OPEN POWER FOR A BRIGHTER FUTURE.
WE EMPOWER SUSTAINABLE PROGRESS.
REPORT IN SUPPORT OF THE PROPOSED AMENDMENTS TO THE CORPORATE BYLAWS
REPORT FROM THE BOARD OF DIRECTORS OF ENDESA, S.A. TO THE GENERAL SHAREHOLDERS' MEETING IN SUPPORT OF THE PROPOSED AMENDMENTS TO THE CORPORATE BYLAWS

This English-language version has been translated from the original issued in Spanish by the entity itself and under its sole responsibility, and is not considered official or regulated financial information.

In the event of discrepancy, the Spanish-language version prevails.
Report from the Board of Directors of ENDESA, S.A. to the General Shareholders' Meeting in support of the proposed amendments to the Corporate Bylaws as set forth in agenda items 6.1, 6.2, 6.3 and 6.4.

1 Introduction

This report is issued by the Board of Directors of ENDESA, S.A. ("ENDESA" or the "Company") in accordance with the provisions of Article 286 of the Spanish Capital Corporations Law, justifying the proposals submitted for approval, under agenda items 6.1, 6.2, 6.3 and 6.4, to the General Shareholders' Meeting, scheduled to be held in single call on 30 April 2021, related to the amendment of certain articles of the Corporate Bylaws.

In order to ensure that the amendments submitted to the General Shareholders' Meeting for consideration are properly understood, this report will first describe the purpose and justification of such amendments and then reproduce the proposed resolution to be submitted to the General Shareholders' Meeting for approval, including the full text as it would read after said amendments are implemented.

Furthermore, to make comparing the new proposed text of the articles to their current text easier, a verbatim transcription of both texts, in a double-column format, listing the proposed changes to the current text in the right-hand column and the original text in the left-hand column, is attached hereto, for informational purposes only, as a Schedule.

2 Purpose and Justification of Bylaw Amendments

As indicated in the agenda, grouped voting has been deemed appropriate, such that the proposals for amendment of the Corporate Bylaws submitted to the General Shareholders’ Meeting for review shall be voted on in four different groups based on their intended purpose, with the aim of facilitating understanding and deliberation in relation to said proposals, in accordance with the provisions of Article 197 bis of the Spanish Capital Corporations Law.

The first group (agenda item 6.1) includes the proposal to add a new article (Article 26.ter) to incorporate the option of holding a remote-only General Shareholders’ Meeting.

The second group of amendments (agenda item 6.2) includes various amendments aimed at allowing the shareholders’ proxyholders to attend General Meetings remotely and introducing other improvements relating to remote attendance.

The third group (agenda item 6.3) includes the proposal to amend Article 40 of the Corporate Bylaws to introduce technical improvements to the provisions governing director compensation.

The fourth and final group (agenda item 6.4) addresses the proposed amendment to Article 43 of the Corporate Bylaws to update the provisions governing remote Board meetings.
The purpose and justification for the Bylaw amendments proposed in each of these groups is detailed below.

2.1 Purpose and justification for the amendments proposed under agenda item 6.1: Addition of a new article (Article 26.ter) in the Corporate Bylaws that would provide the option to hold a remote-only General Meeting.

The proposal to add a new article (Article 26.ter) in the Corporate Bylaws is aimed at establishing an option through which the Company’s General Shareholders’ Meeting can be held on an exclusively remote basis, as permitted by and in accordance with the conditions set forth by law.

During the previous fiscal year, as a result of the restrictions on mobility implemented by government authorities in order to fight the health crisis that has resulted from the COVID-19 pandemic, the General Shareholders’ Meeting could not be held in-person as it usually is, thus giving rise to the need to adopt measures aimed at offering more flexibility in organizing the event, at all times ensuring the rights of the shareholders.

In this regard, the 2020 General Shareholders’ Meeting approved the proposed addition to the Corporate Bylaws of the current Article 26 bis (and Article 10 bis in the General Shareholders’ Meeting Regulations) in order to codify in the Bylaws, in accordance with the provisions of Articles 182 and 521 of the Spanish Capital Corporations Law and Recommendation 7 of the Corporate Governance Code for Listed Companies, the option to attend the General Meeting remotely in those cases agreed by the Board of Directors.

Efforts have been made throughout the current fiscal year to increase the use of technology in organizing Endesa’s General Shareholders’ Meeting in order to offer new ways to participate remotely that are better adapted to the needs of its shareholders and proxyholders, and which facilitate the exercise of their rights.

In light of the current health situation, it is necessary that the company continue to promote methods that allow for the remote participation of all shareholders, including in situations, such as the current year and in 2020, where it is impossible or inconvenient to hold the General Meeting in-person.

In this regard, the Report issued in the Presentation of the Draft Bill amending the restated text of the Spanish Capital Corporations Law, approved by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, as relate to encouraging long-term shareholder engagement in listed companies, proposes the addition of a new article (Article 182.bis) in the Spanish Capital Corporations Law that would allow for remote-only general shareholders' meetings if provided for in the bylaws.

Considering the positive reception that this method received at the General Shareholders’ Meeting held last year, the current health situation and the foreseeable regulatory developments, addition of a new provision in the Corporate Bylaws is proposed (addition of Article 26.ter) in order to govern the holding of remote-only General Meetings.

In any case, the possibility of holding remote-only General Meetings shall in all cases be subject to the identity and standing of the shareholders and their
proxyholders being adequately assured, as well as subject to all attendees being able to effectively participate in the meeting using means of distance communication as required by law.

The proposed addition of Article 26 ter to the Corporate Bylaws is accompanied by an amendment of the Endesa General Meeting Regulations, as proposed under agenda item 7.1, to which effect the Board of Directors has drawn up a specific justifying report.

2.2 Purpose and justification for the amendments proposed under agenda item 6.2: Amendment of Articles 26.bis, 27, 30 and 33 of the Corporate Bylaws, allowing the shareholders’ proxyholders to attend General Meetings remotely and introducing other improvements relating to remote attendance.

This second group includes the proposals for amendment of Articles 26.bis, 27, 30 and 33 of the Corporate Bylaws, the purpose of which is to allow the shareholders’ proxyholders to attend General Meetings remotely and to introduce other improvements relating to remote attendance.

In this regard, the primary change to Article 26.bis is to add a provision expressly acknowledging that the shareholders' proxyholders can participate remotely in the same way as shareholders, when so provided in the meeting notice.

The remaining amendments pertain to technical and drafting improvements in line with the content of the new Article 26.ter of the Corporate Bylaws.

On the other hand, in accordance with Regulation (EU) 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market, a proposal is made to update Article 26.bis, replacing the reference to a recognized electronic signature with a reference to a qualified electronic signature, which is the signature type that has the same legal effect as a handwritten signature, consistent with the new terminology used in said regulation.

The proposed amendments to these articles is accompanied by an amendment to the Endesa General Meeting Regulations, as proposed under agenda item 7.2, to which effect the Board of Directors has drawn up a specific justifying report.

2.3 Purpose and justification for the amendments proposed under agenda item 6.3: Amendment of Article 40 of the Corporate Bylaws to introduce technical improvements to the provisions governing director compensation.

This group proposes the amendment of Article 40 of the Corporate Bylaws to introduce technical improvements to the provisions governing director compensation, with the ultimate aim of creating the option to attribute
additional compensation to the non-executive Chairman of the Board for his duties of representation.

2.4 Purpose and justification for the amendments proposed under agenda item 6.4: Amendment of Article 43 of the Corporate Bylaws to update the provisions governing remote Board meetings.

Finally, the amendment of Article 43 is proposed to provide more detailed regulations on the meeting venue for Board meetings and to introduce technical improvements to the regulations on meetings held remotely using videoconferencing, conference calls, or any other means of distance communication, thus expanding the options for holding meetings remotely.

This amendment will also bring the Company's internal regulations on this matter in line with the amendment of the Regulations of Endesa's Board of Directors and its Committees, approved by the Board of Directors on 28 September 2020, the text of which is available on the Company’s website.

3 Proposed Resolutions

AGENDA ITEM 6.1.

Addition of a new article (Article 26.ter) in the Corporate Bylaws that would provide the option to hold a remote-only General Meeting.

Addition of Article 26.ter, which shall read as follows:

"ARTICLE 26.TER REMOTE-ONLY ATTENDANCE

As permitted by applicable law, the Board of Directors may decide to hold a fully remote General Meeting with no shareholders or proxyholders attending in person. Remote-only General Meetings shall in all cases be subject to the identity and standing of the shareholders and their proxyholders being adequately assured, as well as subject to all attendees being able to effectively participate in the meeting using means of distance communication as required by law.

The provisions of Article 26.BIS shall also apply in all matters relating to remote-only Meetings which are not otherwise governed by applicable law."

AGENDA ITEM 6.2

Amendment of Articles 26.bis, 27, 30 and 33 of the Corporate Bylaws, allowing the shareholders’ proxyholders to attend General Meetings remotely and introducing other improvements relating to remote attendance.

I. Amendment of current Article 26 bis of the Corporate Bylaws, which shall hereafter read as follows:

"ARTICLE 26.BIS REMOTE ATTENDANCE

1. Shareholders whose shares are registered in the appropriate book-entry ledger five days before the Meeting may attend remotely using a method that allows their connection in real time with the venue or venues where the Meeting is held, provided the Board of Directors so authorizes for each Meeting.
For all purposes, the shareholder’s or proxyholder’s remote attendance shall be equivalent to attending the General Shareholders’ Meeting in person.

2. The meeting notice for each Meeting shall specify how soon before the start of the meeting a shareholder or proxyholder wishing to attend such meeting should connect or register in order to be considered present at the meeting and to be included in the list of attendees. Any shareholder or proxyholder that connects after the deadline indicated in the meeting notice will not be considered present.

3. Before connecting on the day of the Meeting, the shareholder or proxyholder shall pre-register using the software application made available on the company’s website before the date and time specified in the meeting notice and, as the case may be, shall within said period provide the documentation requested in the Meeting notice for reliable verification of the proxy and identity of the proxyholder.

4. The directors may specify in the meeting notice that any interventions or proposed resolutions that are intended to be delivered by those who will be attending remotely shall be sent to the company prior to the time of assembly of the Meeting.

5. The meeting notice for each Meeting shall describe any deadlines, means and methods for exercising shareholder rights related to remote attendance.

6. Remote attendance mechanisms must afford due guarantees of identification of the shareholder or proxyholder(s) exercising the voting right. The guarantees deemed adequate by the Board of Directors include a qualified electronic signature or any other type of guarantee that the Board of Directors deems adequate to ensure the authenticity and identification of the shareholder or their proxyholders, notwithstanding any additional requirements and conditions which may be established.

7. Board members, the Secretary of the General Meeting and the Notary Public may attend the Meeting in person or remotely.

8. The Company shall not be liable for any damages which may be caused to a shareholder arising out of breakdowns, overloads, dropped lines, failed connections or any other circumstances of a like or similar nature which are beyond the Company’s control and which prevent the use of the long-distance attendance mechanisms described herein.”

II. Amendment of current Article 27 of the Corporate Bylaws, which shall hereafter read as follows:

“ARTICLE 27. REPRESENTATION BY PROXY.

Shareholders whose shares are registered in the appropriate book-entry ledger five days before the meeting is held may be represented at the General Meeting by proxy, subject to the provisions set forth in Articles 26, 26BIS and 26TER. Proxies shall be granted in writing or using electronic means and shall be granted specifically for each Meeting in accordance with the legal provisions on such matter and with the provisions of the General Shareholders’ Meeting Regulations and the Meeting notice.

This proxy right is construed without prejudice to the provisions of the law for cases of family representation and granting of general powers of attorney.

In any case, both for voluntary as well as legal proxies, no more than one proxyholder may be in attendance at the General Meeting, except as otherwise provided by law.

Furthermore, those companies with standing as shareholders by virtue of the book-entry of the shares, but who act on behalf of various individuals, may divide and cast
their vote in different directions in accordance with different voting instructions, if received.”

III. Amendment of current Article 30 of the Corporate Bylaws, which shall hereafter read as follows:

"ARTICLE 30. VOTING AND PROXY BY LONG-DISTANCE COMMUNICATION METHODS.

a) Shareholders whose shares are registered in the appropriate book-entry ledger five days before the Meeting is held (including those who do not hold the minimum number of shares required to attend in person) shall be entitled to cast their votes on proposals concerning the agenda items by post or through electronic communications, in accordance with the provisions of the General Shareholders’ Meeting Regulations and with any other rules supplementing or implementing the Regulations, as established by the Board of Directors.

Using the technical and legal means that make it possible and duly guarantee the identity of the party exercising his right to vote, the Board of Directors is authorized to implement and supplement the rules provided by the General Shareholders’ Meeting Regulations. The Board shall determine the time from which the shareholders may cast their vote through remote means of communication, depending on the stage of development and security provided by the technical means available.

The regulations, including any amendments thereto, adopted by the Board of Directors to implement and supplement the General Shareholders’ Meeting Regulations in accordance with this bylaw provision, as well as the time determined by the Board of Directors from which the shareholders may cast their vote at the General Meeting by long-distance communication, shall be published on the Company's website.

Those shareholders that cast a distance vote pursuant to the provisions of this section shall be deemed to be present for the purposes of the assembly of the General Meeting in question.

b) The provisions of section a), supra, shall also apply to a shareholder granting a proxy for the General Shareholders’ Meeting by means of electronic communication or any other means of long-distance communication.

c) Personal or remote attendance by the shareholder at the General Meeting shall have the effect of revoking a vote cast by postal or electronic correspondence. Furthermore, personal or remote attendance by a shareholder otherwise represented by proxy at the General Meeting shall have the effect of revoking the proxy granted by electronic correspondence or any other means of long-distance communication contemplated in the General Meeting Regulations.”

IV. Amendment of current Article 33 of the Corporate Bylaws, which shall hereafter read as follows:

"ARTICLE 33. RIGHT TO INFORMATION.

Immediately following publication of the Notice of General Meeting and up until the fifth day preceding, inclusive, the date set for such meeting, the shareholders may, in writing or electronically, request any information or clarification or pose questions as they deem relevant to topics included on the agenda for the meeting, publicly available information provided by the Company to the Spanish Securities Market Commission since the last General Meeting was held or as relates to the auditors' report.
During the General Shareholders’ Meeting, shareholders may make requests for information or clarifications, whether verbal in the case of in-person attendance or using means of long-distance communication in the case of remote attendance, regarding the items listed in the previous section, as deemed appropriate. If the shareholder’s right could not be fulfilled at the time of the request, the directors shall be required to provide the requested information in writing within seven days following the day on which the General Meeting concluded.

The directors shall be required to provide the information requested in accordance with the two preceding paragraphs in the manner and periods provided by law, unless such information is not necessary for the proper exercise of the shareholder’s rights, or unless there are objective reasons to believe that such information may be used for purposes outside the company or if the publication of such information could negatively affect the company or any of its affiliated companies.

An information request may not be denied if such request is supported by at least one fourth of total capital.”

AGENDA ITEM 6.3

Amendment of Article 40 of the Corporate Bylaws to introduce technical improvements to the provisions governing director compensation.

Amendment of current Article 40 of the Corporate Bylaws, which shall hereafter read as follows:

"ARTICLE 40. COMPENSATION.

1. The compensation of Directors for their condition as such shall comprise the following items:
   a) Fixed monthly compensation.
   b) Allowances for attending each meeting of the governing bodies of the company and its committees.

   Maximum global and annual compensation, for the Board as a whole and including all aforementioned items, shall be established by the General Shareholders’ Meeting and shall remain in effect until it resolves upon an amendment thereof.

   The Board itself shall be in charge of determining the exact amount to be paid in each fiscal year, subject to the limits set forth by the General Shareholders’ Meeting, as well as distributing such amount between the aforementioned items and between the directors in the manner, time and proportion as freely determined, taking into account the functions and responsibilities entrusted to each Director, whether they belong to any of the Board’s Committees and all other relevant objective circumstances.

   Furthermore, the amount of the allowances shall not exceed monthly fixed salary as determined in accordance with the above paragraphs. The Board of Directors may, within such limit, determine the amount of the allowances.

2. The compensation set forth in the preceding section, applicable to members of the Board of Directors, will be compatible with all other compensation, indemnities, social security contributions or any other professional or labor compensation items to which the Directors may be entitled by way of any other executive, advisory or representation functions they may perform for the Company which are separate
from the supervisory and collective decision-making functions inherent in their position as Directors, which shall be subject to all legally applicable requirements.

3. Notwithstanding the aforementioned compensation, Executive Directors’ compensation may also include the delivery of shares or share option rights or compensation linked to share value. Application of this type of compensation shall require a resolution of the General Shareholders’ Meeting stating, as the case may be, the maximum number of shares that may be allocated to this compensation scheme in each fiscal year, the exercise price or the method for calculating the exercise price of the stock options, the share value that, as the case may be, is used as a benchmark, the term of the plan and any other conditions deemed appropriate.”

AGENDA ITEM 6.4

Amendment of Article 43 of the Corporate Bylaws to update the provisions governing remote Board meetings.

Amendment of current Article 43 of the Corporate Bylaws, which shall hereafter read as follows:

"ARTICLE 43. NOTICE AND PLACE OF MEETING.

The Board shall meet as often as the Chairman or an acting chairman calls a meeting, either at his discretion or when at least two Board Members or, if any, the Coordinating Director so request. The official meeting notice shall include the agenda, set by the Chairman, which in any case shall include those items as requested by the Coordinating Director.

Meetings will generally take place at the registered offices; however, they may also be held elsewhere as the Chairman determines. The Board may meet remotely with all or some of its members and the Secretary using videoconferencing, conference calls, or any other means of distance communication, provided there is interactivity and intercommunication in real time, thereby guaranteeing simultaneity of developments. In such case, the meeting notice and minutes shall indicate, as the case may be, the connection system, and resolutions shall be considered passed at the registered offices.

Without prejudice to the foregoing, and unless precluded by Law, resolutions may be adopted in writing in lieu of a meeting, subject to the requisites and formalities established by the law.”
## ARTICLE 26.BIS REMOTE ATTENDANCE.

1. Shareholders who have their shares registered in the corresponding accounting record of book entries five days before their holding may attend the Meeting by electronic means that allow their connection in real time with the venue or venues where the Meeting is held, provided that the Board of Directors so determines for each Meeting.

For all purposes, shareholders’ electronic attendance will be equivalent to their attendance in person at the General Shareholders’ Meeting.

2. In the notice of each Meeting, the advance notice regarding the beginning of the meeting with which the shareholder who wishes to attend the Meeting must make the connection in order to be considered a shareholder present will be detailed. Shareholders must register through the computer application available on the corporate website before the time indicated in the announcement of the call. Shareholders making the connection after the established deadline will not be considered present.

### CURRENT DRAFTING

<table>
<thead>
<tr>
<th>ARTICLE 26.BIS REMOTE ATTENDANCE.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Shareholders who have their shares registered in the corresponding accounting record of book entries five days before their holding may attend the Meeting by electronic means that allow their connection in real time with the venue or venues where the Meeting is held, provided that the Board of Directors so determines for each Meeting. For all purposes, shareholders’ electronic attendance will be equivalent to their attendance in person at the General Shareholders’ Meeting.</td>
</tr>
<tr>
<td>2. In the notice of each Meeting, the advance notice regarding the beginning of the meeting with which the shareholder who wishes to attend the Meeting must make the connection in order to be considered a shareholder present will be detailed. Shareholders must register through the computer application available on the corporate website before the time indicated in the announcement of the call. Shareholders making the connection after the established deadline will not be considered present.</td>
</tr>
</tbody>
</table>

### PROPOSED AMENDMENT

<table>
<thead>
<tr>
<th>ARTICLE 26.BIS REMOTE ATTENDANCE.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Shareholders whose shares are registered in the appropriate book-entry ledger five days before the Meeting may attend remotely using a method that allows their connection in real time with the venue or venues where the Meeting is held, provided the Board of Directors so authorizes for each Meeting. For all purposes, the shareholder’s or proxyholder’s remote attendance shall be equivalent to attending the General Shareholders’ Meeting in person.</td>
</tr>
<tr>
<td>2. The meeting notice for each Meeting shall specify how soon before the start of the meeting a shareholder or proxyholder wishing to attend such meeting should connect or register in order to be considered present at the meeting and to be included in the list of attendees. Shareholders must register through the computer application available on the corporate website before the time indicated in the announcement of the call. Any shareholder or proxyholder that connects after the deadline indicated in the meeting notice will not be considered present.</td>
</tr>
<tr>
<td>3. Before connecting on the day of the Meeting, the shareholder or proxyholder shall pre-register using the software application made available on the company’s website before the date and time specified in the meeting notice and, as the case may be, shall within said period provide the documentation requested in the Meeting notice for reliable verification of the proxy and identity of the proxyholder.</td>
</tr>
<tr>
<td>4. The directors may specify in the meeting notice that any interventions or proposed resolutions that are intended to be delivered by those who will be attending remotely shall be sent to the company prior to the time of assembly of the Meeting.</td>
</tr>
</tbody>
</table>
3. In the call to each Meeting, the terms, forms and ways of exercising the shareholders' rights related to electronic attendance will be described.

4. The Board of Directors, in accordance with article 182 of the Capital Companies Act, may determine that the interventions and proposals that, pursuant to said law, those who are going to attend by electronic means intend to make be sent to the Company in the manner established in the computer application of the Company's website, prior to the time of the constitution of the meeting indicated in the convening text.

5. The telematic assistance mechanism must have due guarantees of authenticity and identification of the shareholder who exercises the right to vote. The guarantees that the Board of Directors deems appropriate are the recognised electronic signature or any other type of guarantee that the Board of Directors deems appropriate to ensure the authenticity and identification of the shareholder, without prejudice also to any other requirements and conditions that it may establish.

6. The Company shall not be liable for any damages which may be caused to a shareholder arising out of breakdowns, overloads, dropped lines, failed connections or any other circumstances of a like or similar nature which are beyond the Company's control and which prevent the use of the long-distance voting and proxy mechanisms.

5. The meeting notice for each Meeting shall describe any deadlines, means and methods for exercising shareholder rights related to remote attendance.

The Board of Directors, in accordance with article 182 of the Capital Companies Act, may determine that the interventions and proposals that, pursuant to said law, those who are going to attend by electronic means intend to make be sent to the Company in the manner established in the computer application of the Company's website, prior to the time of the constitution of the meeting indicated in the convening text.

6. Remote attendance mechanisms must afford due guarantees of authenticity and identification of the shareholder or proxyholder(s) exercising the voting right. The guarantees deemed adequate by the Board of Directors include a recognised qualified electronic signature or any other type of guarantee that the Board of Directors deems adequate to ensure the authenticity and identification of the shareholder or their proxyholders, notwithstanding any additional requirements and conditions which may be established.

7. Board members, the Secretary of the General Meeting and the Notary Public may attend the Meeting in person or remotely.

8. The Company shall not be liable for any damages which may be caused to a shareholder arising out of breakdowns, overloads, dropped lines, failed connections or any other circumstances of a like or similar nature which are beyond the Company's control and which prevent the use of the long-distance attendance mechanisms described herein.
<table>
<thead>
<tr>
<th>ARTICLE 26. TER REMOTE-ONLY MEETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>As permitted by applicable law, the Board of Directors may decide to hold a fully remote General Meeting with no shareholders or proxyholders attending in person. Remote-only General Meetings shall in all cases be subject to the identity and standing of the shareholders and their proxyholders being adequately assured, as well as subject to all attendees being able to effectively participate in the meeting using means of distance communication as required by law.</td>
</tr>
<tr>
<td>The provisions of Article 26.BIS shall also apply in all matters relating to remote-only Meetings which are not otherwise governed by applicable law.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE 27. REPRESENTATION.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any shareholder who has their shares registered in the corresponding accounting record of book entries five days before its holding may be represented at the Shareholders' Meeting by another person, subject to the provisions of article 26. The representation must be conferred in writing and specially for each Meeting and observing all other legal provisions on the matter.</td>
</tr>
<tr>
<td>This power of representation is understood without prejudice to the provisions of the Law for cases of family representation and the granting of general powers.</td>
</tr>
<tr>
<td>In any case, both for the cases of voluntary representation and for those of legal representation, only one representative may be had at the Meeting, except in the cases provided by law.</td>
</tr>
<tr>
<td>Furthermore, the entities that appear legitimated as shareholders by virtue of the accounting registry of the shares but who act on behalf of various persons, may</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE 27. REPRESENTATION BY PROXY.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders whose shares are registered in the appropriate book-entry ledger five days before the meeting is held may be represented at the General Meeting by proxy, subject to the provisions set forth in Articles 26, 26BIS and 26TER. Proxies shall be granted in writing or using electronic means and shall be granted specifically for each Meeting in accordance with the legal provisions on such matter and with the provisions of the General Shareholders’ Meeting Regulations and the Meeting notice.</td>
</tr>
<tr>
<td>This proxy right is construed without prejudice to the provisions of the law for cases of family representation and granting of general powers of attorney.</td>
</tr>
<tr>
<td>In any case, both for voluntary as well as legal proxies, no more than one proxyholder may be in attendance at the General Meeting, except as otherwise provided by law.</td>
</tr>
<tr>
<td>Furthermore, those organizations with standing as shareholders by virtue of the book-entry of the shares, but who act on behalf of several individuals, may</td>
</tr>
</tbody>
</table>

- 3 -
divide the vote and exercise it in a divergent sense in compliance with different voting instructions, if they have received them

ARTICLE 30. VOTING AND REPRESENTATION BY MEANS OF REMOTE COMMUNICATION.

a) Shareholders who have their shares registered in the corresponding accounting record of book entries five days in advance of the holding of the Meeting (even those who are not holders of the minimum number of shares to attend it) may cast their vote on proposals relating to items of the agenda by mail or by electronic communication, in accordance with the provisions of the Regulations of the Shareholders’ Meeting and in the rules complementing and developing the Regulations, established by the Board of Directors.

The Board of Directors, based on the technical and legal bases that make it possible and duly guarantee the identity of the subject exercising their right to vote, is empowered to develop and complement the regulations provided for in the Regulations of the Shareholders’ Meeting, the Board, according to the stage and security offered by the technical means available, establishing the time from which the shareholders may cast their vote by remote means of communication.

The regulation, as well as any modification thereof, that the Board of Directors adopts pursuant to the provisions of this statutory provision in developing and complementing the Regulations of the Shareholders’ Meeting, and the determination by the Board of Directors of the time from which the shareholders may cast their vote at the Shareholders’ Meeting by remote means of communication, will be published on the Company’s website.

Shareholders who cast their remote vote in accordance with the provisions of this section, shall be understood to be present for the purposes of constituting the Shareholders’ Meeting in question.

ARTICLE 30. VOTING AND PROXY BY LONG-DISTANCE COMMUNICATION METHODS.

a) Shareholders whose shares are registered in the appropriate book-entry ledger five days before the Meeting is held (including those who do not hold the minimum number of shares required to attend in person) shall be entitled to cast their votes on proposals concerning the agenda items by post or through electronic communications, in accordance with the provisions of the General Shareholders’ Meeting Regulations and with any other rules supplementing or implementing the Regulations, as established by the Board of Directors.

Using the technical and legal means that make it possible and duly guarantee the identity of the party exercising his right to vote, the Board of Directors is authorized to implement and supplement the rules provided by the General Shareholders’ Meeting Regulations. The Board shall determine the time from which the shareholders may cast their vote through remote means of communication, depending on the stage of development and security provided by the technical means available.

The regulations, including any amendments thereto, adopted by the Board of Directors to implement and supplement the General Shareholders’ Meeting Regulations in accordance with this bylaw provision, as well as the time determined by the Board of Directors from which the shareholders may cast their vote at the General Meeting by long-distance communication, shall be published on the Company’s website.

Those shareholders that cast a distance vote pursuant to the provisions of this section shall be deemed to be present for the purposes of the assembly of the General Meeting in question.
b) The provisions of section a) above shall also apply to the granting of proxy by the shareholder for the Shareholders’ Meeting by electronic communication or by any other means of remote communication.

c) The personal attendance of the shareholder at the Shareholders’ Meeting will have the effect of revoking the vote cast by postal or electronic correspondence. Likewise, personal attendance at the Shareholders’ Meeting of the represented shareholder shall have the effect of revoking the representation granted by electronic correspondence or by any other means of remote communication provided for in the Regulations of the Shareholders’ Meeting.

ARTICLE 33. RIGHT TO INFORMATION.

Immediately following publication of the Notice of General Meeting and up until the fifth day preceding, inclusive, the date set for such meeting, the shareholders may, in writing, request any information or clarification or pose questions as they deem relevant to topics included on the agenda for the meeting, publicly available information provided by the Company to the Spanish Securities Market Commission since the last General Meeting was held or as relates to the auditors’ report.

The shareholders may, during the General Shareholders’ Meeting, make verbal requests for information or clarifications regarding the items listed in the previous section as they deem appropriate. If the shareholder’s right could not be fulfilled at the time of the request, the directors shall be required to provide the requested information in writing within seven days following the day on which the General Meeting concluded.

The directors shall be required to provide the information requested in accordance with the two preceding paragraphs in the manner and periods provided by law, unless such information is not necessary for the proper exercise of the shareholder’s rights, or unless there are objective reasons to believe that such information may be used for purposes outside the company or if the publication of

b) The provisions of section a), supra, shall also apply to a shareholder granting a proxy for the General Shareholders’ Meeting by means of electronic communication or any other means of long-distance communication.

c) Personal or remote attendance by the shareholder at the General Meeting shall have the effect of revoking a vote cast by postal or electronic correspondence. Furthermore, personal or remote attendance by a shareholder otherwise represented by proxy at the General Meeting shall have the effect of revoking the proxy granted by electronic correspondence or any other means of long-distance communication contemplated in the General Meeting Regulations.

ARTICLE 33. RIGHT TO INFORMATION.

Immediately following publication of the Notice of General Meeting and up until the fifth day preceding, inclusive, the date set for such meeting, the shareholders may, in writing or electronically, request any information or clarification or pose questions as they deem relevant to topics included on the agenda for the meeting, publicly available information provided by the Company to the Spanish Securities Market Commission since the last General Meeting was held or as relates to the auditors’ report.

During the General Shareholders’ Meeting, shareholders may make requests for information or clarifications, whether verbal in the case of in-person attendance or using means of long-distance communication in the case of remote attendance, regarding the items listed in the previous section, as deemed appropriate. If the shareholder’s right could not be fulfilled at the time of the request, the directors shall be required to provide the requested information in writing within seven days following the day on which the General Meeting concluded.

The directors shall be required to provide the information requested in accordance with the two preceding paragraphs in the manner and periods provided by law, unless such information is not necessary for the proper exercise of the shareholder’s rights, or unless there are objective reasons to believe that such information may be used for purposes outside the company or if the publication of
such information could negatively affect the company or any of its affiliated companies.
An information request may not be denied if such request is supported by at least one fourth of total capital.

**ARTICLE 40. COMPENSATION.**

1. The compensation of Directors for their condition as such shall comprise the following items:

   a) Fixed monthly compensation.

   b) Allowances for attending each meeting of the governing bodies of the company and its committees.

   Maximum global and annual compensation, for the Board as a whole and including all aforementioned items, shall be established by the General Shareholders' Meeting and shall remain in effect until it resolves upon an amendment thereof.

   The Board itself shall be in charge of determining the exact amount to be paid in each fiscal year, subject to the limits set forth by the General Shareholders' Meeting and as well as distributing such amount between the aforementioned items and between the directors in the manner, time and proportion as freely determined, taking into account the functions and responsibilities entrusted to each Director, whether they belong to any of the Board's Committees and all other relevant objective circumstances.

   Furthermore, the amount of the allowances shall not exceed monthly fixed salary as determined in accordance with the above paragraphs. The Board of Directors may, within such limit, determine the amount of the allowances.

2. The compensation set forth in the preceding section, applicable to members of the Board of Directors, will be compatible with all other compensation, indemnities, social security contributions or any other professional or labor compensation items to which the Directors may be entitled by way of any other executive or advisory functions they may perform for the Company which are

   a) Fixed monthly compensation.

   b) Allowances for attending each meeting of the governing bodies of the company and its committees.

   Maximum global and annual compensation, for the Board as a whole and including all aforementioned items, shall be established by the General Shareholders' Meeting and shall remain in effect until it resolves upon an amendment thereof.

   The Board itself shall be in charge of determining the exact amount to be paid in each fiscal year, subject to the limits set forth by the General Shareholders' Meeting, as well as distributing such amount between the aforementioned items and between the directors in the manner, time and proportion as freely determined, taking into account the functions and responsibilities entrusted to each Director, whether they belong to any of the Board's Committees and all other relevant objective circumstances.

   Furthermore, the amount of the allowances shall not exceed monthly fixed salary as determined in accordance with the above paragraphs. The Board of Directors may, within such limit, determine the amount of the allowances.
separate from the supervisory and collective decision-making functions inherent in their position as Directors, which shall be subject to all legally applicable requirements.

3. Notwithstanding the aforementioned compensation, Executive Directors’ compensation may also include the delivery of shares or share option rights or compensation linked to share value. Application of this type of compensation shall require a resolution of the General Shareholders’ Meeting stating, as the case may be, the maximum number of shares that may be allocated to this compensation scheme in each fiscal year, the exercise price or the method for calculating the exercise price of the stock options, the share value that, as the case may be, is used as a benchmark, the term of the plan and any other conditions deemed appropriate.

ARTICLE 43. NOTICE AND PLACE OF MEETING.

The Board shall meet as often as the Chairman or an acting chairman calls a meeting, either at his discretion or when at least two Board Members or, if any, the Coordinating Director so request. The official meeting notice shall include the agenda, set by the Chairman, which in any case shall include those items as requested by the Coordinating Director.

Meetings will generally take place at the registered offices; however, they may also be held elsewhere as the Chairman determines. Board meetings may also be held in one or more locations simultaneously provided there is interactivity and intercommunication, in real time, by means of audiovisual or telephone systems, thereby guaranteeing simultaneity of developments. In such case, the meeting notice shall indicate the connection system and, as the case may be, the locations where the technical means necessary to attend and participate at the meeting are available. Resolutions shall be deemed to have been adopted in the place where the Chairman is located.

Company which are separate from the supervisory and collective decision-making functions inherent in their position as Directors, which shall be subject to all legally applicable requirements.

3. Notwithstanding the aforementioned compensation, Executive Directors’ compensation may also include the delivery of shares or share option rights or compensation linked to share value. Application of this type of compensation shall require a resolution of the General Shareholders’ Meeting stating, as the case may be, the maximum number of shares that may be allocated to this compensation scheme in each fiscal year, the exercise price or the method for calculating the exercise price of the stock options, the share value that, as the case may be, is used as a benchmark, the term of the plan and any other conditions deemed appropriate.

ARTICLE 43. NOTICE AND PLACE OF MEETING.

The Board shall meet as often as the Chairman or an acting chairman calls a meeting, either at his discretion or when at least two Board Members or, if any, the Coordinating Director so request. The official meeting notice shall include the agenda, set by the Chairman, which in any case shall include those items as requested by the Coordinating Director.

Meetings will generally take place at the registered offices; however, they may also be held elsewhere as the Chairman determines. Board meetings may also be held in one or more locations simultaneously provided there is interactivity and intercommunication, in real time, by means of audiovisual or telephone systems, thereby guaranteeing simultaneity of developments. In such case, the meeting notice shall indicate the connection system and, as the case may be, the locations where the technical means necessary to attend and participate at the meeting are available. Resolutions shall be deemed to have been adopted in the place where the Chairman is located.

The Board may meet remotely with all or some of its members and the Secretary using videoconferencing, conference calls, or any other means of distance communication, provided there is interactivity and intercommunication in real time, thereby guaranteeing simultaneity of developments. In such case, the
Without prejudice to the foregoing, and unless precluded by Law, resolutions may be adopted in writing in lieu of a meeting, subject to the requisites and formalities established by the law.

meeting notice and minutes shall indicate, as the case may be, the connection system, and resolutions shall be considered passed at the registered offices.

Without prejudice to the foregoing, and unless precluded by Law, resolutions may be adopted in writing in lieu of a meeting, subject to the requisites and formalities established by the law.