



Board of Directors

25 May 2021

**Report of the Board of Directors on
the item Seven on the Agenda
regarding the amendment of the
Bylaws.**

Amendment of the Bylaws (Item Seven of the Agenda of the General Shareholders' Meeting)

Amendment of the Bylaws to adapt them to Act 5/2021 of 12 April 2021, amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, with respect to the promotion of long-term shareholder involvement in listed companies, and to the partial amendment of the Good Governance Code approved by the CNMV on 26 June 2020, as well as to introduce certain technical and drafting clarifications.

Explanatory report of the Board of Directors on item Seven of the Agenda regarding the amendment of the Company's Bylaws.

1. Purpose of report

The Board of Directors of Red Eléctrica Corporación, S.A. (hereinafter the "**Company**"), at a meeting held on 25 May 2021, has resolved to submit to the General Shareholders' Meeting, under item Seven, the amendment of articles 2 ("Corporate Purpose"), 3 ("Nationality and registered office"), 5 ("Capital Stock"), 9 ("Pre-emptive subscription rights of the shareholders"), 11 ("General Shareholders' Meeting"), 12 ("Types of Meetings"), 14 ("Quorum"), 15 ("Right to information and attendance at the Meetings"), 17 ("Constitution of the Presiding Board, mode of deliberation"), 17 bis ("Remote voting"), 20 ("Board of Directors"), 23 ("Audit Committee"), 24 ("Appointments and Remuneration Committee"), 28 ("Preparation of accounts") and 29 ("Audit of accounts") of the Company's Bylaws; as well as the incorporation of new articles 15 bis ("Attendance and representation rights") and 24 bis ("Sustainability Committee") to the Bylaws.

This report is prepared by the Board of Directors of the Company in compliance with the provisions of article 286 of the Spanish Companies Act (*Ley de Sociedades de Capital*), which requires that the directors of capital companies, in order to amend the Bylaws, draft the full text of the amendment they propose and, also, prepare a written report explaining it.

Under article 287 of the Spanish Companies Act, the notice of call of the General Shareholders' Meeting must state the matters that are to be amended with appropriate clarity, and state the right of all shareholders to examine the full text of the proposed amendment and the report thereon at the registered office, and request that those documents be delivered or sent free of charge. These documents also must be published without interruption on the website of the Company from publication of the call, in accordance with the provisions of article 518 of the Spanish Companies Act.

The power to amend the Bylaws is vested in the General Shareholders' Meeting and, in accordance with the provisions of articles 14 and 17 of the Company's Bylaws in force, for their approval a quorum of 50% of the subscribed capital stock with voting rights at first call and 25% of the subscribed capital stock with voting rights at second call is required, as well as the favourable vote of the absolute majority of the votes of the shareholders present or represented at the General Shareholders' Meeting, if the capital present or represented exceeds 50%, or of two thirds if, when the meeting is held on second call, shareholders representing 25% or more of the subscribed capital stock with voting rights do not reach 50%. In this regard, however, in

accordance with the provisions of article 182 bis of the Spanish Companies Act introduced by Act 5/2021 of April 12 2021, amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of July 2 2010, and other financial regulations, with regard to the promotion of the long-term involvement of shareholders in listed companies, in order to approve the amendment to the Bylaws authorising the calling of meetings exclusively by telematic means, the favourable vote of at least two thirds of the capital stock present or represented at the meeting is required.

2. Explanation of the amendments to the Bylaws

As a result of the health crisis generated by the COVID-19 pandemic, which led to most of the General Shareholders' Meetings of listed companies and, among them, the Company's General Shareholders' Meeting held on 14 May 2020, having to be held exclusively by telematic means (based on various regulations that allowed this exceptionally for the financial year 2020 and later also for the financial year 2021) a great impetus has been given to the incorporation of electronic means of remote communication in relation to the operation of the companies and specifically to the possibility of holding the General Shareholders' Meetings by telematic means.

The prior wording of article 182 of the Spanish Companies Act and article 521 of the Spanish Companies Act for listed companies already established the possibility of attending the General Shareholders' Meetings of corporations telematically, as long as it was provided for in the Bylaws and certain requirements were met.

Recently, the Spanish Companies Act has been amended by Act 5/2021 of 12 April 2021, amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, with regard to the promotion of the long-term involvement of shareholders in listed companies and, among other matters, the wording of articles 182 and 521 of the Spanish Companies Act has been adapted to develop the regulation of telematic attendance, also introducing a new article 182 bis to allow the holding of General Shareholders' Meetings exclusively by telematic means, if so provided for in the Company's Bylaws, complying with a series of requirements. Other matters provided for in the Spanish Companies Act have also been amended, such as the scheme of related-party transactions, the exercise of voting rights by intermediary entities and pre-emptive subscription rights, the requirements for directors and their remuneration, among others.

It should also be noted that **on 26 June 2020, the National Securities Market Commission approved the partial amendment of the Code of Good Governance for Listed Companies** (*Código de Buen Gobierno de las Sociedades Cotizadas*) and modified, among other matters, recommendation 7 in such a way that large cap companies should provide, to the extent appropriate, for the possibility of telematic attendance and participation.

With regard to telematic attendance at the General Shareholders' Meetings and with respect to the Company's internal regulations, various electronic and remote communication mechanisms are provided for both attendance at the Company's General Shareholders' Meetings and for casting votes prior to the holding of the General Shareholders' Meeting. However, neither the Company's Bylaws nor the Regulations of the General Shareholders' Meeting provide for the mechanisms and regulations necessary to hold General Shareholders' Meetings following a mixed attendance model (physical and telematic), nor is the possibility of holding Meetings exclusively by telematic means foreseen. Therefore, it is proposed to adapt the Company's Bylaws with a view to the General Shareholders' Meetings of subsequent years, applying the legal authority conferred by articles 182 of the Spanish Companies Act, 182 bis of the Spanish Companies Act and 521 of the Spanish Companies Act, and to continue complying with best corporate governance practices.

In any case, the Board of Directors considers it of the utmost importance to enable, whenever circumstances permit, the physical attendance of shareholders and their representatives at the meetings of the General Shareholders' Meeting as an ordinary channel for the exercise of their rights, together with the possibility of

exercising their rights by remote means of communication prior to the Meeting and also telematically during the Meeting. However, insofar as the law incorporates an authorisation for listed companies to hold General Shareholders' Meetings exclusively by electronic means, it seems appropriate to include this possibility in the Bylaws as another alternative, in order to include all the legally permitted options to allow the calling of General Shareholders' Meetings to be adapted to the circumstances prevailing at any given time.

On the other hand, it is proposed to adapt the Bylaws to the remaining amendments to the Spanish Companies Act introduced by Act 5/2021 of 12 April 2021, amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, as regards the promotion of the long-term involvement of shareholders in listed companies, which affect the powers of the General Shareholders' Meeting, the Board of Directors and the Audit Committee in relation to related-party transactions, the provisions relating pre-emptive rights within capital increases and the remuneration of Directors, among others.

Finally, advantage was taken of this reform to **incorporate certain technical or drafting clarifications** in some articles of the Bylaws.

3. Proposed amendments

1) Amendment of current article 2 ("Corporate Purpose"):

It is proposed to amend current [article 2](#), the heading of which is "Corporate Purpose", for the sole purpose of expressly incorporating in paragraph 1 thereof a reference to current Electricity Industry Act 24/2013 of 26 December 2013.

Accordingly, it is proposed to amend article 2 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p>Article 2. Corporate purpose The purpose of the Company will be:</p> <ol style="list-style-type: none"> 1. to hold, pursuant to the legislation in force from time to time, the capital stock of the company to which the functions of system operator and electricity transmission network manager and electricity transmitter correspond, pursuant to the provisions of Electricity Industry Act 54/1997 of 27 November 1997 (the "Electricity Industry Act"). 2. the management of its business group, constituting the holdings in the capital stock of the companies comprising it. 3. the research, study and planning of investment projects and business organisation, as well as the promotion, creation and development of industrial, commercial or service companies. Research, development and exploitation of communications, information technologies and other new technologies in all their aspects. The provision of assistance or support services to the companies and investees, for which purpose it may provide, on their behalf, such guarantees and sureties as may be appropriate. 4. the design, development, implementation and operation of services relating to the corporate information, management and organisation specific to its activity. 5. this corporate purpose includes all activities which are necessary for or enable its fulfilment, provided that they comply with the law. 	<p>Article 2. Corporate purpose The purpose of the Company will be:</p> <ol style="list-style-type: none"> 1. to hold, pursuant to the legislation in force from time to time, the capital stock of the company to which the functions of system operator and electricity transmission network manager and electricity transmitter correspond, pursuant to the provisions of Electricity Industry Act 54/1997 of 27 November 1997 (the "Electricity Industry Act") and in Electricity Industry Act 24/2013 of 26 December 2013. 2. the management of its business group, constituting the holdings in the capital stock of the companies comprising it. 3. the research, study and planning of investment projects and business organisation, as well as the promotion, creation and development of industrial, commercial or service companies. Research, development and exploitation of communications, information technologies and other new technologies in all their aspects. The provision of assistance or support services to the companies and investees, for which purpose it may provide, on their behalf, such guarantees and sureties as may be appropriate. 4. the design, development, implementation and operation of services relating to the corporate information, management and organisation specific to its activity. 5. this corporate purpose includes all activities which are necessary for or enable its fulfilment, provided that they comply with the law.

2) Amendment of current article 3 ("Nationality and registered office"):

It is proposed to amend current [article 3](#), the heading of which is "Nationality and registered office", in order to more clearly reflect the current scheme for the transfer of the registered office, expressly establishing

that the Board of Directors has the power to transfer it within the national territory, in accordance with the provisions of article 285.2 of the Spanish Companies Act, as amended by Royal Decree Law 15/2017 of 6 October 2017.

Accordingly, it is proposed to amend article 3 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p>Article 3. Nationality and registered office The Company is Spanish by nationality and its registered office is located at Paseo del Conde de los Gaitanes, 177, Alcobendas (Madrid). The Board of Directors may resolve to relocate its registered office within the same municipal district as that in which it is currently established, as well as to open, close or relocate such branches, agencies or offices as may be necessary or appropriate for the pursuit of the corporate activity, both in Spain and abroad.</p>	<p>Article 3. Nationality and registered office The Company is Spanish by nationality and its registered office is located at Paseo del Conde de los Gaitanes, 177, Alcobendas (Madrid). The Board of Directors may resolve to relocate its registered office within the same municipal district as that in which it is currently establishednational territory, as well as to open, close or relocate such branches, agencies or offices as may be necessary or appropriate for the pursuit of the corporate activity, both in Spain and abroad.</p>

3) Amendment of current article 5 ("Capital Stock"):

It is proposed to amend current article 5, the heading of which is "Capital Stock", in order, on the one hand, to eliminate the provision "*Furthermore, the direct or indirect holdings of parties pursuing activities in the Electricity Industry, when added together, must not total more than forty percent (40%).*" contained in section 2.1) given that it is currently no longer in force and, on the other hand, to replace in its section 2.2) the reference to repealed article 4 of Securities Market Act 24/1988 of 28 July 1988, with a reference to article 5 of the current consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015 of 23 October 2015.

Accordingly, it is proposed to amend article 5 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p>Article 5. Capital Stock 1. The capital stock of the Company is two hundred seventy million five hundred forty thousand euros (EUR 270,540,000), represented by five hundred forty-one million eighty thousand shares (541,080,000), of a single class and series, with par value of fifty cents on the euro (€0.50) each, fully subscribed and paid up, represented by book entries. 2. Pursuant to the provisions of the Electricity Industry Act: 1) The total direct or indirect holding owned by any individual or legal entity in the capital stock of the Company can at no time be greater than five percent (5%) of the capital stock of the Company, unless otherwise authorised by the Act. These shares cannot be syndicated for any purpose. No shareholder may exercise more than three percent (3%) of non-economic rights. Parties pursuing activities in the Electricity Industry and individuals or legal entities which directly or indirectly own holdings in the capital thereof equal to more than five percent (5%) may not exercise more than one percent (1%) of non-economic rights. Furthermore, the direct or indirect holdings of parties pursuing activities in the Electricity Industry, when added together, must not total more than forty percent (40%). 2) In order to calculate the holding of each shareholder, an individual or legal entity shall be deemed to own, in addition to the shares and other securities owned or acquired by the entities belonging to its group, as defined in article 4 of Securities Market Act 24/1988, those which are owned by: a) persons acting in their own name but for the account of the aforesaid shareholder, on a specific basis or forming a decision-making unit, the members of a legal entity's Board of Directors being</p>	<p>Article 5. Capital Stock 1. The capital stock of the Company is two hundred seventy million five hundred forty thousand euros (EUR 270,540,000), represented by five hundred forty-one million eighty thousand shares (541,080,000), of a single class and series, with par value of fifty cents on the euro (€0.50) each, fully subscribed and paid up, represented by book entries. 2. Pursuant to the provisions of the Electricity Industry Act: 1) The total direct or indirect holding owned by any individual or legal entity in the capital stock of the Company can at no time be greater than five percent (5%) of the capital stock of the Company, unless otherwise authorised by the Act. These shares cannot be syndicated for any purpose. No shareholder may exercise more than three percent (3%) of non-economic rights. Parties pursuing activities in the Electricity Industry and individuals or legal entities which directly or indirectly own holdings in the capital thereof equal to more than five percent (5%) may not exercise more than one percent (1%) of non-economic rights. Furthermore, the direct or indirect holdings of parties pursuing activities in the Electricity Industry, when added together, must not total more than forty percent (40%). 2) In order to calculate the holding of each shareholder, an individual or legal entity shall be deemed to own, in addition to the shares and other securities owned or acquired by the entities belonging to its group, as defined in article 4 of the consolidated text of the Securities Market Act 24/1988 of 28 July 198854 of the consolidated text of the Securities Market Act 24/1988 of 28 July 1988 Act, approved by Royal Legislative Decree 4/2015 of 23 October 2015, those which are owned by: a) persons acting in their own name but for the account of the aforesaid shareholder, on a specific basis or forming a decision-</p>

<p>deemed, unless proven otherwise, to act for the account of or on a concerted basis with such entity.</p> <p>b) the shareholders with whom the aforesaid shareholder exercises the control of a dependent company. In any event, both the "proprietary" ownership of the shares and other securities and voting rights enjoyed for any other reason are taken into account.</p> <p>3. Notwithstanding the provisions of article 6.2 of these Bylaws, the infringement of the limits indicated in article 5.2 or of those imposed at any time by the legislation in force shall entail the legal consequences determined therein, including, if appropriate, the imposition of the relevant penalties and that which is provided for in these Bylaws.</p> <p>The non-economic rights relating to shares or other securities which, pursuant to the provisions of the legislation force at any given time, exceed the limit stipulated in this article, shall be held in abeyance until they are brought into line with that limit.</p> <p>4. As an exception to the general rule and by reason of the singular regime conferred by the Electricity Industry Act on the State Industrial Holding Company (Sociedad Estatal de Participaciones Industriales), the holding and the voting rights of this Company shall be governed by the provisions of these Bylaws, except where provision is made in the Sole Additional Provision of same.</p>	<p>making unit, the members of a legal entity's Board of Directors being deemed, unless proven otherwise, to act for the account of or on a concerted basis with such entity.</p> <p>b) the shareholders with whom the aforesaid shareholder exercises the control of a dependent company. In any event, both the "proprietary" ownership of the shares and other securities and voting rights enjoyed for any other reason are taken into account.</p> <p>3. Notwithstanding the provisions of article 6.2 of these Bylaws, the infringement of the limits indicated in article 5.2 or of those imposed at any time by the legislation in force shall entail the legal consequences determined therein, including, if appropriate, the imposition of the relevant penalties and that which is provided for in these Bylaws.</p> <p>The non-economic rights relating to shares or other securities which, pursuant to the provisions of the legislation force at any given time, exceed the limit stipulated in this article, shall be held in abeyance until they are brought into line with that limit.</p> <p>4. As an exception to the general rule and by reason of the singular regime conferred by the Electricity Industry Act on the State Industrial Holding Company (Sociedad Estatal de Participaciones Industriales), the holding and the voting rights of this Company shall be governed by the provisions of these Bylaws, except where provision is made in the Sole Additional Provision of same.</p>
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4) Amendment of current article 9 ("Shareholders' pre-emptive right"):

It is proposed to amend current [article 9](#), the heading of which is "Shareholders' pre-emptive right", in order to adapt the minimum period of fifteen days from the publication of the offer of subscription of the issue of new shares in the Official Gazette of the Mercantile Registry within which the former shareholders may exercise the pre-emptive right to subscribe new shares, to the period of fourteen days currently provided for in article 506 of the Spanish Companies Act as amended by Act 5/2021 of 12 April 2021, amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, with regard to the promotion of the long-term involvement of shareholders in listed companies.

Accordingly, it is proposed to amend article 9 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p>Article 9. Shareholders' pre-emptive right</p> <p>Where capital is increased with the issue of new ordinary or preferred shares with a charge to monetary contributions, existing shareholders may exercise, within the time period granted to them for such purpose by the Company's Board of Directors, which shall not be less than fifteen (15) days from the date of publication of the notice of public offering published in the Official Gazette of the Mercantile Registry, the right to subscribe a number of shares proportional to the par value of the shares that they own.</p> <p>Pre-emptive subscription rights shall be transferable on the same terms as the shares to which they relate. In the event of an increase with a charge to reserves, the same rule shall apply to the rights to allocation of the new shares for no consideration.</p> <p>Where any shareholder does not exercise or transfer its pre-emptive subscription right in the manner stipulated in these Bylaws, the Board of Directors may offer the subscription of the corresponding shares to such third parties as it deems appropriate or declare the capital increase to be incomplete, in which case the capital shall only be increased by the amount actually subscribed.</p>	<p>Article 9. Shareholders' pre-emptive right</p> <p>Where capital is increased with the issue of new ordinary or preferred shares with a charge to monetary contributions, existing shareholders may exercise, within the time period granted to them for such purpose by the Company's Board of Directors, which shall not be less than fourteen fifteen (1415) days from the date of publication of the notice of public offering published in the Official Gazette of the Mercantile Registry, the right to subscribe a number of shares proportional to the par value of the shares that they own.</p> <p>Pre-emptive subscription rights shall be transferable on the same terms as the shares to which they relate. In the event of an increase with a charge to reserves, the same rule shall apply to the rights to allocation of the new shares for no consideration.</p> <p>Where any shareholder does not exercise or transfer its pre-emptive subscription right in the manner stipulated in these Bylaws, the Board of Directors may offer the subscription of the corresponding shares to such third parties as it deems appropriate or declare the capital increase to be incomplete, in which case the capital shall only be increased by the amount actually subscribed.</p>

5) Amendment of current article 11 ("General Shareholders' Meeting"):

It is proposed to amend current article 11, the heading of which is "General Shareholders' Meeting", in order, on the one hand, to complete its powers with the following: to approve the statement of non-financial information, in accordance with the provisions of article 49.6 of the Commercial Code, in the wording given by Act 11/2018 of 28 December 2018; to approve the Regulations of the General Shareholders' Meeting, in accordance with the provisions of article 512 of the Spanish Companies Act; and to approve the related-party transactions the approval of which corresponds to the General Shareholders' Meeting under the terms provided by the Act, in accordance with the provisions of article 529 duovicies.1 of the Spanish Companies Act in the wording given by Act 5/2021 of 12 April 2021, amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies; and secondly, to add a last paragraph to this article 11 for the purpose of including a reference regarding the coverage of the accessibility requirements of persons with disabilities and the elderly at the Meeting, in accordance with article 514 of the Spanish Companies Act, as amended by Act 11/2018 of 28 December 2018.

Accordingly, it is proposed to amend article 11 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 11. General Shareholders' Meeting</u> Shareholders, met together in a Shareholders Meeting which has been duly called, shall decide by majority on the matters within the powers of the Shareholders Meeting or on those which are submitted by the Board of Directors, notwithstanding the fact that the Shareholders Meeting cannot usurp or assume powers which are under the exclusive jurisdiction of the Board of Directors. In accordance with the Spanish Companies Act, the Shareholders Meeting has power to deliberate and resolve on the following matters:</p> <p>a) Approval of the annual accounts, distribution of income or allocation of loss and approval of corporate management.</p> <p>b) The appointment and removal of Directors, liquidators and, as the case may be, auditors, as well as the filing of a corporate action for liability against any of them.</p> <p>c) The amendment of the Corporate Bylaws.</p> <p>d) Capital increases and reductions.</p> <p>e) The removal or limitation of the pre-emptive right of subscription or assumption.</p> <p>f) Ordering the acquisition, disposal or contribution to another company of essential assets. The essential nature of the asset will be presumed when the amount of the transaction exceeds twenty-five percent of the value of the assets appearing on the last approved balance sheet.</p> <p>g) An alteration of legal form, merger, spin-off or transfer en bloc of assets and liabilities, and transfer abroad of the registered office .</p> <p>h) Winding up of the company.</p> <p>i) The approval of the final liquidation balance sheet.</p> <p>j) To approve a transfer to dependent entities of essential activities executed until then by the Company, even if the latter continues to fully own the former.</p> <p>k) Approval of the remuneration policy for Directors, in the terms established in the Spanish Companies Act.</p> <p>l) Any other matters determined by the law or the Corporate Bylaws. In particular, the Shareholders Meeting shall have the power to approve transactions the effect of which is equivalent to that of the</p>	<p><u>Article 11. General Shareholders' Meeting</u> Shareholders, met together in a General Shareholders' Meeting which has been duly called, shall decide by majority on the matters within the powers of the General Shareholders' Meeting or on those which are submitted by the Board of Directors, notwithstanding the fact that the General Shareholders' Meeting cannot usurp or assume powers which are under the exclusive jurisdiction of the Board of Directors. In accordance with the Spanish Companies Act, the General Shareholders' Meeting has power to deliberate and resolve on the following matters:</p> <p>a) Approval of the annual accounts, distribution of income or allocation of loss and approval of corporate management.</p> <p>b) Approval of the statement of non-financial information.</p> <p>b)c) The appointment and removal of administrators, liquidators and, if applicable, Statutory Auditors, and exercise of the company's action to enforce liability against any of them.</p> <p>e)d) Amendment of the Company's Bylaws and the Regulations of the General Shareholders' Meeting.</p> <p>d)e) Capital increases and reductions.</p> <p>e)f) The removal or limitation of the pre-emptive right of subscription or assumption.</p> <p>f)g) Ordering the acquisition, disposal or contribution to another company of essential assets. The essential nature of the asset will be presumed when the amount of the transaction exceeds twenty-five percent of the value of the assets appearing on the last approved balance sheet.</p> <p>g)h) An alteration of legal form, merger, spin-off or transfer of block of assets and liabilities, and transfer abroad of the registered office .</p> <p>h)i) Winding up of the Cecompany.</p> <p>i)j) The approval of the final liquidation balance sheet.</p> <p>j)k) To approve a transfer to dependent entities of essential activities executed until then by the Company, even if the latter continues to fully own the former.</p> <p>k)l) Approval of the remuneration policy for Directors, in the terms established in the Spanish Companies Act.</p> <p>m) The approval of related-party transactions the approval of which corresponds to the General Shareholders' Meeting under the terms set forth in the Act.</p> <p>l)n) Any other matters determined by the Llaw or the Corporate Bylaws. In particular, the General Shareholders' Meeting shall have the power to approve transactions the effect of which is equivalent to that of the</p>

<p>modification of the corporate purpose or to the liquidation of the Company.</p> <p>All shareholders, including dissenting and absent shareholders, shall be subject to the resolutions of the Shareholders Meeting notwithstanding the statutory rights and remedies acknowledged to them.</p> <p>The Shareholders Meeting shall be governed by the applicable legislation, by these Bylaws and by its Regulations.</p> <p>The Company guarantees at all times the equal treatment of all shareholders in the same position as regards information, participation and exercise of the right to vote at the Shareholders Meeting.</p>	<p>modification of the corporate purpose or to the liquidation of the Company.</p> <p>All shareholders, including dissenting and absent shareholders, shall be subject to the resolutions of the Shareholders Meeting notwithstanding the statutory rights and remedies acknowledged to them.</p> <p>The General Shareholders' Meeting shall be governed by the applicable legislation, by these Bylaws and by its Regulations.</p> <p>The Company guarantees at all times the equal treatment of all shareholders in the same position as regards information, participation and exercise of the right to vote at the General Shareholders' Meeting.</p> <p><u>In particular, it shall cover the accessibility requirements of persons with disabilities and the elderly to guarantee their right to have prior information and the necessary support to exercise their vote.</u></p>
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6) Amendment of current article 12 ("Types of Meeting"):

It is proposed to amend current article 12, the heading of which is "Types of Meeting", in order to adapt it to the wording of article 164.1 of the Spanish Companies Act regarding the essential matters that must be submitted for approval by the Ordinary Shareholders Meeting, in addition to incorporating "*the other legally required matters*", as is the case, for example, of the annual report on directors' remuneration that must be submitted annually to a consultative vote of the Ordinary Shareholders Meeting, the statement on non-financial information or other cases that may arise.

Accordingly, it is proposed to amend article 12 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 12. Types of Meeting</u></p> <p>Shareholders Meetings may be Ordinary or Extraordinary and must be called by the Company's Board of Directors.</p> <p>The Ordinary Shareholders Meeting must be held, following the relevant call, within the first six months of each fiscal year, with a view to ratifying the conduct of management of the Company, approving, if appropriate, the financial statements and the management report for the previous fiscal year and resolving, as the case may be, on the distribution of income or allocation of loss.</p> <p>Any other matter reserved by law or in the Bylaws to the authority of the Shareholders Meeting may be decided at an Ordinary or Extraordinary Meeting.</p> <p>The Ordinary Shareholders Meeting shall be valid even where called or held late.</p> <p>An Extraordinary Shareholders Meeting shall be held whenever so resolved by the Board of Directors or when requested by a number of shareholders representing at least three percent of the capital stock, stating in their request the business to be transacted at the Meeting. In such case, the Shareholders Meeting must be called to be held within the two months following the date on which the Board of Directors was asked, by way of a notary, to call the Meeting, and the business requested must be included in the Meeting agenda.</p>	<p><u>Article 12. Types of Meeting</u></p> <p>General Shareholders' Meetings may be Ordinary or Extraordinary and must be called by the Company's Board of Directors.</p> <p>The Ordinary General Shareholders' Meeting must be held, following the relevant call, within the first six months of each fiscal year, with a view to, <u>if appropriate, approving</u> ratifying the conduct of management of the Company, approving, if appropriate the financial statements and the management report for the previous fiscal year and resolving <u>as the case may be</u> on the distribution of income or allocation of loss, <u>without prejudice to other legally required matters</u>.</p> <p>Any other matter reserved by law or in the Bylaws to the authority of the Meeting may be decided at an Ordinary or Extraordinary Meeting.</p> <p>The Ordinary General Shareholders' Meeting shall be valid even where called or held late.</p> <p>An Extraordinary General Shareholders' Meeting shall be held whenever so resolved by the Board of Directors or when requested by a number of shareholders representing at least three percent of the capital stock, stating in their request the business to be transacted at the Meeting. In such case, the Meeting must be called to be held within the two months following the date on which the Board of Directors was asked, by way of a notary, to call the Meeting, and the business requested must be included in the Meeting agenda.</p>

7) Amendment of current article 14 ("Quorum"):

It is proposed to amend current article 14, the heading of which is "Quorum" to, on the one hand, eliminate the provision that shareholders with the right to attend and vote who cast their votes remotely shall be counted as present for the purposes of constituting the General Shareholders' Meeting, since it is proposed to include it in article 17 bis for systematic reasons and, on the other hand, to technically complete the provision that shares issued without voting rights or those the holders of which are not up to date in the payment of calls on unpaid capital shall not be counted as present "*or represented*" at any Meeting.

Accordingly, it is proposed to amend article 14 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 14. Quorum</u> Ordinary and Extraordinary General Meetings shall be called and validly convened pursuant to the law. In order for an Ordinary or Extraordinary General Meeting to be able to validly adopt a resolution for a capital increase or reduction or any other amendment of the Corporate Bylaws, the issue of debentures, the removal or limitation of the pre-emptive right of acquisition of new shares, or an alteration of legal form, merger, spin-off or transfer en bloc of assets and liabilities, or the transfer abroad of the registered office, shareholders holding at least 50 percent of the subscribed voting capital stock must attend in person or by proxy on first call. On second call, the attendance of 25 percent of said subscribed voting capital stock shall be sufficient. Shareholders entitled to attend and vote and who cast their votes remotely, as provided for in article 17 of these Bylaws, must be counted as present for the purposes of convening the General Meeting. Non-voting shares and those whose holders are not up to date in the payment of calls on unpaid capital shall not be counted as present at any Shareholders' Meeting. Shares or other securities the non-economic rights of which exceed the limits recognised in article 5 shall not be taken into account when calculating the quorum required to convene the relevant General Meetings or when calculating the majorities for adoption of resolutions.</p>	<p><u>Article 14. Quorum</u> Ordinary and Extraordinary Shareholders Meetings shall be called and validly convened pursuant to the law. In order for an Ordinary or Extraordinary Shareholders Meeting to be able to validly adopt a resolution for a capital increase or reduction or any other amendment of the Corporate Bylaws, the issue of debentures, the removal or limitation of the pre-emptive right of acquisition of new shares, or an alteration of legal form, merger, spin-off or transfer of bloc of assets and liabilities, or the transfer abroad of the registered office, shareholders holding at least 50 percent of the subscribed voting capital stock must attend in person or by proxy on first call. On second call, the attendance of 25 percent of said subscribed voting capital stock shall be sufficient. <u>Shareholders entitled to attend and vote and who cast their votes remotely, as provided for in article 17 of these Bylaws, must be counted as present for the purposes of convening the General Meeting.</u> Non-voting shares and those whose holders are not up to date in the payment of calls on unpaid capital shall not be counted as present <u>or represented</u> at any General Shareholders' Meeting. Shares or other securities the non-economic rights of which exceed the limits recognised in article 5 shall not be taken into account when calculating the quorum required to convene the relevant General Shareholders' Meetings or when calculating the majorities for adoption of resolutions.</p>

8) Amendment of current article 15 ("Right to information and attendance at Meetings") and incorporation of a new article 15 bis ("Rights of attendance and representation"):

It is proposed to amend current article 15, the heading of which is "Right to information and attendance at the Meetings", in order to split it and distribute its current content into two articles (articles 15 and 15 bis), the first of which would be entitled "Right to information" and the second "Rights to attendance and representation".

On the one hand, article 15 maintains the regulation regarding the shareholders' right to information, completing it with respect to the right to information during the Meeting with requests for information or clarification "*with regard to any information accessible to the public that may have been provided by the Company to the National Securities Market Commission since the last General Shareholders' Meeting was held and with regard to the auditors' report*", in accordance with the provisions of article 520.1 of the Spanish Companies Act.

On the other hand, the new article 15 bis enables the possibility of holding the General Shareholders' Meeting following a mixed attendance model (physical and telematic) in accordance with the provisions of article 182 of the Spanish Companies Act or the possibility of holding the General Shareholders' Meeting exclusively telematically if so resolved by the Board of Directors of the Company, in accordance with articles 182 bis and 521.3 of the Spanish Companies Act, and in both cases it is possible to exercise the right to vote by remote electronic means prior to the date of the General Shareholders' Meeting.

It is also proposed to introduce the following amendments to the new article 15 bis: (i) it is expressly incorporated that the Meeting may be broadcast live and recorded in audio-visual form, in accordance with recommendation 7 of the Code of Good Governance for Listed Companies and under the terms set forth in article 9 of the Meeting Regulations; (ii) the provisions relating to the split voting of intermediary entities are adapted in accordance with the new wording of article 524 of the Spanish Companies Act, as amended by Act 5/2021 of 12 April 2021, amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, with regard to the promotion of the long-term involvement of shareholders in listed companies; and (iii) it is specified, in coordination with the

incorporation in the Bylaws of telematic attendance to the General Shareholders' Meeting, that the personal attendance to the General Shareholders' Meeting "*either physically or telematically*" of the represented shareholder shall have the value of revocation of the proxy granted.

Consequently, it is proposed to amend article 15 of the Company's Bylaws, which would be split into two articles, incorporating a new article 15 bis to the Bylaws, with the following wording, highlighting the modifications to the previous one:

Current wording	Proposed new version
<p><u>Article 15. Right to information and attendance at Meetings</u> Shareholders may attend the General Meeting if they are up to date in the payment of calls on unpaid capital and evidence their ownership by way of certification of the registration of their name in the accounting record of book entries at least five days before the date on which the Meeting is to be held. Shareholders shall ask the Entity in charge of the accounting record to issue the appropriate certificate of entitlement or equivalent document from the accounting record of book entries of the Company's securities, in order to obtain, where necessary, the appropriate attendance card from the Company.</p> <p>Directors must attend General Meetings. Shareholders who are entitled to attend may be represented at the General Meeting by another person, in the manner established by articles 184 through 187 and 521, 522, 523 and 524 of the Spanish Companies Act, in relation, in any case, to the provisions of these Bylaws. The proxy must be granted in writing and specifically for each Meeting.</p> <p>Proxies may be also granted by means of postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual granting the proxy and the security of the electronic communications is duly guaranteed, pursuant to the provisions of the applicable legislation and subject, if appropriate, to the provisions of article 17 bis of these Corporate Bylaws on the casting of votes by the aforesaid means, insofar as this is not incompatible with the nature of the proxy granted.</p> <p>The provisions of the preceding two paragraphs shall also apply to the notification to the Company of the appointment of the proxy-holder and to the revocation of the appointment. The Company shall establish the system for electronic notification of the appointment, with the formal, necessary and proportionate requirements in order to guarantee the identity of the shareholder and of the proxy-holder(s) appointed thereby.</p> <p>Where instructions are issued by the represented shareholder, the proxy-holder shall cast the vote in accordance with such instructions and shall be obliged to keep the instructions for a period of one year as from the date of the relevant Meeting.</p> <p>Proxy-holders may hold the proxies of more than one shareholder with no limit on the number of shareholders they may represent. A proxy representing multiple shareholders may cast conflicting votes based on the instructions given by each shareholder. In any event, the number of represented shares will be used in the calculation of a quorum for the Meeting.</p> <p>Prior to his appointment, a proxy-holder must provide detailed information to the shareholder on whether it has any conflict of interest, in accordance with the provisions of article 523 of the Spanish Companies Act. If the conflict arises after his appointment and the proxy-holder has not warned the represented shareholder of its potential existence, it must inform the shareholder immediately. In both cases, if no new specific voting instructions have been received for each of the items on which the proxy-holder is to vote in the name of the shareholder, the proxy-holder must refrain from casting the vote.</p> <p>Where the Directors of the Company, or another acting for the account or in the interests of any of them, have made a public proxy solicitation, the Director obtaining it may not exercise the right to vote attaching to the shares represented on those items on the agenda in respect of which he has a conflict of interest unless he has received specific</p>	<p><u>Article 15. Right to information and attendance at Meetings</u> Shareholders may request such information or explanations as they deem necessary concerning the items of interest to them, in the manner stipulated by the applicable laws, and shall receive information via the Company website as stipulated by the law, these Bylaws and the rules on corporate governance.</p> <p>From the date of publication of the call notice for the General Shareholders' Meeting until the fifth day prior to the date set for holding the Meeting on first call, shareholders may request in writing such information or clarifications as they deem necessary or pose in writing such questions as they deem relevant concerning the items on the <u>Agenda</u>. During the same prior period and in the same manner, or orally during the Meeting, shareholders may request information, clarifications or pose questions concerning publicly available information furnished by the Cecompany to the National Securities Market Commission since the last General Shareholders' Meeting was held and concerning the auditor's report.</p> <p>All valid requests for information, clarifications or questions, made in writing, and the replies provided in writing by the directors, will be uploaded on the Cecompany's website.</p> <p>If prior to the formulation of a specific question, the requested information is clearly, directly and expressly available to all shareholders on the Company website in a question and answer format, Directors may merely reply by referring to the information provided in this form. Directors must furnish the information in writing up to the date of holding the General Shareholders' Meeting.</p> <p>During the holding of the General Shareholders' Meeting, the shareholders of the Company may orally request the information or clarifications they deem fit with regard to the matters on the <u>Agenda</u>, <u>with regard to any information accessible to the public that may have been provided by the Company to the National Securities Market Commission since the last General Shareholders' Meeting was held and with regard to the auditors' report</u> and, if the shareholders' right cannot be satisfied at that time, the directors will be obliged to provide that information in writing within seven days after the General Shareholders' Meeting has ended.</p> <p>Directors must provide the information requested pursuant to the foregoing paragraphs except in cases in which this information is unnecessary to protect shareholders' rights, or objective reasons exist to consider that it may be used for non-corporate purposes or that its disclosure could damage the Company or its related companies. Information may not be refused where the request is supported by shareholders who represent at least twenty-five (25) percent of the capital stock.</p> <p><u>Article 15 bis. Rights of attendance and representation</u></p> <p>Shareholders may attend the General Shareholders' Meeting if they are up to date in the payment of calls on unpaid capital and evidence their ownership by way of certification of the registration of their name in the accounting record of book entries at least five days before the date on which the Meeting is to be held. Shareholders shall ask the Entity in charge of the accounting record to issue the appropriate certificate of entitlement or equivalent document from the accounting record of</p>

voting instructions from the represented shareholder for each item, as provided in this article, in accordance with article 526 of the Spanish Companies Act.

Any entities registered as entitled shareholders according to the share accounting register, albeit acting on behalf of other persons, may in any case split their vote and vote against the proposal, further to different voting instructions, if such are received. These intermediary entities may grant a proxy to each indirect holder or to third parties designated by the latter, without limitation on the number of proxies granted.

Personal attendance of the General Meeting by the shareholder represented shall be deemed to revoke the proxy granted.

Shareholders may request such information or explanations as they deem necessary concerning the items of interest to them, in the manner stipulated by the applicable laws, and shall receive information via the Company website as stipulated by the law, these Bylaws and the rules on corporate governance.

From the date of publication of the call notice for the General Meeting until the fifth day prior to the date set for holding the Meeting on first call, shareholders may request in writing such information or clarifications as they deem necessary or pose in writing such questions as they deem relevant concerning the items on the agenda. During the same prior period and in the same manner, or orally during the Meeting, shareholders may request information, clarifications or pose questions concerning publicly available information furnished by the Company to the National Securities Market Commission since the last General Meeting was held and concerning the auditor's report.

All valid requests for information, clarifications or questions, made in writing, and the replies provided in writing by the directors, will be uploaded on the Company's website.

If prior to the formulation of a specific question, the requested information is clearly, directly and expressly available to all shareholders on the Company website in a question and answer format, Directors may merely reply by referring to the information provided in this form. Directors must furnish the information in writing up to the date of holding the General Meeting.

While the General Meeting is being held, Company shareholders may orally request such information or clarifications as they deem appropriate concerning the items on the agenda and, if this shareholders' right cannot be satisfied at that time, the Directors must provide that information in writing within seven days after the end of the Meeting. Directors must provide the information requested pursuant to the foregoing paragraphs except in cases in which this information is unnecessary to protect shareholders' rights, or objective reasons exist to consider that it may be used for non-corporate purposes or that its disclosure could damage the Company or its related companies. Information may not be refused where the request is supported by shareholders who represent at least twenty-five (25) percent of the capital stock.

No person may accumulate proxies in the name of the same shareholder which confer on it voting rights in the name of that shareholder that exceed the limits established in article 5 of these Bylaws.

book entries of the Company's securities, in order to obtain, where necessary, the appropriate attendance card from the Company.

When the Board of Directors so resolves and it is so provided in the notice of call, the shareholders entitled to attend the General Shareholders' Meeting and their representatives may attend remotely, by telematic and simultaneous means, in a manner that allows their recognition and identification, and proceed to cast the electronic vote remotely during the Meeting and subject to the requirements set forth in the Regulations of the General Shareholders' Meeting and the procedure resolved by the Board of Directors for such purpose.

Additionally, the Board of Directors shall be authorised to call the Meeting to be held exclusively by telematic means, provided that the identity and entitlement of the shareholders and their representatives is duly guaranteed and that all attendees can effectively participate in the meeting by means of appropriate remote communication media, such as audio or video, complemented by the possibility of written messages during the course of the Meeting, to exercise in real time their rights of speech, information, proposal and vote, as well as to follow the interventions of the other attendees by the means indicated above, the Shareholders being entitled to delegate or vote in advance on proposals on items included on the Agenda by any of the means provided for in current legislation, the Company Bylaws and the Regulations of the General Shareholders' Meeting, provided that the minutes of the meeting are drawn up by a notary. The exclusively telematic Meeting shall be deemed to be held at the registered office regardless of where the Chairman of the Meeting is located.

For all purposes, the telematic attendance of the shareholder and the proxy shall be equivalent to physical attendance at the General Shareholders' Meeting.

The **Di**rectors must attend General Shareholders' Meetings.

Also, in order to facilitate its dissemination, it will be possible to broadcast the meeting live and record it in audio-visual form.

Shareholders who are entitled to attend may be represented at the General Shareholders' Meeting by another person, in the manner established by articles 184 through 187 and 521, 522, 523 and 524 of the Spanish Companies Act, in relation, in any case, to the provisions of these Bylaws. The proxy must be granted in writing and specifically for each Meeting.

Proxies may be also granted by means of postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual granting the proxy and the security of the electronic communications is duly guaranteed, pursuant to the provisions of the applicable legislation and subject, if appropriate, to the provisions of article 17 bis of these Corporate Bylaws on the casting of votes by the aforesaid means, insofar as this is not incompatible with the nature of the proxy granted.

The provisions of the preceding two paragraphs shall also apply to the notification to the Company of the appointment of the proxy-holder and to the revocation of the appointment. The Company shall establish the system for electronic notification of the appointment, with the formal, necessary and proportionate requirements in order to guarantee the identity of the shareholder and of the proxy-holder(s) appointed thereby.

Where instructions are issued by the represented shareholder, the proxy-holder shall cast the vote in accordance with such instructions and shall be obliged to keep the instructions for a period of one year as from the date of the relevant Meeting.

Proxy-holders may hold the proxies of more than one shareholder with no limit on the number of shareholders they may represent. A proxy representing multiple shareholders may cast conflicting votes based on the instructions given by each shareholder. In any event, the number of represented shares will be used in the calculation of a quorum for the Meeting.

Prior to his appointment, a proxy-holder must provide detailed information to the shareholder on whether it has any conflict of interest, in

	<p>accordance with the provisions of article 523 of the Spanish Companies Act. If the conflict arises after his appointment and the proxy-holder has not warned the represented shareholder of its potential existence, it must inform the shareholder immediately. In both cases, if no new specific voting instructions have been received for each of the items on which the proxy-holder is to vote in the name of the shareholder, the proxy-holder must refrain from casting the vote.</p> <p>Where the Directors of the Company, or another acting for the account or in the interests of any of them, have made a public proxy solicitation, the Director obtaining it may not exercise the right to vote attaching to the shares represented on those items on the Agenda in respect of which he has a conflict of interest unless he has received specific voting instructions from the represented shareholder for each item, as provided in this article, in accordance with article 526 of the Spanish Companies Act.</p> <p>Any intermediary entities registered as entitled shareholders according to the share accounting register, albeit acting on behalf of other ultimate beneficiaries persons may in any case split their vote and vote against the proposal, further to different voting instructions, if such are received. These intermediary entities may grant a proxy to each of the ultimate beneficiaries indirect holders or to third parties designated by the latter, without limitation on the number of proxies granted.</p> <p>Personal attendance of the General Shareholders' Meeting, either physically or telematically, by the shareholder represented shall be deemed to revoke the proxy granted.</p> <p>No person may accumulate proxies in the name of the same shareholder which confer on it voting rights in the name of that shareholder that exceed the limits established in article 5 of these Bylaws.</p>
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9) Amendment of current article 17 ("Presiding Board, mode of deliberation"):

It is proposed to amend current article 17, which is entitled "Constitution of the Presiding Board, mode of deliberation", to complete the scheme of replacement of the Secretary of the Board as Secretary of the General Shareholders' Meeting, in the event that he/she is unable to attend, stating that in the absence of the Secretary of the Board and the Deputy Secretary of the Board, the General Shareholders' Meeting Secretary shall be "*the person designated by the Board of Directors and, if no such designation exists,*" the Director or shareholder freely chosen by the attending shareholders, in order to coordinate its scheme with that established for the Chairman of the Meeting and also to facilitate the development of the Meeting.

Accordingly, it is proposed to amend article 17 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 17. Presiding Board, mode of deliberation</u></p> <p>The General Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors and, in his absence, if there are Deputy Chairmen, by the relevant Deputy Chairman according to rank or to seniority in the office, if no rank has been established, and, in their absence, by the person designated by the Board of Directors and, in the absence of such designation, by such Director or shareholder as is freely designated by the shareholders in attendance, for each Meeting.</p> <p>The Secretary or Deputy Secretary, if any, of the Board of Directors shall act as Secretary of the Meeting. In the absence of both, such Director or shareholder as is freely designated by the shareholders in attendance, for each Meeting, shall act as Meeting Secretary.</p> <p>The Chairman is responsible for directing and establishing the order of deliberations and speeches; for deciding on the form of voting on resolutions; for resolving any doubts, clarifications or complaints which are raised in relation to the agenda, the list of attendees, ownership of shares, delegations of authority or proxies, the requirements for the valid convening of, and adoption of resolutions by, the Meeting, or regarding the Bylaw limit on the right to vote; and for</p>	<p><u>Article 17. Presiding Board, mode of deliberation</u></p> <p>The General Shareholders' Meeting shall be chaired by the Chairman of the Board of Directors and, in his absence, if there are Deputy Chairmen, by the relevant Deputy Chairman according to rank or to seniority in the office, if no rank has been established, and, in their absence, by the person designated by the Board of Directors and, in the absence of such designation, by such Director or shareholder as is freely designated by the shareholders in attendance, for each Meeting.</p> <p>The Secretary or Deputy Secretary, if any, of the Board of Directors shall act as Secretary of the General Shareholders' Meeting. In the absence of both, the person designated by the Board of Directors and, if no such designation exists, such Director or shareholder as is freely designated by the shareholders attending each Meeting shall act as General Shareholders' Meeting Secretary.</p> <p>The Chairman is responsible for directing and establishing the order of deliberations and speeches; for deciding on the form of voting on resolutions; for resolving any doubts, clarifications or complaints which are raised in relation to the agenda, the list of attendees, ownership of shares, delegations of authority or proxies, the requirements for the valid convening of, and adoption of resolutions by, the Meeting, or</p>

<p>granting the floor to any shareholders requesting it, withdrawing it or refusing it and ending debates when he considers the matter being debated to have been sufficiently discussed.</p> <p>Each share confers the right to one vote. Resolutions shall be adopted by simple majority of the votes of the shareholders present or represented at the Meeting; a resolution will be deemed adopted whenever it obtains more votes in favour than against, of the capital stock present or represented. In order to adopt the resolutions foreseen in article 14 of the Bylaws, which require a greater quorum, if the capital stock present or represented exceeds fifty (50) percent, it will suffice for the resolution to be adopted by an absolute majority. However, the favourable vote of two thirds of the capital stock present or represented at the Meeting will be necessary if, at second call, shareholders attend that represent twenty-five (25) percent or more of the voting capital subscribed, without reaching fifty (50) percent. The foregoing will not apply in those cases where the law requires a greater majority.</p> <p>No person, by virtue of his own right or that of a proxy, may exercise voting rights which exceed the shareholding limits stipulated in article 5 of these Bylaws, with the exception of the provisions on public proxy solicitations set forth in the last paragraph of article 15 above. The statutory limit on shareholding in the Company shall also apply to the maximum number of votes that may be cast, collectively or separately, by two or more shareholders, one of which owns indirect holdings in the capital stock of the Company (as defined in article 5). The limitations on voting rights stipulated by the law and in these Bylaws shall operate with respect to all matters submitted to a vote at a General Meeting, including the right to proportional representation referred to in article 243 of the Spanish Companies Act, but shall not prevent the shares to which said right applies from being counted as voting capital stock in attendance for the purpose of calculating the necessary quorums for convening Meetings.</p> <p>For each resolution submitted to a vote the General Meeting must determine, at minimum, the number of shares with respect to which valid votes have been cast, the proportion of the capital stock represented by such votes, the total number of valid votes, the number of votes for and against each resolution and, as the case may be, the number of abstentions.</p> <p>The resolutions approved and the result of the voting shall be published in full on the Company website within the five days following the end of the General Meeting.</p>	<p>regarding the Bylaw limit on the right to vote; and for granting the floor to any shareholders requesting it, withdrawing it or refusing it and ending debates when he considers the matter being debated to have been sufficiently discussed.</p> <p>Each share confers the right to one vote. Resolutions shall be adopted by simple majority of the votes of the shareholders present or represented at the Meeting; a resolution will be deemed adopted whenever it obtains more votes in favour than against, of the capital stock present or represented. In order to adopt the resolutions foreseen in article 14 of the Bylaws, which require a greater quorum, if the capital stock present or represented exceeds fifty (50) percent, it will suffice for the resolution to be adopted by an absolute majority. However, the favourable vote of two thirds of the capital stock present or represented at the Meeting will be necessary if, at second call, shareholders attend that represent twenty-five (25) percent or more of the voting capital subscribed, without reaching fifty (50) percent. The foregoing will not apply in those cases where the law requires a greater majority.</p> <p>No person, by virtue of his own right or that of a proxy, may exercise voting rights which exceed the shareholding limits stipulated in article 5 of these Bylaws, with the exception of the provisions on public proxy solicitations set forth in the last paragraph of article 15 above.</p> <p>The statutory limit on shareholding in the Company, shall also apply to the maximum number of votes that may be cast, collectively or separately, by two or more shareholders, one of which owns indirect holdings in the capital stock of the Company (as defined in aArticle 5). The limitations on voting rights stipulated by the law and in these Bylaws shall operate with respect to all matters submitted to a vote at a General Shareholders' Meeting, including the right to proportional representation referred to in article 243 of the Spanish Companies Act, but shall not prevent the shares to which said right applies from being counted as voting capital stock in attendance for the purpose of calculating the necessary quorums for convening Meetings.</p> <p>For each resolution submitted to a vote the General Shareholders' Meeting must determine, at minimum, the number of shares with respect to which valid votes have been cast, the proportion of the capital stock represented by such votes, the total number of valid votes, the number of votes for and against each resolution and, as the case may be, the number of abstentions.</p> <p>The resolutions approved and the result of the voting shall be published in full on the Company website within the five days following the end of the General Shareholders' Meeting.</p>
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10) Amendment of current article 17 bis ("Remote voting"):

It is proposed to amend current article 17 bis, the heading of which is "Remote voting", in order to incorporate several technical clarifications and, among them, to modify the heading of the article to "Voting by remote means of communication prior to the Meeting" in order to clearly differentiate it from other cases such as voting during the Meeting in the case of attendance by telematic means.

Likewise, for systematic reasons, the provision currently contained in article 14, according to which "*shareholders with the right to attend and vote who cast their votes remotely in accordance with the provisions of this article shall be counted as present for the purposes of constituting the General Shareholders' Meeting*", is incorporated into this article 17 bis for systematic reasons.

Finally, the current provision according to which "*The Meeting Regulations may regulate the remote exercise of such rights, including, in particular, some or all of the following forms: a) The real-time broadcast of the General Meeting. b) Two-way communication in real time so that shareholders can address the General Meeting from a venue other than the one where it is held. c) A mechanism for exercising the vote before or during the General Meeting without the need to appoint a proxy-holder who is physically present at the Meeting*" is eliminated for systematic reasons, given that all this has been incorporated into various articles of the Bylaws in detail (prior remote voting is provided for in this article 17 bis, and it is proposed to incorporate in

article 15 bis telematic attendance, both simultaneous to physical attendance and exclusively telematic, as well as live broadcasting of the Meeting).

Accordingly, it is proposed to amend article 17 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 17 bis. Remote voting</u></p> <p>Shareholders entitled to attend and vote may cast their vote on the proposals relating to items included on the agenda by postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual exercising his right to vote and the security of the electronic communications are duly guaranteed, in accordance with the provisions of the applicable legislation, as well as of the Regulations of the General Meeting and all such supplementary rules and rules implementing the aforesaid Regulations as may be approved by the Board of Directors. The Meeting Regulations may regulate the remote exercise of such rights, including, in particular, some or all of the following forms:</p> <p>a) The real-time broadcast of the General Meeting.</p> <p>b) Two-way communication in real time so that shareholders can address the General Meeting from a venue other than the one where it is held.</p> <p>c) A mechanism for exercising the vote before or during the General Meeting without the need to appoint a proxy-holder who is physically present at the Meeting.</p> <p>The Board of Directors, having regard to the technical and legal bases making it possible and duly guaranteeing the identity of the individual exercising his right to vote, is authorised to implement the foregoing provisions by establishing the appropriate rules, means and procedures according to the state of the art with a view to instrumenting the casting of votes and the grant of proxies by electronic means, in compliance with any legislation which may be enacted for this purpose.</p> <p>Any implementing provisions adopted by the Board of Directors under the provisions of this article, as well as the means, procedures and forms established for granting a proxy and exercising the right to vote remotely shall be posted on the Company website.</p> <p>Personal attendance at the General Meeting by the shareholder or by his proxy-holder shall constitute the revocation of the vote cast by postal or electronic correspondence or by any other means of remote communication.</p>	<p><u>Article 17 bis. Voting by remote means of communication prior to the Meeting</u></p> <p>Shareholders entitled to attend and vote, may cast their vote on the proposals relating to items included on the Aagenda, prior to the holding of the General Shareholders' Meeting, by postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual exercising his right to vote and the security of the electronic communications are duly guaranteed, in accordance with the provisions of the applicable legislation, as well as of the Regulations of the General Shareholders' Meeting and all such supplementary rules and rules implementing the aforesaid Regulations as may be approved by the Board of Directors.</p> <p>Shareholders entitled to attend and vote who cast their votes remotely, as provided for in this article, must be counted as present for the purposes of convening the General Shareholders' Meeting. The Meeting Regulations may regulate the remote exercise of such rights, including, in particular, some or all of the following forms:</p> <p>a) The real-time broadcast of the General Meeting.</p> <p>b) Two-way communication in real time so that shareholders can address the General Meeting from a venue other than the one where it is held.</p> <p>c) A mechanism for exercising the vote before or during the General Meeting without the need to appoint a proxy-holder who is physically present at the Meeting.</p> <p>The Board of Directors, having regard to the technical and legal bases making it possible and duly guaranteeing the identity of the individual exercising his right to vote, is authorised to implement the foregoing provisions by establishing the appropriate rules, means and procedures according to the state of the art with a view to instrumenting the casting of votes and the grant of proxies by electronic means, in compliance with any legislation which may be enacted for this purpose.</p> <p>Any implementing provisions adopted by the Board of Directors under the provisions of this article, as well as the means, procedures and forms established for granting a proxy and exercising the right to vote remotely shall be posted on the Company website.</p> <p>Personal attendance at the General Shareholders' Meeting by the shareholder or by his proxy-holder shall constitute the revocation of the vote cast by postal or electronic correspondence or by any other means of remote communication.</p>

11) Amendment of current article 20 ("Board of Directors"):

It is proposed to amend current article 20, the heading of which is "Board of Directors", in order to clarify that legal persons "*belonging to the public sector may be appointed to the Board of Directors in representation of a part of the capital stock*", in accordance with the provisions of the twelfth additional provision of the Spanish Companies Act in its wording given by Act 5/2021 of 12 April 2021, amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies, which establishes this exception to the general obligation that the Directors of listed companies must in all cases be natural persons.

Likewise, it is proposed to adapt the scheme of the Directors' remuneration policy to the reform of the Spanish Companies Act by Act 5/2021 of 12 April 2021, amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, with regard to the promotion of the long-term involvement of shareholders in listed companies, and, in this regard,

eliminating the requirement that it must be approved by the Meeting "at least every three years", adding that such approval of the policy shall be "to be applied for a maximum period of three fiscal years", in accordance with the provisions of article 529 novodecies.1 of the Spanish Companies Act in the wording given by the aforesaid Act 5/2021 of 12 April 2021.

Accordingly, it is proposed to amend article 20 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p>Article 20. Board of Directors The Board of Directors shall be formed by at least nine (9) and not more than thirteen (13) members. Directors will be designated by the General Meeting of Shareholders or, if a vacancy arises in advance, the Board will designate it by co-optation. The General Meeting of Shareholders shall set the final number of Directors within the aforesaid maximum and minimum limits. When selecting the Directors, regard shall be had to the Company's capital composition and structure. It shall be sought to have non-executive Directors (independent, proprietary and other external directors) represent a broad majority. In any case, the Board shall be composed in such a way as to ensure that the capital stock is most suitably represented. The Directors appointed shall hold office for four years and may be reappointed indefinitely, notwithstanding the power of the General Meeting of Shareholders to remove them at any time. Directors need not be Company shareholders or members. Both individuals and legal entities may be appointed as Directors. Directors shall be elected in observance of articles 243, 244 and 529 decies of the Spanish Companies Act and supplemental provisions. The Appointments and Remuneration Committee will propose the appointment or re-election of independent Directors. The Board will be in charge of proposing the appointment of all other Directors, subject to a prior opinion from the Appointments and Remuneration Committee. In any case, a proposed appointment or re-election of any Director will include an explanatory report from the Board, appraising the competence, experience and merits of the candidate, which will be attached to the minutes of the General Meeting or Board Meeting. The provisions of this article will also apply to any individuals designated as representatives of a legal entity appointed as a Director. Any proposed representative for a legal entity must be examined by the Appointments and Remuneration Committee. Directorships cannot be held by persons who are in a conflict of interest according to the law. The remuneration of the members of the Board of Directors as such (for their non-executive functions) shall consist of: a fixed annual allotment; remuneration for attending Board of Directors meetings; and a sum for membership in Board of Directors committees. In addition, the Chairman of the Board, the Chairs of Board committees and the Lead Independent Director shall be assigned supplementary remuneration for those functions. The maximum overall annual remuneration for the entire Board and for all the foregoing items shall be approved by the General Meeting and may in no case exceed 1.5% of the Company's net income, approved by the General Meeting; this figure will remain in force insofar as a change is not approved. The foregoing remuneration is, in all cases, a maximum figure and the Board itself shall be in charge of allocating its amount among the aforesaid items and among the Directors in such manner, at such time and in such proportion as the Board determines, based on the tasks and responsibilities assigned to each Director, any membership of Board committees and other objective circumstances deemed relevant. Directors who perform executive functions shall be entitled to receive, in addition, remuneration for those functions that will consist of: (i) fixed remuneration; (ii) short and long-term variable remuneration, which may include the award of shares, or of stock options or</p>	<p>Article 20. Board of Directors The Board of Directors shall be formed by at least nine (9) and not more than thirteen (13) members. Directors will be designated by the General Shareholders' Meeting or, if a vacancy arises in advance, the Board will designate it by co-optation. The General Shareholders' Meeting shall set the final number of Directors within the aforesaid maximum and minimum limits. When selecting the Directors, regard shall be had to the Company's capital composition and structure. It shall be sought to have non-executive Directors (independent, proprietary and other external directors) represent a broad majority. In any case, the Board shall be composed in such a way as to ensure that the capital stock is most suitably represented. The Directors appointed shall hold office for four years and may be reappointed indefinitely, notwithstanding the power of the General Shareholders' Meeting to remove them at any time. Directors need not be Company shareholders or members. Natural persons as well as legal entities belonging to the public sector may be appointed to the Board of Directors in representation of a part of the capital stock. Directors shall be elected in observance of articles 243, 244 and 529 decies of the Spanish Companies Act and supplemental provisions. The Appointments and Remuneration Committee will propose the appointment or re-election of independent Directors. The Board will be in charge of proposing the appointment of all other Directors, subject to a prior opinion from the Appointments and Remuneration Committee. In any case, a proposed appointment or re-election of any Director will include an explanatory report from the Board, appraising the competence, experience and merits of the candidate, which will be attached to the minutes of the General Shareholders' Meeting or Board Meeting. The provisions of this article will also apply to any individuals designated as representatives of a legal entity appointed as a Director. Any proposed representative for a legal entity must be examined by the Appointments and Remuneration Committee. Directorships cannot be held by persons who are in a conflict of interest according to the law. The remuneration of the members of the Board of Directors as such (for their non-executive functions) shall consist of: a fixed annual allotment; remuneration for attending Board of Directors meetings; and a sum for membership in Board of Directors committees. In addition, the Chairman of the Board, the Chairs of Board committees and the Lead Independent Director shall be assigned supplementary remuneration for those functions. The maximum overall annual remuneration for the entire Board and for all the foregoing items shall be approved by the General Shareholders' Meeting and may in no case exceed 1.5% of the Company's net income, approved by the General Shareholders' Meeting; this figure will remain in force insofar as a change is not approved. The foregoing remuneration is, in all cases, a maximum figure and the Board itself shall be in charge of allocating its amount among the aforesaid items and among the Directors in such manner, at such time and in such proportion as the Board determines, based on the tasks and responsibilities assigned to each Director, any membership of Board committees and other objective circumstances deemed relevant. Directors who perform executive functions shall be entitled to receive, in addition, remuneration for those functions that will consist of: (i) fixed remuneration; (ii) short and long-term variable remuneration, which may include the award of shares, or of stock options or</p>

remuneration linked to the share value, subject to the requirements set out in the applicable laws prevailing from time to time; (iii) a welfare component, which will include the appropriate providential arrangements and insurance, and social security; (iv) company benefits; (v) remuneration for post-contractual non-competition; and (vi) in the case of removal from office not due to failure to perform the director's functions, an indemnity. All of the above items for which said Directors may obtain remuneration for performance of executive functions must be set out in a contract with the Company, which shall be previously approved by the Board of Directors with the favourable vote of two-thirds of the Board members, with the Director concerned abstaining from attending the deliberations and from taking part in the vote.

The Company may contract civil liability insurance for Directors.

Remuneration consisting of the award of shares or stock options or remuneration linked to the share value shall require a resolution of the General Meeting of Shareholders. This resolution will include the maximum number of shares that may be allotted during each financial year to this remuneration system, the price for exercising the options or the system for calculating the price for exercising the stock options, the share value taken as a reference, where such is the case, and the term of this remuneration system.

Directors shall be paid or reimbursed for the reasonable and duly justified expenses they incur for attending meetings and other tasks directly related to the performance of their functions, such as travel, lodging, meals and any other expense they may incur.

All remuneration paid to Directors as such and any received for the performance of executive tasks will conform to the Directors' remuneration policy, to be approved by the General Meeting at least every three years, as a separate point of the agenda, in the terms foreseen in the Spanish Companies Act.

Directors' remuneration will in any case be reasonably proportional to the Company's importance, its economic situation from time to time and the market standards of comparable companies. The remuneration system established will aim at encouraging the Company's profitability and long-term sustainability, including the necessary precautions to avoid undertaking excessive risks and rewarding unfavourable results.

The members of the Board of Directors shall discharge their office and their functions with the diligence of an organised businessman and with the loyalty of a loyal representative, acting in good faith and in the Company's best interests, pursuant to the law and to these By-laws.

remuneration linked to the share value, subject to the requirements set out in the applicable laws prevailing from time to time; (iii) a welfare component, which will include the appropriate providential arrangements and insurance, and social security; (iv) company benefits; (v) remuneration for post-contractual non-competition; and (vi) in the case of removal from office not due to failure to perform the director's functions, an indemnity. All of the above items for which said Directors may obtain remuneration for performance of executive functions must be set out in a contract with the Company, which shall be previously approved by the Board of Directors with the favourable vote of two-thirds of the Board members, with the Director concerned abstaining from attending the deliberations and from taking part in the vote.

The Company may contract civil liability insurance for Directors.

Remuneration consisting of the award of shares or stock options or remuneration linked to the share value shall require a resolution of the General Shareholders' Meeting. This resolution will include the maximum number of shares that may be allotted during each financial year to this remuneration system, the price for exercising the options or the system for calculating the price for exercising the stock options, the share value taken as a reference, where such is the case, and the term of this remuneration system.

Directors shall be paid or reimbursed for the reasonable and duly justified expenses they incur for attending meetings and other tasks directly related to the performance of their functions, such as travel, lodging, meals and any other expense they may incur.

All remuneration paid to Directors as such and any received for the performance of executive tasks will conform to the Directors' remuneration policy, to be approved by the General Shareholders' Meeting **at least every three years**, as a separate point of the **Agenda to be applied for a maximum period of three fiscal years**, in the terms foreseen in the Spanish Companies Act.

Directors' remuneration will in any case be reasonably proportional to the Company's importance, its economic situation from time to time and the market standards of comparable companies. The remuneration system established will aim at encouraging the Company's profitability and long-term sustainability, including the necessary precautions to avoid undertaking excessive risks and rewarding unfavourable results.

The members of the Board of Directors shall discharge their office and their functions with the diligence of an organised businessman and with the loyalty of a loyal representative, acting in good faith and in the Company's best interests, pursuant to the law and to these By-laws.

12) Amendment of current article 23 ("Audit Committee"):

It is proposed to amend current [article 23](#), the heading of which is "Audit Committee" for the purpose, firstly, of completing the requirements for its composition in accordance with the provisions of article 529 quaterdecies.1 of the Spanish Companies Act ("*as a whole, the members of the Committee shall have the relevant technical knowledge in relation to the sector of activity to which the Company belongs*").

Secondly, it is proposed to complete the powers of the Committee in accordance with the provisions of paragraphs a) to f) of article 529 quaterdecies.4 of the Spanish Companies Act in its wording given by Act 22/2015 of 20 July 2015 on Audit of Accounts. Likewise, and as regards related-party transactions, a new section (vii) of article 23.2 incorporates the competence of the Committee to "*report on the related-party transactions to be approved by the General Shareholders' Meeting or the Board of Directors and to supervise the internal procedure established by the Company for those the approval of which has been delegated*", eliminating section 3 of the current section 2.(vii) of this article 23, all in accordance with article 529 quaterdecies.4, letters g) and f) of the Spanish Companies Act in the wording given by Act 5/2021 of 12 April 2021, amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies. Likewise, it is proposed to complete paragraphs (ii) regarding the "*financial*

and non-financial" risk management systems and (iii) regarding monitoring "and evaluating" the process of preparation and presentation of the mandatory financial "and non-financial" information, in accordance with recommendation 42.1.a) of the Code of Good Governance for Listed Companies as amended in June 2020, in order to give a more complete picture of the Committee's competencies.

Accordingly, it is proposed to amend article 23 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 23. Audit Committee</u></p> <p>1. The Company shall have an Audit Committee composed of a number of members to be determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5), from among non-executive Directors and with a majority of Independent Directors, all of whom are to be appointed taking into account their knowledge of and experience in accounting and/or audit. The Chairman shall be an Independent Director designated from among its members. The Secretary of the Board of Directors shall act as Secretary of the Audit Committee.</p> <p>The Committee shall support the Board of Directors in supervising economic and financial processes and the independence of the External Auditor, and in the internal control of the Company.</p> <p>2. The Audit Committee shall have at least the following powers:</p> <p>(i) To report at General Shareholders' Meetings on matters falling within its jurisdiction which are raised in relation to the matters entrusted to the Committee.</p> <p>(ii) To supervise the efficacy of the Company's internal control, any internal audit, and risk management systems, including tax risks, as well as discuss with the External Auditors any significant weaknesses of the internal control system detected in the course of the audit.</p> <p>(iii) Supervising the process of preparation and presentation of the required financial information.</p> <p>(iv) To present to the Board of Directors any proposals for selection, appointment, re-election and replacement of External Auditors, as well as the terms of their contract, and to regularly collect from the auditors information on the auditing plan and its performance, as well as to preserve their impartiality during the exercise of their tasks.</p> <p>To duly engage with the External Auditors in order to receive information on any issues that may jeopardise their independence, for their examination by the Committee, and any other issues relating to the audit process, as well as other communications provided for in audit legislation and audit standards. In any case, they must receive each year from the External Auditors a statement of their independence in relation to the Company or entities related to the Company directly or indirectly, as well as information on additional services of any kind provided to such entities, and any professional fees paid by these entities, by those External Auditors or by persons or entities related to those auditors in accordance with the provisions of auditing legislation in force.</p> <p>Before the auditors' report is issued, to issue a report each year expressing an opinion on the independence of the External Auditors or audit firms. This report must, in any case, contain an appraisal of the provision of the additional services referred to in the preceding letter, considered both individually and overall, other than legal auditing services and in relation to the independence requirement or auditing regulations.</p> <p>(v) To previously inform the Board of Directors about any matters foreseen in the law, Bylaws and Board Regulations, to particularly include:</p> <p>1. Any financial information that the Company needs to periodically publish.</p>	<p><u>Article 23. Audit Committee</u></p> <p>1. The Company shall have an Audit Committee composed of a number of members to be determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5), from among non-executive Directors and with a majority of Independent Directors, all of whom are to be appointed taking into account their knowledge of and experience in accounting and/or audit. The Chairman shall be an Independent Director designated from among its members. The Secretary of the Board of Directors shall act as Secretary of the Audit Committee.</p> <p><u>As a whole, the members of the Committee shall have the relevant technical knowledge in relation to the sector of activity to which the Company belongs.</u></p> <p>The Committee shall support the Board of Directors in supervising economic and financial processes and the independence of the External Auditor, and in the internal control of the Company.</p> <p>2. The Audit Committee shall have at least the following powers:</p> <p>(i) To report to the General Shareholders' Meeting on questions posed in respect of matters within the competence of the Committee, <u>in particular regarding the results of the audit, explaining how it has contributed to the integrity of the financial information and the role played by the Committee in this process.</u></p> <p>(ii) To supervise the efficacy of the Company's internal control, any internal audit, and systems for management of risks, <u>financial and non-financial, including tax risks,</u> as well as discuss with the External Auditors any significant weaknesses of the internal control system detected in the course of the audit, <u>all without compromising its independence. For such purposes, it if applicable may submit recommendations or proposals to the Board of Directors and the corresponding term for their monitoring.</u></p> <p>(iii) Monitoring <u>and evaluating</u> the process of preparation and presentation of the required financial <u>and non-financial</u> information <u>and presenting recommendations or proposals to the Board of Directors, aimed at safeguarding its integrity.</u></p> <p>(iv) To present to the Board of Directors any proposals for selection, appointment, re-election and replacement of External Auditors, as well as the terms of their contract, <u>taking responsibility for the selection process, in accordance with current legislation,</u> and to regularly collect from the auditors information on the auditing plan and its performance, as well as to preserve their impartiality during the exercise of their tasks.</p> <p>(v) To establish appropriate relations with the External Auditors in order to receive information on those matters that may <u>jeopardise constitute a threat to</u> their independence, for examination by the Committee, and any other matters related to the auditing process, as well as any other communications provided for in auditing legislation and auditing standards; <u>as well as to authorise, as it deems appropriate, services of the External Auditors other than those prohibited, under the terms contemplated in the applicable legislation on audit of accounts.</u> In any case, they must receive each year from the External Auditors a statement of their independence in relation to the Company or entities related to the Company directly or indirectly, as well as <u>detailed and individualised</u> information on additional services of any kind provided to such entities, and any professional fees paid by these entities, by those External Auditors or by persons or entities related to those auditors in accordance with the provisions of auditing legislation in force.</p>

<p>2. The creation or acquisition of participations in special purpose vehicles or entities domiciled in countries or territories that are considered tax havens.</p> <p>3. Any operations with related parties.</p> <p>(vi) Any other power attributed to the Board, either in general in its Regulations or entrusted to it in particular. The provisions established in iv), v) and v) above will apply without prejudice to applicable auditing regulations.</p> <p>3. Any member of the management team or Company personnel who is required for such purpose shall be obliged to attend Committee meetings and must provide assistance and allow access to the information available to him. In order to discharge its functions, the Committee shall have access to the means necessary for its functioning.</p> <p>4. The Board of Directors shall expand on the powers and the rules of operation of the Audit Committee either in specific regulations or in special provisions of the Board Regulations, and will strive to encourage the Committee's independence in the exercise of its tasks.</p>	<p>(vi) Annually, prior to the issue of the audit report, issuing a report stating an opinion as to whether the independence of the External Auditors or audit companies has been compromised. This report must, in any case, contain a reasoned appraisal of the provision of each and every one of the additional services referred to in the preceding letter, considered both individually and overall, other than legal auditing services and in relation to the independence requirement or auditing regulations.</p> <p>(vii) Report on related-party transactions to be approved by the General Shareholders' Meeting or the Board of Directors and supervise the internal procedure established by the Company for those the approval of which has been delegated.</p> <p>(vii)(viii) To previously inform the Board of Directors about any matters foreseen in the law, Bylaws and Board Regulations, to particularly include:</p> <ol style="list-style-type: none"> 1. Any financial information that the Company needs to periodically publish. 2. The creation or acquisition of participations in special purpose vehicles or entities domiciled in countries or territories that are considered tax havens. <p>3. Any operations with related parties.</p> <p>(viii)(ix) Any other power attributed to the Board, either in general in its Regulations or entrusted to it in particular. The provisions established in iv), v) and v) above will apply without prejudice to applicable auditing regulations.</p> <p>3. Any member of the management team or Company personnel who is required for such purpose shall be obliged to attend Committee meetings and must provide assistance and allow access to the information available to him. In order to discharge its functions, the Committee shall have access to the means necessary for its functioning.</p> <p>4. The Board of Directors shall expand on the powers and the rules of operation of the Audit Committee either in specific regulations or in special provisions of the Board Regulations, and will strive to encourage the Committee's independence in the exercise of its tasks.</p>
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13) Amendment of current article 24 ("Appointments and Remuneration Committee"):

It is proposed to amend current [article 24](#), the heading of which is "Appointments and Remuneration Committee" in order to eliminate in letter i) of paragraph 2 the clauses "*and corporate responsibility*" and "*as long as no ad hoc Committee has been set up for those functions*", since the Company currently has a Sustainability Committee with reporting, proposal and advisory powers to the Board in this matter.

Accordingly, it is proposed to amend article 24 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p>Article 24. Appointments and Remuneration Committee</p> <p>1. The Company shall have an Appointments and Remuneration Committee, which shall be formed by a number of Directors to be determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) from amongst the non-executive Directors, and with the majority of its members being Independent Directors. The Committee Chairman shall be an Independent Director elected by its members and the Secretary shall be the Secretary of the Board of Directors.</p> <p>2. Without prejudice to any other tasks entrusted by Act, these Bylaws or, in line with the same, the Board of Directors Regulations, the Appointments and Remuneration Committee will at least hold the following powers:</p> <p>a) To evaluate the competences, knowledge and experience required for the Board of Directors. For these purposes, it will define the functions and skills required of candidates that are to fill each vacancy and will evaluate the time and dedication necessary for them to be able to effectively perform their duties.</p>	<p>Article 24. Appointments and Remuneration Committee</p> <p>1. The Company shall have an Appointments and Remuneration Committee, which shall be formed by a number of Directors to be determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) from amongst the non-executive Directors, and with the majority of its members being Independent Directors. The Committee Chairman shall be an Independent Director elected by its members and the Secretary shall be the Secretary of the Board of Directors.</p> <p>2. Without prejudice to any other tasks entrusted by Act, these Bylaws or, in line with the same, the Board of Directors Regulations, the Appointments and Remuneration Committee will at least hold the following powers:</p> <p>a) To evaluate the competences, knowledge and experience required for the Board of Directors. For these purposes, it will define the functions and skills required of candidates that are to fill each vacancy and will evaluate the time and dedication necessary for them to be able to effectively perform their duties.</p>

<p>b) To establish a representation goal for the least represented gender on the Board of Directors and provide guidelines on how to obtain this goal.</p> <p>c) To present the Board of Directors for any proposed appointments of independent Directors, for their designation by co-optation or to be decided upon by the General Meeting, as well as any proposals to re-elect or remove these Directors by the General Meeting.</p> <p>d) To forward any proposed appointments of the other Directors, for their designation by co-optation or to be decided upon by the General Shareholders' Meeting, as well as any proposals to re-elect or remove these Directors by the General Shareholders' Meeting.</p> <p>e) Reporting on proposals for appointment and removal of senior managers and the basic terms of their contracts.</p> <p>f) To examine and arrange the succession process of the Chairman of the Board of Directors and CEO of the Company and, if necessary, to make proposals to the Board of Directors in order for this succession to take place in an orderly and planned manner.</p> <p>g) To propose to the Board of Directors the remuneration policy for Directors and general managers, or those performing senior management duties and directly reporting to the Board, Executive Committees or Managing Directors, as well as their individual remuneration and other contractual conditions of executive Directors, ensuring that these are observed.</p> <p>h) To propose to the Board the appointment of the Lead Independent Director.</p> <p>i) To assume such reporting, supervising and proposing functions in the area of corporate governance and corporate responsibility, as may be determined by the Board of Directors, as long as no ad hoc Committee has been set up for those functions.</p> <p>3. The Board of Directors will establish the number of members of the Appointments and Remuneration Committee and will develop its competences and operating rules, either in specific Regulations or in special provisions of the Board Regulations, striving to encourage the Committee's independence when exercising its duties.</p>	<p>b) To establish a representation goal for the least represented gender on the Board of Directors and provide guidelines on how to obtain this goal.</p> <p>c) To present the Board of Directors for any proposed appointments of independent Directors, for their designation by co-optation or to be decided upon by the General Shareholders' Meeting, as well as any proposals to re-elect or remove these Directors by the General Shareholders' Meeting.</p> <p>d) To forward any proposed appointments of the other Directors, for their designation by co-optation or to be decided upon by the General Shareholders' Meeting, as well as any proposals to re-elect or remove these Directors by the General Shareholders' Meeting.</p> <p>e) Reporting on proposals for appointment and removal of senior managers and the basic terms of their contracts.</p> <p>f) To examine and arrange the succession process of the Chairman of the Board of Directors and CEO of the Company and, if necessary, to make proposals to the Board of Directors in order for this succession to take place in an orderly and planned manner.</p> <p>g) To propose to the Board of Directors the remuneration policy for Directors and general managers, or those performing senior management duties and directly reporting to the Board, Executive Committees or Managing Directors, as well as their individual remuneration and other contractual conditions of executive Directors, ensuring that these are observed.</p> <p>h) To propose to the Board the appointment of the Lead Independent Director.</p> <p>i) To assume such reporting, supervising and proposing functions in the area of corporate governance <u>and corporate responsibility</u>, as may be determined by the Board of Directors, <u>as long as no ad hoc Committee has been set up for those functions</u>.</p> <p>3. The Board of Directors will establish the number of members of the Appointments and Remuneration Committee and will develop its competences and operating rules, either in specific Regulations or in special provisions of the Board Regulations, striving to encourage the Committee's independence when exercising its duties.</p>
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14) Addition of a new article 24 bis ("Sustainability Committee"):

It is proposed to incorporate a new article 24 bis, the heading of which would be "Sustainability Committee" in order to expressly incorporate this Board Committee, which already exists in the Company, into the Company's Bylaws, including its basic composition and competencies, in coordination with the provisions of the Board Regulations.

Consequently, it is proposed to incorporate a new article 24 bis to the Company's Bylaws, with the following wording:

Proposed new version

Article 24 bis. Sustainability Committee

1. The Company shall have a Sustainability Committee, which shall be formed by a number of Directors to be determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) from amongst the non-executive Directors, and with the majority of its members being Independent Directors.

The Committee Chairman shall be an Independent Director elected by its members and the Secretary shall be the Secretary of the Board of Directors.

2. Without prejudice to any other tasks entrusted by these Bylaws or, in line with the same, the Board of Directors Regulations, the Sustainability Committee will at least hold the following powers:

a) Supervise and periodically review the content of and compliance with the Group's sustainability policy, as well as the sustainability aspects of other corporate policies with a relevant impact in this area.

b) Supervise that the Company's environmental and social practices are in line with the Group's sustainability strategy and policy.

c) Supervise and review sustainability information in accordance with international reference standards, reporting thereon to the Board of Directors.

d) To perform duties of reporting, supervision and proposal in sustainability matters, as determined by the Board of Directors.

3. The Board of Directors will establish the number of members of the Sustainability Committee and will develop its competences and operating rules, either in specific Regulations or in special provisions of the Board Regulations, striving to encourage the Committee's independence when exercising its duties.

15) Amendment of current article 28 ("Formulation of accounts"):

It is proposed to amend current article 28, the heading of which is "Formulation of accounts", to provide that the Management Report "*shall include the statement of non-financial information*", in accordance with article 253 of the Spanish Companies Act, as amended by Act 11/2018 of 28 December 2018.

Accordingly, it is proposed to amend article 28 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 28. Formulation of accounts</u> The Board of Directors, within not more than the first three months of each financial year or, as the case may be, such period as may be determined by law, shall prepare the financial statements, the management report and the proposal for the distribution of income or allocation of loss, as well as the consolidated financial statements and management report, if any.</p>	<p><u>Article 28. Formulation of accounts</u> The Board of Directors, within not more than the first three months of each financial year or, as the case may be, such period as may be determined by law, shall prepare the financial statements, the management report, which shall include the statement of non-financial information, and the proposal for the distribution of income or allocation of loss, as well as the consolidated financial statements and management report, if any.</p>

16) Amendment of current article 29 ("Audit of accounts"):

It is proposed to amend current article 29, the heading of which is "Audit of accounts", to provide that the Management Report "*shall include the statement of non-financial information*", in accordance with article 253 of the Spanish Companies Act, as amended by Act 11/2018 of 28 December 2018.

Accordingly, it is proposed to amend article 29 of the Bylaws, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 29. Audit of accounts</u> The auditors shall have at least one month from the time they are given the signed financial statements to present their report. The financial statements and the management report and, as the case may be, where applicable, the consolidated financial statements and management report, must be submitted, as the case may be, to the examination and reporting of the auditors referred to in articles 263 et. seq. of the Spanish Companies Act.</p>	<p><u>Article 29. Audit of accounts</u> The auditors shall have at least one month from the time they are given the signed financial statements to present their report. The Ffinancial Sstatements and the Mmanagement Rreport, which shall include the statement of non-financial information, as well as, if applicable, the consolidated Ffinancial Sstatements and Mmanagement Rreport, must be submitted, as the case may be, to the examination and reporting of the auditors referred to in articles 263 et. seq. of the Spanish Companies Act.</p>

4. Separate voting on matters.

In accordance with best corporate governance practices and as established in article 197 bis of the Spanish Companies Act, it is proposed to submit to the General Shareholders' Meeting the amendments to the Bylaws,

grouped by subject and in independent sections, having determined the following groups, which in turn correspond to the Titles and Sections into which the Bylaws are divided:

- (i) Articles pertaining to Title I ("Name, purpose, registered office and term of the Company") of the Bylaws (articles 2 and 3).
- (ii) Articles pertaining to Title II ("Capital stock and shares") of the Bylaws (articles 5 and 9).
- (iii) Articles pertaining to Section One ("Shareholders' Meeting") of Title III ("Company Bodies") of the Bylaws (articles 11, 12, 14, 15, 17 and 17 bis).
- (iv) New article 15 bis relating to the right to attend and representation, which has been separated from the previous group as it is considered a matter of sufficient relevance and autonomy to be dealt with independently, taking into account, on the one hand, the novelty of the Meetings with telematic attendance and, in particular, of the exclusively telematic Meetings, and on the other hand, the legal requirement that a two-thirds majority of the shareholders present or represented at the Meeting is required for its approval.
- (v) Articles pertaining to Section Two ("Management Body") of Title III ("Company Bodies") of the Bylaws (articles 20, 23, 24 and the new 24 bis).
- (vi) Articles pertaining to Title IV ("Fiscal Year, Accounting Documents and Distribution of Profits") of the Bylaws (articles 28 and 29).

5. Approval of report

For all the above reasons and in accordance with the provisions of article 287 of the Spanish Companies Act, the Board of Directors proposes the amendment of the Company's Bylaws and issues this Report on said amendment.

In Madrid, on 25 May 2021.