

REPORT PREPARED BY THE BOARD OF DIRECTORS OF TELEFÓNICA, S.A.

REGARDING THE PROPOSED AMENDMENTS TO THE BY-LAWS AND TO THE REGULATIONS FOR THE GENERAL SHAREHOLDERS' MEETING THAT ARE SUBMITTED UNDER ITEMS VII AND VIII OF THE AGENDA FOR THE 2015 ORDINARY GENERAL SHAREHOLDERS' MEETING

April 29, 2015

1. PURPOSE OF THE REPORT

This report has been prepared by the Board of Directors of Telefónica, S.A. (the “**Company**” or “**Telefónica**”) in order to provide a rationale for the proposed amendments to the By-Laws and to the Regulations for the General Shareholders’ Meeting that will be submitted to the shareholders for approval, under items VII and VIII of the Agenda, at the Company’s General Shareholders’ Meeting called to be held on June 11, 2015, at 1 p.m., on first call, and on June 12, 2015, at 13 p.m., on second call.

Section 286 of the Companies Act (per the restated text approved by Royal Legislative Decree 1/2010, of July 2, the “**Companies Act**” (“**Ley de Sociedades de Capital**”) or the “**LSC**”), requires that the Directors prepare a written report providing a rationale for the proposed amendment to the By-Laws submitted to the shareholders for approval at the General Shareholders’ Meeting. In view of the unity of purpose, this report also includes the rationale for the proposed amendments to the Regulations for the General Shareholders’ Meeting.

The Company’s Board of Directors has prepared this report in compliance with the aforementioned requirement in order to set forth and substantiate the proposed amendments to the By-Laws and to the Regulations, including the proposed resolutions as annexes hereto and, for merely informational purposes, a two-column table providing a comparison between the current text and the text resulting from the proposed amendments.

2. RATIONALE FOR THE PROPOSED AMENDMENTS

The amendments to the By-Laws and to the Regulations for the General Shareholders’ Meeting submitted for approval at the General Shareholders’ Meeting serve a twofold purpose:

- (i) Conforming to the amendments made to the Companies Act by Law 31/2014, of December 3, which modifies the Companies Act in order to improve corporate governance (“**Law 31/2014**”).
- (ii) Introducing certain technical and text organization improvements.

3. DETAILED RATIONALE FOR THE PROPOSALS

The rationale for and a more detailed explanation of the proposed amendments are provided below:

(A) Proposed amendment of Article 15 of the By-Laws and Article 5 of the Regulations for the General Shareholders' Meeting

The proposed amendment of Article 15 of the By-Laws and, in parallel, of Article 5 of the Regulations for the General Shareholders' Meeting is intended to adjust such provisions to the changes made by Law 31/2014 in connection with the specification of the powers vested exclusively in the shareholders acting at a General Shareholders' Meeting, both for companies (*sociedades de capital*) in general (Section 160 LSC) and for listed companies (Section 511 *bis*).

The list of powers vested exclusively in the shareholders acting at a General Shareholders' Meeting that is included in Article 15 has been updated in order to conform it to the powers listed in the aforementioned Law 31/2014. As regards the power to approve transactions relating to essential assets and activities, which power was already vested in the shareholders acting at the Company's General Shareholders' Meeting, the By-Laws now provide the circumstances under which such essential nature is legally presumed, all in accordance with the new text of LSC Section 160.f). Moreover, new powers have been added that were not previously granted to the shareholders at Telefónica's General Shareholders' Meeting, including, in particular, the power to release the directors from the obligations deriving from the duty of loyalty in those cases in which the shareholders' authorization is legally mandatory (LSC Section 230) and the approval of the Director compensation policy (LSC Section 511 *bis*.1.c)), also in order to align the provisions of the By-Laws with the new legal requirements.

Additionally, the purpose of the proposed amendment of Article 5 of the Regulations for the General Shareholders' Meeting is to reflect in the text thereof the same amendments proposed to be made in the By-Laws as described above. The rationale for such amendment is therefore the same.

(B) Proposed amendment of Articles 16 and 17 of the By-Laws and Articles 7 and 8 of the Regulations for the General Shareholders' Meeting

Law 31/2014 has amended Sections 495 and 519 of the LSC in order to reduce the minimum capital percentage required at listed corporations (*sociedades anónimas cotizadas*) for the exercise of certain minority rights, namely: to request that a General Shareholders' Meeting be called, to include new items on the agenda and to submit well-founded proposals for resolutions.

Consequently, in order to adjust the internal regulations to these new legal provisions, it is proposed to amend:

- (i) The third paragraph of Article 16 of the By-Laws, regarding the request for a Meeting to be called, in order to provide that when such request is made by the shareholders, it must be supported by the holders of 3% of the share capital.

- (ii) The fourth paragraph of Article 17 of the By-Laws, regarding the supplement to the call to meeting, in order to provide that one or more shareholders representing 3% of the share capital may request the inclusion of new items in the agenda for a Meeting that has already been called.
- (iii) Section 2 of Article 7 of the Regulations for the General Shareholders' Meeting, regarding the request for a Meeting to be called, and section 3 of Article 8 of the Regulations for the General Shareholders' Meeting, regarding the supplement to the call to meeting, in order to reflect in the Regulations for the General Shareholders' Meeting the same amendments proposed to be made in the By-Laws.
- (iv) Section 4 of Article 8 of the Regulations for the General Shareholders' Meeting, which provides for the possibility of submitting well-founded proposals for resolutions regarding items already included or that must be included in the agenda for the General Shareholders' Meeting called, which submission must be supported by the holders of 3% of the share capital.

The occasion of amending Article 17 of the By-Laws is also used to include a technical improvement. To the extent that there are specific instances in which the shareholders acting at a General Shareholders' Meeting may deliberate on matters that are not included in the Agenda, this possibility is now expressly contemplated in the By-Laws.

(C) Proposed amendment of Article 19 of the By-Laws and Article 12 of the Regulations for the General Shareholders' Meeting

The proposed amendment of article 19 of the By-Laws is based in the new article 521 bis LSC. This article modifies the maximum threshold to which the By-Laws may condition the assistance of the shareholder to the General Shareholders' Meeting. Now is no required one per thousand of the share capital, but the ownership of a number of shares, and specifically one thousand.

The proposed amendment aims to precisely set at three hundred the number of shares required to attend the General Shareholders' Meeting, so that, to date, it is required is that the shareholder attending owns shares representing a par value of three hundred euros. It is note that, in any case, since Telefonica shares have a par value of one euro, the proposed amendment does not change the rule currently in force.

The proposed amendment of article 12 of the rules of the Regulations for the General Shareholders' Meeting intends to accommodate the wording of the Regulations to the proposed statutory amendment, and therefore obeys the same foundation.

(D) Proposed amendment of Article 22 of the By-Laws and Article 10 of the Regulations for the General Shareholders' Meeting

Articles 22 of the By-Laws and 10 of the Regulations for the General Shareholders' Meeting govern the shareholders' right to receive information. As Law 31/2014 has introduced many changes in this regard through LSC Sections 197 and 520, the proposed amendment of the aforementioned provisions is intended to reflect such changes in both sets of internal regulations.

Firstly, the period for exercise of the right to receive information prior to the holding of the General Shareholders' Meeting is extended by law two days, such that it may now be exercised through the fifth day, rather than the seventh day, prior to the Meeting. To adapt the By-Laws and the Regulations of the General Shareholders' Meeting to this amendment, it is proposed to amend section 1 of Article 22 of the By-Laws and of Article 10 of the Regulations. Rather than specifically express the period to exercise the right to information, it is included a generic mention of the period provided for in the law.

Additionally, the By-Law regulation of the right to receive information is conformed to the new legal provisions in force, specifying the cases in which the Board is not required to accommodate the requests received (per LSC Sections 197 and 520.1), namely: when the information is unnecessary for the protection of shareholder rights, when there are objective reasons to believe that it might be used for *ultra vires* purposes, or when publication thereof may prejudice the Company or related companies.

Thirdly, provision is made for the required publication on the corporate website of the valid requests for information or clarifications submitted or the questions asked in writing by the shareholders in exercise of their right to receive information, as well as of the answers provided in writing by the Directors (LSC Section 520.2).

Finally, it is provided that the answers may be limited to a reference to the information provided in question & answer format, when it is so available in a clear, express and direct manner to all shareholders on the Company's website (LSC Section 520.3).

(E) Proposed amendment of Article 29 of the By-Laws

The purpose of the proposed amendment of this article is to bring it into line with the provisions of LSC Section 529 *undecies*, which reduces the maximum period of a Director's term of office from five to four years.

In any event, the amendment is proposed in the understanding that the reduction of the period of the term of office will not apply to Directors appointed prior to January 1, 2014, who may serve out their term even if it exceeds the maximum period established upon amendment, in compliance with paragraph three of the Interim Provision of Law 31/2014, according to which: "*Directors appointed prior to January 1, 2014 may complete their term of office even if they exceed the maximum term established upon article 529 undecies of the restated text of the Companies Act*".

(F) Proposed amendment of Article 33 of the By-Laws

The proposed amendment of Article 33 of the By-Laws is intended to conform the regulation of conflicts of interest affecting Directors to the new text of LSC Section 229 as amended by Law 31/2014. The text of this article has been simplified in view of the profuse legal regulation of this matter, which renders unnecessary such a detailed provision therefor in the By-Laws.

(G) Proposed amendment of Article 35 of the By-Laws

Director compensation is one of the matters regarding which Law 31/2014 has introduced more changes. Following the reform, the position of Director is a remunerated position unless the By-Laws provide otherwise (LSC Section 529 *sexdecies*), and a clear distinction is made between the compensation of Directors in their capacity as such and that received for the performance of executive duties (Sections 529 *septdecies* and 529 *octodecies*). Listed companies must approve a Director compensation policy that contemplates compensation for a Director serving as such and for the performance of executive duties.

The proposed amendment of Article 35 is intended to reflect these new developments in the By-Laws.

Section 1 governs the compensation of Directors in their capacity as such. Such compensation may not exceed the maximum amount approved by the shareholders at the General Shareholders' Meeting. Pursuant to LSC Sections 217 and 529 *septdecies*, such amount shall be distributed by the Board among the Directors by taking into account the duties and responsibilities assigned to each of them as well as the Directors' membership on Committees within the Board and other objective circumstances that are deemed relevant.

Section 3 governs the compensation of executive Directors for the performance of executive duties, specifying that such compensation shall conform to the Director compensation policy approved by the shareholders at the General Shareholders' Meeting and that it shall conform to the compensation policy approved by the General Shareholders' Meeting.

Section 4 explicit the obligation to prepare a Director compensation policy, which must be approved at the General Shareholders' Meeting every three years, with imperative vote, and as a separate item on the agenda, all this in accordance with article 529 *novodecies* LSC and the transitional rules of the Law 31/2014.

(H) Proposed amendment of Article 37 of the By-Laws and Article 7 of the Regulations for the General Shareholders' Meeting

Article 37 of the By-Laws is amended in order to conform it to the changes made by Law 31/2014 in connection with the delegation of powers of the Board, essentially the new Articles 249 bis and 529 ter LSC: the substantial increase in the powers that may not be delegated by the Board of Directors. Before the reform the powers previously concerned only the accounting for corporate management and the submission of balance sheets to the shareholders at the General Shareholders' Meeting, as well as those powers that the shareholders had delegated to the Board itself unless there was an express authorization to sub-delegate them. According to the new legal provisions is described as non-delegable in Article 37 of the By-Laws all the matters that are non-delegable according to law, the By-Laws and the Regulations of the General Shareholders' Meeting. Thus, it empowers the Regulations of the General Shareholders' Meeting to regulate in detail what are the non-delegable powers of the Board of Directors of Telefónica.

Moreover, as it is necessary to bring the Regulations for the General Shareholders' Meeting into line with this new list of non-delegable powers, it is also proposed to

amend Article 7 thereof, which allowed the Board to delegate the power to call the General Shareholders' Meeting; this possibility has been excluded following the enactment of Law 31/2014 (which includes it in LSC Section 249 *bis*) and, therefore, it is proposed to remove the portion of this provision that allowed such delegation.

(I) Proposed amendment of Article 39 of the By-Laws

The proposed amendment of Article 39 of the By-Laws seeks to conform it to LSC Section 529 *quaterdecies* as to two essential matters, namely, the composition of the Audit and Control Committee and the duties thereof.

As regards the composition of this Committee, it is necessary to reflect in the By-Laws the legal requirement that at least two of its members be independent Directors and that at least one Director be appointed taking into account his knowledge and experience in accounting matters.

As regards the purview of the Audit Committee, the changes in sections (i) through (vi) of paragraph 3 are merely stylistic in nature and are intended to conform the text to the legal provisions in force, but the content thereof remains substantially the same. It should be noted that an innovation is that section (vii) now also includes, as a power of the Audit and Control Committee, the power to report to the Board in advance on all matters contemplated by law.

(J) Proposed amendment of Article 40 of the By-Laws

The purpose of the proposed amendment of Article 40 of the By-Laws is twofold: first, it seeks to include in the By-Laws the idea that the Nominating, Compensation and Good Governance Committee, whose existence now prescribes as mandatory by law, will be assigned in all cases a list of minimum legal duties. Such list, which will be subject to development in the Regulations of the Board of Directors, is currently under LSC Section 529 *quinquedecies*, as mandatory.

Furthermore, the second purpose of the amendment is to include a provision required to enable the Board to comply with Recommendation number 48 of the Good Governance Code for listed companies of February 2015, whereby it is advised that "*companies with high capitalization have a separate nominating committee and a separate compensation committee.*" To such end, the proposal authorizes the Board to split the Nominating, Compensation and Corporate Governance Committee into two separate Committees, namely, a nominating committee and a compensation committee, with the power to assign corporate governance duties to either of them.

(K) Proposed amendment of Article 9 of the Regulations for the General Shareholders' Meeting

The purpose of the proposed amendment of Article 9 of the Regulations for the General Shareholders' Meeting is to bring this provision into compliance with the requirements of LSC Section 518, regarding the general information that must be published on the corporate website prior to the General Shareholders' Meeting. A new section f) is added to include the relevant specific documents in the event that the shareholders must decide on the appointment, ratification or re-election of members of

the Board of Directors. As a result of the inclusion of this new section, the old section f) now becomes section g).

(L) Proposed amendment of Article 13 of the Regulations for the General Shareholders' Meeting

It is proposed to amend section 3 of Article 13 in order to provide, pursuant to LSC Section 524, that intermediary institutions duly registered as shareholders according to the book-entry share register that act for the account of several persons may (i) delegate the right to vote to each indirect holder, and (ii) split the vote and exercise the right to vote in a different direction in compliance with differing voting instructions.

(M) Proposed amendment of Article 23 of the Regulations for the General Shareholders' Meeting

The proposed amendment of Article 23 of the Regulations is intended to conform it to the requirements of the new LSC Section 197 *bis*, which governs the submission of matters to a separate vote and provides, in connection with the Directors, that not only the appointment thereof shall be submitted to a separate vote, as already provided by Telefónica's Regulations, but also the ratification, re-election or removal thereof.

(N) Proposed inclusion of a new Article 23 *bis* in the Regulations for the General Shareholders' Meeting

Following the reform introduced by Law 31/2014, LSC Section 190 extends to corporations (*sociedades anónimas*) the duty of shareholders to abstain in certain conflict of interest situations that previously applied only to limited liability companies (*sociedades limitadas*). Due to the significance of the extended application of this duty, it is proposed to include a new article, namely Article 23 *bis*, in the Regulations for the General Shareholders' Meeting in order to contemplate this matter. Section 1 thereof provides that shareholders may not vote on the approval of a resolution designed to release them from an obligation or to give them a right, to provide them with any kind of financial assistance or to release them, if they are Directors, from the obligations arising from the duty of loyalty.

Section 2 also contemplates, pursuant to the provisions of LSC Section 523, the possibility that a proxy-holder acting as the shareholder's representative is affected by a conflict of interest. In this case, the representative may exercise the right to vote only if, after disclosing the conflict, such representative has received specific voting instructions from the shareholder granting the proxy.

(O) Proposed amendment of Article 24 of the Regulations for the General Shareholders' Meeting

Section 1 of this article is amended only to specify that the majority mentioned therein is a simple majority. It is thus made clear, in accordance with LSC Section 201, that the majority required to approve ordinary resolutions is reached when there are more votes in favor than against, without calculating abstentions or blank or invalid votes.

ANNEX I: TEXT OF THE PROPOSED AMENDMENT OF THE BY-LAWS

For purposes of voting on the proposed amendments to the By-Laws, and in accordance with the requirements of LSC Section 197 *bis*, the groups of articles that constitute independent blocks will be subject to a separate vote. Although practically all of the amendments pursue the same purpose, namely, to conform the By-Laws to the reform of the Companies Act, the amendments have been grouped into three large blocks, each of which will be submitted to a vote as a separate item on the agenda in view of the specific matter to which the amendments refer:

- 1) The first block, which will be submitted to the shareholders as item VII.A on the agenda, is comprised of the articles of the By-Laws relating to the General Shareholders' Meeting and the powers of the shareholders thereof. Specifically, it includes Articles 15 (Powers of the shareholders acting at a General Shareholders' Meeting), 16 (Ordinary and Extraordinary General Shareholders' Meeting), 17 (Call to the General Shareholders' Meeting), 19 (Right to attend) and 22 (Shareholders' right to receive information).
- 2) The second block, which will be submitted to the shareholders as item VII.B on the agenda, is comprised of the article of the By-Laws relating to the Director compensation. The amendment of Article 35 (Compensation) is submitted to the shareholders under this item.
- 3) The third block, which will be submitted to the shareholders as item VII.C on the agenda, is comprised of the articles of the By-Laws relating to the organization of the Board of Directors and the executive and advisory bodies thereof. Submitted to the shareholders under this item are the proposed amendments of Articles 29 (Composition and appointment of the Board of Directors), 33 (Conflict of interest of the Directors), 37 (Powers of the Board of Directors), 39 (Audit and Control Committee), and 40 (Nominating, Compensation and Corporate Governance Committee).

Item VII.A: In connection with the By-Law provisions regarding the General Shareholders' Meeting and the powers of the shareholders thereat, it is proposed to amend the following provisions:

a) To amend Article 15 of the By-Laws, which shall hereafter read as follows:

“Article 15.- Powers of the shareholders acting at a General Shareholders' Meeting

The shareholders acting at a General Shareholders' Meeting shall decide on the matters assigned thereto by law or these By-Laws and, in particular, regarding the following:

- 1) Approval of the annual financial statements, the allocation of profits/losses, and corporate management.*
- 2) Appointment, re-appointment and removal of Directors, and ratification of Directors appointed by co-optation.*
- 3) Appointment, re-appointment and removal of Auditors.*
- 4) Appointment and removal of Liquidators.*
- 5) Commencement of corporate claims for liability against any of the persons referred to in numbers 2) to 4) of this article.*
- 6) Amendment of the By-Laws.*
- 7) Increase and reduction of share capital, and delegation to the Board of Directors of the power to increase share capital, in which case it may also be attributed the power to disapply or establish restrictions upon pre-emptive rights, as established by law.*
- 8) Elimination of or establishment of restrictions upon pre-emptive rights.*
- 9) Transformation, merger, split-off, overall assignment of assets and liabilities, and relocation of the registered address abroad.*
- 10) Dissolution of the Company.*
- 11) Issuance of debentures and other marketable securities recognizing or creating debt, and delegation to the Board of Directors of the power to issue them.*
- 12) The transformation of the Company into a holding company through “subsidiarization” or by entrusting subsidiaries with the conduct of core activities theretofore carried out by the Company itself.*
- 13) The acquisition, disposition or contribution of essential operating assets from or to another company. For purposes of this section and the preceding section, an asset or activity shall be deemed to be essential when the*

amount of the transaction exceeds twenty-five (25%) percent of the value of the assets recorded in the last approved balance sheet.

14) Transactions the effect of which is tantamount to liquidating the Company.

15) The approval of the final balance sheet upon liquidation.

16) Releasing the Directors, from the legal prohibition relating to conflicts of interest when law necessarily attributes this competence to the General Shareholders' Meeting.

17) The Director compensation policy.

18) Any other matter that the Board of Directors resolves to submit to a decision thereof, in compliance with the applicable laws and regulations."

b) To amend Article 16 of the By-Laws, which shall hereafter read as follows:

"Article 16.- Ordinary and Extraordinary General Shareholders' Meeting

1. The shareholders acting at an Ordinary General Shareholders' Meeting, which shall have previously been called for such purpose, shall meet within the first six months of each fiscal year in order, if appropriate, to approve corporate management, the financial statements for the prior fiscal year and decide on the allocation of profits/losses. Resolutions may also be adopted regarding any other matter properly coming before them, provided that such matter appears on the Agenda or is legally applicable, and a quorum for the General Shareholders' Meeting has been established with the presence of the required share capital.

2. The Ordinary General Shareholders' Meeting shall be valid even if it has been called or is held beyond the applicable deadline.

3. Any General Shareholders' Meeting other than as provided for in the preceding paragraph shall be deemed an extraordinary General Shareholders' Meeting and shall be held at any time of the year, provided that the Board of Directors deems it appropriate or when so requested in writing by the holders of at least 3% of the share capital, which request shall set forth the matters to be dealt with. In this instance, the General Shareholders' Meeting shall be called to be held within the period legally provided for. The Board of Directors shall prepare the Agenda, in which it shall include at least the matters set forth in the request.

4. All General Shareholders' Meetings, whether Ordinary or Extraordinary, which have been duly called, shall be validly constituted with the minimum quorum required by law, taking into account the matters included in the Agenda."

c) To amend Article 17 of the By-Laws, which shall hereafter read as follows:

“Article 17.- Call to the General Shareholders’ Meeting

1. *The General Shareholders’ Meeting shall be called with the minimum advance notice required by law, through a notice published, at least:*

a) *In the Official Bulletin of the Commercial Registry or in one of the more widely circulated newspapers in Spain.*

b) *On the website of the National Securities Market Commission.*

c) *On the Company’s corporate website.*

The notice published on the Company’s corporate website shall be continuously accessible at least until the date of the General Shareholders’ Meeting. The Board of Directors may also publish notices in other media, if it deems it appropriate to ensure the public and effective dissemination of the call to meeting.

2. *The call notice shall contain all the statements required by law in each case and, in any event, shall set forth the date, place and time of the meeting upon first call and all the matters to be dealt with thereat. The notice may also set forth the date on which the General Shareholders’ Meeting shall, if applicable, be held upon second call.*

3. *Except in the cases provided by law, General Shareholders’ Meetings may not deliberate on or discuss matters that are not included in the Agenda.*

4. *At Ordinary General Shareholders’ Meetings, shareholders representing at least 3% of the share capital may request the publication of a supplement to the call including one or more items in the Agenda, so long as such new items are accompanied by a rationale or, if applicable, by a well-founded proposal for a resolution.*

5. *In addition, shareholders representing at least 3% of the share capital may submit well-founded proposals for resolutions regarding items already included or that must be included in the Agenda for the General Shareholders’ Meeting called.*

6. *The rights provided for in the two preceding paragraphs must be exercised by means of duly authenticated notice that must be received at the Company’s registered office within five days of the publication of the call to meeting. The supplement to the call to meeting and the proposals for resolutions must be published or disseminated in compliance with the legal requirements and advance notice provided by law.”*

d) To amend Article 19 of the By-Laws, which shall hereafter read as follows:

“Article 19.- Right to attend

1. *The right to attend General Shareholders' Meetings shall accrue to the holders of at least 300 shares, provided that such shares are registered in their name in the corresponding book-entry registry five days in advance of the date on which the General Shareholders' Meeting is to be held, and provided also that they present evidence thereof with the appropriate attendance card or certificate issued by any of the entities participating in the institution that manages such book-entry registry or in any other manner permitted by law.*

2. *Holders of a lesser number of shares may grant a proxy in respect thereof to a shareholder having the right to attend, as well as group together with other shareholders in the same situation until reaching the required number of shares, following which a proxy must be granted by the shareholders so grouped together to one of such shareholders. The grouping must be carried out specifically for each General Shareholders' Meeting and be recorded in writing.*

3. *The Directors must attend General Shareholders' Meetings, except when unable to do so upon duly justified grounds. Non-attendance by any of them shall not affect the valid constitution of the General Shareholders' Meeting.*

4. *The General Shareholders' Meeting may also be attended by senior executive officers, technicians, experts and such other persons as may have a relationship with the Company in the opinion of the Chairman of the General Shareholders' Meeting. The Chairman of the General Shareholders' Meeting may also authorize the attendance of any other person that he sees fit, including media, analysts, etc., although the General Shareholders' Meeting may revoke such authority."*

e) To amend Article 22 of the By-Laws, which shall hereafter read as follows:

"Article 22.- Shareholders' right to receive information

1. *From the publication of the notice of the call to a General Shareholders' Meeting and during the period required by law, any shareholder may submit a written request for such information or clarifications as it deems are required, or ask written questions it deems are pertinent, regarding the matters included in the call Agenda, or regarding information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the immediately prior General Shareholders' Meeting and regarding the auditor's report.*

2. *During the course of the General Shareholders' Meeting, the shareholders may verbally request such information or clarifications as they deem appropriate regarding the matters contained in the Agenda, or regarding the information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the last General Shareholders' Meeting, or regarding the auditor's report.*

3. *The Board of Directors must provide the information requested pursuant to the two preceding paragraphs, in the manner and by the deadlines provided by law, except in those cases in which it is legally inadmissible and, in particular, when such information is unnecessary for the protection of shareholder rights, there are objective reasons to believe that it might be used for ultra vires purposes, or publication thereof may prejudice the Company or related companies. The information may not be withheld when the request is supported by shareholders representing at least one-fourth of the share capital.*

Valid requests for information or clarifications submitted or questions asked in writing by the shareholders, as well as the answers provided in writing by the Directors, shall be posted on the Company's website.

If the information requested by the shareholders has been clearly, expressly and directly made available to all shareholders in question & answer format on the Company's corporate website, the Board of Directors' may limit its response to a reference to the information provided in such format.

4. *In the case of the Ordinary General Shareholders' Meeting and in the other cases established by law, the call notice shall make the appropriate references regarding the right to examine at the registered office and obtain, immediately and without charge, the documents that are to be submitted to the General Shareholders' Meeting for approval and, if appropriate, such report or reports as may be determined by law."*

Item VII.B: In connection with the By-Law provisions containing the Directors compensation, it is proposed to amend the following provision:

"Article 35.- Compensation

1. *The compensation of Directors in their capacity as such, i.e., as members of the Board of Directors and for the performance of the duty of supervision and collective decision-making inherent in such body, shall consist of a fixed and specific monthly remuneration and of fees for attending meetings of the Board of Directors and the executive and advisory Committees thereof. The compensation amount that the Company may annually pay to all of its Directors as remuneration and attendance fees shall be fixed by the shareholders at the General Shareholders' Meeting, which amount shall remain unchanged until and unless the shareholders decide to modify it. The Board of Directors shall determine the exact amount to be paid within such limit and the distribution thereof among the Directors, taking into account the duties and responsibilities assigned to each Director, their membership on Committees within the Board of Directors and other objective circumstances that it deems relevant.*

2. *In addition, independently of the compensation established in the preceding paragraph, provision is hereby made for the establishment of Director compensation systems that are linked to the listing price of the shares or that entail the delivery of shares or of stock options. The*

application of such compensation systems must be approved by the shareholders at the General Shareholders' Meeting, who shall determine the value of the shares to be taken as a reference, the number of shares to be delivered to each Director, the exercise price of stock options, the duration of such compensation system and other conditions they deem appropriate.

3. Executive Directors shall receive such compensation as the Board determines for the performance of executive duties delegated or entrusted to them by the Board of Directors. Such compensation shall conform to the Director compensation policy approved by the shareholders at the General Shareholders' Meeting."

4. The Director compensation policy shall conform, to the extent applicable, to the compensation system provided for in this Article and shall be approved by the shareholders at the General Shareholders' Meeting at least every three years as a separate item on the agenda."

Item VII.C: In connection with the By-Law provisions regarding the organization of the Board of Directors and the executive and advisory bodies thereof, it is proposed to amend the following provisions:

a) To amend Article 29 of the By-Laws, which shall hereafter read as follows:

"Article 29.- Composition and appointment of the Board of Directors

1. The Board of Directors shall be composed of a minimum of five members and a maximum of twenty, to be appointed at the General Shareholders' Meeting.

2. Directors shall serve in their position for a maximum period of four years. They may be re-elected one or more times to terms of the same maximum duration.

3. The Board of Directors shall have the power to fill, on an interim basis, any vacancies that may occur therein, by appointing, in such manner as is legally allowed, the persons who are to fill such vacancies until the holding of the next General Shareholders' Meeting."

b) To amend Article 33 of the By-Laws, which shall hereafter read as follows:

"Article 33.- Conflict of interest of the Directors

1. The Directors shall notify the Board of Directors of any situation of direct or indirect conflict with the interest of the Company that may affect them. The Director involved shall abstain from voting on resolutions or decisions relating to the transaction affected by the conflict. Conflict of interest situations shall be included in the annual report.

2. Directors may not carry out, on their own behalf or on behalf of others, activities that may entail effective competition with the Company or that

may otherwise place them in a situation of permanent conflict of interest therewith, except with express authorization by means of a resolution of the shareholders at a General Shareholders' Meeting. The following shall not be deemed to be in a situation of effective competition with the Company: (i) companies controlled by the Company (within the meaning of Article 42 of the Commercial Code) and (ii) companies with which the Company maintains a strategic alliance, even if they have the same or a similar or complementary corporate purpose. Neither shall proprietary Directors of competitor companies appointed at the request of the Company or as a result of the equity interest held by the Company in such competitor companies be deemed to be in breach of the prohibition on competition."

- c) To amend Article 37 of the By-Laws, which shall hereafter read as follows:

"Article 37.- Powers of the Board of Directors

1. Pursuant to the provisions of law and these By-Laws, the Board of Directors is the highest body entrusted with the administration and representation of the Company, and therefore has the power to carry out, within the scope of the corporate purpose defined in these By-Laws, any acts or legal transactions by way of Administration or disposition, upon any legal title, except for those which fall within the scope of the powers exclusively granted by law or these By-Laws to the General Shareholders' Meeting.

2 The Board of Directors sitting as a full body shall approve the matters provided for under the applicable legislation.

3. If there are urgent and duly justified circumstances, and if so permitted by law, the Executive Commission may adopt decisions on matters reserved to the Board of Directors, provided, however, that they must be ratified at the first meeting held by the Board after they have been adopted."

- d) To amend Article 39 of the By-Laws, which shall hereafter read as follows:

"Article 39.- Audit and Control Committee

1. An Audit and Control Committee shall be created within the Board of Directors, which shall be composed of such number of Directors as may be determined by the Board of Directors from time to time, although in no case may there be fewer than three Directors, to be appointed by the Board of Directors. All of the members of such Committee shall be external or non-executive Directors. At least two of them must be independent Directors, and one of them shall be appointed taking into account such Director's knowledge and experience in accounting, auditing or both.

2. The Chairman of the Audit and Control Committee, which position shall be held by an independent Director in all cases, shall be appointed by the Committee itself from among its members and shall hold office for four

years, and may be re-elected after the passage of one year from ceasing to act as such.

3. The Audit and Control Committee shall have the following duties, at a minimum:

(i) To report to the shareholders at the General Shareholders' Meeting regarding matters raised therein in connection with the matters for which it is responsible.

(ii) To submit to the Board of Directors the proposals for selection, appointment, re-election and replacement of the external auditor, as well as the terms and conditions of the contract therewith, and regularly obtain from such external auditor information regarding the audit plan and the implementation thereof, in addition to preserving its independence in the performance of its duties.

(iii) To supervise the effectiveness of the Company's internal control system, the internal audit and the systems for management of risks, including tax risks, as well as to discuss with the Auditor the significant weaknesses in the internal control system detected during the audit.

(iv) To supervise the process of preparation and submission of regulated financial information.

(v) To establish and maintain appropriate relations with the Auditor in order to receive, for review by the Committee, information on all matters that could jeopardize the independence thereof, as well as any other matters relating to the audit procedure, and such other communications as may be provided for in auditing legislation and in technical auditing regulations. In any event, the Audit and Control Committee must receive annually written confirmation from the Auditor of its independence vis-à-vis the entity or entities directly or indirectly related thereto, as well as information regarding additional services of any kind provided to such entities by the Auditor, or by the persons or entities related thereto, pursuant to the legislation in force.

(vi) To issue on an annual basis, prior to the issuance of the audit report, a report stating an opinion regarding the independence of the Auditor. This report must in all cases include an opinion on the provision of the additional services referred to in point (v) above.

(vii) To report to the Board of Directors in advance on all matters contemplated by law, in the By-Laws and the Regulations of the Board of Directors.

(viii) Any other powers granted to it under the Regulations of the Board of Directors."

e) To amend Article 40 of the By-Laws, which shall hereafter read as follows:

“Article 40.- Nominating, Compensation and Corporate Governance Committee

1. A Nominating, Compensation and Corporate Governance Committee shall be created within the Board of Directors, which shall be composed of such number of Directors as may be determined by the Board of Directors from time to time, although in no case may there be fewer than three Directors, to be appointed by the Board of Directors. All of the members of such Committee must be external or non-executive Directors and the majority of them must be independent Directors.

2. The Chairman of the Nominating, Compensation and Corporate Governance Committee, which position shall be held by an independent Director in all cases, shall be appointed by the Committee itself from among its members.

3. The Nominating, Compensation and Corporate Governance Committee shall have the duties provided for under the applicable legislation, at a minimum.

4. The Board may approve the creation of two Committees, separately assigning duties in connection with appointments to one of them and duties in connection with compensation to the other, with the power to assign corporate governance duties to either of them.”

ANNEX II: TEXT OF THE PROPOSED AMENDMENT OF THE REGULATIONS FOR THE GENERAL SHAREHOLDERS' MEETING

Item VIII: In connection with the Regulations for the General Shareholders' Meeting, it is proposed to amend the following provisions:

- a) To amend Article 5 of the Regulations for the General Shareholders' Meeting, which shall hereafter read as follows:

“Article 5. Powers of the shareholders at the General Shareholders' Meeting

The shareholders acting at the General Shareholders' Meeting shall have the power to deliberate upon and adopt resolutions on all such matters as legal provisions and the By-Laws reserve for decision thereat, and, in general, on all matters which fall within the scope of powers assigned by law to the shareholders and are submitted at the General Shareholders' Meeting at the behest of the Board of Directors and of the shareholders themselves, in such instances and in such manner as are provided in the law and the By-Laws. In particular, the General Shareholders' Meeting shall decide the following matters:

- a) The approval of the financial statements, the allocation of profits/losses, and the review of corporate management.*
- b) The appointment, reappointment and removal of Directors, as well as the ratification of Directors appointed by co-optation.*
- c) The appointment, reappointment and removal of auditors.*
- d) The appointment and removal of liquidators.*
- e) The commencement of company action for liability against any of the persons referred to in letters b) to d) of this article.*
- f) The amendment of the By-Laws.*
- g) The increase and reduction in the share capital, as well as delegation to the Board of Directors of the power to increase the share capital, in which case it may also be granted the power to exclude or restrict pre-emptive subscription rights, as provided by law.*
- h) The elimination of or establishment of restrictions upon pre-emptive subscription rights.*
- i) The transformation, merger, split-off, overall assignment of assets and liabilities, relocation of the registered address abroad.*
- j) The dissolution of the Company.*

- k) The issuance of debentures and other marketable securities that recognize or create a debt, and delegation to the Board of Directors of the power to issue them.*
 - l) The transformation of the Company into a holding company through “subsidiarization” or by entrusting subsidiaries with the conduct of core activities theretofore carried out by the Company itself.*
 - m) The acquisition, disposition or contribution of essential operating assets from or to another company. For purposes of this section and the preceding section, an asset or activity shall be deemed to be essential when the amount of the transaction exceeds twenty-five (25%) percent of the value of the assets recorded in the last approved balance sheet.*
 - n) Transactions the effect of which is tantamount to liquidating the Company.*
 - o) The approval of the final balance sheet upon liquidation.*
 - p) Releasing the Directors from the legal prohibition relating to conflict of interest when law necessarily attributes this power and duty to the General Shareholders’ Meeting.*
 - q) The Director compensation policy.*
 - r) Any other matter that the Board of Directors resolves to submit to its decision in accordance with the applicable legislation.”*
- b) To amend Article 7 of the Regulations for the General Shareholders’ Meeting, which shall hereafter read as follows:

“Article 7. Power and obligation to call to meeting

1. The General Shareholders’ Meeting shall be formally called by the Board of Directors of the Company.

2. The Board of Directors may call the General Shareholders’ Meeting whenever it deems it advisable or appropriate to further the corporate interests and shall be required, in all cases, to call the Ordinary General Shareholders’ Meeting within the first six months of each fiscal year and to call an Extraordinary General Shareholders’ Meeting whenever it is so requested in writing by the holders of at least 3% of the share capital, which request shall set forth the matters to be dealt with. In this instance, the General Shareholders’ Meeting shall be called to be held within the statutory period. The Board of Directors shall draw up the agenda and shall include at least the matters set forth in the request.”

- c) To amend Article 8 of the Regulations for the General Shareholders’ Meeting, which shall hereafter read as follows:

“Article 8. Publication and notice of call to meeting

1. *The General Shareholders' Meeting shall be called with the minimum advance notice required by law, through a notice published at least:*
 - a) *In the Official Bulletin of the Commercial Registry or in one of the more widely circulated newspapers in Spain.*
 - b) *On the website of the National Securities Market Commission.*
 - c) *On the Company's corporate website.*

The notice published on the Company's corporate website shall be continuously accessible at least until the date of the General Shareholders' Meeting. Furthermore, the Board of Directors may publish notices in other media, if it deems it appropriate, to ensure the public and effective dissemination of the call to meeting.

The call to the General Shareholders' Meeting shall also be reported to such Market Supervisory Authorities as may be appropriate.

2. *The notice of the call to meeting shall contain all the statements required by the law in each case and, in any event, shall set forth the date, place and time of the Meeting upon first call and all the matters to be dealt with thereat. The notice may also state the place, date and time for the General Shareholders' Meeting to be held, if applicable, upon second call.*
3. *At the Ordinary General Shareholders' Meetings, shareholders representing at least 3% of the share capital may request the publication of a supplement to the call including one or more items in the agenda, so long as such new items are accompanied by a rationale or, if applicable, by a well-founded proposal for a resolution.*
4. *In addition, shareholders representing at least 3% of the share capital may submit well-founded proposals for resolutions regarding items already included or that must be included in the agenda for the General Shareholders' Meeting called.*
5. *The rights provided for in the two preceding paragraphs must be exercised by means of duly authenticated notice that must be received at the Company's registered office within five days of the publication of the call to meeting. The supplement to the call to meeting and the proposals for resolutions must be published or disseminated in compliance with the legal requirements and as much in advance as is provided by law.*

- d) To amend Article 9 of the Regulations for the General Shareholders' Meeting, which shall hereafter read as follows:

"Article 9. Information available to the shareholders from publication of the notice of the call to meeting

1. Beginning on the date of publication of the notice of the call to meeting and until the General Shareholders' Meeting is held, the Company shall maintain the following information continuously published on its website:

- a) The notice of the call to meeting.
- b) The total number of shares and voting rights on the date the meeting is called, with a breakdown by class of shares, if any such classes exist.
- c) The documents to be submitted to the shareholders at the General Shareholders' Meeting and, specifically, the reports prepared by Directors, auditors and independent experts.
- d) The full text of the proposed resolutions or, if none, a report prepared by the competent bodies, containing a discussion of each of the items on the agenda. The proposed resolutions submitted by the shareholders shall also be included in the order that they are received.
- e) The existing communication channels between the Company and the shareholders and, specifically, any appropriate explanations regarding the exercise of the shareholders' right to receive information, setting forth the mailing and e-mail addresses to which the shareholders may write.
- f) In the case of the appointment, ratification or re-election of members of the Board of Directors, the identity and curriculum vitae thereof and the status of each such Director, as well as the proposal from the Board of Directors or the Nominating, Compensation and Corporate Governance Committee, as applicable, and the reports required by law. If the Director is a legal person, the information shall include details of the individual who will be appointed for permanent discharge of the duties inherent in the position.
- g) The means to grant a proxy for the General Shareholders' Meeting and to cast a distance vote, including the procedure to obtain attendance cards or a certificate issued by the entities legally authorized for such purpose.

2. Furthermore, from the date of publication of the notice of the call to the General Shareholders' Meeting, and in order to facilitate shareholders' attendance and participation therein, the Company shall include in its corporate website, to the extent available and in addition to the documents and information required by the law, all materials that the Company deems advisable for such purposes and in particular, but merely for illustrative purposes, the following:

- a) Information regarding the place where the General Shareholders' Meeting is to be held, describing, when appropriate, the means of access to the meeting room.
- b) Any other matters of interest for purposes of following the proceedings at the Meeting, such as whether simultaneous interpretation services will be provided, the possibility that the General Shareholders' Meeting be followed by audio-visual means, or information in other languages.

In addition, when there is a supplement to the call to meeting or proposed resolutions on matters already included or which must be included in the agenda, the Company shall, from the date of publication thereof, also publish, in the same manner and on its corporate website, the text of the proposals to which such supplement refers and which has been provided to the Company.

This information may be subject to changes at any time, in which case any appropriate amendments or clarifications shall be published on the Company's corporate website.

3. The Company shall deliver the information and documentation referred to in sub-section 1 and in paragraph a) of sub-section 2 of this article to the National Securities Market Commission and other Market Supervisory Authorities as may be appropriate; it shall also provide such information and documentation to the depositary or depositaries of the programs through which the Company is listed on certain foreign markets.

- e) To amend Article 10 of the Regulations for the General Shareholders' Meeting, which shall hereafter read as follows:

“Article 10. The shareholders' right to receive information

1. From the publication of the notice of the call to a General Shareholders' Meeting and during the period required by law, any shareholder may submit a written request for such information or clarifications as it deems are required, or ask written questions it deems are pertinent, regarding the matters included in the agenda for the notice of call, or regarding information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the immediately prior General Shareholders' Meeting, or regarding the auditor's report.

The Board of Directors shall be required to provide in writing, until the day when the General Shareholders' Meeting is held, the requested information or clarifications, as well as to respond in writing to the questions asked. The answers to the questions and to the requests for information shall be channeled through the Secretary of the Board of Directors and provided by any member thereof or by any person expressly authorized by the Board of Directors to that end.

2. During the course of the General Shareholders' Meeting, the shareholders of the Company may verbally request such information or clarifications as they deem appropriate regarding the matters contained in the agenda, or regarding the information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the last General Shareholders' Meeting, or regarding the auditor's report. In the event that it is not possible to satisfy the shareholder's right at that time, the Board of Directors shall provide such information in writing within seven days of the close of the General Shareholders' Meeting.

3. *The Board of Directors shall have the duty to provide the information requested in reliance upon the two preceding paragraphs, in the manner and within the time periods established by the law, except in those cases in which (i) such information is unnecessary for the protection of shareholder rights, there are objective reasons to believe that it might be used for ultra vires purposes, or publication thereof may prejudice the Company or related companies; (ii) the request for information or clarifications does not refer to matters included in the agenda or, in the case of sub-section 1 above, to information accessible to the public that has been provided by the Company to the National Securities Market Commission since the holding of the immediately prior General Shareholders' Meeting; (iii) it is so established in legal or regulatory provisions. The exception contemplated in section (i) above shall not apply when the information has been requested by shareholders representing at least one-fourth of the share capital.*

4. *If the information requested by the shareholders has been clearly, expressly and directly made available to all shareholders in question & answer format on the Company's corporate website, the Board of Directors' answer may limit its response to a reference to the information provided in such format.*

5. *Valid requests for information or clarifications submitted or questions asked in writing by the shareholders, as well as the answers provided in writing by the Directors shall be posted on the Company's website.*

6. *Answers to shareholders who attend the General Shareholders' Meeting from a distance by means of data transmission and simultaneously and who exercise their right to receive information through this procedure shall be provided, if applicable, in writing, within seven days following the Meeting."*

- f) To amend Article 12 of the Regulations for the General Shareholders' Meeting, which shall hereafter read as follows:

"Article 12. Right to attend.

1. *The right to attend a General Shareholders' Meeting shall accrue to the holders of at least 300 shares, provided that such shares are registered in their name in the corresponding book-entry registry five days in advance of the date on which the General Shareholders' Meeting is to be held, and provided also that they present evidence thereof with the appropriate attendance card or share certificate issued by any of the entities participating in the institution that manages such book-entry registry, or directly by the Company itself, or in any other manner permitted under law. Such card or certificate may be used by the shareholders as the document whereby to grant a proxy for the General Shareholders' Meeting in question.*

2. *Shareholders that hold a lower number of shares may grant a proxy in respect thereof to a shareholder having the right to attend, as well as group together with*

other shareholders in the same situation until reaching the required number of shares, following which a proxy must be granted to one of such shareholders. The grouping must be carried out specifically for each General Shareholders' Meeting and must be recorded in writing.

3. The Directors must attend the General Shareholders' Meeting, save for a duly justified reason preventing them from doing so. The non-attendance of any of them will not affect the valid constitution of the General Shareholders' Meeting.

4. In addition, the General Shareholders' Meeting may be attended by such executives, technicians, experts and other persons who may, in the opinion of the Chairman of the General Shareholders' Meeting, have a relationship with the Company. The Chairman may also authorize the attendance of such persons as he deems appropriate, including the media, analysts, etc., although the General Shareholders' Meeting may revoke such authorization."

- g) To amend Article 13 of the Regulations for the General Shareholders' Meeting, which shall hereafter read as follows:

"Article 13. Right of representation

1. Every shareholder having the right to attend the General Shareholders' Meeting may be represented thereat by another person, even if not a shareholder, provided that the requirements and formalities imposed by the law are met. The proxy must be granted specifically for each General Shareholders' Meeting, either by using the proxy form printed on the attendance card or in any other manner permitted by the law, without prejudice to the provisions of the Companies Act (Ley de Sociedades de Capital) regarding cases of proxies granted to family relatives and general proxies.

The documents setting forth the proxies for the General Shareholders' Meeting shall contain instructions regarding the direction of the vote. Unless otherwise expressly indicated by the shareholder granting the proxy, it shall be understood that the shareholder gives specific instructions to vote in favor of the proposed resolutions put forward by the Board of Directors regarding the matters on the agenda.

If there are no voting instructions because the shareholders acting at the General Shareholders' Meeting are to decide matters that are not included in the agenda and are thus unknown on the date that the proxy is granted but which may be submitted to a vote at the General Shareholders' Meeting, the proxy-holder shall vote in such direction as he deems most appropriate, taking into account the interest of the Company and that of the shareholder granting the proxy. The same rule shall apply when the relevant proposal or proposals submitted to the shareholders at the General Shareholders' Meeting have not been made by the Board of Directors.

If the document setting forth the proxy does not state the specific person or persons to whom the shareholder grants the proxy, such proxy shall be deemed granted in favor of any of the following: the Chairman of the Board of Directors of the Company, or the person that stands in for him as Chairman of the General Shareholders' Meeting, or such person as is appointed by the Board of Directors, with notice of such appointment being given in advance in the notice of the call to meeting. If the Chairman of the Board of Directors of the Company, or the person acting in his stead, or the person appointed by the Board of Directors, as applicable, is affected by any of the conflicts of interest contemplated in the law and the document setting forth the proxy does not contain any specific instructions, the proxy shall be deemed granted to the Secretary for the General Shareholders' Meeting.

A proxy is always revocable. Attendance at the General Shareholders' Meeting by the shareholder granting the proxy, whether in person or through distance voting, entails the revocation of any proxy granted, whatever the date thereof. A proxy shall likewise be rendered void as a result of the disposition of shares of which the Company has notice.

2. Individual shareholders who do not have full legal capacity and corporate shareholders shall be represented by those persons who act as representatives thereof pursuant to law, with evidence of such representative capacity being duly provided.

3. Both in cases of voluntary representation as well as those of legal representation, no person may have more than one representative at the General Shareholders' Meeting. By way of exception, institutions that are duly registered as shareholders according to the book-entry share register but that act for the account of several persons may, without limitation, delegate the right to vote to each of the indirect holders or to third parties designated by such indirect holders. In addition, such institutions may in all cases split their vote and exercise the right to vote in a different direction in compliance with differing voting instructions that they have received.

4. The Chairman of the General Shareholders' Meeting or, by delegation of powers, the Secretary of the General Shareholders' Meeting shall resolve all doubts regarding the validity and effectiveness of the documents giving rise to the right of any shareholder to attend the General Shareholders' Meeting, whether individually or by grouping their shares with other shareholders, as well as any proxy granted to any other person, endeavoring to deem only those documents that lack the minimum essential requirements to be invalid or ineffective, provided that such defects have not been remedied.

5. When a proxy is granted by means of long-distance communication, it shall only be deemed valid if it is granted by postal delivery or correspondence or by electronic communication made in accordance with the provisions of this article.

Proxies by postal delivery or correspondence shall be granted by sending or delivering to the Company the duly signed attendance and proxy-granting card or other written instrument that, in the opinion of the Board of Directors expressed in a resolution adopted for such purpose, allows for due verification of the identity of the shareholder granting the proxy and that of the proxy-holder designated therein.

Proxies by electronic communication to the Company shall be granted under an electronic signature or by such other manner as the Board of Directors may deem appropriate to ensure the authenticity and identification of the shareholder that exercises his right, attaching thereto a copy in electronic format of the attendance and proxy-granting card and detailing in the communication the proxy granted and the identify of the shareholder granting the proxy.

In order to be valid, a proxy granted by either of the aforementioned means of long-distance communication must be received by the Company before midnight on the third day prior to the date set for the holding of the General Shareholders' Meeting upon first call. In the resolution for the call of the General Shareholders' Meeting in question, the Board of Directors may reduce this required deadline, disclosing it in the same manner as the call notice. The Board of Directors may also implement the above provisions relating to proxies granted by long-distance means of communication in accordance with the provisions of Article 25.5 of the By-Laws and Article 22.7 of these Regulations.

6. A proxy may include items that, even if not contained in the agenda, may be dealt with by the shareholders at the General Shareholders' Meeting because it is so permitted by law.

7. The Board of Directors may implement the above provisions relating to the grant of proxies through long-distance means of communication, in accordance with the provisions of Article 22.7 below."

- h) To amend Article 23 of the Regulations for the General Shareholders' Meeting, which shall hereafter read as follows:

"Article 23. Voting on the proposed resolutions

1. Once shareholders' presentations, if any, have concluded and answers have been provided as set forth in these Regulations, the corresponding proposed resolutions shall be put to the vote.

Each of the proposed resolutions shall be voted by following the agenda included in the notice of the call to meeting, and if proposals have been made regarding matters which the shareholders may decide without such matters being included in the agenda, they shall be submitted to a vote after a vote is taken on the proposals included in the agenda, unless the Chairman of the General Shareholders' Meeting decides otherwise.

2. After the Secretary for the General Shareholders' Meeting has read the full text or a summary of the proposed resolution corresponding to an item on the agenda, which reading may be dispensed with when the text of such proposal has been distributed to the shareholders at the beginning of the General Shareholders' Meeting, a vote shall first be taken on the resolutions proposed in each case by the Board of Directors, and then, if appropriate, the proposals made by other parties shall be submitted to a vote, following the order established by the Chairman of the General Shareholders' Meeting for that purpose.

When a single item on the Agenda includes different matters, such matters shall be separately submitted to a vote. In particular, a separate vote shall be taken on the appointment, ratification, re-election or removal of each Director and, in the event of amendments to the By-Laws or these Regulations, on each article or group of articles that are materially independent. In exceptional cases, related proposals, which are formulated as an indivisible unit, shall be voted as a whole, such as those relating to the approval of the revised text of the By-Laws or of the Regulations for the General Shareholders' Meeting.

In all cases, when a proposed resolution is approved, all other proposals on the same matter that are incompatible therewith shall automatically be deemed withdrawn and shall therefore not be submitted to a vote, which shall be stated by the Chairman of the General Shareholders' Meeting, or by the Secretary for the General Shareholders' Meeting, acting by delegation of powers.

3. The following voting calculation system shall be used for purposes of voting on the proposed resolutions:

a) In the case of voting on proposed resolutions relating to matters on the agenda, votes in favor of the proposal submitted to a vote shall be deemed to be those corresponding to all shares present or represented at the Meeting, according to the attendance roll, less the votes corresponding to shares whose holders or representatives inform the Presiding Committee of the General Shareholders' Meeting, or to the Notary, if appropriate, by written communication or personal statement, that they vote against, in blank or abstain.

b) In the case of voting on proposed resolutions relating to matters that are not included in the agenda, votes against the proposal submitted to a vote shall be deemed to be those corresponding to all shares present or represented at the Meeting, according to the attendance roll, less the votes corresponding to shares whose holders or representatives inform the Presiding Committee of the General Shareholders' Meeting, or to the Notary, if appropriate, by written communication or personal statement, that they vote in favor, in blank or abstain.

c) For purposes of the provisions of paragraphs a) and b) above, for each of the proposed resolutions submitted to a vote, it shall be deemed that

shares present and represented at the meeting are all those recorded on the attendance roll, less the shares whose holders may not, pursuant to the law and depending upon the proposed resolution that is put to the vote, exercise the voting rights attaching to their shares.

Regardless of the system used to calculate the votes, verification by the Presiding Committee of the Meeting – or, exceptionally, in the event that such Presiding Committee of the General Shareholders' Meeting has not been formed, by the Secretary for the General Shareholders' Meeting – of the existence of a number of favorable votes sufficient to attain the majority required in each case, will allow the Chairman of the General Shareholders' Meeting to declare the relevant proposed resolution to have been approved."

- i) To include a new Article 23 *bis* in the Regulations for the General Shareholders' Meeting, regarding conflicts of interest at the Meeting, which shall read as follows:

"Article 23 bis. Conflicts of interest at the General Shareholders' Meeting.

1. Shareholders may not exercise their right to vote at the General Shareholders' Meeting, whether personally or through a representative, in connection with the approval of a resolution designed to:

a. release them from an obligation or give them a right;

b. provide them with any kind of financial assistance, including the provision of guarantees in their favor; or

c. release them, if they are Directors, from the obligations arising from the duty of loyalty.

2. If a shareholder grants a proxy, the representative shall, prior to being appointed, inform the shareholder in detail regarding whether a conflict of interest exists. If the conflict occurs after the appointment and the shareholder granting the proxy has not been apprised of the possible existence thereof, the representative shall immediately inform the shareholder of such conflict. In both cases, in the event that after the conflict has been disclosed, the representative has not received specific voting instructions in connection with each of the matters on which the representative is to vote on behalf of the shareholder, the representative shall abstain from casting a vote."

- j) To amend Article 24 of the Regulations for the General Shareholders' Meeting, which shall hereafter read as follows:

"Article 24. Adoption of resolutions and announcement of voting results

1. Resolutions shall be adopted by simple majority, i.e., proposed resolutions shall be approved when the number of votes in favor of each

proposal is greater than the number of votes against it (whatever the number of blank votes and abstentions), without prejudice to the qualified majorities established in the law and in the By-Laws or to the limitation upon the maximum number of votes that may be cast by each shareholder as provided in Article 26 of the By-Laws.

2. Once the proposals have been voted as provided in these Regulations, the Chairman of the General Shareholders' Meeting shall announce, either personally or through the Secretary for the General Shareholders' Meeting, the voting results, stating whether each of the proposals has been approved or rejected."

ANNEX III: COMPARISON TABLES

In order to facilitate a comparison between the current text of the articles for which amendments are proposed and the text resulting from the proposed amendments, a verbatim transcription of both texts is included in two-column format below, for information purposes only.

A) B-LAWS

CURRENT TEXT	PROPOSED AMENDMENT
<p>Article 15.- Powers of the Shareholders acting at a General Shareholders' Meeting</p> <p>The shareholders acting at a General Shareholders' Meeting shall decide on the matters assigned thereto by law or these By-Laws and, in particular, regarding the following:</p> <ol style="list-style-type: none"> 1) Approval of the annual financial statements, the allocation of profits/losses, and corporate management. 2) Appointment, re-appointment and removal of Directors, and ratification of Directors appointed by co-optation. 3) Appointment, re-appointment and removal of Auditors. 4) Appointment and removal of Liquidators. 5) Commencement of corporate claims for liability against any of the persons referred to numbers 2) to 4) of this article. 6) Amendment of the By-Laws. 7) Increase and reduction of share capital, and delegation to the Board of Directors of the power to increase share capital, in which case it may also be attributed the power to disapply or establish restrictions upon pre-emptive rights, as established by law. 8) Elimination of or establishment of restrictions upon pre-emptive rights. 9) Transformation, merger, split-off, overall 	<p>Article 15.- Powers of the Shareholders acting at a General Shareholders' Meeting</p> <p>The shareholders acting at a General Shareholders' Meeting shall decide on the matters assigned thereto by law or these By-Laws and, in particular, regarding the following:</p> <ol style="list-style-type: none"> 1) Approval of the annual financial statements, the allocation of profits/losses, and corporate management. 2) Appointment, re-appointment and removal of Directors, and ratification of Directors appointed by co-optation. 3) Appointment, re-appointment and removal of Auditors. 4) Appointment and removal of Liquidators. 5) Commencement of corporate claims for liability against any of the persons referred to numbers 2) to 4) of this article. 6) Amendment of the By-Laws. 7) Increase and reduction of share capital, and delegation to the Board of Directors of the power to increase share capital, in which case it may also be attributed the power to disapply or establish restrictions upon pre-emptive rights, as established by law. 8) Elimination of or establishment of restrictions upon pre-emptive rights. 9) Transformation, merger, split-off, overall

CURRENT TEXT	PROPOSED AMENDMENT
<p>assignment of assets and liabilities, and relocation of the registered address abroad.</p> <p>10) Dissolution of the Company.</p> <p>11) Issuance of debentures and other marketable securities recognizing or creating debt, and delegation to the Board of Directors of the power to issue them.</p> <p>12) The transformation of the Company into a holding company through "subsidiarization" or by entrusting subsidiaries with the conduct of core activities theretofore carried out by the Company itself.</p> <p>13) The acquisition or disposition of essential operating assets, when this entails an effective amendment of the corporate purpose.</p> <p>14) Transactions the effect of which is tantamount to liquidating the Company and, especially, the approval of the final balance sheet upon liquidation.</p> <p>15) Any other matter that the Board of Directors resolves to submit to the shareholders at a General Shareholders' Meeting.</p>	<p>assignment of assets and liabilities, and relocation of the registered address abroad.</p> <p>10) Dissolution of the Company.</p> <p>11) Issuance of debentures and other marketable securities recognizing or creating debt, and delegation to the Board of Directors of the power to issue them.</p> <p>12) The transformation of the Company into a holding company through "subsidiarization" or by entrusting subsidiaries with the conduct of core activities theretofore carried out by the Company itself.</p> <p>13) The acquisition or disposition <u>or contribution</u> of essential operating assets <u>from or to another company, when this entails an effective amendment of the corporate purpose. For purposes of this section and the preceding section, an asset or activity shall be deemed to be essential when the amount of the transaction exceeds twenty-five (25%) percent of the value of the assets recorded in the last approved balance sheet.</u></p> <p>14) Transactions the effect of which is tantamount to liquidating the Company, and, especially, the <u>Company.</u></p> <p><u>15) The</u> approval of the final balance sheet upon liquidation.</p> <p><u>16) Releasing the Directors from the legal prohibitions relating to conflicts of interest when law necessarily attributes this competence to the General Shareholder's Meeting.</u></p> <p><u>17) The Director compensation policy.</u></p> <p><u>18) Any other</u> matter that the Board of Directors resolves to submit to a decision thereof, <u>in compliance with the applicable laws and regulations.</u></p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>Article 16.- Ordinary and Extraordinary General Shareholders' Meeting</p> <p>1. The shareholders acting at an Ordinary General Shareholders' Meeting, which shall have previously been called for such purpose, shall meet within the first six months of each fiscal year in order, if appropriate, to approve corporate management, the financial statements for the prior fiscal year and decide on the allocation of profits/losses. Resolutions may also be adopted regarding any other matter properly coming before them, provided that such matter appears on the Agenda or is legally applicable, and a quorum for the General Shareholders' Meeting has been established with the presence of the required share capital.</p> <p>2. The Ordinary General Shareholders' Meeting shall be valid even if it has been called or is held beyond the applicable deadline.</p> <p>3. Any General Shareholders' Meeting other than as provided for in the preceding paragraph shall be deemed an extraordinary General Shareholders' Meeting and shall be held at any time of the year, provided that the Board of Directors deems it appropriate or when so requested in writing by the holders of at least 5% of the share capital, which request shall set forth the matters to be dealt with. In this instance, the General Shareholders' Meeting shall be called to be held within the period legally provided for. The Board of Directors shall prepare the Agenda, in which it shall include at least the matters set forth in the request.</p> <p>4. All General Shareholders' Meetings, whether Ordinary or Extraordinary, which have been duly called, shall be validly constituted with the minimum quorum required by law, taking into account the matters included in the Agenda.</p>	<p>Article 16.- Ordinary and Extraordinary General Shareholders' Meeting</p> <p>1. The shareholders acting at an Ordinary General Shareholders' Meeting, which shall have previously been called for such purpose, shall meet within the first six months of each fiscal year in order, if appropriate, to approve corporate management, the financial statements for the prior fiscal year and decide on the allocation of profits/losses. Resolutions may also be adopted regarding any other matter properly coming before them, provided that such matter appears on the Agenda or is legally applicable, and a quorum for the General Shareholders' Meeting has been established with the presence of the required share capital.</p> <p>2. The Ordinary General Shareholders' Meeting shall be valid even if it has been called or is held beyond the applicable deadline.</p> <p>3. Any General Shareholders' Meeting other than as provided for in the preceding paragraph shall be deemed an extraordinary General Shareholders' Meeting and shall be held at any time of the year, provided that the Board of Directors deems it appropriate or when so requested in writing by the holders of at least 5<u>3</u>% of the share capital, which request shall set forth the matters to be dealt with. In this instance, the General Shareholders' Meeting shall be called to be held within the period legally provided for. The Board of Directors shall prepare the Agenda, in which it shall include at least the matters set forth in the request.</p> <p>4. All General Shareholders' Meetings, whether Ordinary or Extraordinary, which have been duly called, shall be validly constituted with the minimum quorum required by law, taking into account the matters included in the Agenda.</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>Article 17.- Call to the General Shareholders' Meeting</p> <p>1. The General Shareholders' Meeting shall be called with the minimum advance notice required by law, through a notice published, at least:</p> <p>a) In the Official Bulletin of the Commercial Registry or in one of the more widely circulated newspapers in Spain.</p> <p>b) On the website of the National Securities Market Commission.</p> <p>c) On the Company's corporate website.</p> <p>The notice published on the Company's corporate website shall be continuously accessible at least until the date of the General Shareholders' Meeting. The Board of Directors may also publish notices in other media, if it deems it appropriate to ensure the public and effective dissemination of the call to meeting.</p> <p>2. The call notice shall contain all the statements required by law in each case and, in any event, shall set forth the date, place and time of the meeting upon first call and all the matters to be dealt with thereat. The notice may also set forth the date on which the General Shareholders' Meeting shall, if applicable, be held upon second call.</p> <p>3. General Shareholders' Meetings may not deliberate on or discuss matters that are not included in the Agenda.</p> <p>4. At Ordinary General Shareholders' Meetings, shareholders representing at least 5% of the share capital may request the publication of a supplement to the call including one or more items in the Agenda, so long as such new items are accompanied by a rationale or, if applicable, by a well-founded proposal for a resolution.</p> <p>5. In addition, shareholders representing at</p>	<p>Article 17.- Call to the General Shareholders' Meeting</p> <p>1. The General Shareholders' Meeting shall be called with the minimum advance notice required by law, through a notice published, at least:</p> <p>a) In the Official Bulletin of the Commercial Registry or in one of the more widely circulated newspapers in Spain.</p> <p>b) On the website of the National Securities Market Commission.</p> <p>c) On the Company's corporate website.</p> <p>The notice published on the Company's corporate website shall be continuously accessible at least until the date of the General Shareholders' Meeting. The Board of Directors may also publish notices in other media, if it deems it appropriate to ensure the public and effective dissemination of the call to meeting.</p> <p>2. The call notice shall contain all the statements required by law in each case and, in any event, shall set forth the date, place and time of the meeting upon first call and all the matters to be dealt with thereat. The notice may also set forth the date on which the General Shareholders' Meeting shall, if applicable, be held upon second call.</p> <p>3. <u>Except in the cases provided by law,</u> General Shareholders' Meetings may not deliberate on or discuss matters that are not included in the Agenda.</p> <p>4. At Ordinary General Shareholders' Meetings, shareholders representing at least 5³% of the share capital may request the publication of a supplement to the call including one or more items in the Agenda, so long as such new items are accompanied by a rationale or, if applicable, by a well-founded proposal for a resolution.</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>least 5% of the share capital may submit well-founded proposals for resolutions regarding items already included or that must be included in the Agenda for the General Shareholders' Meeting called.</p> <p>6. The rights provided for in the two preceding paragraphs must be exercised by means of duly authenticated notice that must be received at the Company's registered office within five days of the publication of the call to meeting. The supplement to the call to meeting and the proposals for resolutions must be published or disseminated in compliance with the legal requirements and advance notice provided by law.</p>	<p>5. In addition, shareholders representing at least 5³% of the share capital may submit well-founded proposals for resolutions regarding items already included or that must be included in the Agenda for the General Shareholders' Meeting called.</p> <p>6. The rights provided for in the two preceding paragraphs must be exercised by means of duly authenticated notice that must be received at the Company's registered office within five days of the publication of the call to meeting. The supplement to the call to meeting and the proposals for resolutions must be published or disseminated in compliance with the legal requirements and advance notice provided by law.</p>
<p>Article 19.- Right to attend</p> <p>1. The right to attend General Shareholders' Meetings shall accrue to the holders of at least that number of shares representing a nominal value of 300 euros, provided that such shares are registered in their name in the corresponding book-entry registry five days in advance of the date on which the General Shareholders' Meeting is to be held, and provided also that they present evidence thereof with the appropriate attendance card or certificate issued by any of the entities participating in the institution that manages such book-entry registry or in any other manner permitted by law.</p> <p>2. Holders of a lesser number of shares may grant a proxy in respect thereof to a shareholder having the right to attend, as well as group together with other shareholders in the same situation until reaching the required number of shares, following which a proxy must be granted by the shareholders so grouped together to one of such shareholders. The grouping must be carried out specifically for each General Shareholders' Meeting and be recorded in</p>	<p>Article 19.- Right to attend</p> <p>1. The right to attend General Shareholders' Meetings shall accrue to the holders of at least that number of shares representing a nominal value of 300 euros ^{shares} provided that such shares are registered in their name in the corresponding book-entry registry five days in advance of the date on which the General Shareholders' Meeting is to be held, and provided also that they present evidence thereof with the appropriate attendance card or certificate issued by any of the entities participating in the institution that manages such book-entry registry or in any other manner permitted by law.</p> <p>2. Holders of a lesser number of shares may grant a proxy in respect thereof to a shareholder having the right to attend, as well as group together with other shareholders in the same situation until reaching the required number of shares, following which a proxy must be granted by the shareholders so grouped together to one of such shareholders. The grouping must be carried out specifically for each General Shareholders' Meeting and be recorded in</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>writing.</p> <p>3. The Directors must attend General Shareholders' Meetings, except when unable to do so upon duly justified grounds. Non-attendance by any of them shall not affect the valid constitution of the General Shareholders' Meeting.</p> <p>4. The General Shareholders' Meeting may also be attended by senior executive officers, technicians, experts and such other persons as may have a relationship with the Company in the opinion of the Chairman of the General Shareholders' Meeting. The Chairman of the General Shareholders' Meeting may also authorize the attendance of any other person that he sees fit, including media, analysts, etc., although the General Shareholders' Meeting may revoke such authority.</p>	<p>writing.</p> <p>3. The Directors must attend General Shareholders' Meetings, except when unable to do so upon duly justified grounds. Non-attendance by any of them shall not affect the valid constitution of the General Shareholders' Meeting.</p> <p>4. The General Shareholders' Meeting may also be attended by senior executive officers, technicians, experts and such other persons as may have a relationship with the Company in the opinion of the Chairman of the General Shareholders' Meeting. The Chairman of the General Shareholders' Meeting may also authorize the attendance of any other person that he sees fit, including media, analysts, etc., although the General Shareholders' Meeting may revoke such authority.</p>
<p>Article 22.- Shareholders' right to receive information</p> <p>1. From the publication of the notice of the call to a General Shareholders' Meeting through the seventh day prior to it being held upon first call, any shareholder may submit a written request for such information or clarifications as it deems are required, or ask written questions it deems are pertinent, regarding the matters included in the call Agenda, or regarding information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the immediately prior General Shareholders' Meeting and regarding the auditor's report.</p> <p>2. During the course of the General Shareholders' Meeting, the shareholders may verbally request such information or clarifications as they deem appropriate regarding the matters contained in the Agenda, or regarding the information</p>	<p>Article 22.- Shareholders' right to receive information</p> <p>1. From the publication of the notice of the call to a General Shareholders' Meeting and <u>during the period required by law</u> through the seventh day prior to it being held upon first call, any shareholder may submit a written request for such information or clarifications as it deems are required, or ask written questions it deems are pertinent, regarding the matters included in the call Agenda, or regarding information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the immediately prior General Shareholders' Meeting and regarding the auditor's report.</p> <p>2. During the course of the General Shareholders' Meeting, the shareholders may verbally request such information or clarifications as they deem appropriate regarding the matters contained in the</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the last General Shareholders' Meeting, or regarding the auditor's report.</p> <p>3. The Board of Directors must provide the information requested pursuant to the two preceding paragraphs, in the manner and by the deadlines provided by law, except in those cases in which it is legally inadmissible and, in particular, when, prior to specific questions being asked, the information requested has been clearly and directly made available to all shareholders in question-and-answer format on the Company's corporate website, or when, in the opinion of the Chairman, publication of the requested information may prejudice the corporate interests. This last exception shall not apply when the request is supported by shareholders representing at least one-fourth of the share capital.</p> <p>4. In the case of the Ordinary General Shareholders' Meeting and in the other</p>	<p>Agenda, or regarding the information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the last General Shareholders' Meeting, or regarding the auditor's report.</p> <p>3. The Board of Directors must provide the information requested pursuant to the two preceding paragraphs, in the manner and by the deadlines provided by law, except in those cases in which it is legally inadmissible and, in particular, when, prior to specific questions being asked, the information requested has been clearly and directly made available to all shareholders in question-and-answer format on the Company's corporate website, or when, in the opinion of the Chairman, publication of the requested information may prejudice the corporate interests. This last exception shall <u>not apply such information is unnecessary for the protection of shareholder rights, there are objective reasons to believe that it might be used for ultra vires purposes, or publication thereof may prejudice the Company or related companies. The information may not be withheld</u> when the request is supported by shareholders representing at least one-fourth of the share capital.</p> <p><u>Valid requests for information or clarifications submitted or questions asked in writing by the shareholders, as well as the answers provided in writing by the Directors, shall be posted on the Company's website.</u></p> <p><u>If the information requested by the shareholders has been clearly, expressly and directly made available to all shareholders in question & answer format on the Company's corporate website, the Board of Directors' may limit its response to a reference to the information provided in such format.</u></p> <p>4. In the case of the Ordinary General</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>cases established by law, the call notice shall make the appropriate references regarding the right to examine at the registered office and obtain, immediately and without charge, the documents that are to be submitted to the General Shareholders' Meeting for approval and, if appropriate, such report or reports as may be determined by law.</p>	<p>Shareholders' Meeting and in the other cases established by law, the call notice shall make the appropriate references regarding the right to examine at the registered office and obtain, immediately and without charge, the documents that are to be submitted to the General Shareholders' Meeting for approval and, if appropriate, such report or reports as may be determined by law.</p>
<p>Article 29.- Composition and appointment of the Board of Directors</p> <p>1. The Board of Directors shall be composed of a minimum of five members and a maximum of twenty, to be appointed at the General Shareholders' Meeting.</p> <p>2. Directors shall serve in their position for a maximum period of five years. They may be re-elected one or more times to terms of the same maximum duration.</p> <p>3. The Board of Directors shall have the power to fill, on an interim basis, any vacancies that may occur therein, by appointing, in such manner as is legally allowed, the persons who are to fill such vacancies until the holding of the next General Shareholders' Meeting.</p>	<p>Article 29.- Composition and appointment of the Board of Directors</p> <p>1. The Board of Directors shall be composed of a minimum of five members and a maximum of twenty, to be appointed at the General Shareholders' Meeting.</p> <p>2. Directors shall serve in their position for a maximum period of five<u>four</u> years. They may be re-elected one or more times to terms of the same maximum duration.</p> <p>3. The Board of Directors shall have the power to fill, on an interim basis, any vacancies that may occur therein, by appointing, in such manner as is legally allowed, the persons who are to fill such vacancies until the holding of the next General Shareholders' Meeting.</p>
<p>Article 33.- Conflict of interest of the Directors</p> <p>1. The Directors shall notify the Board of Directors of any situation of direct or indirect conflict with the interest of the Company that may affect them. The Director involved shall abstain from voting on resolutions or decisions relating to the transaction affected by the conflict. Directors shall also provide notice, both regarding themselves and persons related thereto, of (a) direct or indirect interests held by them, and (b) positions they hold or duties they perform at any company effectively in competition with the Company. Conflict of interest situations</p>	<p>Article 33.- Conflict of interest of the Directors</p> <p>1. The Directors shall notify the Board of Directors of any situation of direct or indirect conflict with the interest of the Company that may affect them. The Director involved shall abstain from voting on resolutions or decisions relating to the transaction affected by the conflict. Directors shall also provide notice, both regarding themselves and persons related thereto, of (a) direct or indirect interests held by them, and (b) positions they hold or duties they perform at any company effectively in competition with the Company. Conflict of interest situations</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>shall be included in the annual report.</p> <p>2. Directors may not carry out, on their own behalf or on behalf of others, activities that may entail effective competition with the Company, except with the express authorization of the Company by means of a resolution of the shareholders at a General Shareholders' Meeting, for which purpose they shall provide the notice set forth in paragraph 1 of this article. For the purposes of this paragraph and the previous one, the following shall not be deemed to be in a situation of effective competition with the Company: (i) companies controlled by the Company (within the meaning of Article 42 of the Commercial Code) and (ii) companies with which the Company maintains a strategic alliance, even if they have the same or a similar or complementary corporate purpose. Neither shall proprietary Directors of competitor companies appointed at the request of the Company or as a result of the equity interest held by the Company in such competitor companies be deemed to be in breach of the prohibition on competition.</p>	<p>shall be included in the annual report.</p> <p>2. Directors may not carry out, on their own behalf or on behalf of others, activities that may entail effective competition with the Company, <u>or that may otherwise place them in a situation of permanent conflict of interest therewith.</u> except with the express authorization of the Company by means of a resolution of the shareholders at a General Shareholders' Meeting, for which purpose they shall provide the notice set forth in paragraph 1 of this article. For the purposes of this paragraph and the previous one, the <u>The</u> following shall not be deemed to be in a situation of effective competition with the Company: (i) companies controlled by the Company (within the meaning of Article 42 of the Commercial Code) and (ii) companies with which the Company maintains a strategic alliance, even if they have the same or a similar or complementary corporate purpose. Neither shall proprietary Directors of competitor companies appointed at the request of the Company or as a result of the equity interest held by the Company in such competitor companies be deemed to be in breach of the prohibition on competition.</p>
<p>Article 35.- Compensation</p> <p>1. Directors' compensation shall consist of a fixed and specific monthly remuneration and of fees for attending meetings of the Board of Directors and the executive and advisory Committees thereof. The compensation amount that the Company may pay to all of its Directors as remuneration and attendance fees shall be fixed by the shareholders at the General Shareholders' Meeting, which amount shall remain unchanged until and unless the shareholders decide to modify it. The Board of Directors shall determine the exact amount to be paid within such limit and the distribution thereof among the Directors.</p>	<p>Article 35.- Compensation</p> <p>1. The compensation of Directors <u>in their capacity as such, i.e., as members of the Board of Directors and for the performance of the duty of supervision and collective decision-making inherent in such body</u>, shall consist of a fixed and specific monthly remuneration and of fees for attending meetings of the Board of Directors and the executive and advisory Committees thereof. The compensation amount that the Company may <u>annually</u> pay to all of its Directors as remuneration and attendance fees shall be fixed by the shareholders at the General Shareholders' Meeting, which amount shall remain unchanged until and unless the shareholders decide to modify it.</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>2. In addition, independently of the compensation established in the preceding paragraph, provision is hereby made for the establishment of Director compensation systems that are linked to the listing price of the shares or that entail the delivery of shares or of stock options. The application of such compensation systems must be approved by the shareholders at the General Shareholders' Meeting, who shall determine the value of the shares to be taken as a reference, the number of shares to be delivered to each Director, the exercise price of stock options, the duration of such compensation system and other conditions they deem appropriate.</p> <p>3. The compensation provided for in the preceding paragraphs, deriving from membership on the Board of Directors, shall be compatible with other professional or employment compensation accruing to the Directors by reason of any executive or advisory duties that they perform for the Company -other than the supervision and collective decision-making duties inherent in their capacity as Directors-, which shall be subject to the legal provisions applicable thereto.</p> <p>4. In order to give due transparency to the compensation payable to Directors in their capacity as such, the notes to the financial statements shall set forth the compensation</p>	<p>The Board of Directors shall determine the exact amount to be paid within such limit and the distribution thereof among the Directors, <u>taking into account the duties and responsibilities assigned to each Director, their membership on Committees within the Board of Directors and other objective circumstances that it deems relevant.</u></p> <p>2. In addition, independently of the compensation established in the preceding paragraph, provision is hereby made for the establishment of Director compensation systems that are linked to the listing price of the shares or that entail the delivery of shares or of stock options. The application of such compensation systems must be approved by the shareholders at the General Shareholders' Meeting, who shall determine the value of the shares to be taken as a reference, the number of shares to be delivered to each Director, the exercise price of stock options, the duration of such compensation system and other conditions they deem appropriate.</p> <p>3. The compensation provided for in the preceding paragraphs, deriving from membership on the Board of Directors, shall be compatible with other professional or employment compensation accruing to the Directors by reason of any executive or advisory duties that they perform for the Company -other than the supervision and collective decision-making duties inherent in their capacity as Directors-, which shall be subject to the legal provisions applicable thereto. <u>Executive Directors shall receive such compensation as the Board determines for the performance of executive duties delegated or entrusted to them by the Board of Directors. Such compensation shall conform to the Director compensation policy approved by the shareholders at the General Shareholders' Meeting.</u></p> <p>4. In order to give due transparency to the compensation payable to Directors in their</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>corresponding to each position or office on the Board of Directors and the Committees thereof (Chairman, Vice Chairman, Member). The compensation payable to executive Directors for reasons other than those provided for in paragraph 1 of this article shall be reflected as an aggregate figure, but shall include a breakdown of the different compensation items.</p>	<p>capacity as such, the notes to the financial statements shall set forth the compensation corresponding to each position or office on the Board of Directors and the Committees thereof (Chairman, Vice Chairman, Member). The compensation payable to executive Directors for reasons other than those provided for in paragraph 1 of this article shall be reflected as an aggregate figure, but shall include a breakdown of the different compensation items. <u>The Director compensation policy shall be set in what corresponds to the compensation system provided for in this article and shall be approved by the General Shareholders' Meeting at least once every three years as a separate item from the agenda.</u></p>
<p>Article 37.- Powers of the Board of Directors</p> <p>1. Pursuant to the provisions of law and these By-Laws, the Board of Directors is the highest body entrusted with the administration and representation of the Company, and therefore has the power to carry out, within the scope of the corporate purpose defined in these By-Laws, any acts or legal transactions by way of administration or disposition, upon any legal title, except for those which fall within the scope of the powers exclusively granted by law or these By-Laws to the General Shareholders' Meeting.</p> <p>2. The Board of Directors sitting as a full body shall approve the general policies and strategies of the Company, under such terms as are set forth in the Regulations of the Board of Directors.</p>	<p>Article 37.- Powers of the Board of Directors</p> <p>1. Pursuant to the provisions of law and these By-Laws, the Board of Directors is the highest body entrusted with the administration and representation of the Company, and therefore has the power to carry out, within the scope of the corporate purpose defined in these By-Laws, any acts or legal transactions by way of administration or disposition, upon any legal title, except for those which fall within the scope of the powers exclusively granted by law or these By-Laws to the General Shareholders' Meeting.</p> <p>2. The Board of Directors sitting as a full body shall approve the general policies and strategies of the Company, under such terms as are set forth in the Regulations of the Board of Directors. <u>approve the matters provided for under the applicable legislation.</u></p> <p><u>3. If there are urgent and duly justified circumstances, and if so permitted by law, the Executive Commission may adopt decisions on matters reserved to the Board</u></p>

CURRENT TEXT	PROPOSED AMENDMENT
	<p><u>of Directors, provided, however, that they must be ratified at the first meeting held by the Board after they have been adopted.</u></p>
<p>Article 39.- Audit and Control Committee</p> <p>1. An Audit and Control Committee shall be created within the Board of Directors, which shall be composed of such number of Directors as may be determined by the Board of Directors from time to time, although in no case may there be fewer than three Directors, to be appointed by the Board of Directors. All of the members of such Committee shall be external or non-executive Directors. At least one of them shall be an independent Director, who shall be appointed taking into account his knowledge and experience in accounting, auditing or both.</p> <p>2. The Chairman of the Audit and Control Committee, which position shall be held by an independent Director in all cases, shall be appointed by the Committee itself from among its members and shall hold office for four years, and may be re-elected after the passage of one year from ceasing to act as such.</p> <p>3. The Audit and Control Committee shall have the following powers, at a minimum:</p> <p>(i) To report, through its Chairman, to the shareholders at the General Shareholders' Meeting regarding matters raised therein in connection with the matters for which it is responsible.</p> <p>(ii) To propose to the Board of Directors, for subsequent submission to the shareholders at the General Shareholders' Meeting, the appointment of the Auditor referred to in Section 264 of the Companies Act, as well as, if appropriate, the terms and conditions for hiring such Auditor, the scope of its professional duties and the revocation of its</p>	<p>Article 39.- Audit and Control Committee</p> <p>1. An Audit and Control Committee shall be created within the Board of Directors, which shall be composed of such number of Directors as may be determined by the Board of Directors from time to time, although in no case may there be fewer than three Directors, to be appointed by the Board of Directors. All of the members of such Committee shall be external or non-executive Directors. At least one <u>two</u> of them shall be an independent Director, who must be independent Directors, and one of them shall be appointed taking into account his knowledge and experience in accounting, auditing or both.</p> <p>2. The Chairman of the Audit and Control Committee, which position shall be held by an independent Director in all cases, shall be appointed by the Committee itself from among its members and shall hold office for four years, and may be re-elected after the passage of one year from ceasing to act as such.</p> <p>3. The Audit and Control Committee shall have the following powers <u>duties</u>, at a minimum:</p> <p><u>(i)</u> To report, through its Chairman, to the shareholders at the General Shareholders' Meeting regarding matters raised therein in connection with the matters for which it is responsible.</p> <p><u>(ii)</u> To propose <u>To submit</u> to the Board of Directors, for subsequent submission to the shareholders at the General Shareholders' Meeting, the appointment of the Auditor referred to in Section 264 of the Companies Act, as well as, if appropriate <u>the proposals</u></p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>appointment or its re-appointment.</p> <p>(iii) To supervise the effectiveness of the Company's internal control system, the internal audit and the risk management systems as well as to discuss with the Auditor the significant weaknesses in the internal control system detected during the audit.</p> <p>(iv) To supervise the process of preparation and submission of regulated financial information.</p> <p>(v) To establish and maintain appropriate relations with the Auditor in order to receive, for review by the Committee, information on all matters that could jeopardize the independence thereof, as well as any other matters relating to the audit procedure, and such other communications as may be provided for in auditing legislation and in technical auditing regulations. In any event, the Audit and Control Committee must receive annually written confirmation from the Auditor of its independence vis-à-vis the entity or entities directly or indirectly related thereto, as well as information regarding additional services of any kind provided to such entities by the Auditor, or by the persons or entities related thereto, pursuant to the legislation in force.</p> <p>(vi) To issue on an annual basis, prior to the issuance of the audit report, a report stating an opinion regarding the independence of the Auditor. This report must in all cases include an opinion on the provision of the additional services referred to in point (v) above.</p> <p>(vii) Any other powers granted to it under the Regulations of the Board of Directors.</p>	<p><u>for selection, appointment, re-election and replacement of the external auditor, as well as the terms and conditions of the contract therewith, the scope of its professional duties and the revocation of its appointment or its re-appointment and regularly obtain from such external auditor information regarding the audit plan and the implementation thereof, in addition to preserving its independence in the performance of its duties.</u></p> <p><u>(iii)</u> To supervise the effectiveness of the Company's internal control system, the internal audit and the systems for management of risks, <u>including tax risks</u>, as well as to discuss with the Auditor the significant weaknesses in the internal control system detected during the audit.</p> <p><u>(iv)</u> To supervise the process of preparation and submission of regulated financial information.</p> <p><u>(v)</u> To establish and maintain appropriate relations with the Auditor in order to receive, for review by the Committee, information on all matters that could jeopardize the independence thereof, as well as any other matters relating to the audit procedure, and such other communications as may be provided for in auditing legislation and in technical auditing regulations. In any event, the Audit and Control Committee must receive annually written confirmation from the Auditor of its independence vis-à-vis the entity or entities directly or indirectly related thereto, as well as information regarding additional services of any kind provided to such entities by the Auditor, or by the persons or entities related thereto, pursuant to the legislation in force.</p> <p><u>(vi)</u> To issue on an annual basis, prior to the issuance of the audit report, a report stating an opinion regarding the independence of the Auditor. This report must in all cases include an opinion on the</p>

CURRENT TEXT	PROPOSED AMENDMENT
	<p>provision of the additional services referred to in point (v) above.</p> <p><u>(vii) To report to the Board of Directors in advance on all matters contemplated by law, the By-Laws and the Regulations of the Board of Directors.</u></p> <p><u>(viii)</u> (vii)—Any other powers granted to it under the Regulations of the Board of Directors.</p>
<p>Article 40.- Nominating, Compensation and Corporate Governance Committee</p> <p>1. A Nominating, Compensation and Corporate Governance Committee shall be created within the Board of Directors, which shall be composed of such number of Directors as may be determined by the Board of Directors from time to time, although in no case may there be fewer than three Directors, to be appointed by the Board of Directors. All of the members of such Committee must be external or non-executive Directors and the majority of them must be independent Directors.</p> <p>2. The Chairman of the Nominating, Compensation and Corporate Governance Committee, which position shall be held by an independent Director in all cases, shall be appointed by the Committee itself from among its members.</p> <p>3. The Nominating, Compensation and Corporate Governance Committee shall be entrusted with general powers to propose and report on the compensation and appointments of, and the vacation of office by, Directors and senior executives, as well as any others entrusted to it by the Board of Directors.</p>	<p>Article 40.- Nominating, Compensation and Corporate Governance Committee</p> <p>1. A Nominating, Compensation and Corporate Governance Committee shall be created within the Board of Directors, which shall be composed of such number of Directors as may be determined by the Board of Directors from time to time, although in no case may there be fewer than three Directors, to be appointed by the Board of Directors. All of the members of such Committee must be external or non-executive Directors and the majority of them must be independent Directors.</p> <p>2. The Chairman of the Nominating, Compensation and Corporate Governance Committee, which position shall be held by an independent Director in all cases, shall be appointed by the Committee itself from among its members.</p> <p>3. The Nominating, Compensation and Corporate Governance Committee shall be entrusted with general powers to propose and report on the compensation and appointments of, and the vacation of office by, Directors and senior executives, as well as any others entrusted to it by the Board of Directors <u>have the duties, provided for under the applicable legislation at a minimum.</u></p> <p><u>4. The Board may approve the creation of two Committees, separately assigning duties in connection with appointments to one of</u></p>

CURRENT TEXT	PROPOSED AMENDMENT
	<p><u>them and duties in connection with compensation to the other, with the power to assign corporate governance duties to either of them.</u></p>

B) REGULATIONS FOR THE GENERAL SHAREHOLDERS' MEETING

CURRENT TEXT	PROPOSED AMENDMENT
<p>Article 5. Powers of the shareholders at the General Shareholders' Meeting.</p> <p>The shareholders acting at the General Shareholders' Meeting shall have the power to deliberate upon and adopt resolutions on all such matters as legal provisions and the By-Laws reserve for decision thereat, and, in general, on all matters which fall within the scope of powers assigned by law to the shareholders and are submitted at the General Shareholders' Meeting at the behest of the Board of Directors and of the shareholders themselves, in such instances and in such manner as are provided in the law and the By-Laws. In particular, the General Shareholders' Meeting shall decide the following matters:</p> <p>a) The approval of the financial statements, the allocation of profits/losses, and the review of corporate management.</p> <p>b) The appointment, reappointment and removal of Directors, as well as the ratification of Directors appointed by co-optation.</p> <p>c) The appointment, reappointment and removal of auditors.</p> <p>d) The appointment and removal of liquidators.</p> <p>e) The commencement of company action for liability against any of the persons referred to in letters b) to d) of this article.</p>	<p>Article 5. Powers of the shareholders at the General Shareholders' Meeting.</p> <p>The shareholders acting at the General Shareholders' Meeting shall have the power to deliberate upon and adopt resolutions on all such matters as legal provisions and the By-Laws reserve for decision thereat, and, in general, on all matters which fall within the scope of powers assigned by law to the shareholders and are submitted at the General Shareholders' Meeting at the behest of the Board of Directors and of the shareholders themselves, in such instances and in such manner as are provided in the law and the By-Laws. In particular, the General Shareholders' Meeting shall decide the following matters:</p> <p>a) The approval of the financial statements, the allocation of profits/losses, and the review of corporate management.</p> <p>b) The appointment, reappointment and removal of Directors, as well as the ratification of Directors appointed by co-optation.</p> <p>c) The appointment, reappointment and removal of auditors.</p> <p>d) The appointment and removal of liquidators.</p> <p>e) The commencement of company action for liability against any of the persons referred to in letters b) to d) of this article.</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>f) The amendment of the By-laws.</p> <p>g) The increase and reduction in the share capital, as well as delegation to the Board of Directors of the power to increase the share capital, in which case it may also be granted the power to exclude or restrict pre-emptive subscription rights, as provided by law.</p> <p>h) The elimination of or establishment of restrictions upon pre-emptive subscription rights.</p> <p>i) The transformation, merger, split-off, overall assignment of assets and liabilities, relocation of the registered address abroad.</p> <p>j) The dissolution of the Company</p> <p>k) The issuance of debentures and other marketable securities that recognize or create a debt, and delegation to the Board of Directors of the power to issue them.</p> <p>l) The transformation of the Company into a holding company through "subsidiarization" or by entrusting subsidiaries with the conduct of core activities theretofore carried out by the Company itself.</p> <p>m) The acquisition or disposition of essential operating assets, when this entails an effective amendment of the corporate purpose.</p> <p>n) Transactions the effect of which is tantamount to liquidating the Company and, especially, the approval of the final balance sheet upon liquidation.</p> <p>o) Any other matter that the Board of Directors resolves to submit to the shareholders at a General Shareholders' Meeting.</p>	<p>f) The amendment of the By-laws.</p> <p>g) The increase and reduction in the share capital, as well as delegation to the Board of Directors of the power to increase the share capital, in which case it may also be granted the power to exclude or restrict pre-emptive subscription rights, as provided by law.</p> <p>h) The elimination of or establishment of restrictions upon pre-emptive subscription rights.</p> <p>i) The transformation, merger, split-off, overall assignment of assets and liabilities, relocation of the registered address abroad.</p> <p>j) The dissolution of the Company</p> <p>k) The issuance of debentures and other marketable securities that recognize or create a debt, and delegation to the Board of Directors of the power to issue them.</p> <p>l) The transformation of the Company into a holding company through "subsidiarization" or by entrusting subsidiaries with the conduct of core activities theretofore carried out by the Company itself.</p> <p>m) The acquisition or disposition <u>or contribution</u> of essential operating assets <u>from or to another company, when this entails an effective amendment of the corporate purpose. For purposes of this section and the preceding section, an asset or activity shall be deemed to be essential when the amount of the transaction exceeds twenty-five (25%) percent of the value of the assets recorded in the last approved balance sheet.</u></p> <p>n) Transactions the effect of which is tantamount to liquidating the Company, and, especially, the approval of the final balance sheet upon liquidation <u>Company.</u></p> <p><u>o) The approval of the final balance sheet</u></p>

CURRENT TEXT	PROPOSED AMENDMENT
	<p><u>upon liquidation.</u></p> <p><u>p) Releasing the Directors, from the legal prohibition relating to conflict of interest when law necessarily attributes this power and duty to the General Shareholders' Meeting.</u></p> <p><u>q) The Director compensation policy.</u></p> <p><u>r) Any other matter that the Board of Directors resolves to submit to its decision <u>in accordance with the applicable legislation.</u></u></p>
<p>Article 7. Power and obligation to call to meeting.</p> <p>1. The General Shareholders' Meeting shall be formally called by the Board of Directors of the Company, without prejudice to such express delegation of powers to that end as the aforementioned body may make in favor of any of its members.</p> <p>2. The Board of Directors may call the General Shareholders' Meeting whenever it deems it advisable or appropriate to further the corporate interests and shall be required, in all cases, to call the Ordinary General Shareholders' Meeting within the first six months of each fiscal year and to call an Extraordinary General Shareholders' Meeting whenever it is so requested in writing by the holders of at least 5% of the share capital, which request shall set forth the matters to be dealt with. In this instance, the General Shareholders' Meeting shall be called to be held within the statutory period. The Board of Directors shall draw up the agenda and shall include at least the matters set forth in the request.</p>	<p>Article 7. Power and obligation to call to meeting.</p> <p>1. The General Shareholders' Meeting shall be formally called by the Board of Directors of the Company, without prejudice to such express delegation of powers to that end as the aforementioned body may make in favor of any of its members.</p> <p>2. The Board of Directors may call the General Shareholders' Meeting whenever it deems it advisable or appropriate to further the corporate interests and shall be required, in all cases, to call the Ordinary General Shareholders' Meeting within the first six months of each fiscal year and to call an Extraordinary General Shareholders' Meeting whenever it is so requested in writing by the holders of at least 5<u>3</u>% of the share capital, which request shall set forth the matters to be dealt with. In this instance, the General Shareholders' Meeting shall be called to be held within the statutory period. The Board of Directors shall draw up the agenda and shall include at least the matters set forth in the request.</p>
<p>Article 8. Publication and notice of call to meeting.</p> <p>1. The General Shareholders' Meeting shall be called with the minimum advance notice required by law, through a notice published</p>	<p>Article 8. Publication and notice of call to meeting.</p> <p>1. The General Shareholders' Meeting shall be called with the minimum advance notice required by law, through a notice published</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>at least:</p> <p>a) In the Official Bulletin of the Commercial Registry or in one of the more widely circulated newspapers in Spain.</p> <p>b) On the website of the National Securities Market Commission.</p> <p>c) On the Company's corporate website.</p> <p>The notice published on the Company's corporate website shall be continuously accessible at least until the date of the General Shareholders' Meeting. Furthermore, the Board of Directors may publish notices in other media, if it deems it appropriate, to ensure the public and effective dissemination of the call to meeting.</p> <p>The call to the General Shareholders' Meeting shall also be reported to such Market Supervisory Authorities as may be appropriate.</p> <p>2. The notice of the call to meeting shall contain all the statements required by the law in each case and, in any event, shall set forth the date, place and time of the Meeting upon first call and all the matters to be dealt with thereat. The notice may also state the place, date and time for the General Shareholders' Meeting to be held, if applicable, upon second call.</p> <p>3. At the Ordinary General Shareholders' Meetings, shareholders representing at least 5% of the share capital may request the publication of a supplement to the call including one or more items in the agenda, so long as such new items are accompanied by a rationale or, if applicable, by a well-founded proposal for a resolution.</p> <p>4. In addition, shareholders representing at least 5% of the share capital may submit well-founded proposals for resolutions regarding items already included or that</p>	<p>at least:</p> <p>a) In the Official Bulletin of the Commercial Registry or in one of the more widely circulated newspapers in Spain.</p> <p>b) On the website of the National Securities Market Commission.</p> <p>c) On the Company's corporate website.</p> <p>The notice published on the Company's corporate website shall be continuously accessible at least until the date of the General Shareholders' Meeting. Furthermore, the Board of Directors may publish notices in other media, if it deems it appropriate, to ensure the public and effective dissemination of the call to meeting.</p> <p>The call to the General Shareholders' Meeting shall also be reported to such Market Supervisory Authorities as may be appropriate.</p> <p>2. The notice of the call to meeting shall contain all the statements required by the law in each case and, in any event, shall set forth the date, place and time of the Meeting upon first call and all the matters to be dealt with thereat. The notice may also state the place, date and time for the General Shareholders' Meeting to be held, if applicable, upon second call.</p> <p>3. At the Ordinary General Shareholders' Meetings, shareholders representing at least 5³% of the share capital may request the publication of a supplement to the call including one or more items in the agenda, so long as such new items are accompanied by a rationale or, if applicable, by a well-founded proposal for a resolution.</p> <p>4. In addition, shareholders representing at least 5³% of the share capital may submit well-founded proposals for resolutions regarding items already included or that</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>must be included in the agenda for the General Shareholders' Meeting called.</p> <p>5. The rights provided for in the two preceding paragraphs must be exercised by means of duly authenticated notice that must be received at the Company's registered office within five days of the publication of the call to meeting. The supplement to the call to meeting and the proposals for resolutions must be published or disseminated in compliance with the legal requirements and as much in advance as is provided by law.</p>	<p>must be included in the agenda for the General Shareholders' Meeting called.</p> <p>5. The rights provided for in the two preceding paragraphs must be exercised by means of duly authenticated notice that must be received at the Company's registered office within five days of the publication of the call to meeting. The supplement to the call to meeting and the proposals for resolutions must be published or disseminated in compliance with the legal requirements and as much in advance as is provided by law.</p>
<p>Article 9. Information available to the shareholders from publication of the notice of the call to meeting.</p> <p>1. Beginning on the date of publication of the notice of the call to meeting and until the General Shareholders' Meeting is held, the Company shall maintain the following information continuously published on its website:</p> <p>a) The notice of the call to meeting.</p> <p>b) The total number of shares and voting rights on the date the meeting is called, with a breakdown by class of shares, if any such classes exist.</p> <p>c) The documents to be submitted to the shareholders at the General Shareholders' Meeting and, specifically, the reports prepared by directors, auditors and independent experts.</p> <p>d) The full text of the proposed resolutions or, if none, a report prepared by the competent bodies, containing a discussion of each of the items on the agenda. The proposed resolutions submitted by the shareholders shall also be included in the order that they are received.</p> <p>e) The existing communication channels</p>	<p>Article 9. Information available to the shareholders from publication of the notice of the call to meeting.</p> <p>1. Beginning on the date of publication of the notice of the call to meeting and until the General Shareholders' Meeting is held, the Company shall maintain the following information continuously published on its website:</p> <p>a) The notice of the call to meeting.</p> <p>b) The total number of shares and voting rights on the date the meeting is called, with a breakdown by class of shares, if any such classes exist.</p> <p>c) The documents to be submitted to the shareholders at the General Shareholders' Meeting and, specifically, the reports prepared by Directors, auditors and independent experts.</p> <p>d) The full text of the proposed resolutions or, if none, a report prepared by the competent bodies, containing a discussion of each of the items on the agenda. The proposed resolutions submitted by the shareholders shall also be included in the order that they are received.</p> <p>e) The existing communication channels</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>between the Company and the shareholders and, specifically, any appropriate explanations regarding the exercise of the shareholders' right to receive information, setting forth the mailing and e-mail addresses to which the shareholders may write.</p> <p>f) The means to grant a proxy for the General Shareholders' Meeting and to cast a distance vote, including the procedure to obtain attendance cards or a certificate issued by the entities legally authorized for such purpose.</p> <p>2. Furthermore, from the date of publication of the notice of the call to the General Shareholders' Meeting, and in order to facilitate shareholders' attendance and participation therein, the Company shall include in its corporate website, to the extent available and in addition to the documents and information required by the law, all materials that the Company deems advisable for such purposes and in particular, but merely for illustrative purposes, the following:</p> <p>a) Information regarding the place where the General Shareholders' Meeting is to be held, describing, when appropriate, the means of access to the meeting room.</p> <p>b) Any other matters of interest for purposes of following the proceedings at the Meeting, such as whether simultaneous interpretation services will be provided, the possibility that the General Shareholders' Meeting be followed by audio-visual means, or information in other languages.</p> <p>In addition, when there is a supplement to the call to meeting or proposed resolutions on matters already included or which must be included in the agenda, the Company shall, from the date of publication thereof, also publish, in the same manner and on its corporate website, the text of the proposals</p>	<p>between the Company and the shareholders and, specifically, any appropriate explanations regarding the exercise of the shareholders' right to receive information, setting forth the mailing and e-mail addresses to which the shareholders may write.</p> <p><u>f) In the case of the appointment, ratification or re-election of members of the Board of Directors, the identity and curriculum vitae thereof and the status of each such Director, as well as the proposal from the Board of Directors or the Nominating, Compensation and Corporate Governance Committee, as applicable, and the reports required by law. If the Director is a legal person, the information shall include details of the individual who will be appointed for permanent discharge of the duties inherent in the position.</u></p> <p>g) f)–The means to grant a proxy for the General Shareholders' Meeting and to cast a distance vote, including the procedure to obtain attendance cards or a certificate issued by the entities legally authorized for such purpose.</p> <p>2. Furthermore, from the date of publication of the notice of the call to the General Shareholders' Meeting, and in order to facilitate shareholders' attendance and participation therein, the Company shall include in its corporate website, to the extent available and in addition to the documents and information required by the law, all materials that the Company deems advisable for such purposes and in particular, but merely for illustrative purposes, the following:</p> <p>a) Information regarding the place where the General Shareholders' Meeting is to be held, describing, when appropriate, the means of access to the meeting room.</p> <p>b) Any other matters of interest for purposes</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>to which such supplement refers and which has been provided to the Company.</p> <p>This information may be subject to changes at any time, in which case any appropriate amendments or clarifications shall be published on the Company's corporate website.</p> <p>3. The Company shall deliver the information and documentation referred to in sub-section 1 and in paragraph a) of sub-section 2 of this article to the National Securities Market Commission and other Market Supervisory Authorities as may be appropriate; it shall also provide such information and documentation to the depositary or depositaries of the programs through which the Company is listed on certain foreign markets.</p>	<p>of following the proceedings at the Meeting, such as whether simultaneous interpretation services will be provided, the possibility that the General Shareholders' Meeting be followed by audio-visual means, or information in other languages.</p> <p>In addition, when there is a supplement to the call to meeting or proposed resolutions on matters already included or which must be included in the agenda, the Company shall, from the date of publication thereof, also publish, in the same manner and on its corporate website, the text of the proposals to which such supplement refers and which has been provided to the Company.</p> <p>This information may be subject to changes at any time, in which case any appropriate amendments or clarifications shall be published on the Company's corporate website.</p> <p>3. The Company shall deliver the information and documentation referred to in sub-section 1 and in paragraph a) of sub-section 2 of this article to the National Securities Market Commission and other Market Supervisory Authorities as may be appropriate; it shall also provide such information and documentation to the depositary or depositaries of the programs through which the Company is listed on certain foreign markets.</p>
<p>Article 10. The shareholders' right to receive information.</p> <p>1. From the publication of the notice of the call to a General Shareholders' Meeting through the seventh day prior to the date set for the holding thereof upon first call, any shareholder may submit a written request for such information or clarifications as it deems are required, or ask written questions it deems are pertinent, regarding the matters included in the agenda for the notice of call, or regarding information accessible to the</p>	<p>Article 10. The shareholders' right to receive information.</p> <p>1. From the publication of the notice of the call to a General Shareholders' Meeting <u>and during the period required by law,</u> through the seventh day prior to the date set for the holding thereof upon first call, any shareholder may submit a written request for such information or clarifications as it deems are required, or ask written questions it deems are pertinent, regarding the matters included in the agenda for the notice of call,</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>public that the Company has provided to the National Securities Market Commission since the holding of the immediately prior General Shareholders' Meeting, or regarding the auditor's report.</p> <p>The Board of Directors shall be required to provide in writing, until the day when the General Shareholders' Meeting is held, the requested information or clarifications, as well as to respond in writing to the questions asked. The answers to the questions and to the requests for information shall be channeled through the Secretary of the Board of Directors and provided by any member thereof or by any person expressly authorized by the Board of Directors to that end.</p> <p>2. During the course of the General Shareholders' Meeting, the shareholders of the Company may verbally request such information or clarifications as they deem appropriate regarding the matters contained in the agenda, or regarding the information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the last General Shareholders' Meeting, or regarding the auditor's report. In the event that it is not possible to satisfy the shareholder's right at that time, the Board of Directors shall provide such information in writing within seven days of the close of the General Shareholders' Meeting.</p> <p>3. The Board of Directors shall have the duty to provide the information requested in reliance upon the two preceding paragraphs, in the manner and within the time periods established by the law, except in those cases in which (i) it has been requested by holders of less than one-fourth of the share capital and the dissemination thereof may, in the opinion of the Chairman, prejudice the corporate interests; (ii) the request for information or clarifications does not refer to matters included in the agenda or, in the</p>	<p>or regarding information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the immediately prior General Shareholders' Meeting, or regarding the auditor's report.</p> <p>The Board of Directors shall be required to provide in writing, until the day when the General Shareholders' Meeting is held, the requested information or clarifications, as well as to respond in writing to the questions asked. The answers to the questions and to the requests for information shall be channeled through the Secretary of the Board of Directors and provided by any member thereof or by any person expressly authorized by the Board of Directors to that end.</p> <p>2. During the course of the General Shareholders' Meeting, the shareholders of the Company may verbally request such information or clarifications as they deem appropriate regarding the matters contained in the agenda, or regarding the information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the last General Shareholders' Meeting, or regarding the auditor's report. In the event that it is not possible to satisfy the shareholder's right at that time, the Board of Directors shall provide such information in writing within seven days of the close of the General Shareholders' Meeting.</p> <p>3. The Board of Directors shall have the duty to provide the information requested in reliance upon the two preceding paragraphs, in the manner and within the time periods established by the law, except in those cases in which (i) it has been requested by holders of less than one-fourth of the share capital and the dissemination thereof may, in the opinion of the Chairman, prejudice the corporate interests <u>such information is unnecessary for the protection of</u></p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>case of sub-section 1 above, to information accessible to the public that has been provided by the Company to the National Securities Market Commission since the holding of the immediately prior General Shareholders' Meeting; (iii) prior to the request for information, such information has been clearly and directly made available to all shareholders in question-and-answer format on the Company's corporate website; (iv) the request for information is deemed abusive for any other reason; or (v) it is so established in legal or regulatory provisions.</p> <p>Answers to shareholders who attend the General Shareholders' Meeting from a distance by means of data transmission and simultaneously and who exercise their right to receive information through this procedure shall be provided, if applicable, in writing, within seven days following the Meeting.</p>	<p><u>shareholder rights, there are objective reasons to believe that it might be used for ultra vires purposes, or publication thereof may prejudice the Company or related companies;</u> (ii) the request for information or clarifications does not refer to matters included in the agenda or, in the case of sub-section 1 above, to information accessible to the public that has been provided by the Company to the National Securities Market Commission since the holding of the immediately prior General Shareholders' Meeting; (iii) prior to the request for information, such information has been clearly and directly made available to all shareholders in question-and-answer format on the Company's website; (iv) the request for information is deemed abusive for any other reason; or (v) it is so established in legal or regulatory provisions. <u>The exception contemplated in section (i) above shall not apply when the information has been requested by shareholders representing at least one-fourth of the share capital.</u></p> <p><u>4. If the information requested by the shareholders has been clearly and expressly made available to all shareholders in question & answer format on the Company's corporate website, the Board of Directors' answer may limit its response to a reference to the information provided in such format.</u></p> <p><u>5. Valid requests for information or clarifications submitted or questions asked in writing by the shareholders, as well as the answers provided in writing by the Directors shall be posted on the Company's website.</u></p> <p>Answers to shareholders who attend the General Shareholders' Meeting from a distance by means of data transmission and simultaneously and who exercise their right to receive information through this procedure shall be provided, if applicable, in writing, within seven days following the Meeting.</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>Article 12. Right to attend.</p> <p>1. The right to attend a General Shareholders' Meeting shall accrue to the holders of at least that number of shares representing a nominal value of 300 euros, provided that such shares are registered in their name in the corresponding book-entry registry five days in advance of the date on which the General Shareholders' Meeting is to be held, and provided also that they present evidence thereof with the appropriate attendance card or share certificate issued by any of the entities participating in the institution that manages such book-entry registry, or directly by the Company itself, or in any other manner permitted under law. Such card or certificate may be used by the shareholders as the document whereby to grant a proxy for the General Shareholders' Meeting in question.</p> <p>2. Shareholders that hold a lower number of shares may grant a proxy in respect thereof to a shareholder having the right to attend, as well as group together with other shareholders in the same situation until reaching the required number of shares, following which a proxy must be granted to one of such shareholders. The grouping must be carried out specifically for each General Shareholders' Meeting and must be recorded in writing.</p> <p>3. The Directors must attend the General Shareholders' Meeting, save for a duly justified reason preventing them from doing so. The non-attendance of any of them will not affect the valid constitution of the General Shareholders' Meeting.</p> <p>4. In addition, the General Shareholders' Meeting may be attended by such executives, technicians, experts and other persons who may, in the opinion of the</p>	<p>Article 12. Right to attend.</p> <p>1.The right to attend a General Shareholders' Meeting shall accrue to the holders of at least that number of shares representing a nominal value of 300 euros <u>shares</u>, provided that such shares are registered in their name in the corresponding book-entry registry five days in advance of the date on which the General Shareholders' Meeting is to be held, and provided also that they present evidence thereof with the appropriate attendance card or share certificate issued by any of the entities participating in the institution that manages such book-entry registry, or directly by the Company itself, or in any other manner permitted under law. Such card or certificate may be used by the shareholders as the document whereby to grant a proxy for the General Shareholders' Meeting in question.</p> <p>2. Shareholders that hold a lower number of shares may grant a proxy in respect thereof to a shareholder having the right to attend, as well as group together with other shareholders in the same situation until reaching the required number of shares, following which a proxy must be granted to one of such shareholders. The grouping must be carried out specifically for each General Shareholders' Meeting and must be recorded in writing.</p> <p>3.The Directors must attend the General Shareholders' Meeting, save for a duly justified reason preventing them from doing so. The non-attendance of any of them will not affect the valid constitution of the General Shareholders' Meeting.</p> <p>4. In addition, the General Shareholders' Meeting may be attended by such executives, technicians, experts and other persons who may, in the opinion of the</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>Chairman of the General Shareholders' Meeting, have a relationship with the Company. The Chairman may also authorize the attendance of such persons as he deems appropriate, including the media, analysts, etc., although the General Shareholders' Meeting may revoke such authorization.</p>	<p>Chairman of the General Shareholders' Meeting, have a relationship with the Company. The Chairman may also authorize the attendance of such persons as he deems appropriate, including the media, analysts, etc., although the General Shareholders' Meeting may revoke such authorization.</p>
<p>Article 13. Right of representation.</p> <p>1. Every shareholder having the right to attend the General Shareholders' Meeting may be represented thereat by another person, even if not a shareholder, provided that the requirements and formalities imposed by the law are met. The proxy must be granted specifically for each General Shareholders' Meeting, either by using the proxy form printed on the attendance card or in any other manner permitted by the law, without prejudice to the provisions of the Companies Act (Ley de Sociedades de Capital) regarding cases of proxies granted to family relatives and general proxies.</p> <p>The documents setting forth the proxies for the General Shareholders' Meeting shall contain instructions regarding the direction of the vote. Unless otherwise expressly indicated by the shareholder granting the proxy, it shall be understood that the shareholder gives specific instructions to vote in favor of the proposed resolutions put forward by the Board of Directors regarding the matters on the agenda.</p> <p>If there are no voting instructions because the shareholders acting at the General Shareholders' Meeting are to decide matters that are not included in the agenda and are thus unknown on the date that the proxy is granted but which may be submitted to a vote at the General Shareholders' Meeting, the proxy-holder shall vote in such direction as he deems most appropriate, taking into account the interest of the Company and</p>	<p>Article 13. Right of representation.</p> <p>1. Every shareholder having the right to attend the General Shareholders' Meeting may be represented thereat by another person, even if not a shareholder, provided that the requirements and formalities imposed by the law are met. The proxy must be granted specifically for each General Shareholders' Meeting, either by using the proxy form printed on the attendance card or in any other manner permitted by the law, without prejudice to the provisions of the Companies Act (Ley de Sociedades de Capital) regarding cases of proxies granted to family relatives and general proxies.</p> <p>The documents setting forth the proxies for the General Shareholders' Meeting shall contain instructions regarding the direction of the vote. Unless otherwise expressly indicated by the shareholder granting the proxy, it shall be understood that the shareholder gives specific instructions to vote in favor of the proposed resolutions put forward by the Board of Directors regarding the matters on the agenda.</p> <p>If there are no voting instructions because the shareholders acting at the General Shareholders' Meeting are to decide matters that are not included in the agenda and are thus unknown on the date that the proxy is granted but which may be submitted to a vote at the General Shareholders' Meeting, the proxy-holder shall vote in such direction as he deems most appropriate, taking into account the interest of the Company and</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>that of the shareholder granting the proxy. The same rule shall apply when the relevant proposal or proposals submitted to the shareholders at the General Shareholders' Meeting have not been made by the Board of Directors.</p> <p>If the document setting forth the proxy does not state the specific person or persons to whom the shareholder grants the proxy, such proxy shall be deemed granted in favor of any of the following: the Chairman of the Board of Directors of the Company, or the person that stands in for him as Chairman of the General Shareholders' Meeting, or such person as is appointed by the Board of Directors, with notice of such appointment being given in advance in the notice of the call to meeting. If the Chairman of the Board of Directors of the Company, or the person acting in his stead, or the person appointed by the Board of Directors, as applicable, is affected by any of the conflicts of interest contemplated in the law and the document setting forth the proxy does not contain any specific instructions, the proxy shall be deemed granted to the Secretary for the General Shareholders' Meeting.</p> <p>A proxy is always revocable. Attendance at the General Shareholders' Meeting by the shareholder granting the proxy, whether in person or through distance voting, entails the revocation of any proxy granted, whatever the date thereof. A proxy shall likewise be rendered void as a result of the disposition of shares of which the Company has notice.</p> <p>2. Individual shareholders who do not have full legal capacity and corporate shareholders shall be represented by those persons who act as representatives thereof pursuant to law, with evidence of such representative capacity being duly provided.</p> <p>3. In any event, in cases of voluntary representation as well as those of legal</p>	<p>that of the shareholder granting the proxy. The same rule shall apply when the relevant proposal or proposals submitted to the shareholders at the General Shareholders' Meeting have not been made by the Board of Directors.</p> <p>If the document setting forth the proxy does not state the specific person or persons to whom the shareholder grants the proxy, such proxy shall be deemed granted in favor of any of the following: the Chairman of the Board of Directors of the Company, or the person that stands in for him as Chairman of the General Shareholders' Meeting, or such person as is appointed by the Board of Directors, with notice of such appointment being given in advance in the notice of the call to meeting. If the Chairman of the Board of Directors of the Company, or the person acting in his stead, or the person appointed by the Board of Directors, as applicable, is affected by any of the conflicts of interest contemplated in the law and the document setting forth the proxy does not contain any specific instructions, the proxy shall be deemed granted to the Secretary for the General Shareholders' Meeting.</p> <p>A proxy is always revocable. Attendance at the General Shareholders' Meeting by the shareholder granting the proxy, whether in person or through distance voting, entails the revocation of any proxy granted, whatever the date thereof. A proxy shall likewise be rendered void as a result of the disposition of shares of which the Company has notice.</p> <p>2. Individual shareholders who do not have full legal capacity and corporate shareholders shall be represented by those persons who act as representatives thereof pursuant to law, with evidence of such representative capacity being duly provided.</p> <p>3. In any event, <u>Both</u> in cases of voluntary representation as well as those of legal</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>representation, no person may have more than one representative at the General Shareholders' Meeting.</p> <p>4. The Chairman of the General Shareholders' Meeting or, by delegation of powers, the Secretary of the General Shareholders' Meeting shall resolve all doubts regarding the validity and effectiveness of the documents giving rise to the right of any shareholder to attend the General Shareholders' Meeting, whether individually or by grouping their shares with other shareholders, as well as any proxy granted to any other person, endeavoring to deem only those documents that lack the minimum essential requirements to be invalid or ineffective, provided that such defects have not been remedied.</p> <p>5. When a proxy is granted by means of long-distance communication, it shall only be deemed valid if it is granted by postal delivery or correspondence or by electronic communication made in accordance with the provisions of this article.</p> <p>Proxies by postal delivery or correspondence shall be granted by sending or delivering to the Company the duly signed attendance and proxy-granting card or other written instrument that, in the opinion of the Board of Directors expressed in a resolution adopted for such purpose, allows for due verification of the identity of the shareholder granting the proxy and that of the proxy-</p>	<p>representation, no person may have more than one representative at the General Shareholders' Meeting. <u>By way of exception, institutions that are duly registered as shareholders according to the book-entry share register but that act for the account of several persons may, without limitation, delegate the right to vote to each of the indirect holders or to third parties designated by such indirect holders. In addition, such institutions may in all cases split their vote and exercise the right to vote in a different direction in compliance with differing voting instructions that they have received.</u></p> <p>4. The Chairman of the General Shareholders' Meeting or, by delegation of powers, the Secretary of the General Shareholders' Meeting shall resolve all doubts regarding the validity and effectiveness of the documents giving rise to the right of any shareholder to attend the General Shareholders' Meeting, whether individually or by grouping their shares with other shareholders, as well as any proxy granted to any other person, endeavoring to deem only those documents that lack the minimum essential requirements to be invalid or ineffective, provided that such defects have not been remedied.</p> <p>5. When a proxy is granted by means of long-distance communication, it shall only be deemed valid if it is granted by postal delivery or correspondence or by electronic communication made in accordance with the provisions of this article.</p> <p>Proxies by postal delivery or correspondence shall be granted by sending or delivering to the Company the duly signed attendance and proxy-granting card or other written instrument that, in the opinion of the Board of Directors expressed in a resolution adopted for such purpose, allows for due verification of the identity of the shareholder granting the proxy and that of the proxy-</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>holder designated therein.</p> <p>Proxies by electronic communication to the Company shall be granted under an electronic signature or by such other manner as the Board of Directors may deem appropriate to ensure the authenticity and identification of the shareholder that exercises his right, attaching thereto a copy in electronic format of the attendance and proxy-granting card and detailing in the communication the proxy granted and the identify of the shareholder granting the proxy.</p> <p>In order to be valid, a proxy granted by either of the aforementioned means of long-distance communication must be received by the Company before midnight on the third day prior to the date set for the holding of the General Shareholders' Meeting upon first call. In the resolution for the call of the General Shareholders' Meeting in question, the Board of Directors may reduce this required deadline, disclosing it in the same manner as the call notice. The Board of Directors may also implement the above provisions relating to proxies granted by long-distance means of communication in accordance with the provisions of Article 25.5 of the By-laws and Article 22.7 of these Regulations.</p> <p>6. A proxy may include items that, even if not contained in the agenda, may be dealt with by the shareholders at the General Shareholders' Meeting because it is so permitted by law.</p> <p>7. The Board of Directors may implement the above provisions relating to the grant of proxies through long-distance means of communication, in accordance with the provisions of Article 22.7 below.</p>	<p>holder designated therein.</p> <p>Proxies by electronic communication to the Company shall be granted under an electronic signature or by such other manner as the Board of Directors may deem appropriate to ensure the authenticity and identification of the shareholder that exercises his right, attaching thereto a copy in electronic format of the attendance and proxy-granting card and detailing in the communication the proxy granted and the identify of the shareholder granting the proxy.</p> <p>In order to be valid, a proxy granted by either of the aforementioned means of long-distance communication must be received by the Company before midnight on the third day prior to the date set for the holding of the General Shareholders' Meeting upon first call. In the resolution for the call of the General Shareholders' Meeting in question, the Board of Directors may reduce this required deadline, disclosing it in the same manner as the call notice. The Board of Directors may also implement the above provisions relating to proxies granted by long-distance means of communication in accordance with the provisions of Article 25.5 of the By-laws and Article 22.7 of these Regulations.</p> <p>6. A proxy may include items that, even if not contained in the agenda, may be dealt with by the shareholders at the General Shareholders' Meeting because it is so permitted by law.</p> <p>7. The Board of Directors may implement the above provisions relating to the grant of proxies through long-distance means of communication, in accordance with the provisions of Article 22.7 below.</p>
<p>Article 23. Voting on the proposed resolutions.</p>	<p>Article 23. Voting on the proposed resolutions.</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>1. Once shareholders' presentations, if any, have concluded and answers have been provided as set forth in these Regulations, the corresponding proposed resolutions shall be put to the vote.</p> <p>Each of the proposed resolutions shall be voted by following the agenda included in the notice of the call to meeting, and if proposals have been made regarding matters which the shareholders may decide without such matters being included in the agenda, they shall be submitted to a vote after a vote is taken on the proposals included in the agenda, unless the Chairman of the General Shareholders' Meeting decides otherwise.</p> <p>2. After the Secretary for the General Shareholders' Meeting has read the full text or a summary of the proposed resolution corresponding to an item on the agenda, which reading may be dispensed with when the text of such proposal has been distributed to the shareholders at the beginning of the General Shareholders' Meeting, a vote shall first be taken on the resolutions proposed in each case by the Board of Directors, and then, if appropriate, the proposals made by other parties shall be submitted to a vote, following the order established by the Chairman of the General Shareholders' Meeting for that purpose.</p> <p>When a single item on the agenda includes different matters, such matters shall be separately submitted to a vote. In particular, a separate vote shall be taken on the appointment of each Director and, in the event of amendments to the By-Laws or these Regulations, on each article or group of articles that are materially independent. In exceptional cases, related proposals, which are formulated as an indivisible unit, shall be voted as a whole, such as those relating to the approval of the revised text of the By-Laws or of the Regulations for the General</p>	<p>1. Once shareholders' presentations, if any, have concluded and answers have been provided as set forth in these Regulations, the corresponding proposed resolutions shall be put to the vote.</p> <p>Each of the proposed resolutions shall be voted by following the agenda included in the notice of the call to meeting, and if proposals have been made regarding matters which the shareholders may decide without such matters being included in the agenda, they shall be submitted to a vote after a vote is taken on the proposals included in the agenda, unless the Chairman of the General Shareholders' Meeting decides otherwise.</p> <p>2. After the Secretary for the General Shareholders' Meeting has read the full text or a summary of the proposed resolution corresponding to an item on the agenda, which reading may be dispensed with when the text of such proposal has been distributed to the shareholders at the beginning of the General Shareholders' Meeting, a vote shall first be taken on the resolutions proposed in each case by the Board of Directors, and then, if appropriate, the proposals made by other parties shall be submitted to a vote, following the order established by the Chairman of the General Shareholders' Meeting for that purpose.</p> <p>When a single item on the agenda includes different matters, such matters shall be separately submitted to a vote. a separate vote shall be taken on the appointment, <u>ratification, re-election or removal</u> of each Director and, in the event of amendments to the By-Laws or these Regulations, on each article or group of articles that are materially independent. In exceptional cases, related proposals, which are formulated as an indivisible unit, shall be voted as a whole, such as those relating to the approval of the revised text of the By-Laws or of the Regulations for the General Shareholders'</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>Shareholders' Meeting.</p> <p>In all cases, when a proposed resolution is approved, all other proposals on the same matter that are incompatible therewith shall automatically be deemed withdrawn and shall therefore not be submitted to a vote, which shall be stated by the Chairman of the General Shareholders' Meeting, or by the Secretary for the of the General Shareholders' Meeting, acting by delegation of powers.</p> <p>3. The following voting calculation system shall be used for purposes of voting on the proposed resolutions:</p> <p>a) In the case of voting on proposed resolutions relating to matters on the agenda, votes in favor of the proposal submitted to a vote shall be deemed to be those corresponding to all shares present or represented at the Meeting, according to the attendance roll, less the votes corresponding to shares whose holders or representatives inform the Presiding Committee of the General Shareholders' Meeting, or to the Notary, if appropriate, by written communication or personal statement, that they vote against, in blank or abstain.</p> <p>b) In the case of voting on proposed resolutions relating to matters that are not included in the agenda, votes against the proposal submitted to a vote shall be deemed to be those corresponding to all shares present or represented at the Meeting, according to the attendance roll, less the votes corresponding to shares whose holders or representatives inform the Presiding Committee of the General Shareholders' Meeting, or to the Notary, if appropriate, by written communication or personal statement, that they vote in favor, in blank or abstain.</p> <p>c) For purposes of the provisions of paragraphs a) and b) above, for each of the</p>	<p>Meeting.</p> <p>In all cases, when a proposed resolution is approved, all other proposals on the same matter that are incompatible therewith shall automatically be deemed withdrawn and shall therefore not be submitted to a vote, which shall be stated by the Chairman of the General Shareholders' Meeting, or by the Secretary for the of the General Shareholders' Meeting, acting by delegation of powers.</p> <p>3. The following voting calculation system shall be used for purposes of voting on the proposed resolutions:</p> <p>a) In the case of voting on proposed resolutions relating to matters on the agenda, votes in favor of the proposal submitted to a vote shall be deemed to be those corresponding to all shares present or represented at the Meeting, according to the attendance roll, less the votes corresponding to shares whose holders or representatives inform the Presiding Committee of the General Shareholders' Meeting, or to the Notary, if appropriate, by written communication or personal statement, that they vote against, in blank or abstain.</p> <p>b) In the case of voting on proposed resolutions relating to matters that are not included in the agenda, votes against the proposal submitted to a vote shall be deemed to be those corresponding to all shares present or represented at the Meeting, according to the attendance roll, less the votes corresponding to shares whose holders or representatives inform the Presiding Committee of the General Shareholders' Meeting, or to the Notary, if appropriate, by written communication or personal statement, that they vote in favor, in blank or abstain.</p> <p>c) For purposes of the provisions of paragraphs a) and b) above, for each of the</p>

CURRENT TEXT	PROPOSED AMENDMENT
<p>proposed resolutions submitted to a vote, it shall be deemed that shares present and represented at the meeting are all those recorded on the attendance roll, less the shares whose holders may not, pursuant to the law and depending upon the proposed resolution that is put to the vote, exercise the voting rights attaching to their shares.</p> <p>Regardless of the system used to calculate the votes, verification by the Presiding Committee of the Meeting – or, exceptionally, in the event that such Presiding Committee of the General Shareholders’ Meeting has not been formed, by the Secretary for the General Shareholders’ Meeting – of the existence of a number of favorable votes sufficient to attain the majority required in each case, will allow the Chairman of the General Shareholders’ Meeting to declare the relevant proposed resolution to have been approved.</p>	<p>proposed resolutions submitted to a vote, it shall be deemed that shares present and represented at the meeting are all those recorded on the attendance roll, less the shares whose holders may not, pursuant to the law and depending upon the proposed resolution that is put to the vote, exercise the voting rights attaching to their shares.</p> <p>Regardless of the system used to calculate the votes, verification by the Presiding Committee of the Meeting – or, exceptionally, in the event that such Presiding Committee of the General Shareholders’ Meeting has not been formed, by the Secretary for the General Shareholders’ Meeting – of the existence of a number of favorable votes sufficient to attain the majority required in each case, will allow the Chairman of the General Shareholders’ Meeting to declare the relevant proposed resolution to have been approved.</p>
	<p><u>Article 23 bis. Conflicts of interest at the General Shareholders’ Meeting</u></p> <p><u>1. Shareholders may not exercise their right to vote at the General Shareholders’ Meeting, whether personally or through a representative, in connection with the approval of a resolution designed to:</u></p> <p><u>a. release them from an obligation or give them a right;</u></p> <p><u>b. provide them with any kind of financial assistance, including the provision of guarantees in their favor; or</u></p> <p><u>c. release them, if they are Directors, from the obligations arising from the duty of loyalty.</u></p> <p><u>2. If a shareholder grants a proxy, the representative shall, prior to being appointed, inform the shareholder in detail regarding whether a conflict of interest</u></p>

CURRENT TEXT	PROPOSED AMENDMENT
	<p><u>exists. If the conflict occurs after the appointment and the shareholder granting the proxy has not been apprised of the possible existence thereof, the representative shall immediately inform the shareholder of such conflict. In both cases, in the event that after the conflict has been disclosed, the representative has not received specific voting instructions in connection with each of the matters on which the representative is to vote on behalf of the shareholder, the representative shall abstain from casting a vote.</u></p>
<p>Article 24. Adoption of resolutions and announcement of voting results.</p> <p>1. Resolutions shall be adopted by majority, i.e., proposed resolutions shall be approved when the number of votes in favor of each proposal is greater than the number of votes against it (whatever the number of blank votes and abstentions), without prejudice to the qualified majorities established in the law and in the By-Laws or to the limitation upon the maximum number of votes that may be cast by each shareholder as provided in Article 26 of the By-Laws.</p> <p>2. Once the proposals have been voted as provided in these Regulations, the Chairman of the General Shareholders' Meeting shall announce, either personally or through the Secretary for the General Shareholders' Meeting, the voting results, stating whether each of the proposals has been approved or rejected.</p>	<p>Article 24. Adoption of resolutions and announcement of voting results.</p> <p>1. Resolutions shall be adopted by <u>simple</u> majority, i.e., proposed resolutions shall be approved when the number of votes in favor of each proposal is greater than the number of votes against it (whatever the number of blank votes and abstentions), without prejudice to the qualified majorities established in the law and in the By-Laws or to the limitation upon the maximum number of votes that may be cast by each shareholder as provided in Article 26 of the By-Laws.</p> <p>2. Once the proposals have been voted as provided in these Regulations, the Chairman of the General Shareholders' Meeting shall announce, either personally or through the Secretary for the General Shareholders' Meeting, the voting results, stating whether each of the proposals has been approved or rejected.</p>