meeting of the Company.
- Set the number of shares to be redeemed, and may agree to execute all or part of the resolution based on the treasury shares acquired under the Programme, and even not to execute it in the event that the Programme has not expired before the next Ordinary General Shareholders Meeting of the Company is held, informing the Company of such decision in all cases.

Furthermore, notwithstanding the specific powers set out above, it is resolved to empower the Board of Directors, to the fullest extent required by law and with express powers of substitution in the Executive Committee, the director or directors it deems appropriate, so that any of them, jointly and severally and without distinction, may carry out such acts as may be appropriate for the execution and successful completion of these resolutions adopted, and in particular, by way of indication and not limitation, to:

- To declare the execution of the capital reduction finally agreed to be completed, setting, where appropriate, the definitive number of shares to be redeemed and, therefore, the amount by which the Company's capital stock must be reduced, in accordance with the limits established in this resolution.
- Take any actions, declarations or steps that may be necessary or advisable in relation to the public announcement of the capital reduction (including any announcements that may be necessary or advisable), and any actions that may be required to be taken, where appropriate, before the National Securities Market Committee (CNMV), the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear), the Spanish stock exchanges and/or the regulators and governing bodies of the markets on which the Company's shares are admitted to trading.
- Reword article 5 of the Bylaws to reflect the new capital stock and the number of shares in circulation following the implementation of the approved capital reduction.
- Negotiate, agree and sign all such public and/or private documents as may be necessary or advisable for the successful completion of the capital reduction, including, without limitation, such acts, legal transactions, contracts, declarations and operations as may be necessary.
- Take all such steps and actions as may be necessary or advisable, and file such documents as may be necessary with the competent bodies, so that, once the corresponding redemption of the Company's shares has taken place and the corresponding deed of capital reduction has been executed and registered with the Companies Registry, the redeemed shares are delisted from trading on the Spanish Stock Exchanges and/or on the markets on which the Company's shares are admitted, and the corresponding accounting records are cancelled and the treasury shares are effectively redeemed.

- Engage in such actions as may be necessary or advisable before any public or private, Spanish or foreign, entities and bodies to obtain the consents and authorisations required for the effectiveness of the foregoing resolutions and to execute and formalise the capital reduction, including the declaration, supplementation or correction of defects or omissions that may impede or hinder the full effectiveness of the resolutions.”

**6. Authorisation to the Board of Directors, with powers of substitution, to resolve to increase the capital, once or several times, as provided for under article 297.1.b) of the Corporate Enterprises Act, subject to the limits set forth therein, and with the power, if applicable, to resolve to exclude first-refusal subscription rights up to a limit of 20% of the capital stock at the time of this authorisation.**

The following is proposed: “Authorise the Board of Directors, in accordance with the provisions of article 297.1.b) of the Corporate Enterprises Act and as broadly as is legally necessary, to increase, once or several times, the capital stock of the Company by a maximum amount of up to 50% of the subscribed and paid-up capital as at the date of this authorisation, i.e. by the sum of €212,586,818. The capital increase or increases, if any, which may be agreed, must be carried out within a maximum period of five years from the date of adoption of this resolution.

The capital increase or increases that may be agreed may be carried out, with or without a share premium, either by increasing the par value of existing shares in accordance with the requirements of the Corporate Enterprises Act, or by issuing new ordinary or preference shares, with or without voting rights, or redeemable shares, or any other means permitted by law, or any other means at the same time, with the consideration for the new shares or the increase in the par value of existing shares consisting of cash contributions. The Board may stipulate the terms and conditions of increases in the capital stock and the characteristics of the shares, as well as freely offer any new shares not subscribed for within the period for the exercise of first refusal subscription rights.

By virtue of this authorisation, the Board of Directors may establish that, in case of incomplete subscription, the capital is increased only in the amount of the subscriptions made, and to rewrite the article of the Bylaws relative to the share capital once the increase is agreed and executed.

By virtue of this authorisation, the Board of Directors may also request the admission to trading of any new securities issued in any Stock Exchange or regulated market, national or foreign, under the terms of the applicable legislation.

The Board of Directors is expressly granted the power to exclude, in whole or in part, first refusal subscription rights pursuant to section 506 of the Corporate Enterprises Act up to a maximum nominal amount, in aggregate, equal to 20% of the capital stock at the time of this authorisation, in respect of all or any of the issues it resolves on the basis of this authorisation.

In any event, if the Board of Directors decides to suppress the first refusal right, it shall, at the time of adopting the corresponding resolution to increase the capital stock, issue a report detailing the specific reasons of corporate interest justifying such measure, which shall be accompanied, if necessary and/or appropriate, by the report of an independent expert referred to in article 308 of the Corporate Enterprises Act (by reference to article 506.3 of the Corporate Enterprises Act). These reports would be made available to the shareholders and communicated to the first General Meeting held after the issuance agreement.

In accordance with articles 286, 297.1.b) and 506 of the Corporate Enterprises Act, the Board of Directors has made a report justifying the present proposal of agreement available to the shareholders.

As provided for in article 249 bis I) of the Corporate Enterprises Act, the Board of Directors is expressly authorised to sub-delegate (with the faculty of substitution when appropriate) in the Executive Committee, the director or Directors it deems pertinent, each and every one of the powers granted to the Board of Directors by virtue of this agreement.

The passing of this resolution implies rendering ineffective, from the time of passing the resolution proposed by the General Shareholders Meeting, in the undisposed part, the previous resolution to authorise the Board of Directors passed under item 8 of the agenda of the Ordinary General Shareholders Meeting of the Company on 8 May 2019."

**7. Reduction of the deadline for calling extraordinary general meetings.**

Article 515 of the Corporate Enterprises Act enables the deadline for calling Extraordinary General Meetings to be at least fifteen days in advance, provided that the Company allows voting to all its shareholders by electronic means and that this reduction is agreed upon at the Ordinary General Shareholders Meeting with the favourable vote of shareholders representing two-thirds of the capital stock. The Act provides that the agreement to reduce the deadline should only be valid until the next Ordinary General Shareholders Meeting.

Based on the foregoing, the following is proposed: "In accordance with article 515 of the Corporate Enterprises Act, to approve that Extraordinary General Meetings may be convened a minimum of fifteen days in advance where necessary. This agreement will remain valid until the next Ordinary General Shareholders Meeting".

**8. Grant directors broad powers to draw up, place on the public record, register, rectify and execute the adopted agreements.**

The following is proposed: "Empower the Board of Directors, the Secretary and Deputy Secretary of the Board of Directors and any of the members of the Board, as broadly as necessary in law, so that any of them may, jointly and severally, interpret, correct, supplement, implement and develop the resolutions adopted at this Meeting; additionally, to (i) make the aforementioned resolutions public and agree on everything necessary for their development and compliance; (ii) sign any public or private documents that may be necessary or appropriate, and carry out any actions necessary for their execution, including the publication of legal notices, before any public or private bodies or bodies, until they are registered in the Companies Registry or any other, and may even execute deeds of ratification, rectification, correction, correction and clarification, in view of the verbal suggestions or the written qualification of the corresponding registrar - and may even request the partial registration of the registrable agreements - and of any other competent public or private body; and (iii) draw up such public or private documents as may be necessary or advisable and carry out such formalities as may be appropriate before the Spanish Securities Market Committee (CNMV), Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear), the Governing Companies of the Stock Exchanges and any other public or private body, entity or registry, both national and international, in order to execute and bring to a successful conclusion the resolutions approved, and also to process any proceedings and documentation of any kind that may be necessary before public or private bodies and, in general, for any actions relating to the resolutions adopted at this General Meeting that may be appropriate.

As provided for in article 249 bis I of the Corporate Enterprises Act, the Board of Directors is expressly authorised to sub-delegate (with the faculty of replacement where appropriate) in the Executive Committee, the Director or Directors it deems suitable, each and every one of the powers granted to the Board of Directors by virtue of the present agreement".



**9. Information to the General Shareholders Meeting on the modification of the Regulations of the Board of Directors approved at its meeting on 29 June 2021.**

In accordance with the provisions of articles 528 and 518.d) of the Corporate Enterprises Act, the Board of Directors made available to the shareholders of the Company, when the call for the Ordinary General Shareholders Meeting was made, a Report explaining the scope and content of the amendment to the Regulations of the Board of Directors approved by the Board of Directors of the Company at its meeting on 29 June 2021.

\*\*\*