

**Justificatory report by ACS, Construction Activities
and Services, S.A.'s Board on the proposed
amendment to the Company by-Laws**

Madrid, 24 March 2022

Justificatory report by ACS, Construction Activities and Services, S.A.'s Board on the proposed amendment to the Company by-Laws

1. PURPOSE OF THIS REPORT

Law 5/2021, of 12 April, on promoting the long-term involvement of shareholders in listed companies –transposing Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC into Spanish law– ("**Law 5/2021**") was published on 13 April 2021 in the Official Gazette of the Spanish State and, among other matters envisaged in the consolidated text of the Corporate Enterprise Act, enacted by Royal Legislative Decree 1/2010, of 2 July, it amended the shareholders and the exercise of voting rights, capital increase and pre-emption rights, the composition of the Board, the remuneration of directors and connected transactions, besides reviewing the system of electronic attendance to the meeting and introducing the possibility of holding meetings exclusively by electronic means, if the system to identify provided for in the Company by-Laws.

The Board of Directors of ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, S.A. (the "**Company**") analysed the above legal reform in order to determine the matters that are really necessary or appropriate to expressly include or adapt in the Company by-Laws and those that, by contrast, do not require express incorporation into the Company by-Laws insofar as, in any event, the legal regime will apply. The Board considered it appropriate to submit amendments to certain articles of the Company by-Laws for approval by the General Meeting to **adapt them to the reform of the Corporate Enterprises Act introduced by Law 5/2021**.

It was also proposed to introduce certain **provisions related to other recent legal reforms**, in addition to certain **technical or systematic details**.

In accordance with section 286 Corporate Enterprises Act, the Board, at its meeting on 24 March 2022, approved this Report to justify the amendment to the Company by-Laws, submitted for approval by the General Meeting convened for 5 May 2022 on first call and on 6 May 2022 on second call, under the ninth item on the agenda.

In view of the above, this Report looks to justify:

- the **amendments** to Articles 10, 12, 21, 22, 27, 28, 29, 32, 35 and 37 of the Company by-Laws; and
- the **incorporation** of the new Article 28 bis into the Company by-Laws.

2. JUSTIFICATION FOR THE PROPOSED AMENDMENT

Amendment to Article 12

The wording of the second paragraph of the Article **is developed and adapted to the wording of section 406 Corporate Enterprises Act** ("*The General Meeting is responsible for issuing debentures and other marketable securities and for delegating the power to issue them to the Board, and for disapplying or limiting pre-emption rights, in the terms established by law.*"), given the particular relevance of this matter.

Amendment to Article 21

As regards the **composition of the Audit Committee** it is proposed, on the one hand, to establish that it must be formed by a "*majority*" of independent directors and, on the other, that "*as a whole, the members of the Committee will have the relevant technical knowledge as regards the sector of activity to which the Company belongs.*", in accordance with current section 529 quaterdecies(1) Corporate Enterprises Act, as drafted by *Law 22/2015, of 20 July, on the Audit of Accounts.*

Amendment to Article 27

As regards the **power to call the General Meeting**, it is proposed:

- To develop and update references to the **court summons** of the General Meeting, in particular, replacing references to "*commercial judge*" with "*judicial administration clerk*" and "*commercial registrar*", in accordance with sections 169, 170 and 171 Corporate Enterprises Act, as drafted by *Law 15/2015, of 2 July, on Voluntary Jurisdiction.* Furthermore, the term "*judicial administration clerk*" is included in the proposal, replacing the term "*court secretary*" included in the above sections 169, 170 and 171 Corporate Enterprises Act, since it is the term currently in force after the approval of *Organic Law 7/2015, of 21 July, amending Organic Law 6/1985, of 1 July, on the Judiciary.*
- **To delete the subsection "*if there are no substitutes*"**, given that it is not possible to appoint alternate directors in listed companies, in accordance with section 529 decies(i)(3) Corporate Enterprises Act.

Amendment to Article 28

As regards **electronic assistance to the General Meeting**, it is proposed to incorporate the clarifications introduced in section 182 Corporate Enterprises Act by *Law 5/2021*, in addition to assigning control to the Board for the procedural aspects relating to electronic assistance to the General Meeting.

Furthermore, it is proposed to **delete the reference to the Universal General Meeting**, since it is virtually impossible for this circumstance to take place within the scope of listed companies.

Addition of the new Article 28 bis

It is proposed that a new Article 28 bis should include the **possibility of holding General Meetings exclusively by electronic means**, in accordance with sections 182 bis and 521.3 Corporate Enterprises Act, introduced by *Law 5/2021*. This amendment to the Company by-Laws consists in allowing, when permitted by applicable law, the call for General Meetings to be held

with the participation of shareholders exclusively by electronic means, i.e. without the physical attendance of shareholders and their representatives.

The COVID-19 pandemic has given unprecedented impetus to the incorporation of electronic means of distance communication as regards the organisation and functioning of capital companies and, in particular, listed companies. The exceptional regulations enacted in 2020 and 2021 to address the economic and social impact caused by this situation also included measures to enable the governing bodies of companies, both the managing body and the General Meeting, to hold meetings by means of distance communication. These measures also provided for the possibility of holding General Meetings exclusively by electronic means, without the physical presence of shareholders or their representatives, all in the framework of promoting the involvement of shareholders in corporate life in accordance with the *Code of Good Governance for listed companies*.

Based on the experience of employing these measures during the state of alarm, in the framework of Law 5/2021, an enablement was incorporated so that, in general and without connection to the above exceptional circumstances, General Meetings can be held exclusively by electronic means, without prejudice to ensuring the full exercise of the rights of shareholders or their representatives. Law 5/2021 included a new section 182 bis Corporate Enterprises Act, reflecting this provision, and a new paragraph 3 was incorporated in section 521 Corporate Enterprises Act. This possibility, which is already envisaged in other jurisdictions, is now also incorporated into Spanish law.

Therefore, and without prejudice to the fact that the Board considers the physical assistance of shareholders or their representatives to the General Meeting as the ordinary channel for exercising their rights, together with the possibility of exercising them by means of distance communication above the Meeting being held, the proposed inclusion in the Company by-Laws of the possibility of holding General Meetings with the assistance of shareholders and their representatives exclusively by electronic means may be of great use in certain situations in which it is advisable to facilitate the holding of the Meetings. All of the above without detriment to the rights of shareholders, which may be exercised by the shareholders themselves or by their representatives in equivalent terms to those available to them if the General Meeting were to be held with the physical assistance of shareholders or their representatives.

Amendment to Article 29

On the one hand, it is proposed to **incorporate the subsection "simple" as regards the majority required to pass Board resolutions**, in accordance with section 201.1 Corporate Enterprises Act.

On the other hand, as regards **casting votes by means of distance communication**, it is proposed to replace "*telegraphic*" with "*electronic*", also adding a provision regarding the security of electronic communications in accordance with section 521.1 Corporate Enterprises Act.

As for the **assignment of representation** at the General Meeting, it is proposed to introduce a provision stating that "*delegations made above casting a remote vote will be considered revoked and those conferred subsequently will be considered not to have been made. Representation will also be rendered without effect by any disposal of shares of which the Company becomes aware*", in coordination with Article 15 of the General Meeting Regulations.

Amendment to Article 32

It is proposed to include clearer wording regarding **increased majorities required to pass resolutions** on first and second calls, in accordance with section 201 Corporate Enterprises Act, and Article 30.2 of the General Meeting Regulations.

Amendment to Article 35

It is proposed to develop the reference to **directors' report**, adding that *"it will include, where appropriate, the non-financial statement of information"*, in accordance with section 253.1 Corporate Enterprises Act, as drafted by *Law 11/2018, of 28 December, on non-financial information and diversity*.

Amendment to Article 37

As regards the **remuneration of directors, there is no change to the current system established in the Company by-Laws**. However, certain **technical details required by the legal reform** introduced Corporate Enterprises Act by Law 5/2021 are included.

As regards **directors in their capacity as such**, it is proposed to specify that the **fixed allocation** making up this remuneration will be of an *"annual"* nature, and establish that the **individual remuneration set for each director** must be carried out by the Board within the framework of the Articles of Incorporation and the remuneration policy, following a report by the Remuneration Committee, in accordance with section 529 septdecies(3) Corporate Enterprises Act.

Regarding the **remuneration of directors for the performance of executive duties**, it is proposed to include that *"the Board will be responsible for determining the individual remuneration of each Director for the performance of the executive functions assigned to them within the framework of the remuneration policy and in accordance with their contract, following a report by the Remuneration Committee."*, in accordance with section 529 octodecies(3) Corporate Enterprises Act.

It is also proposed to **add the provision that "the Company will take out third-party liability insurance for its Directors"**, in accordance with the Remuneration Policy for the Company's directors and with sections 529 septdecies(1) and 217(2) Corporate Enterprises Act.

Other technical amendments

In addition to the above amendments, technical details have been included in Article 10 (updating the cross-reference to the system applicable to the share of the Company's profits, contained in the current Article 36 of the Company by-Laws) and in Article 22 (deleting a paragraph that is repeated in the same Article).

3. SEPARATE VOTE ON MATTERS

As regards the proposed amendment of the Company by-Laws submitted for approval by the General Meeting, the corresponding separate vote will be taken, in accordance with section 197 bis Corporate Enterprises Act.

4. ANNEX

The comparison between the text of the articles of the current Company by-Laws and the proposed amendments thereto are adjoined to this Report as an Schedule.

CHAPTER I.

Article 1.- A Public Limited Company is incorporated, to be governed by these Company by-Laws and by other general provisions applicable there to as subsidiary provisions or as legal requirements.

Article 2.- The company's corporate name is "ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, S.A.".

Article 3.- The company was incorporated for an indefinite period.

Article 4. – The company's corporate purpose is:

1. The industry for the construction of all types of public and private works. Also the provision of services for the upkeep, maintenance and exploitation of motorways, trunk roads, roads and, in general, all types of public and private roadways and other types of works and other kinds of industrial, commercial and financial actions and operations related to these, directly or indirectly.

2. The promotion, construction, restoration and sale of housing developments and all types of buildings for industrial or commercial purposes or as dwellings, either on the company's own account or for others. The upkeep and maintenance of urban and industrial works, installations and services.

3. The management and execution of all types of works, installations, erection and maintenance relating to plant and lines for production, transport and distribution of electrical power. This includes substations, transformer, interconnection and switching centres, generating and converter stations. It also includes electrical mechanical and track installations for railways, trams and trolleybuses, electrical installations for dams, wastewater treatment plant, water purification plant, quays, ports, airports, docks, ships, shipyards, pontoons, platforms and flotation elements. Also any direct or remote control elements for diagnostics, testing, safety and protection, control and interlocking, manoeuvring or measurement for industry and buildings, and those appropriate for the installations listed above, electrification, floodlighting and public lighting, electrical installations in mines, refineries and explosive environments and, in general, all types of installations related to the production, transport, distribution, storage, recovery and use of electrical power at all levels and in all systems and the exploitation and repair, replacement and upkeep of all system elements. Control and automation of all types of electrical networks and installations, remote controls and computer systems required for management, computerisation and rationalisation of consumption of all types of power.

4. The management and execution of all types of works, installations, erection and maintenance relating to electronics for telephonic, telegraphic, signalling, emergency,

civil protection and defence communication systems and networks and such systems for traffic and transmission and use of voice and data, measurements and signals, and for the propagation, broadcast, repeating and receiving of any type of waves; of antennas, repeaters, radio links, navigation aids and equipment and elements needed for carrying out such work, erections and installations.

5. The management and execution of all types of works, installations, erection and maintenance relating to the exploitation, production, transformation, storage, transport, channelling, distribution, use, measurement and maintenance of any other type of energy and energy products and any other energy which may be used in the future, including the supply of special equipment and elements necessary for installation and assembly and materials of all types.

6. The management and execution of all types of works, installations, erection and maintenance relating to hydraulic works for the exploitation, storage, raising, pumping or distributing water; its piping, transport and distribution, including water and gas treatment installations.

7. The management and execution of all types of works, installations, erection and maintenance for the exploitation, transport, channelling and distribution of liquids, solids and combustible gases for all types of uses.

8. The management and execution of all types of works, installations, erection and maintenance of ventilation, heating, air conditioning and cooling works and those for improving the environment, for all types of uses.

9. The management and execution of all types of works, installations, erection and maintenance relating to cable railways, cable-cars, chair lifts and ski lifts for the transport of people or materials by means of systems using cables or any type of mechanical elements. The recovery of submerged ships and elements, marine salvage, scrapping of ships, floating naval repairs, repairs to and mounting of motors and mechanical elements for ships and underwater work and the sale of aquatic and sports equipment.

10. The manufacture, transformation, production, handling, repair and maintenance and all types of industrial operations for commercialisation related to machinery, parts, tools, fixtures, electrical protection equipment, bare and insulated cables, insulators, ironwork and machines and tools and auxiliary equipment for assembly and installation of railways, metro and tram systems. Also plant, lines and networks for transport and distribution of electrical power and for telephonic and telegraphic communications, telecommunications, security, traffic, telematic and voice and data transmission systems and elements and machines for the exploitation, transformation, transport and use of all types of energy and energy products; pumps for raising fluids and gases, channelling and other elements, mechanisms, instruments, accessories, spare parts and materials needed for the execution of any industrial, agricultural, naval, transport and communications or mining works, installations and assembly and any others related to the preceding sections. The exploitation of the business of the production, sale and use of electrical power, and other sources of energy, and the carrying out of studies related to these. Also the exploitation of the business of production, exploration, sale and use of all types of primary solid, liquid or gaseous energy resources. This specifically includes hydrocarbons and

gas, be it natural, liquefied or of other types or in other states, in their various forms and types. Energy planning, rationalisation in the use of energy and cogeneration of it. Research, development and exploitation of communications and information technology in all their aspects.

11. The manufacture, installation, assembly, mounting, supply, maintenance and marketing of all types of products and elements made from or derived from concrete, ceramics, resins, varnishes, paints, plastics or synthetic materials and metal structures for industrial plants and buildings, bridges, towers and supports made from metal, reinforced concrete or any synthetic material for all types of communications and transport or distribution of electrical power or of any other type of material or energy product related to energy in all its forms.

12. The manufacture, preparation, handling and finishing, diagnostics, treatment and impregnation for protection and preservation and sale of wood in general and, in particular, posts used for electricity, telephone and telegraph lines. Impregnation or in service for shoring for mines and galleries, scaffolding for buildings, wood for works, railway sleepers and fences and the production and marketing of antiseptic products and the exploitation of procedures for preserving wood and elements, tools and fixtures made from it. The acquisition, provision, application and exploitation of paints, varnishes, surfacings, metal coatings and, in general, construction materials.

13. The management and carrying out of agricultural replanting, restocking of fish, reforestations and the maintenance and improvement of these. Gardening, planting, revegetation, reforestation, maintenance work and conservation for parks, gardens and attached elements.

14. The production, installation, distribution and exploitation in any form of all types of advertising and advertising vehicles. The design, construction, manufacture, installation, maintenance, cleaning, upkeep and exploitation for advertising of all types of urban furniture and similar elements.

15. The provision of all types of public and private services of an urban nature, including the carrying out of works and installations which need to be carried out, either as an administrative concession or through rental. The treatment, recycling and assessment of all types of urban waste, waste which can be assimilated into urban waste and industrial and sanitary waste. Also the treatment and sale of waste products and the management and exploitation of treatment plants and waste transfer. The writing and processing of all types of projects related to environmental matters.

16. Cleaning services for buildings, constructions and works of all types, for offices, commercial premises and public places. Preparation, preservation, maintenance, cleansing, disinfection and rodent control. Cleaning, washing, ironing, sorting and transport of clothes.

17. Assembly and installation of furniture such as tables, shelving, office equipment and similar or complementary items.

18. All types of transport for passengers and goods, particularly by land. Also activities related to this. Management and exploitation and the provision of auxiliary and complementary services for all types of buildings and property or complexes for public or private use which are given over to service areas or stations, recreational areas and bus or intermodal stations.

19. The provision of comprehensive health care services and social and health care services by qualified personnel (doctors, psychologists, educationalists, registered nurses, welfare officers, physiotherapists and therapists) and the carrying out of the following tasks: home help and care services, remote home care and social/health care. The full or partial operation or management of hostels, safe houses, day centres, therapy communities and other shelter and rehabilitation centres. Health transport and escorts for the above-mentioned groups. Home hospitalisation and medical and nursing assistance at home. Supply of oxygen therapy, control of gases and electromedicine, and their connected activities.

20. The provision of auxiliary services for housing developments, building plots, industrial facilities, road systems, shopping centres, official organisations and administrative offices, sporting or recreational facilities, museums, show grounds, exhibition centres, meetings and conferences, hospitals, conventions, inaugurations, cultural and sporting centres, sports, social and cultural events, exhibitions, international conferences, general meetings of shareholders and owner's communities, receptions, press conferences, educational institutions, parks, farm facilities (agricultural, livestock and fishery), woods, agricultural land, game preserves, recreational or show sites and, in general, all types property and events. This takes place through concierges, messengers, caretakers, ushers, guards or controllers, console operators, waiters, porters, receptionists, ticket clerks (including ticket collection), telephonists, guides, collectors, carers, lifeguards, stewards and similar professionals or those who carry out their functions, consistent with the maintenance and upkeep of the premises, and care and service for neighbours, visitors and/or users by means of the carrying out of the corresponding tasks. Those tasks which the law reserves for security companies are excluded in all cases. Charging and cash desk tallying and the collection and charging of bills and receipts. Development, promotion, exhibition, execution, acquisition, sale and provision of services in the areas of art, culture and leisure in their various activities, forms, expressions and styles.

21. Attention for emergency, prevention, information, telephone switchboard, kitchen and dining room services. Opening, closing and care of keys. Switching on and off, operation, supervision, maintenance and repair of motors and heating and cooling installations, of electricity, lifts, water and gas piping and other supplies and of the fire prevention systems. The operation of systems for rapid communication with public support services such as the police, fire brigade, hospitals and medical centres. Services for fire prevention and fire fighting in general in countryside, woods, agricultural land and industrial and urban installations.

22. Comprehensive management or operation of public or private centres for special education or teaching, and supervision, care, education and control of pupils or other teaching groups.

23. The reading of water, gas and electricity meters. The maintenance, repair and replacement of these. The telephone receipt and transcription of readings, inspection of meters, taking and updating of data and placement of notices. Measurements of temperature and humidity on roads and, in general, in all types of moveable property and real estate, public and private facilities, carrying out all the monitoring necessary for the correct preservation and maintenance of these or of the assets deposited or guarded in these.

24. Handling, packing and distribution of food or consumable products. The preparation, seasoning and distribution of foods for own consumption or supply to third parties. Care, replacement and maintenance of equipment, machines and dispensers for the above-mentioned products and intervention in operations with raw materials, manufactured products and supplies.

25. The provision of ground services for passengers and aircraft. Comprehensive services for goods logistics, such as: loading, unloading, stowage, transport, distribution, location, sorting, warehouse control, preparation of inventory, replacement, stock control in warehouses and storage of all types of goods, excluding those activities subject to special legislation. Management and operation of places for distribution of goods and property in general and, in particular, those for perishable products such as fish markets, wholesale and retail markets. Receipt, berthing, mooring and connection of services to vessels.

26. Direct publicity, franking and distance course services, of printed advertising and, in general, all types of documents and packages for its customers.

27. Management, operation, administration, maintenance, upkeep, rehabilitation and conditioning for all types of concessions, in the broadest sense. This applies both to those where the company is a shareholder in the licensee company and those with which it has some type of contractual agreement to carry out some of the activities listed above.

28. The acquisition, holding, enjoyment, administration and transfer of all types of securities in the company's own right. Excluded from these activities are those which special legislation and, in particular, legislation on the stock exchange, attributes exclusively to other bodies.

29. Management and administration of securities representing the funds for organisations which are not resident in Spain through a corresponding organisation with personal and material resources appropriate for the purpose.

30. The preparation of all types of studies, reports and projects and the signing of contracts for the activities indicated in this article, and supervision, management and advice on their execution.

31. Professional training and retraining of the people who provide the services set out in the above points.

The activities making up the corporate purpose may be carried out fully or partially by the Company in an indirect manner through the participation of other companies.

All those activities for which the Law demands special requirements which this Company does not fulfil are excluded. Likewise, if legal regulations demand a professional qualification, administrative authorisation, entry in a public register or any other requirement to be able to carry out any of the activities included in the corporate purpose then such activities must be carried out by a person with such a qualification or, where appropriate, may not be initiated until the specific demands have been met.

Article 5.- The company has its registered address in Madrid, at Avenida de Pío XII, number 102.

This address may be moved to any place within Spanish territory, by resolution passed in accordance with the legal provisions.

By virtue of the same procedure, the creation of agencies, branches or regional offices may be agreed, both in Spain and abroad.

CHAPTER II

SHARE CAPITAL, SHARES, BONDS.

Article 6.- The share capital is 147,332,297 euros, represented by 294,664,594 shares of FIFTY CENTS OF EURO nominal value per share totally subscribed and disbursed.

The company may issue non-voting shares for a value no greater than half the share capital and with entitlement to receive a minimum annual dividend of one percent of the paid-up share capital for each share, notwithstanding other rights conferred by law.

The company may also issue redeemable shares, for a face value no greater than a fourth of the share capital and in compliance with the other legally established requirements.

Article 7.- The share capital may be increased or reduced by resolution of the General Meeting, which may delegate to the Board the authority to establish the execution date(s), within a maximum term in conformity with the Law. The Board may fully or partially use the authority to increase or reduce (the capital) or refrain from doing so considering the market conditions, the conditions of the Company itself or any facts or events of corporate or economic importance warranting such decision, informing of same at the next General Meeting held once the term established for the execution has elapsed.

The General Meeting may also authorise the Board to resolve upon capital increases in conformity with what is provided by law.

Article 8.- The shares will be represented by means of book entries under the conditions and requirements laid down by current Spanish legal provisions.

Article 9.- The shares are indivisible with in relation to the Company. In the event that one or more shares belong in co-ownership to several persons, these must be represented by one single person for the purposes of exercising their rights as shareholders.

Article 10.- Each share will bear entitlement to ownership of the company's assets, in the event of dissolution, to a proportional part of those which are in circulation and to the disbursements or contributions charged to them.

Participation in the company's profits will be governed by Article 36.

Article 11.- The rights and obligations corresponding to each share are inherent to it. Ownership or possession of a share implies, de jure, submission to these Company by-Laws and to the shareholder and director resolutions, validly passed in accordance with their respective powers.

The shares will be transferable between Spanish natural or legal persons without any limitation; and to foreign natural or legal persons, with the lawful limitations that may exist in each case.

Article 12.- In order to carry out its object, best develop its operations or meet its needs, the Company, may issue bearer or registered debentures of any type, with or without a mortgage, for the amount and under the conditions it considers appropriate and without any other restrictions aside from those established under the Law.

The General Meeting ~~may also delegate the power to issue~~ is responsible for issuance of debentures and other negotiable securities, and for delegating authority to issue them to the Board of Directors, and to exclude or restrict pre-emptive subscription rights, under the terms established by law.

CHAPTER III. ADMINISTRATION OF THE COMPANY

Article 13.- The Company is governed and administered by a Board of Directors comprised of a minimum of eleven members and a maximum of twenty-one, shareholders or not, who will be subject to the duties legally established and, in particular, to those of sound administration, trustworthiness, loyalty and confidentiality under the terms regulated by the legislation in force at all times.

Article 14.- The Board members of the Company will be appointed by the General Shareholders Meeting or, in the event of an anticipated vacancy, by the Board itself. Should a vacancy arise when a General Meeting has been called, the Director appointed from its members will remain in office until the next General Meeting.

The legal provisions in force will be observed when selecting Board members.

Board members will hold their positions for four years. Directors may be re-elected one or more times for terms of the same maximum duration.

The appointment of the Board members will expire when the term has ended and the next General Meeting has been held, or following the legal period within which the meeting is to be held to resolve on whether or not to approve the financial statements for the previous year.

Article 15.- The Board will appoint, from among its members, a Chair, and may also appoint one or two Vice-Chairmen, who will maintain such functions until their termination, dismissal or resignation as Board members, and they may always be re-elected.

A Secretary will also be designated from among its members or from outside. If not a Board member, such Secretary would have the right to address the Board, but not to vote.

The Board, with the objective to guarantee the best management of the Company will approve a set of Company by-Laws that will reflect the internal rules of the Board and its administration, in accordance with the law and the Company by-Laws. The General Shareholders' Meeting will be notified of the existence of above Company by-Laws.

Article 16.- An Executive Director may hold the position of Chair of the Board. In such instance, the appointment of the Chair must be voted for by two thirds of the Board members.

Should the Chair be an Executive Director, the Board, with the abstention of the Executive Directors, will appoint a Coordinating Director from the Independent Directors, who will be specially enabled to request that a meeting of the Board be called, or the inclusion of new points in the Agenda of a meeting already called, and to coordinate and unite the Non-Executive Directors and lead, if appropriate, the regular appraisal of the Chair of the Board.

The Board will always meet whenever the interests of the Company so require, by means of a call made by the Chair, or in absence thereof, by the Deputy Chair, either at their own initiative or at the petition of two or more Board members or of the Coordinating Director, if applicable. It will hold its meetings at the Company's registered office or in another location designated in the Call. In order for the Board Meeting to be valid, the majority of members must be in attendance either by proxy or in person. The Board members who are absent or unable to attend the meeting personally may be represented therein and cast their vote by delegating special powers to another Board member. Non-Executive Directors may only delegate their representation to another non-Executive Director.

Attendance of Board members at the Board meetings will be equally valid by means of remote communication, provided that these means allow the Board members attending to mutually recognised and identify each other, to be in permanent communication, and to take the floor and vote in real time. Board of Director meetings that are attended by Board members through means of remote communication, in accordance with that provided in this article, will be considered unique and held at the location from where the Chair of the body, or whoever stands in for him, is attending. The meeting minutes and certificates of the resolutions must be expressly kept.

The Board members that constitute at least one third of the Board members may call a meeting, indicating the agenda and as to whether the meeting is to be held at the company's registered office, if the Chair failed to call the meeting, without just cause, within a period of one month after having submitted the request to do so.

In the event that, due to lack of Board members, either in person or by proxy, the Board could not be validly convened, a new meeting will be called and if in that call it could not be validly convened either, the General Meeting will be called by the Chair or a Deputy Chair, so that it may adopt the pertinent resolutions once informed of the situation.

In order for decisions to be valid, the absolute majority of the Board members in attendance at the meeting, present or represented, must be in agreement.

Article 17.- The Board's decisions will be recorded in minutes which will be written up in a special book. These will be signed by the Chair or whoever substitutes him and by the Secretary. The statements, copies and certifications of the Board's Minutes will bear witness and will be considered authentic, being authorised by the Secretary with the approval of the Chair or of another Director executing his functions.

Article 18.- The Board is granted the most extensive powers for representing the Company and administering its business, and for carrying out any operations comprised within its corporate object or relating to it.

Article 19. - The Board may establish an Executive Committee with the composition, organisation and powers it considers fit. It may also delegate its powers, in full or in part, to one or more of its members, who will adopt the title of CEOs. Likewise, an Audit Committee, an Appointments Committee and a Remuneration Committee will be established with the composition, organisation and powers indicated in other articles of the Company by-Laws.

It may also confer general and special powers on any person, for as many matters as it considers appropriate related to the administration and the businesses in which the Company is engaged, in all their potential classes.

In all of the instances included in this article, the Board may also grant the powers to substitute them definitively or with limitations. Notwithstanding the above, the preparation of the financial statements and their submission to the General Meeting, the powers granted by the AGM to the Board (unless expressly authorised for sub-delegation), or other powers that by Law cannot be delegated, may not be subject to delegation, without prejudice to urgent, duly justified circumstances requiring the delegated bodies or persons to adopt the corresponding decisions, which will be ratified in the first session of the Board held following adoption of the decision.

Article 20. - The permanent delegation of some of the Board's powers to the Executive Committee or to the CEOs, and the appointment of such positions, in order to be valid, will require the favourable vote of two thirds of the Board members, and will not be considered valid until registered at the Mercantile Registry.

Article 21 – There will be an Audit Committee which will be comprised exclusively by Non-Executive Directors appointed by the Board ~~of Directors, at least two of whom shall be, with the majority of them being~~ Independent Directors, and one of whom will be appointed due to his/her knowledge and experience in accounting, auditing or both. In turn, the members of this Committee, considered jointly, must have the pertinent technical knowledge relating to the sector in which the Company operates.

The Chair of the Audit Committee will be appointed from the other independent Directors forming part thereof, and will be substituted every four years. They may be re-elected after the term of one year has elapsed from the moment of termination.

Without prejudice to the other duties bestowed by the Regulations of the Board, the Audit Committee will have the duties determined by Law.

Article 22 - An Appointments Committee will exist, which will be formed exclusively of Non-Executive Directors appointed by the Board ~~of Directors~~, at least two of whom ~~shall~~will be Independent Directors. The ~~Chairman~~Chair of the Committee ~~shall~~will be appointed from among the Independent Directors forming part thereof.

Without prejudice to the other duties bestowed by law or by the Regulations of the Board, the Appointments Committee will have the duties determined by law.

Article 22 bis.- A Remuneration Committee will exist, which will be formed exclusively of Non-Executive Directors appointed by the Board, at least two of whom will be Independent Directors. The Chair of the Committee will be appointed from among the Independent Directors forming part thereof.

Without prejudice to the other duties bestowed by law or by the Regulations of the Board, the Remuneration Committee will have the duties determined by law.

Article 23.- The Board may constitute other specialist Committees, in addition to the Audit Committee, the Appointments Committee and the Remuneration Committee.

The Regulations of the Board will establish the number of members and will govern the functioning of the Audit Committee, the Appointments Committee and Remuneration Committee and the other specialist Committees established by the Board.

Article 24.- The Directors, provided that they comply with the commission received and the stipulations contained herein, undertake no personal obligation nor responsibility for the progress and outcome of business operations, except for those specifically provided for by the legislation in force.

CHAPTER IV. GENERAL MEETING.

Article 25 - The General Meeting is the principal governing body of the Company and its decisions, adopted in accordance with the provisions herein, are considered obligatory for all shareholders, including those absent, dissenting and abstaining.

Meetings will take place on the day and in the place stipulated in the notification, in the town where the company has its registered address. However, the General Meeting may be held at any other place in the Spanish territory or abroad if the Board so establishes it when calling the meeting.

The General Meeting may be attended either at the venue where the meeting is going to be held or, as the case may be, at other places provided by the company, stating them in the notice, which are connected with the first venue by means of any valid systems allowing the recognition and identification of the attendants, the permanent communication between those present regardless of where they are located, and the intervention and casting of votes, all in real time. The main venue must be located within the municipal district stated in the notice as the place where the meeting will be held, but this is not necessary for the ancillary venues. The attendants at any of the places will be considered, for all purposes in respect of the General Meeting, as attendants of one same meeting. The meeting will be considered to have been held at the place where the main venue is located.

The General Meeting will approve its own Regulations of Operation.

Article 26.- The General Shareholders' Meeting will be made up of all holders of at least a hundred shares, either present or represented. The owners or holders of less than a hundred shares may group together to complete this number, and cause themselves to be represented either by one of such group, or by another shareholder that owns by himself the necessary number of shares to participate in the general Meeting.

Article 27.- An ordinary General Meeting, previously called for this purpose, will meet within the first six months of each financial year in order to, if applicable, approve the conduct of the company's business and the financial statements for the preceding year, and resolve upon the distribution of profit or allocation of loss.

An Ordinary General Meeting will be valid even if it is called or held outside this period.

Furthermore, they will be held extraordinarily provided that the Board so resolves by its own initiative or at the request of one or more shareholders who represent at least three percent of the paid-in capital, stating in their request the matters to be addressed in the meeting. In such case, the meeting must be held within two months from the date on which the directors were requisitioned by notary to call the meeting and the proposed motions will be included on the agenda. If the General Meeting is not called within the period established by law or the Company's Company by-Laws, the meeting may be convened upon the request of any shareholder, by the corresponding Commercial Court Judge clerk of the court or commercial registrar for the area in which the Company has its registered office and after a hearing of the directors. Should the directors fail to attend to the request to convene a General Meeting made by the minority in a timely manner, a meeting may be called by the Commercial Court Judge clerk of the court or commercial registrar for the area in which the Company has its registered office after a hearing of the directors.

~~In~~ If a General Meeting is called by the event clerk of the request for a court summons, judges shall hand down, this must occur in conformity with the legislation on jurisdiction for non-contentious matters. In turn, under circumstances where a judgement General Meeting is called by the commercial registrar, this must occur within one month from the date of the request. The location, date, and if agreed, freely appoint the chairman time of the meeting must be indicated, along with the agenda, and the chair and secretary of the meeting must be appointed. A judge's decision by the clerk of the court or commercial registrar to order call a meeting ~~to be called~~ may not be appealed. The expenses of the court order shall by the registrar will be charged to the Company. In the event of the death or resignation of the majority of the Board members ~~of the Board of Directors, if there are no substitutes~~, any shareholder may make a request to the commercial clerk of the court judge and the commercial registrar for the area in which the Company has its registered office to call a General Meeting for the purpose of appointing directors. In addition, any of the members who continue to hold office may call a General Meeting for this sole purpose.

Article 28.- Ordinary or Special General Meetings will be convened, following resolution by the Board, by its Chair or in his absence by a Deputy Chair, or by the Secretary, by means of notice published in the Official Bulletin of the Mercantile Registry, or in one of the major newspapers in Spain, on the National Securities Market Commission web page and on the Company's web page, at least one month before the date stipulated for it to be held, or in any other manner and time period laid down under current Spanish legislation. Special General Meetings may only be called fifteen days in advance in accordance with the requirements envisaged by law.

The call will include the date of the meeting on first call and all of the matters to be addressed, and all of the information which is legally necessary. Likewise, the call may include the date, where applicable, when the meeting will be held on the second call. A period of at least twenty-four hours must elapse between the first and second call.

Shareholders with shares representing at least three percent of the share capital may request that a supplement to the call notice of the Ordinary General Meeting be published including one or more items to be put on the Agenda. This right must be exercised through a notice by duly authenticated means to be received at the Company's registered office within five days following publication of the call notice. The additional items will be published at least 15 days before the date set for the meeting.

Similarly, shareholders that represent at least three percent of the share capital may, within the period indicated in the paragraph above, submit supported proposals for resolutions on matters already included or that must be included in the agenda of the meeting called. The Company will ensure that these proposals for resolutions and the documentation attached, as the case may be, is continuously published on its web page when received.

~~If shareholders attend the~~ The Company may provide for attendance at the General Meeting by telematic means which duly guarantee the identity of the subject, with remote voting during the meeting also permitted provided the Board agrees to allow this. In such cases, the call notice will specify the deadlines, forms and methods to exercise the shareholders' rights stipulated by the Board to enable the ~~ordered~~ appropriate process of the meeting. In particular, the Board may determine that the speeches and motions which, pursuant to the law are to be made by shareholders attending by telematic means, must be sent to the Company ~~prior to~~ before the convening of the meeting. The responses ~~of the~~ to any shareholders ~~exercising the~~ or their representatives that remotely exercise

their right to information during the meeting ~~shall~~will be given during the meeting, or else in writing within seven days following termination of the meeting.

~~Notwithstanding the foregoing, the~~ The General Meeting Regulations may grant the Board authority to regulate all necessary procedural aspects, in conformity with the law and these Company by-Laws.

Article 28 bis.- The General Meeting may be called with specification that attendance will be ~~validly convened to address any matter~~ exclusively by remote means, and therefore, with no in-person attendance by the shareholders or their representatives, or by the Board members if applicable, ~~provided that all of the share capital is represented and~~ the Board agrees to this and it is permitted by the applicable legislation.

Holding of the General Meeting exclusively by remote attendance must occur in compliance with the laws and regulations and the Company by-Laws, and any further development of these contained in the General Meeting Regulations, and in all ~~the~~ cases, it will be conditioned upon the ability to ensure that the identities and legitimacy of the shareholders and their representatives can be duly verified, and upon the ability of all attendees ~~except unanimously its celebration.~~ —to effectively participate in the meaning using the remote means of communication specified in the meeting call. This includes their ability to exercise, all in real time, their corresponding rights to speak, right to information and proposal, and voting rights, and their ability to use the means indicated to hear and follow the participation of the rest of the attendees, taking into account the state of the technology and the Company's circumstances, all in conformity with the applicable legislation.

Article 29.- General Meetings will be chaired by the Chair, or in his absence by a Vice-Chair, and the Secretary to the Board will act as its Secretary. The General Meeting may agree that the chair and secretary of each meeting be freely appointed at each meeting. Agreements will be adopted by a simple majority vote of shareholders, whether present or represented, except in cases where the law requires a qualified majority. Each shareholder will be entitled to as many votes as shares he owns or represents, which can be cast through postal correspondence or ~~telegraph or~~ electronic communication, or by any other remote means of communication, as long as the identity of the person casting the votes can be guaranteed through these procedures—, and as applicable, the security of the electronic communications.

Shareholders with a right of attendance may cause themselves to be represented in the meeting by any person. Representation conferred by shareholders only entitled to vote by grouping together may correspond to any person among them.

Any shareholder that is entitled to attend may cause themselves to be represented at the meeting by means of another person. Representation must be especially conferred in writing or by electronic means. The company will establish the system for the electronic notification of the appointment, with the necessary and proportionate formal requirements to guarantee the identification of the shareholder and the proxy or proxies appointed by the former. Proxies are to be appointed specifically for each Shareholders Meeting, in accordance with the conditions and scope laid down by the Spanish Limited Liability Companies Law, except in the case of a spouse, an ascendant or descendant relative of the represented shareholder or an attorney with general powers, registered with official notary, to administer the entire assets that the represented shareholder owns within national territory.

Proxies will always be revocable, and the revocation must be documented and communicated to the company by the means described in the preceding paragraph.

If instructions have been given by the shareholder who is represented, the proxy will vote in accordance with same and will under the obligation of conserving those instructions during one year following the relevant General Meeting.

The proxy may represent more than one shareholder, with no limitations regarding the number of shareholders represented. When a proxy represents several shareholders, different votes may be cast according to the instructions given by each shareholder.

In any event, the number of shares that are represented will be counted in order to determine that there is a quorum for the meeting.

Before the appointment, the proxy must provide the shareholder with detailed information regarding whether there is a situation of conflict of interest. If the conflict arises after the appointment and the represented shareholder was not warned of its possible existence, the shareholder must be informed immediately. In either case, if precise new instructions are not given for each one of the matters on which the proxy must vote on behalf of the shareholder, the proxy must refrain from voting. In particular, there may be a conflict of interest when the proxy is in any of these situations:

- (a) They are a controlling shareholder of the company or an entity controlled by it.

- (b) They are a member of the Board, the management board or the supervisory board of the company or of the controlling company or of an entity controlled by it.
- (c) They are an employee or an auditor of the company, of the controlling company or of an entity controlled by it.
- (d) They are a natural person related to the above. Connected persons are considered to be: the spouse or the person's spouse in the two prior years, or persons cohabiting with a similar relationship of affection or persons who cohabited regularly during the two prior years, and the ascendants, issue, siblings and their respective spouses.

Personal attendance by the represented shareholder at the meeting will be equivalent to revocation of the representation conferred. Also, any representations delegated before issuance of a remote vote will be understood as revoked and any representations conferred afterwards will be understood as not performed. Representation will also be considered as invalid if the Company becomes aware of disposal of the shares.

Article 30.- In order to exercise right of attendance at the General ~~Shareholders'~~ Meeting, ownership of the shares must be registered in the corresponding book entries at least 5 days of advance of the date on which the meeting is to take place.

Article 31.- The shareholders may request from the directors, or formulate in writing, up until the fifth day before the date the meeting is to be held, or verbally at the meeting, the reports or clarifications they consider necessary regarding the matters included in the Agenda. Shareholders may seek information or clarifications or formulate questions in writing regarding any information accessible to the public that will have been provided by the Company to the National Securities Market Commission since the date of the last General Meeting, with the limits and effects set out by Law.

Article 32.- The Ordinary or Special General Meeting will be quorate at first call when the shareholders present or represented possess at least twenty-five percent of the subscribed capital with a right to vote; the second call will be quorate whatever the amount of capital is represented.

Notwithstanding the above paragraph, for the General Meeting to validly increase or reduce the share capital, or effect any other amendment to the Company by-Laws, issue debentures, disapply or limit pre-emption rights when allotting new shares, transform, merge or demerge the Company, assign assets and liabilities en bloc or transfer the registered office to a foreign country, or wind the company up when there is no legal

reason to do so, shareholders representing at least fifty percent of subscribed share capital with a right to vote must be present or represented at first call, or twenty five percent of that same capital at second call.

To pass, resolutions will require a simple majority from the shareholders present or represented at the meeting. Resolutions will pass when more votes are cast in favour than against by the present or represented capital, unless the resolution is to perform an act described in the above paragraph, in which case they will require an absolute majority of more than fifty percent of the capital, either present or represented. However, a favourable vote ~~of~~from two-thirds of the capital present or represented at the meeting will be required if shareholders representing twenty-five percent or more, but less than fifty percent, of the subscribed share capital with voting rights are in attendance at second call.

Article 33.- Ordinary General Meetings will have exclusive authority to audit the Company's administration and to approve, where appropriate, the accounts of the above period and to decide upon the application of results.

Article 34.- The decisions of the meetings, with a summary of matters discussed and of such interventions for which a written record has been requested, will be registered in Minutes, in accordance with the legal requirements, which will be signed by the Chair and the Secretary or whosoever may have substituted them. The Minutes of Meetings may be approved by the meeting itself subsequent to being held or, in the absence of such approval, within a period of fifteen days, by the Chair and two controllers, one representing the majority and another the minority.

Minutes approved in any of these two ways will be effective as of the date of their approval.

Certifications of the Minutes and the agreements of General Meetings will be issued by the Secretary to the Board, and in his absence, by the persons empowered to do so hereby and by the Regulations of the Mercantile Registry, and with the approval of the Chair or, where appropriate, of the Vice-Chair of the Board itself.

Article 35.- The financial year will coincide with the calendar year.

The Board is required to prepare the financial statements, directors' report (which when applicable must include the statement of non-financial information) and proposed distribution of profit within three months following the end of the financial year. The

financial statements will comprise the balance sheet, income statement, statement of changes in equity, statement of cash flows and the notes to the financial statements. These documents, which are to constitute a unit, will be drawn up clearly and will present fairly the Company's equity and financial position and the results of its operations, in accordance with Spanish law and the Commercial Code and will be signed by all directors.

Article 36.- The Ordinary General Meeting will resolve upon the distribution of profit or allocation of loss in accordance with the approved balance sheet. Of the profits obtained in each period, once the value of the legal reserve and all other issues that are legally established have been covered and the appropriate amount for minimum dividend of one percent of shares with no vote according to the ruling in Article 6 of these Company by-Laws has been put aside, the Shareholders General Meeting can apply what it considers as convenient to a voluntary reserve and any other consideration legally permitted.

The rest, where applicable, will be destined to the distribution of dividends in the quantity that the General Meeting agrees between the ordinary shareholders in proportion to the capital value of each share, with subsequent compliance with all legal requirements.

Article 37.- The remuneration of Directors in their position as such will be a fixed annual amount.

The Individual determination of the fixed amount of remuneration for each Director ~~shall, in their position as such and within the context of the~~ Company by-Laws and the remuneration policy, will be performed by the Board after it has received a report from the Remuneration Committee. The Board will take into account the duties and responsibilities, participation in Committees of the Board and other relevant circumstances. The maximum annual remuneration of the Directors as a whole in their condition as such will be approved by the General Meeting in the remuneration policy, and will remain in force unless an amendment is approved.

The remuneration of Directors who are allocated executive duties, including compensation for early termination and any other amounts to be paid by the Company as insurance premiums or contributions to savings schemes, will be in compliance with the remuneration policy approved by the General Meeting, and will be contained in the contract that will be signed with each of the Executive Directors, detailing all items. This contract must be subject to prior approval by the Board, voted for by at least two thirds of its members. The Board, after receiving a report from the Remuneration Committee, will be responsible for individual determination of the remuneration for each Director for

performance of any executive duties they have been assigned, within the framework from the remuneration policy and in conformity with the contents of their contract.

It is expressly authorised that the remuneration of all or any of the Board members may comprise delivery of shares in the Company or options thereupon, or be referenced to the value of said shares, should the General Meeting decide as such, determining the maximum number of shares that may be allocated in each financial year, the price and system of calculation of the price to exercise options, or the value of shares that, in each instance, is taken as reference, and the duration of the plan. The General Meeting may delegate the determination of any other aspect of this type of remuneration to the Board.

The Company must also contract third-party liability insurance for its Directors.

Article 38.- In the event that the General ~~Shareholders'~~ Meeting agrees on the payment of dividends, the Directors will specify the place, term and method of payment. The Board may agree upon the distribution of amounts disbursed as dividends, in accordance with the provisions laid down by the legislation in force.

The General Meeting may resolve that the dividend be fully or partially paid in kind, provided that the goods or securities to be distributed are homogeneous, they are listed on an organised market at the time when the resolution becomes effective or the company duly guarantees that liquidity will be obtained within a maximum term of one year.

Article 39. - Dividends not claimed within a five-year term as of the date on which they fell due will prescribe in the Company's favour.

CHAPTER V. DISSOLUTION - LIQUIDATION.

Article 40. - The Company will be dissolved for the reasons and in accordance with the formalities provided under Spanish law.

Article 41.- Once the Company has been dissolved, the period of liquidation will commence, except in the event of merger, total division or any other general assignment of assets and liabilities.

During the period of liquidation, Directors will assume the functions of liquidators - with the powers granted by Law - and will agree upon a settlement and division in accordance with the decisions of the General Meeting and the provisions in effect, and should their number be even, the General Meeting will appoint a further person as liquidator, by majority vote, rendering the number uneven.

Having satisfied the company's creditors and covered the amount of their credits, in the event that they were outstanding, or having previously insured such payment in the case of non-outstanding credits, the resulting assets will be distributed among shareholders, in accordance with the legislation in force.

CHAPTER VI. INCIDENTS.

Article 42.- Any disputes or claims that may arise between shareholders and the Company, whether during the Company's subsistence or during the period of liquidation, will be subject to the decision of the Courts in the same city as the Company's registered offices.