



RESOLUTIONS
OF THE ANNUAL GENERAL SHAREHOLDER'S MEETING
MAY 9, 2011

1. **Examination and approval, as the case may be, of the Individual Annual Financial Statements of ENDESA, S.A. (Balance Sheet, Income Statement, Statement of Changes in Net Equity, Cash-Flow Statement and Annual Report), as well as of the Consolidated Annual Financial Statements of ENDESA, S.A. and DEPENDENT COMPANIES (Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Global Earnings, Consolidated Statement of Changes in Net Equity, Consolidated Cash-Flow Statement and Consolidated Annual Report), for the fiscal year ending December 31, 2010.**

To approve the Individual Annual Financial Statements of ENDESA, S.A. (Balance Sheet, Income Statement, Statement of Changes in Net Equity, Cash-Flow Statement and Annual Report), as well as of the Consolidated Annual Financial Statements of ENDESA, S.A. and DEPENDENT COMPANIES (Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Global Earnings, Consolidated Statement of Changes in Net Equity, Consolidated Cash-Flow Statement and Consolidated Annual Report), for the fiscal year ending December 31, 2010, as drawn up by the Company's Board of Directors at its meeting held on February 22, 2011.

2. **Examination and approval, as the case may be, of the Individual Management Report of ENDESA S.A. and the Consolidated Management Report of ENDESA, S.A. and DEPENDENT COMPANIES for the fiscal year ending December 31, 2010.**

To approve the Individual Management Report of ENDESA S.A. and the Consolidated Management Report of ENDESA, S.A. and DEPENDENT COMPANIES for the fiscal year ending December 31, 2010, as drawn up by the Company's Board of Directors at its meeting held on February 22, 2011.

3. **Examination and approval, as the case may be, of the corporate management for the fiscal year ending December 31, 2010.**

To approve the Board of Directors' management and actions during the fiscal year ending December 31, 2010.

4. **Examination and approval, as the case may be, of the application of fiscal year earnings and dividend distribution for the fiscal year ending December 31, 2010.**

To approve the application of the fiscal year earnings and dividend distribution as drawn up by the Company's Board of Directors at its meeting held on February 22, 2011, in such a manner that the profit for fiscal year 2010, amounting to 949,599,151.58 Euros, together with the retained earnings from fiscal year 2009, amounting to 2,452,550,379.57 Euros, and which add up to a total of 3,402,149,531.15 Euros, is distributed as follows:

| | Euros |
|---|------------------|
| To dividend (Maximum amount to be distributed pertaining to 1.017 Euros/share for all 1,058,752,117 shares) | 1,076,750,902.99 |
| To retained earnings | 2,325,398.628 |
| TOTAL | 3,402,149,531.15 |

It is expressly resolved to pay the shares entitled to dividends, the gross sum of 1.017 Euros per share. The dividend payment shall be made as from July 1, 2011, through the banks and

financial institutions to be announced at the appropriate time, deducting from the amount thereof the gross sum of 0.50 Euros per share, paid as an interim dividend on January 3, 2011 by virtue of a resolution of the Board of Directors dated December 22, 2010.

5. RE-ELECTION OF DIRECTOR BORJA PRADO EULATE.

"To re-elect Mr. Borja Prado Eulate as a member of the Board of Directors.

In accordance to the provisions of article 38 of the Corporate Bylaws, Mr. Prado Eulate shall hold office during a term of four years."

A biographical sketch on Mr. Prado Eulate is available to the shareholders on the company's website.

6. REVOCATION AND APPOINTMENT OF AUDITORS.

To approve the revocation of the current auditor, KPMG Auditores, S.L., for just cause, in accordance with the provisions of article 264.3 of the Capital Corporations Law, as restated and amended.

Furthermore, it is resolved to appoint ERNST & YOUNG, S.L., having its registered offices in Madrid, at Torre Picasso, Pza. Pablo Ruiz Picasso, no. 1, holder of Tax Identification Code number B-78970506, as registered in the Mercantile Registry of Madrid, on page M-23123, folio 215, volume 12749, book 0, section 8; registered in the Official Registry of Chartered Accountants (R.O.A.C.) under number S0530, as auditor of Endesa, S.A. for the individual and consolidated annual financial statements for fiscal years 2011, 2012 and 2013. The term may be extended in accordance with current laws in force.

To contract with the said company the external audit of the accounts of ENDESA, S.A. and of its Consolidated Group, for fiscal years 2011, 2012 and 2013 delegating to the Board of Directors, in the broadest terms, the determination of the further conditions of this contracting."

7. AMENDMENTS TO CORPORATE BYLAWS TO ADAPT THEM TO THE LATEST LEGISLATIVE REFORMS:

7.1 Amendment of Article 8 of the Corporate Bylaws. Non-voting, redeemable and preferred shares.

To amend the present Article 8 (Non-voting, redeemable and preferred shares) of the Corporate Bylaws, by re-wording it in the following terms:

Article 8. Non-voting, redeemable and preferred shares.

1. The company may issue non-voting shares for a par value not exceeding half of the paid-in share capital.
The holders of non-voting shares will have the right to receive a minimum annual dividend equal to 5% of the paid-in share capital for each non-voting share. Once the minimum dividend has been declared, holders of non-voting shares will have the right to the same dividend pertaining to the common shares.
2. The company may issue redeemable shares upon request by the issuing company, by the holders of said shares or by both, for a par value not exceeding a quarter of the share capital. The issue resolution will establish the terms according to which the right to redeem may be exercised. If said

right is exclusively attributable to the issuing company, it may not be exercised until after a period of three years as from the date of issue.

Redeemed shares must be paid for in full at the time of subscription.

These shares must be redeemed on account of profits or earned surplus or as a result of the new issue of shares resolved by the General Shareholders' Meeting or, as the case may be, by the Board of Directors, with the aim of financing the redemption transaction. If these shares are redeemed on account of profits or surplus reserves, the company must create a reserve for the par value of the redeemed shares. In the event there is neither a sufficient amount of profits or earned surplus nor have new share been issued to finance the transaction, the shares may only be redeemed in compliance with the requirements established for share capital reduction by means of the return of contributions.

3. The company may issue shares that confer a privilege against common shares, which shall not acquire any of the modes foreseen in Articles 96.1 and 96.2 of the Spanish Capital Corporations Law (Ley de Sociedades de Capital), in compliance with the requisites foreseen for the amendment of Corporate Bylaws.

In the event the privilege consists of the right to obtain a preferred dividend, the company will be obliged to agree on the distribution of the dividend if there are distributable profits. At the time when the shares are issued, the General Shareholders' Meeting or the Board of Directors will decide if the holders of the preferred shares have the right to the same dividend as the common shares, once the preferred dividend has been agreed upon, and if necessary, will amend the Corporate Bylaws consequently.

In the event there are no distributable profits or these do not suffice, the part of the unpaid preferred dividend will be accumulated or not, in accordance with the terms that the General Shareholders' Meeting agrees at the time it decides on the issue of shares.

Under no circumstance may common shares receive dividends on account of the profits of a financial year, as long as the relevant preferred dividend pertaining to the same financial year has not been paid for.

7.2 Amendment of Article 11 of the Corporate Bylaws. Modes of increase.

To amend the present Article 11 (Modes of increase) of the Corporate Bylaws, by re-wording it in the following terms:

Article 11. Modes of increase.

The share capital may be increased by means of the issue of new shares or by increasing the par values of the shares that already exist.

In both cases, the capital increase may be carried out against new cash or non-cash contributions to the corporate equity, including the contribution of credits against the company or against reserves or profits that already appeared on the latest approved balance sheet.

7.3 Amendment of Article 12 of the Corporate Bylaws. Power conferred to the directors to increase the share capital.

To amend the present Article 12 (Power conferred to the directors to increase the share capital) of the Corporate Bylaws, by re-wording it in the following terms:

Article 12. Power conferred to the directors to increase the share capital.

In accordance with the requirements established for the amendment of the Corporate Bylaws, the General Shareholders' Meeting may empower the Board of Directors as described below.

- a) Once a specific amount has been resolved for the capital increase, the General Shareholders' Meeting may empower the Board of Directors to:
 - 1) Execute the foregoing resolution, within a maximum period of one year, save in the case bonds are converted into shares.
 - 2) Fix the date on which the foregoing increase in the amount resolved must be carried out.
 - 3) Establish the initiation and closing date of the subscription period.
 - 4) Issue shares in accordance with the increase.
 - 5) Declare the amounts subscribed in the capital increase.
 - 6) Demand the payment and disbursement of capital calls.
 - 7) Amend Articles 5 and 6 of the Corporate Bylaws related to the share capital, replacing them with the new figure after the increase, in accordance with the amounts actually subscribed and,
 - 8) In general, establish the terms of the capital increase in relation to everything not foreseen in the resolution by the General Shareholders' Meeting.
- b) The power to resolve, once or several times, on the capital increase, up to a specific amount, when and for the amount decided, without the need for prior consultation with the General Shareholders' Meeting. These increases may under no circumstance exceed the equivalent of one-half of the share capital at the time of authorization, and must be made by means of cash contributions, within a maximum period of five years as from the resolution of the General Shareholders' Meeting.

In this case, once the increase has been resolved and executed, the Board of Directors will also have the power to amend the articles of the Corporate Bylaws related to the share capital.

7.4 Amendment of Article 14 of the Corporate Bylaws. Ex pre-emptive rights.

To amend the present Article 14 (Ex pre-emptive rights) of the Corporate Bylaws, by re-wording it in the following terms:

Article 14. Ex pre-emptive rights.

In the event it is in the interest of the company, when deciding on the capital increase, the General Shareholders' Meeting may resolve to totally or partially remove the pre-emptive subscription right. For this agreement to be valid, it must comply with the requisites for the amendment of Corporate Bylaws and must necessarily comply with the requirements provided for to this end in the Spanish Capital Corporations Law (Ley de Sociedades de Capital).

Under no circumstance will there be a pre-emptive right when the capital increase is due to the take-over of another company or to all or part of the split assets of another company or is due to the conversion of bonds into shares.

7.5 Amendment of Article 15 of the Corporate Bylaws. Share capital reduction.

To amend the present article 15 (Share capital reduction) of the Corporate Bylaws, by re-wording it in the following terms:

Article 15. Share capital reduction.

Subsequent to fulfilling, and in accordance with, the requirements established by Law, the General Shareholders' Meeting may reduce the share capital of the company and return of contributions, condone capital calls, create or increase the legal reserve or voluntary reserves or re-establish the balance between capital and the company's equity that has been reduced due to losses.

Reduction of capital will be compulsory in the event losses have decreased the company's equity to two-thirds of the share capital and a fiscal year has lapsed without the equity having been recovered.

7.6 Amendment of Article 16 of the Corporate Bylaws. Bond issue.

To amend the present Article 16 (Bond issue) of the Corporate Bylaws, by re-wording it in the following terms:

Article 16. Bond issue.

The company may issue numbered series of bonds or other securities to honor or create a debt in the terms set forth in the Capital Corporations Law and other provisions in force on this subject matter.

7.7 Amendment of Article 22 of the Corporate Bylaws. Notice of General Meeting.

To amend the present article 22 (Notice of General Meeting) of the Corporate Bylaws, by re-wording it in the following terms:

Article 22. Notice of General Meeting.

The General Meeting shall be called by the Board of Directors or, as the case may be, by the liquidators of the Company, by legal notice in the Official Mercantile Registry Bulletin (Boletín Oficial del Registro Mercantil) and in the company's website, at least one month prior to the date set for the meeting to be held.

The legal notice shall express the name of the Company, the date and time of the meeting and the agenda including all business to be transacted. Likewise, the notice may state, if necessary, the date on which the meeting is called in second call.

The call notice of the General Shareholders' Meeting and the documentation placed at the disposal of the shareholders together with the notice, shall be accessible on the Company's website, for the purpose of facilitating their distribution to the shareholders and the markets in general.

There must be a difference of at least 24 hours between the first and the second meeting.

If the General Meeting, duly convened, is not held in first call, and the date of the second call is not contemplated in the legal meeting notice, it shall be announced, in following the same publicity requisites as the first call, within 15 days following the date of the General Meeting not held and 8 days in advance of the meeting date.

Shareholders representing at least five percent of the share capital may request that a supplement to the call to general shareholders' meeting, including one or more agenda items, be published. The exercise of this right must be carried out by attestable notice which must be received at the registered offices within five days following publication of the official meeting notice.

The supplement to the official meeting notice shall be published at least 15 days in advance of the date established for the general meeting.

The absence of publication of the supplement to the official meeting notice within the deadline established by law shall be cause for annulment of the general meeting.

7.8 Amendment of Article 23 of the Corporate Bylaws. Power and obligation to call the meeting.

To amend the present Article 23 (Power and obligation to call the meeting) of the Corporate Bylaws, by re-wording it in the following terms:

Article 23. Power and obligation to call a Meeting.

The directors or, as the case may be, the liquidators may call a Special General Shareholders' Meeting whenever they deem it to be in the interest of the company.

Likewise, they may call the meeting when a number of shareholders that represent at least 5% of the share capital so request, stating the business to be transacted at the Meeting. In this case, notice must be given for the General Shareholders' Meeting to be held within thirty days following the date on which the directors have been given duly attested notice to call the meeting. The directors shall prepare the agenda and must include the items for which the meeting is called.

Notwithstanding the above, in the event the Chairman or Acting Chairman of the Board of Directors considers a situation to be of great importance to the company, he may proceed to call a Special Meeting to analyze the situation that has arisen and, if necessary, to adopt the relevant resolutions.

7.9 Amendment of Article 26 of the Corporate Bylaws. Special Resolutions. Quorum.

To amend the present Article 26 (Special Resolutions. Quorum) of the Corporate Bylaws, by re-wording it in the following terms:

Article 26. Special Resolutions. Quorum.

In order for the Annual or Special General Shareholders' Meeting to validly agree on the issuance of bonds, the increase or reduction of capital, the transformation, merger or spin-off of the company, the elimination or restriction of the right to preferred acquisition of new shares, the transfer of the registered offices abroad and, in general, any other amendment to the Corporate Bylaws, at first notice shareholders representing at least 50% of the subscribed capital with voting rights must be present. At second notice 25% of the capital must be represented.

When less than 50% of the subscribed voting share capital is present, the resolutions referred to above may only be validly adopted when two-thirds of the capital present or represented at the Meeting casts a vote in favor thereof.

The provisions of this section shall be construed without prejudice to the reinforced assembly or voting quorums established by Law or these Corporate Bylaws.

7.10 Amendment of Article 33 of the Corporate Bylaws. Right to information.

To amend the present Article 33 (Right to information) of the Corporate Bylaws, by re-wording it in the following terms:

Article 33. Right to information.

From the same day of publication of the official notice of the General Shareholders' Meeting up to and including the seventh day before the date on which the meeting is to be held in first call, the shareholders may request in writing the information or clarifications they deem necessary or ask the questions they deem appropriate in writing concerning the items on the Agenda. In addition, in the same manner and with the same notice, the shareholders may request information or clarifications, or ask questions in writing about the information accessible to the public that the company has provided the Spanish Securities Market Commission with since the date on which the last General Shareholders' Meeting was held.

While the General Shareholders' Meeting is being held, the shareholders may verbally request the information or clarifications they deem appropriate concerning the items on the Agenda.

The directors shall be obliged to provide the information requested in accordance with the two preceding paragraphs in the manner and in the terms provided by law, except in cases in which, in the Chairman's opinion, publishing such information would not be in the company's interests. This exception will not apply when the request is supported by shareholders that represent at least one quarter of the capital.

Likewise, as from the notice of the Annual Shareholders' Meeting, any shareholder may obtain, in the terms and cases legally provided, the documents regarding the items included on the agenda for the General Meeting, without prejudice to access thereto through the Company's website in the terms set forth in Article 22 hereunder.

7.11 Amendment of Article 36 of the Corporate Bylaws. Board of Directors. General Functions.

To amend the present Article 36 (Board of Directors. General Functions) of the Corporate Bylaws, by re-wording it in the following terms:

Article 36. Board of Directors. General Functions.

1. The Board of Directors is responsible for the governance and management of the company. The Board of Directors has the following general functions:
 - a) To establish the corporate strategy and management guidelines.
 - b) To supervise the action of the senior Management, demand explanations for their decisions and assess the performance of their managerial tasks.
 - c) To procure the transparency of the company's relations with third parties.

These functions will be performed by the Board of Directors acting as a single body or through its Commissions and Committees.

2. In compliance with the provisions of Article 2 of these Bylaws, the Board of Directors will lay down the general strategy of the Group of Companies formed by means of shareholdings in other companies.
3. In compliance with Section 245 of the Capital Corporations Law, and with the legal and statutory provisions, the Board of Directors will regulate its own operation and that of its Committees and Commissions, laying down its Regulations, which will be binding for the members of said Board of Directors, acting as such or through, or its Commissions and Committees.

7.12 Amendment of Article 40 of the Corporate Bylaws. Compensation.

To amend the present Article 40 (Compensation) of the Corporate Bylaws, by re-wording it in the following terms:

Article 40. Compensation.

The remuneration of the Directors will comprise the following items: fixed monthly allotment and profit-sharing. The overall annual remuneration of the entire Board and for the foregoing items will be one thousandth of the profits of the consolidated group, as approved by the General Shareholders' Meeting, although the Board of Directors may reduce this percentage in the fiscal years it deems appropriate. The foregoing is without prejudice to the provisions of paragraph three of this article in relation to per diem allowances.

It will be for the Board of Directors to set the distribution of the mentioned amount among the previous items and among the Directors when, as and how it freely determines.

The members of the Board of Directors will also receive per diems for attendance at each meeting of the company's management bodies and their committees. The amount of said per diem shall be, at the most, the amount which, in accordance with the above paragraphs, is determined to be the fixed monthly allocation. The Board of Directors may, within this limit, establish the amount of the per diems.

The remuneration contemplated in the preceding sections, deriving from membership on the Board of Directors, shall be compatible with other professional or labor earnings pertaining to the Directors for any other executive or advisory duties which, as the case may be, they perform for the company other than those of collegiate supervision and decision-making characteristic of their status as Directors, which shall be subject to the appropriate applicable legal scheme.

In accordance with the provisions of Section 218.2 of the Spanish Capital Corporations Law, the Directors may only receive remuneration for profit-sharing may only be received by directors after the legal and statutory reserves and allocations have been covered and after the shareholders have been recognized a minimum dividend of 4%.

7.13 Amendment of Article 42 of the Corporate Bylaws. Incompatibilities of Directors.

To amend the present Article 42 (Incompatibilities of Directors) of the Corporate Bylaws, by rewording it in the following terms:

Article 42. Incompatibilities of Directors.

Those persons subject to the prohibitions of article 213 of the Spanish Capital Corporations Law (Ley de Sociedades de Capital) and other legal provisions may not be appointed as directors.

7.14 Amendment of Article 44 of the Corporate Bylaws. Assembly of the Board of Directors.

To amend the present Article 44 (Assembly of the Board of Directors) of the Corporate Bylaws, by rewording it in the following terms:

Article 44. Assembly of the Board of Directors.

The Board of Directors shall be validly assembled when one-half plus one of the Board Members exercising their duties, are present or represented.

Proxies must be granted in writing and specifically for each Board Meeting. No Board Member may hold more than three proxies, except the Chairman, to whom this limit shall not be applicable, although he may not represent the majority of the Board of Directors.

By decision of the Chairman of the Board of Directors, the General Managers and Managers of the company, as well as any other persons he deems appropriate, may attend Board meetings.

7.15 Amendment of Article 51 of the Corporate Bylaws. Auditing and Compliance Committee.

To amend the present Article 51 (Auditing and Compliance Committee) of the Corporate Bylaws, by rewording it in the following terms:

Article 51. Auditing and Compliance Committee

The Auditing and Compliance Committee will comprise a minimum of four and a maximum of six members of the Board of Directors appointed with the favorable vote of the majority of the Board itself. Non-executive directors must form a majority of its members. At least one of the members of the Audit and Compliance Committee shall be independent and shall be appointed in consideration of his or her knowledge and experience in the area of accounting, auditing or both.

The Chairman of the Auditing and Compliance Committee shall be appointed by the Board of Directors from among the non-executive directors or members who do not hold management or executive duties at the entity, nor maintain a contractual relationship other than the condition by which they are appointed, with the favorable vote of the majority of the Board itself. The Chairman must be replaced every four years and may be re-elected after one year after his vacating office has lapsed.

In the Chairman's absence, the Committee member designated provisionally by the Board of Directors will substitute for him and, failing this, the oldest Committee member.

The Auditing and Compliance Committee will meet as often as convened by its Chairman, when so resolved by the majority of its members or at the request of the Board of Directors. Committee meetings will take place at the Company's registered offices or at such other venue as may be determined by the Chairman and stated in the meeting notice.

Committee meetings will be validly assembled when the majority of the Committee members attend. Resolutions must be adopted with the favorable vote of the majority of directors attending the meeting. In the event of a tie, the Chairman or Acting Chairman, will have the tie-breaking vote.

The Secretary of the Committee shall be that of the Board of Directors who will draft the minutes of the resolutions passed thereat and the Board will be informed of these resolutions.

The main task of the Committee is to promote compliance with good corporate governance and ensure the transparency of all actions of the Company in the economic and financial area and external and compliance audits and internal audits. In any event it will be entrusted with the following duties:

- a) Report any matters proposed by Shareholders on matters of its competence to the General Shareholders' Meeting.
- b) Propose the external auditors or audit firms to the Board of Directors who will refer this issue to the General Shareholders' Meeting, pursuant to Article 58 of these Bylaws.
- c) Supervise the efficiency of the company's Internal Control System, internal auditing services and risk management systems, as well as discuss with the auditors or auditing companies the significant weaknesses of the internal control system detected in performing the audit.
- d) Supervise the process for preparation and presentation of regulated financial reporting.
- e) Liaise with external auditors or audit firms in order to receive information on all matters which may place at risk their independence, and any others related to the procedures concerning the audit of the accounts, as well as those communications as provided by account auditing laws and technical auditing standards. In any case, the Audit and Compliance Committee shall receive annually from the auditors or auditing companies written confirmation of their independence vis-à-vis the Company and/or entities directly or indirectly related to the Company, as well as information on the additional services of any type rendered.
- f) Issue annually, prior to the issuance of the auditors' report, a report which will express an opinion on the independence of the auditors or auditing companies. This report must in any case pronounce on the provision of the additional services referred to in the above section.

These duties will be deemed to be without limitation and without prejudice to such other duties as may be entrusted to the Committee by the Board of Directors.

The Board Regulations may develop the competencies of the Committee and its scheme of organization and operation.

7.16 Amendment of Article 54 of the Corporate Bylaws. Contents of the Annual financial statements.

To amend the present Article 54 (Contents of the Annual financial statements) of the Corporate Bylaws, by re-wording it in the following terms:

Article 54. Contents of the Annual financial statements.

The balance sheet shall include, duly separated, the assets and rights forming the company's assets and the obligations forming its liabilities, specifying its equity. The balance sheet will be structured as provided by the Spanish Capital Corporations Law and other applicable legal provisions.

The income statement will include, also duly separated, the income and expenses of the year and, by difference, the result thereof. It will differentiate between profit from ordinary activities and from other activities, or profits that are the result of extraordinary circumstances. The income statement must be structured as provided by the Spanish Capital Corporations Law and other applicable legal provisions.

The statement of changes in net equity shall include the statement of recognized income and expenses and the total statement of changes in net equity.

The cash-flow statement shall include the origin and utilization of the monetary assets representing cash and other equivalent liquid assets.

The notes to the financial statement shall complete, expand and comment on the information contained on the balance sheet, the income statement, the statement of changes in net equity and the cash-flow statement. The notes shall contain the indications provided by the Spanish Capital Corporations Law and other applicable legal provisions.

7.17 Approval of the amended and restated Corporate Bylaws.

To approve the following restated text of the Corporate Bylaws, amending the present numbering, substituting the reference of "article 30 bis" for "article 31" and, consequently, the rest of references of the articles as from said article through the end "article 64" which shall be substituted for "article 65". As a consequence of this change references to articles of the Corporate Bylaws which have changed their numbering are amended in articles 29 and 49:

CORPORATE BYLAWS, AS AMENDED AND RESTATED

TITLE I. CORPORATE NAME, PURPOSE, DURATION AND REGISTERED OFFICE

Article 1. Corporate name.

The company shall be named ENDESA, S.A. and shall be governed by these Corporate Bylaws, by the provisions of the Spanish Corporations Law and by any other applicable laws.

Article 2. Purpose

1. The purpose of the company is:

- a) The electricity business including its different industrial and commercial areas of business.
- b) The exploitation of all types of primary energy resources.

- c) The provision of industrial services and, especially, telecommunications, water and gas services, in addition to those preparatory or complementary services of the business areas included in the purpose of the company.
 - d) The management of the Group of Companies, formed by means of shareholdings in other companies.
2. Both domestically and internationally, the company will carry on those activities that integrate its purpose directly or through its shareholdings in other companies.

Article 3. Duration.

The duration of the company is indefinite and its operations began on the date on which its deed of incorporation was executed.

Article 4. Registered office.

The registered office shall be located in Madrid, at calle de Ribera del Loira, number 60. The Board of Directors shall be empowered to change the domicile within the municipality of this city.

Likewise, the Board of Directors shall have the power to create, shutdown or transfer company branches, agencies, representative offices or any other offices of the company.

TITLE II. SHARE CAPITAL AND SHARES.

Article 5. Share Capital.

The company has a share capital of €1,270,502,540.40 that is fully subscribed and paid up.

Article 6. Shares.

The share capital of the company comprises 1,058,752,117 shares, each having a par value of €1.20. They are represented by book-entries and belong to the same class.

The 1,058,752,117 shares that comprise the share capital, represented by account entries, are considered to be securities and are governed by the provisions of the Securities Market Act (Ley del Mercado de Valores).

Article 7. Shareholders' rights.

The share confers upon its holder legitimate shareholder status and attributes to such shareholder the rights provided by Law and by these Corporate Bylaws. The company must give equal treatment to shareholders who are subject to identical conditions.

As provided by Law and save in the cases provided therein, a shareholder has at least the following rights:

- a) The right to share in the distribution of profits and in the distribution of the equity resulting from the winding-up of the Company.
- b) The right to preferred subscription in the issuance of new shares or convertible bonds.
- c) The right to attend and vote at General Shareholders' Meetings and to contest corporate resolutions.
- d) The right to be informed.

Article 8. Non-voting, redeemable and preferred shares.

1. The company may issue non-voting shares for a par value not exceeding half of the paid-in share capital.

The holders of non-voting shares will have the right to receive a minimum annual dividend equal to 5% of the paid-in share capital for each non-voting share. Once the minimum dividend has been declared, holders of non-voting shares will have the right to the same dividend pertaining to the common shares.

2. The company may issue redeemable shares upon request by the issuing company, by the holders of said shares or by both, for a par value not exceeding a quarter of the share capital. The issue resolution will establish the terms according to which the right to redeem may be exercised. If said right is exclusively attributable to the issuing company, it may not be exercised until after a period of three years as from the date of issue.

Redeemed shares must be paid for in full at the time of subscription.

These shares must be redeemed on account of profits or earned surplus or as a result of the new issue of shares resolved by the General Shareholders' Meeting or, as the case may be, by the Board of Directors, with the aim of financing the redemption transaction. If these shares are redeemed on account of profits or surplus reserves, the company must create a reserve for the par value of the redeemed shares. In the event there is neither a sufficient amount of profits or earned surplus nor have new share been issued to finance the transaction, the shares may only be redeemed in compliance with the requirements established for share capital reduction by means of the return of contributions.

3. The company may issue shares that confer a privilege against common shares, which shall not acquire any of the modes foreseen in Articles 96.1 and 96.2 of the Spanish Capital Corporations Law (Ley de Sociedades de Capital), in compliance with the requisites foreseen for the amendment of Corporate Bylaws.

In the event the privilege consists of the right to obtain a preferred dividend, the company will be obliged to agree on the distribution of the dividend if there are distributable profits. At the time when the shares are issued, the General Shareholders' Meeting or the Board of Directors will decide if the holders of the preferred shares have the right to the same dividend as the common shares, once the preferred dividend has been agreed upon, and if necessary, will amend the Corporate Bylaws consequently.

In the event there are no distributable profits or these do not suffice, the part of the unpaid preferred dividend will be accumulated or not, in accordance with the terms that the General Shareholders' Meeting agrees at the time it decides on the issue of shares.

Under no circumstance may common shares receive dividends on account of the profits of a financial year, as long as the relevant preferred dividend pertaining to the same financial year has not been paid for.

Article 9. Representation of shares.

Shares shall be represented by book entries and will be constituted as such by virtue of their registration in the relevant accounting record, which will show the references in the deed of issue and whether or not they have been fully paid in.

The right to legally act as shareholder is obtained by registration in the accounting record, which establishes the legal ownership and gives the registered holder the right to demand that the company acknowledge him as a shareholder. This right may be proven by means of the relevant certificates, issued by the entity responsible for the accounting records.

In the event the company performs some service in favor of an alleged shareholder, although the latter may not be the true owner of the share, it will be exempt from liability, provided it was performed in good faith and without gross negligence.

Article 10. Assignment of shares.

Shares may be assigned in accordance with the provisions of the laws in force and these Corporate Bylaws. However, shares may not be assigned until the company and, as the case may be, the capital increase of the company, has been registered with the Mercantile Registry.

TITLE III. INCREASE OR REDUCTION OF SHARE CAPITAL

Article 11. Modes of increase.

The share capital may be increased by means of the issue of new shares or by increasing the par values of the shares that already exist.

In both cases, the capital increase may be carried out against new cash or non-cash contributions to the corporate equity, including the contribution of credits against the company or against reserves or profits that already appeared on the latest approved balance sheet.

Article 12. Power conferred to the directors to increase the share capital.

In accordance with the requirements established for the amendment of the Corporate Bylaws, the General Shareholders' Meeting may empower the Board of Directors as described below.

- a) Once a specific amount has been resolved for the capital increase, the General Shareholders' Meeting may empower the Board of Directors to:
 - 1) Execute the foregoing resolution, within a maximum period of one year, save in the case bonds are converted into shares.
 - 2) Fix the date on which the foregoing increase in the amount resolved must be carried out.
 - 3) Establish the initiation and closing date of the subscription period.
 - 4) Issue shares in accordance with the increase.
 - 5) Declare the amounts subscribed in the capital increase.
 - 6) Demand the payment and disbursement of capital calls.
 - 7) Amend Articles 5 and 6 of the Corporate Bylaws related to the share capital, replacing them with the new figure after the increase, in accordance with the amounts actually subscribed and,
 - 8) In general, establish the terms of the capital increase in relation to everything not foreseen in the resolution by the General Shareholders' Meeting.
- b) The power to resolve, once or several times, on the capital increase, up to a specific amount, when and for the amount decided, without the need for prior consultation with the General Shareholders' Meeting. These increases may under no circumstance exceed the equivalent of one-half of the share capital at the time of authorization, and must be made by means of cash contributions, within a maximum period of five years as from the resolution of the General Shareholders' Meeting.

In this case, once the increase has been resolved and executed, the Board of Directors will also have the power to amend the articles of the Corporate Bylaws related to the share capital.

Article 13. Cum pre-emptive rights.

In capital increases with new issue of common or preferred shares, in accordance with the terms of the issue of convertible bonds and within the deadline established for this purpose by the company's directors, which shall not be less than fifteen days as from the publication of the notice of the invitation to subscribe for new shares in the Official Mercantile Registry Bulletin (Boletín Oficial del Registro Mercantil), the old shareholders and holders of convertible bonds may exercise their right to subscribe for a number of shares in proportion to the par value of the shares they own or of those that would correspond to the owners of convertible bonds, if they at this time exercised the right to convert them.

The rights to subscribe for preferred shares may be assigned in the same conditions as those applicable to the shares. In the case of a capital increase on account of the reserves, the same rule will be applicable to the free right of assignment of the new shares.

Article 14. Ex pre-emptive rights.

In the event it is in the interest of the company, when deciding on the capital increase, the General Shareholders' Meeting may resolve to totally or partially remove the pre-emptive subscription right. For this agreement to be valid, it must comply with the requisites for the amendment of Corporate Bylaws and must necessarily comply with the requirements provided for to this end in the Spanish Capital Corporations Law (Ley de Sociedades de Capital).

Under no circumstance will there be a pre-emptive right when the capital increase is due to the take-over of another company or to all or part of the split assets of another company or is due to the conversion of bonds into shares.

Article 15. Share capital reduction.

Subsequent to fulfilling, and in accordance with, the requirements established by Law, the General Shareholders' Meeting may reduce the share capital of the company and return of contributions, condone capital calls, create or increase the legal reserve or voluntary reserves or re-establish the balance between capital and the company's **net** equity that has been reduced due to losses.

Reduction of capital will be compulsory in the event losses have decreased the company's equity to two-thirds of the share capital and a fiscal year has lapsed without the equity having been recovered.

TITLE IV. BONDS.

Article 16. Bond issue.

The company may issue numbered series of bonds or other securities to honor or create a debt in the terms set forth in the Capital Corporations Law and other provisions in force on this subject matter.

TITLE V. STATUTORY BODIES OF THE COMPANY.

Article 17. Statutory bodies.

The statutory bodies of the company are the General Shareholders' Meeting, the Board of Directors and the Executive Committee.

The Board of Directors shall establish, in accordance with legal provisions and with its organizational power, the Auditing and Compliance Committee, the Appointments and Compensation Committee and any other Committees or Commissions which are necessary or deemed appropriate for the best performance of its duties.

The Board may also create Advisory Boards for the purpose of making itself more efficient in the performance of its duties.

The Regulations of the Board of Directors shall establish, in accordance with legal and statutory provisions, the system that will govern the various Commissions or Committees and the Advisory Boards.

Article 18. General Shareholders' Meeting.

All matters of the competency of the General Shareholders' Meeting shall be decided by majority vote of the shareholders that constitute the duly convened General Shareholders' Meeting.

It will be called and it will proceed in accordance with legal and statutory provisions and with the General Shareholders' Meeting Regulations proposed by the Board of Directors and approved by Shareholders' Meeting.

All shareholders, including dissenters and those not participating at the meeting, will be subject to the resolutions of the General Shareholders' Meeting.

Article 19. Types of Meetings.

The General Shareholders' Meeting may be annual or special.

Article 20. Annual General Meeting.

Subsequent to the duly given notice, the Annual General Meeting shall meet within the first six months of each fiscal year, to assess the management of the company, and approve, as the case may be, the financial statements for the previous year and decide on the distribution of profits.

Article 21. Special General Meeting.

Any meeting not contemplated in the previous article shall be deemed to be a Special Meeting.

Article 22. Notice of General Meeting.

The General Meeting shall be called by the Board of Directors or, as the case may be, by the liquidators of the Company, by legal notice in the Official Mercantile Registry Bulletin (Boletín Oficial del Registro Mercantil) and in the company's website, at least one month prior to the date set for the meeting to be held.

The legal notice shall express the name of the Company, the date and time of the meeting and the agenda including all business to be transacted. Likewise, the notice may state, if necessary, the date on which the meeting is called in second call.

The call notice of the General Shareholders' Meeting and the documentation placed at the disposal of the shareholders together with the notice, shall be accessible on the Company's website, for the purpose of facilitating their distribution to the shareholders and the markets in general.

There must be a difference of at least 24 hours between the first and the second meeting.

If the General Meeting, duly convened, is not held in first call, and the date of the second call is not contemplated in the legal meeting notice, it shall be announced, in following the same publicity requisites as the first call, within 15 days following the date of the General Meeting not held and 8 days in advance of the meeting date.

Shareholders representing at least five percent of the share capital may request that a supplement to the call to general shareholders' meeting, including one or more agenda items, be published. The exercise of this right must be carried out by attestable notice which must be received at the registered offices within five days following publication of the official meeting notice.

The supplement to the official meeting notice shall be published at least 15 days in advance of the date established for the general meeting.

The absence of publication of the supplement to the official meeting notice within the deadline established by law shall be cause for annulment of the general meeting.

Article 23. Power and obligation to call a Meeting.

The directors or, as the case may be, the liquidators may call a Special General Shareholders' Meeting whenever they deem it to be in the interest of the company.

Likewise, they may call the meeting when a number of shareholders that represent at least 5% of the share capital so request, stating the business to be transacted at the Meeting. In this case, notice must be given for the General Shareholders' Meeting to be held within thirty days following the date on which the directors have been given duly attested notice to call the meeting. The directors shall prepare the agenda and must include the items for which the meeting is called.

Notwithstanding the above, in the event the Chairman or Acting Chairman of the Board of Directors considers a situation to be of great importance to the company, he may proceed to call a Special Meeting to analyze the situation that has arisen and, if necessary, to adopt the relevant resolutions.

Article 24. General-Consent Meeting.

Notwithstanding the provisions of the previous sections, the General Shareholders' Meeting will be deemed to be called and will be validly assembled to transact any business, provided all the share capital is present and the attendees unanimously accept to hold a Shareholders' Meeting. A General Meeting may be held anywhere.

Article 25. Assembly of the General Shareholders' Meeting.

A Shareholders' Meeting will be validly assembled in first call, when the shareholders, present or represented, hold at least 25% of the subscribed voting shares.

The assembly of a General Shareholders' Meeting in second call will be valid no matter the share capital represented.

Article 26. Special Resolutions. Quorum.

In order for the Annual or Special General Shareholders' Meeting to validly agree on the issuance of bonds, the increase or reduction of capital, the transformation, merger or spin-off of the company, the

elimination or restriction of the right to preferred acquisition of new shares, the transfer of the registered offices abroad and, in general, any other amendment to the Corporate Bylaws, at first notice shareholders representing at least 50% of the subscribed capital with voting rights must be present. At second notice 25% of the capital must be represented.

When less than 50% of the subscribed voting share capital is present, the resolutions referred to above may only be validly adopted when two-thirds of the capital present or represented at the Meeting casts a vote in favor thereof.

The provisions of this section shall be construed without prejudice to the reinforced assembly or voting quorums established by Law or these Corporate Bylaws.

Article 27. Attendance right.

Shareholders who have their shares recorded in the pertinent book-entry ledger five days in advance of the meeting being held and who hold the relevant attendance card may attend the General Meeting. Attendance cards shall be issued by the company in registered form through the institutions that carry the accounting records and may be used by any shareholder as the document for granting his/her proxy for the General Meeting in question. The foregoing shall be construed notwithstanding the certificates of standing issued in accordance with the entries of the Accounting Record by the relevant responsible or member entity.

Members of the Board of Directors must attend the General Meetings.

The Chairman may authorize any person he deems appropriate to attend a meeting, although the General Shareholders' Meeting has the power to revoke said authorization.

Article 28. Representation by proxy.

Every shareholder entitled to attend may have himself or herself represented at the General Meeting by another person. The proxy must be granted in writing and specifically for each Shareholders' Meeting, as well as comply with all other relevant legal provisions.

This power of representation 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 cases of voluntary as well as legal proxies, there may not be more than one proxyholder at the General Meeting.

Financial intermediaries who have standing as shareholders but who are acting for the account of different clients, may fraction their vote in such a manner that allows them to abide by the instructions received.

Article 29. Chairman and Officers of the General Shareholders' Meeting.

The General Shareholders' Meeting will be chaired by the Chairman of the Board of Directors and, in his absence, by the relevant Vice Chairman in accordance with the provisions of Article 46 of the Corporate Bylaws and, in the absence of both, by the Chief Executive Officer chosen by the General Shareholders' Meeting.

The Chairman shall be assisted by a Secretary, who shall be the Secretary of the Board of Directors and, in his absence, by the Assistant Secretary, if any, and, in any other case, by the person appointed by the General Shareholders' Meeting.

The Board of Directors shall form the Officers of the General Shareholders' Meeting.

Article 30. Attendance List.

Prior to commencing the agenda, an attendance list shall be prepared, which will include the nature or proxy of each attendee and the number of shares, own or third party, that he/she is representing.

The attendance list may also be prepared by file or computer. In the foregoing cases the medium used will be stated in the minutes and it will be duly identified on the sealed cover of the file or relevant medium and will be signed by the Secretary, with the Chairman's approval.

The number of shareholders, present or represented, will be stated at the end of the list, as well as the amount of capital they own, with specification of the capital belonging to shareholders with voting rights.

If he deems necessary, the Chairman will appoint two or more scrutineer shareholders, who will sit on the panel to assist in the preparation of the list and, if necessary, to count the votes.

During the General Shareholders' Meeting, any shareholder having the right to attend may consult the attendance list, without this delaying or slackening the normal progress of the General Meeting once the Chairman has declared it to be legally assembled. The Panel will neither be under the obligation to read the foregoing list nor to provide a copy of it in the course of the Meeting.

Article 31. Voting and representation by remote means of communication.

- a) Shareholders entitled to attend and vote may cast their votes on the proposals concerning the agenda items by post or through electronic communication, in accordance with the provisions of the General Shareholders' Meeting Regulations and the rules that supplement and implement the Regulations, as stipulated 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 and any modifications thereto that the Board of Directors adopts in order to implement and supplement the General Shareholders' Meeting Regulations within the scope of the provisions of this article of the by-laws, and the time determined by the Board of Directors from which the shareholders may cast their vote at the General Shareholders' Meeting by remote means of communication shall be published on the company's website.

The shareholders entitled to attend who cast their votes remotely pursuant to the provisions of this article shall be deemed present for the purpose of holding the General Shareholders' Meeting in question.

- b) That set forth in section a) above shall also apply to a shareholder authorizing a proxy for the General Shareholders' Meeting by means of electronic communication or any other remote means of communication.
- c) Attendance in person by a shareholder at a General Shareholders' Meeting shall have the effect of revoking votes cast by post or electronically. Furthermore, personal 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 32. Deliberation and adoption of resolutions.

Once the meeting has been called to order, the Secretary will proceed to read the agenda items and deliberations thereon shall ensue. The Chairman and persons he designates for this purpose shall be the first to take the floor.

Once they have spoken, the Chairman will call upon the shareholders who so request, to take the floor, while he directs and maintains the debate within the limit of the agenda, ending it when, in his opinion, the matter has been sufficiently debated.

Lastly, votes will be cast for the various proposed resolutions.

Resolutions shall be adopted with the favorable vote of the majority of the voting share capital present or represented at the Meeting, without prejudice to the reinforced assembly of and voting quorums established by Law and in these Corporate Bylaws.

The system for determination of votes established the General Meeting Regulations shall be followed for the adoption of resolutions.

Article 33. Voting rights.

The shareholders shall be entitled to one vote for each share they own or represent, except for non-voting shares, which shall be governed by the provisions of article 8 of these Bylaws.

Article 34. Right to information.

From the same day of publication of the official notice of the General Shareholders' Meeting up to and including the seventh day before the date on which the meeting is to be held in first call, the shareholders may request in writing the information or clarifications they deem necessary or ask the questions they deem appropriate in writing concerning the items on the Agenda. In addition, in the same manner and with the same notice, the shareholders may request information or clarifications, or ask questions in writing about the information accessible to the public that the company has provided the Spanish Securities Market Commission with since the date on which the last General Shareholders' Meeting was held.

While the General Shareholders' Meeting is being held, the shareholders may verbally request the information or clarifications they deem appropriate concerning the items on the Agenda.

The directors shall be obliged to provide the information requested in accordance with the two preceding paragraphs in the manner and in the terms provided by law, except in cases in which, in the Chairman's opinion, publishing such information would not be in the company's interests. This exception will not apply when the request is supported by shareholders that represent at least one quarter of the capital.

Likewise, as from the notice of the Annual Shareholders' Meeting, any shareholder may obtain, in the terms and cases legally provided, the documents regarding the items included on the agenda for the General Meeting, without prejudice to access thereto through the Company's website in the terms set forth in Article 22 hereunder.

Article 35. Minutes of the General Shareholders' Meeting

The Directors will require the presence of a Notary Public to draw up the minutes of the General Meeting, such Notary Public minutes being deemed to be the minutes of the General Meeting.

Article 36. Formal protest of corporate resolutions.

The resolutions adopted by the General Meetings may be contested in the cases and by means of the procedures established by current laws in force.

Article 37. Board of Directors. General Functions.

1. The Board of Directors is responsible for the governance and management of the company. The Board of Directors has the following general functions:
 - a) To establish the corporate strategy and management guidelines.
 - b) To supervise the action of the senior Management, demand explanations for their decisions and assess the performance of their managerial tasks.
 - c) To procure the transparency of the company's relations with third parties.

These functions will be performed by the Board of Directors acting as a single body or through its Commissions and Committees.

2. In compliance with the provisions of Article 2 of these Bylaws, the Board of Directors will lay down the general strategy of the Group of Companies formed by means of shareholdings in other companies.
3. In compliance with Section 245 of the Capital Corporations Law, and with the legal and statutory provisions, the Board of Directors will regulate its own operation and that of its Committees and Commissions, laying down its Regulations, which will be binding for the members of said Board of Directors, acting as such or through, or its Commissions and Committees.

Article 38. Number and types of Board Members.

The Board of Directors shall be formed by nine members minimum and fifteen maximum. The General Meeting shall be responsible for both the appointment and the removal of the members of the Board of Directors. The position of Director is eligible for resignation, revocation and re-election.

Directors shall be classified as:

- a) Executive Directors:

Those directors who perform duties of senior management or are employees of the company or of its group shall be considered to be executive directors.

b) **External Dominical Directors (Shareholder Directors):**

Those directors who own a shareholding stake greater than or equal to that legally considered to be significant or who have been appointed as a consequence of their shareholder status, even if their shareholding stake does not reach the said amount, as well as those who represent said shareholders, shall be deemed to be dominical directors or shareholder directors.

c) **External Independent Directors:**

Those directors who, having been appointed in consideration of their personal and professional qualities, may perform their duties without being conditioned by relations with the company, its significant shareholders or its officers, shall be considered to be independent directors.

d) **Other Outside Directors:**

Those who do not hold dominical (shareholder) director or independent director status shall be considered to be Other Outside Directors.

Article 39. Term of office of Director.

The term of office of Directors shall be four years. They may be re-elected for periods of like duration. For the purpose of computing the term of office of the mandate of Directors, the year shall be deemed to begin and end on the date on which the Annual General Meeting is held, or the last day possible on which it should have been held. If during the term to which the directors were appointed vacancies should take place, the Board may appoint, from among the shareholders, those persons to fill them until the first General Meeting meets..

Article 40. Representation of the company.

The Board of Directors shall represent the company in or out of court, as well as in any acts included within the corporate purpose established in these Corporate Bylaws.

Article 41. Compensation.

The remuneration of the Directors will comprise the following items: fixed monthly allotment and profit-sharing. The overall annual remuneration of the entire Board and for the foregoing items will be one thousandth of the profits of the consolidated group, as approved by the General Shareholders' Meeting, although the Board of Directors may reduce this percentage in the fiscal years it deems appropriate. The foregoing is without prejudice to the provisions of paragraph three of this article in relation to per diem allowances.

It will be for the Board of Directors to set the distribution of the mentioned amount among the previous items and among the Directors when, as and how it freely determines.

The members of the Board of Directors will also receive per diems for attendance at each meeting of the company's management bodies and their committees. The amount of said per diem shall be, at the most, the amount which, in accordance with the above paragraphs, is determined to be the fixed monthly allocation. The Board of Directors may, within this limit, establish the amount of the per diems.

The remuneration contemplated in the preceding sections, deriving from membership on the Board of Directors, shall be compatible with other professional or labor earnings pertaining to the Directors for any other executive or advisory duties which, as the case may be, they perform for the company other than those of collegiate supervision and decision-making characteristic of their status as Directors, which shall be subject to the appropriate applicable legal scheme.

In accordance with the provisions of Section 218.2 of the Spanish Capital Corporations Law, the Directors may only receive remuneration for profit-sharing may only be received by directors after the legal and statutory reserves and allocations have been covered and after the shareholders have been recognized a minimum dividend of 4%.

Article 42. Responsibility.

The members of the Board of Directors will perform their duties with due diligence and as a loyal representative, and in compliance with the duties legally vested in them, they must contribute to the function of fostering and supervising the management of the company and their actions will be guided solely by corporate interest.

The Directors, by virtue of their position, are obliged, in particular, to:

- a) Obtain the necessary information and prepare adequately the meetings of the Board of Directors and the statutory corporate bodies to which they belong to.
- b) Attend meetings of the corporate bodies and their Commissions or Committees to which they belong and become actively involved in their discussions in order to contribute actively to the decision-making process.

Notwithstanding the legal provisions on the matter, the Regulations of the Board of Directors will set out the duties of diligence, fidelity, loyalty and secrecy of the Directors, and in particular, their obligation of non-competition, the use of non-public information and on corporate assets, benefiting of business opportunities, conflicts of interest and related party transactions.

Article 43. Incompatibilities of Directors.

Those persons subject to the prohibitions of article 213 of the Spanish Capital Corporations Law (Ley de Sociedades de Capital) and other legal provisions may not be appointed as directors.

Article 44. Notice and place of meeting.

The Board shall meet as often as the Chairman or an acting chairman calls a meeting, at his discretion or when, at least, two Board Members so request. The official meeting notice shall contain the agenda, which shall be set by the Chairman.

Meetings will generally take place at the registered offices; however, they may also be held elsewhere as the Chairman determines. Board meetings may be held in one or several rooms simultaneously provided that the interactivity and intercommunication in real time by means of audiovisual or telephone systems and, therefore, the unison of the meeting, is guaranteed. In such case, the system of connection and, as the case may be, the places where the necessary technical means for attending and participating at the Meeting are available will be stated in the meeting notice. Resolutions shall be deemed to have been adopted in the place where the Chairman is located.

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 Mercantile Registry Regulations.

Article 45. Assembly of the Board of Directors.

The Board of Directors shall be validly assembled when one-half plus one of the Board Members exercising their duties, are present or represented.

Proxies must be granted in writing and specifically for each Board Meeting. No Board Member may hold more than three proxies, except the Chairman, to whom this limit shall not be applicable, although he may not represent the majority of the Board of Directors.

By decision of the Chairman of the Board of Directors, the General Managers and Managers of the company, as well as any other persons he deems appropriate, may attend Board meetings.

Article 46. Offices of the Board.

The Board of Directors shall include the following officers: a Chairman, Vice Chairman or Vice Chairmen, a Chief Executive Officer and a Secretary.

- 1) In addition to the duties assigned to him by Law and in the Corporate Bylaws, the Chairman shall be responsible for the general and active management of the company and its investee undertakings, and shall direct the Board of Directors, seeing to it that the Board members are duly informed, in addition to representing the company especially before the Public Authorities, Stock Exchange Institutions, Bodies, Companies and Associations of the Electricity Sector and of other economic sectors in which the company carries on its activities.
- 2) In the absence of the Chairman, he or she shall be substituted by the oldest Vice Chairman and, in the absence of all the Vice Chairmen, by the Board Member appointed to substitute them provisionally.
- 3) The Board of Directors shall appoint a Chief Executive Officer, who will be responsible for managing the Company in accordance with the criteria established by the Board of Directors. As the highest

responsible person for the management of the company, he or she will be in command of all the company's services and will head the Senior Management. Likewise, he or she will be responsible for carrying out and overseeing the general strategy of the Corporate Group formed by stakes in other companies, without prejudice to the individual competencies vested in each one of the investee companies.

- 4) Regardless of the rights and obligations of Board Members mentioned in these Corporate Bylaws, the Board Regulations will establish the specific legal system that will govern the actions of the Chairman and the Chief Executive Officer, by virtue of their permanent and professional binding relationship with the Company.

The Board will also be responsible for the election of the Secretary and, as applicable, of the Assistant Secretary, who may or may not be Directors. In the case of vacancy or absence, the youngest Director among those attending the meeting shall substitute them.

Article 47. Deliberation and adoption of resolutions.

The meeting having been called to order, the Secretary will read the items comprising the agenda, whereupon deliberations and the relevant voting thereon shall ensue.

The Board will deliberate on the matters contained on the agenda and also on all those matters that the Chairman or majority of the Directors present or represented, propose, although not included on the agenda.

Resolutions shall be adopted by absolute majority of the Board Members present or represented, who attend the meeting. In the event there is an equal number of votes, the Chairman or whosoever substitutes for him at the meeting, will cast the decisive vote. The provisions of this section shall be applicable without prejudice to those resolutions for which a qualified majority of the Board Members is required in accordance with these Corporate Bylaws or current laws in force.

Voting in writing in lieu of a meeting will only be accepted in the event no Board Member opposes the procedure.

The resolutions of the Board of Directors will be set out in the minutes of the meeting, which will be written in the relevant Minute Book, in accordance with the requirements of the laws in force.

The Board of Directors will itself approve the minutes upon conclusion of the meeting or at the following meeting. The minutes will also be deemed to be approved when within the five days following receipt of a draft copy of the minutes, no Board Member makes objections. The Board of Directors may empower the Chairman and a Board Member to jointly approve the minutes of a meeting.

Once approved, the minutes will be signed by the Secretary of the Board or of the meeting, with the approval of whoever acts as Chairman at the meeting.

Article 48. Granting of powers.

The Board of Directors may provisionally or permanently delegate all or part of its powers to the Executive Committee, to the Chief Executive Officer and to the different Board Committees, except those that legally or by resolution of the General Shareholders' Meeting, are exclusively reserved to its competence.

For the permanent delegation of the Board of Director's powers to the Executive Committee and to the Chief Executive Officer and the appointment of officers that will occupy these posts to be valid, the vote in favor of two thirds of the members of the Board and its registration in the Mercantile Registry will be required.

The Executive Committee and the Chief Executive Officer will inform the Board of Directors of the main resolutions adopted during the exercise of the powers conferred on them.

Article 49. Composition of the Executive Committee.

The Executive Committee will consist of a minimum of five and a maximum of seven Board Members, including the Chairman.

The Chairman of the Board of Directors will chair Executive Committee and the Secretary of the Board of Directors will act as such on the Executive Committee. The system of substitutions of these posts is that foreseen for the Board of Directors.

Article 50. Duties of the Board of Directors.

The Board of Directors, acting as a single body or through its Committees is vested with all discretions vested in the Board by law or by the Corporate Bylaws concerning the management and administration of the company, and in particular with regard to the general functions set out in Article 37 of these Articles.

By means of its own Regulations, the Board itself will develop within the framework provided by law and by the Company's Articles, its structure, functions, rules applicable to its proceedings, composition of the Board and of its Commissions and Committees, relations with Directors, General Shareholders' Meeting, Auditors, Senior Officers, the Statute applicable to Directors and other officers.

Article 51. Formal Protest of Board of Directors Resolutions.

The Directors and Shareholders that represent 5% of the share capital may contest the void and voidable resolutions of the collegiate management bodies, in accordance with the deadlines and procedure established by Law.

Article 52. Auditing and Compliance Committee

The Auditing and Compliance Committee will comprise a minimum of four and a maximum of six members of the Board of Directors appointed with the favorable vote of the majority of the Board itself. Non-executive directors must form a majority of its members. At least one of the members of the Audit and Compliance Committee shall be independent and shall be appointed in consideration of his or her knowledge and experience in the area of accounting, auditing or both.

The Chairman of the Auditing and Compliance Committee shall be appointed by the Board of Directors from among the non-executive directors or members who do not hold management or executive duties at the entity, nor maintain a contractual relationship other than the condition by which they are appointed, with the favorable vote of the majority of the Board itself. The Chairman must be replaced every four years and may be re-elected after one year after his vacating office has lapsed.

In the Chairman's absence, the Committee member designated provisionally by the Board of Directors will substitute for him and, failing this, the oldest Committee member.

The Auditing and Compliance Committee will meet as often as convened by its Chairman, when so resolved by the majority of its members or at the request of the Board of Directors. Committee meetings will take place at the Company's registered offices or at such other venue as may be determined by the Chairman and stated in the meeting notice.

Committee meetings will be validly assembled when the majority of the Committee members attend.

Resolutions must be adopted with the favorable vote of the majority of directors attending the meeting.

In the event of a tie, the Chairman or Acting Chairman, will have the tie-breaking vote.

The Secretary of the Committee shall be that of the Board of Directors who will draft the minutes of the resolutions passed thereat and the Board will be informed of these resolutions.

The main task of the Committee is to promote compliance with good corporate governance and ensure the transparency of all actions of the Company in the economic and financial area and external and compliance audits and internal audits. In any event it will be entrusted with the following duties:

- a) Report any matters proposed by Shareholders on matters of its competence to the General Shareholders' Meeting.
- b) Propose the external auditors or audit firms to the Board of Directors who will refer this issue to the General Shareholders' Meeting, pursuant to Article 58 of these Bylaws.
- c) Supervise the efficiency of the company's Internal Control System, internal auditing services and risk management systems, as well as discuss with the auditors or auditing companies the significant weaknesses of the internal control system detected in performing the audit.
- d) Supervise the process for preparation and presentation of regulated financial reporting.
- e) Liaise with external auditors or audit firms in order to receive information on all matters which may place at risk their independence, and any others related to the procedures concerning the audit of the accounts, as well as those communications as provided by account auditing laws and technical auditing standards. In any case, the Audit and Compliance Committee shall receive annually from the auditors or auditing companies written confirmation of their independence vis-à-vis the Company

and/or entities directly or indirectly related to the Company, as well as information on the additional services of any type rendered.

- f) Issue annually, prior to the issuance of the auditors' report, a report which will express an opinion on the independence of the auditors or auditing companies. This report must in any case pronounce on the provision of the additional services referred to in the above section.

These duties will be deemed to be without limitation and without prejudice to such other duties as may be entrusted to the Committee by the Board of Directors.

The Board Regulations may develop the competencies of the Committee and its scheme of organization and operation.

Article 53. Appointments and Compensation Committee

The Appointments and Compensation Committee shall be formed by a minimum of four and a maximum of six members of the Board of Directors, appointed with the favorable vote of the majority of the Board itself. Non-executive directors must form a majority of its members.

The Chairman of the Appointments and Compensation Committee shall be appointed by the Board of Directors from among the non-executive directors, with the favorable vote of the majority of the Board itself. The Chairman must be replaced every four years and may be re-elected after one year after his vacating office has lapsed.

In the Chairman's absence, the Committee member designated provisionally by the Board of Directors will substitute for him and, failing this, the oldest Committee member.

The Appointments and Compensation Committee will meet as often as convened by its Chairman, when so resolved by the majority of its members or at the request of the Board of Directors. Committee meetings will take place at the Company's registered offices or at such other venue as may be determined by the Chairman and stated in the meeting notice.

Committee meetings will be validly assembled when the majority of the Committee members attend.

Resolutions must be adopted with the favorable vote of the majority of directors attending the meeting.

In the event of a tie, the Chairman or Acting Chairman, will have the tie-breaking vote.

The Secretary of the Committee shall be that of the Board of Directors who will draft the minutes of the resolutions passed thereat and the Board will be informed of these resolutions.

The Appointments and Compensation Committee is vested, inter alia, with the powers and authorities of informing and proposing to the Board of Directors the appointment of directors, either by co-option or by means of a proposal to the General Shareholders' Meeting; it will also report on their compensation and on any appointments to Senior Management and their compensation.

These duties will be deemed to be without limitation and without prejudice to such other duties as may be entrusted to the Committee by the Board of Directors.

The Board Regulations may develop the competencies of the Committee and its scheme of organization and operation.

TITLE VI. ANNUAL FINANCIAL STATEMENTS.

Article 54. Annual Financial Statements.

The fiscal year will begin on January 1 and will end on December 31 of each year.

The annual financial statements, forming one unit, shall consist of the balance sheet, the income statement, the statement of changes in net equity, the cash-flow statement, and the notes thereto. These documents must be drafted in such a manner so as to offer a true and fair view the company's equity, financial position and results, as provided by Law.

Article 55. Contents of the Annual financial statements.

The balance sheet shall include, duly separated, the assets and rights forming the company's assets and the obligations forming its liabilities, specifying its equity. The balance sheet will be structured as provided by the Spanish Capital Corporations Law and other applicable legal provisions.

The income statement will include, also duly separated, the income and expenses of the year and, by difference, the result thereof. It will differentiate between profit from ordinary activities and from other activities, or profits that are the result of extraordinary circumstances. The income statement must be structured as provided by the Spanish Capital Corporations Law and other applicable legal provisions.

The statement of changes in net equity shall include the statement of recognized income and expenses and the total statement of changes in net equity.

The cash-flow statement shall include the origin and utilization of the monetary assets representing cash and other equivalent liquid assets.

The notes to the financial statement shall complete, expand and comment on the information contained on the balance sheet, the income statement, the statement of changes in net equity and the cash-flow statement. The notes shall contain the indications provided by the Spanish Capital Corporations Law and other applicable legal provisions.

Article 56. Management Report.

The Management Report must at least contain a true and fair view on the development of the business and situation of the company. It must also include indications on the most important events for the company that occurred subsequent to the close of the year, the expected development of the company, research and development activities and the acquisition of treasury stock, in accordance with the Law.

Article 57. Audit of Financial Statements.

The annual financial statements and management report must be reviewed by the auditors as provided by law. The auditors shall also check the agreement of the management report with the fiscal year annual financial statements. The auditors shall have at least one month from the time in which the financial statements are submitted to them by the directors, in order to present their report.

Article 58. Appointment of Auditors.

The Audit and Supervisory Committee will propose the external auditors to the Board of Directors who will refer this issue to the General Shareholders' Meeting. The appointment by the General Shareholders' Meeting shall take place before the end of the year to be audited, for a period of not less than three years or more than nine years. The General Shareholders' Meeting may re-elect the Auditors annually once the initial period has lapsed. The General Shareholders' Meeting may appoint one or several natural persons or legal entities to act jointly. When the appointed auditors are natural persons, the General Shareholders' Meeting must appoint as many substitutes as there are appointed auditors.

Article 59. Preparation of the Annual Financial Statements.

Within a maximum period of three months as from the year-end closing date, the Board of Directors shall be obliged to prepare the annual financial statements Management Report and the proposal for the application of earnings, as well as, if applicable, the consolidated accounts and Management Report. The annual financial statements and management report must be signed by all Directors. If the signature of any Board Member is missing, this circumstance must be indicated on each one of the documents from which it is missing, with express indication of the cause.

Article 60. Approval of the Annual Financial Statements.

The annual financial statements shall be approved by the General Shareholders' Meeting, which shall resolve on the application of the fiscal year earnings, in accordance with the approved balance sheet.

Article 61. Legal Reserve.

In any case, an amount equal to 10% of the profit for the year shall be allocated to the legal reserve, until the latter reaches at least 20% of the share capital. As long as it does not exceed the amount indicated, the legal reserve may only be used to offset losses, in the event there are no other reserves available for this purpose.

Article 62. Distribution of Dividends.

Once the requirements established by Law or by the Corporate Bylaws have been met, dividends may only be distributed against the fiscal year earnings, or against the freely-available reserves, if the equity for accounting purposes is not or, as a consequence of the distribution, does not become less than the share capital. In the event of losses from prior fiscal years which cause such equity to fall below the amount of the share capital, the profits shall be used to offset these losses.

The General Shareholders' Meeting will determine the time and form of payment in the resolution declaring the dividend distribution. Unless otherwise resolved by the General Shareholders' Meeting, the dividend shall be payable at the company's registered office as from the day following the date of the resolution.

Article 63. Interim Dividends.

Only the General Shareholders' Meeting or the Board of Directors may resolve the distribution to shareholders of interim dividends, under the following conditions.

1. The Board of Directors shall prepare an accounting statement in which it proves that there is sufficient liquidity for the allocation. This accounting statement will subsequently be included in the annual report.
2. The amount to be distributed may not exceed the amount of the results obtained since the end of the last fiscal year, minus losses from prior years and the amount to be allocated to the compulsory reserves established by law and by the Corporate Bylaws, as well as the estimated tax to be paid on these earnings.

Article 64. Deposit of Annual Financial Statements.

Within the month following the approval of the annual financial statements, the certification of the resolutions of the General Shareholders' Meeting and of the distribution of profits, to which a copy of each one of the foregoing accounts will be attached, in addition to the Management Report and the Auditors' Report, must be deposited at the Mercantile Registry in the district where the Company's registered office are located.

TITLE VII. CONFLICT RESOLUTION

Article 65. Conflict Resolution.

For all disputes that may arise between the Company and the shareholders, or between the shareholders themselves, which are related to corporate matters, both the Company and the shareholders submit to the jurisdiction of the Company's registered office and waive their right to the jurisdiction to which they would otherwise submit.

8. AMENDMENTS TO GENERAL SHAREHOLDERS' MEETING REGULATIONS TO ADAPT TO LATEST LEGISLATIVE REFORMS:

8.1 Amendment of Article 3 of the General Meeting Regulations. Publicity.

To amend the present Article 3 (Publicity) of the General Meeting Regulations, by re-wording it in the following terms:

Article 3. Publicity

In order to make it easy for shareholders to have access to these Regulations, the full wording of the Regulations will be posted on the Company's website.

8.2 Amendment of Article 7 of the General Meeting Regulations. Power and obligation to call the meeting.

To amend the present Article 7 (Power and obligation to call a Meeting) of the General Meeting Regulations, by re-wording it in the following terms:

Article 7. Power and obligation to call a Meeting

1. The Board of Directors or, as the case may be, the liquidators of the Company, shall call an Annual General Shareholders' Meeting to be held within the first six months of each year and a Special General Shareholders' Meeting whenever they so deem appropriate for the interests of the Company. A General Shareholders' Meeting must also be called if shareholders holding at least 5 percent of the capital stock so request, stating in the request the business to be transacted at that Meeting. In such a case, the General Shareholders' Meeting must be called to be held within thirty days following the date on which notice of the request to call it was served by a notary. The Board of Directors will draw up the agenda, which must include the business requested.
2. Notwithstanding the above, if there is a situation which in the opinion of the Chairman of the Board of Directors or whoever substitutes for him is of singular importance to the Company and its shareholders, the Chairman, or his substitute, may call a Special General Shareholders' Meeting to analyze the situation in question and, as the case may be, adopt the relevant resolutions.

8.3 Amendment of Article 8 of the General Meeting Regulations. Publication and announcement of meeting notice.

To amend the present Article 8 (Publication and announcement of call to meeting) of the General Meeting Regulations, by re-wording it in the following terms:

Article 8. Publicity and announcement of call to meeting

1. The General Meeting shall be called by legal notice in the Official Mercantile Registry Bulletin (*Boletín Oficial del Registro Mercantil*) and on the Company's website, at least one month prior to the date set for the meeting to be held.
The legal notice of the call to meeting shall be sent by the Company to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and to the other governing bodies of the markets on which it trades, in accordance with the rules in force for the respective markets.
2. The meeting notice shall express the name of the Company, the date and time of the meeting, as well as the agenda, which shall contain the business to be transacted, and shall indicate, as appropriate, the agenda items included at the request of shareholders entitled to request such inclusion. It may also state, if appropriate, the date on which the General Shareholders' Meeting is to be held on second call. There must be at least 24 hours between the first and second Meetings.
3. If the General Meeting, duly convened, is not held in first call, and the date of the second call is not contemplated in the legal meeting notice, it shall be announced, in following the same publicity requisites as the first call, within 15 days following the date of the General Meeting not held and 8 days in advance of the meeting date.
4. The text of the legal notice shall be included on the Company's website. In addition, information on any other aspects of interest for the following of the meeting, such as the existence of simultaneous translation or audiovisual dissemination of the General Meeting, shall be provided on said website.
5. Shareholders representing at least five percent of the share capital may request that a supplement to the call to general shareholders' meeting, including one or more agenda items, be published. The exercise of this right must be carried out by attestable notice which must be received at the registered offices within five days following publication of the official meeting notice.
The supplement to the official meeting notice shall be published at least 15 days in advance of the date established for the general meeting.
The absence of publication of the supplement to the official meeting notice within the deadline established by law shall be cause for annulment of the general meeting.

6. Proposals relating to the appointment or ratification of each director shall be included on the agenda separately, as well as Corporate Bylaws amendments, which shall be instrumented for each article or group of articles that are substantially independent, or the subject matter of which is of a homogeneous nature.

8.4 Amendment of Article 9 of the General Meeting Regulations. Right to information.

To amend the present Article 9 (Right to information) of the General Meeting Regulations, by re-wording it in the following terms:

Article 9. Right to information

1. As soon as the call notice of the Annual General Shareholders' Meeting is served, any shareholder may, immediately and at no charge, obtain from the Company at its registered office, the financial statements, the proposed appropriation of income or allocation of loss, the management report and the auditors' report.

This documentation will also be made available to the shareholders on the Company's website as from the date of the call notice.

2. From the date of the call notice for the Annual or Special General Shareholders' Meeting, the shareholders may inspect at the registered offices and on the Company's website the proposed resolutions, the reports and other documentation which is required to be made available in such places pursuant to the Law and the Bylaws. In such cases as may be legally applicable, the shareholders may also request that the full wording of the documents made available to them be delivered or sent to them at no charge.

3. From the same day of publication of the official notice of the General Shareholders' Meeting up to and including the seventh day before the date on which the meeting is to be held in first call, the shareholders may request in writing the information or clarifications they deem necessary or ask the questions they deem appropriate in writing concerning the items on the Agenda. In addition, in the same manner and with the same notice, the shareholders may request information or clarifications, or ask questions in writing about the information accessible to the public that the Company has provided to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) since the date on which the last General Shareholders' Meeting was held.

All of these requests for information may be made by delivery of the petition to the registered offices or sending it to the company by post or other means of electronic or automated long-distance communication addressed to the address specified in the relevant meeting notice. Those in which the electronic document by virtue of which the information is requested includes a recognized electronic signature employed by the petitioner, or other type of electronic signature which, by resolution previously adopted to such effect, the Board of Directors considers satisfies adequate guarantees of authenticity and identification of the shareholder exercising his right to information, shall be admitted as such. The shareholder shall be responsible for proving the sending of the request to the company in due time and form.

The directors shall be obliged to provide the information requested in accordance with the two preceding paragraphs in the manner and in the terms provided by law, except in cases in which, in the Chairman's opinion, publishing such information would not be in the company's interests. This exception will not apply when the request is supported by shareholders that represent at least one quarter of the capital.

Replies to the shareholders will be issued by the Board of Directors in a resolution or, as the case may be, by any of the Directors, by the Board Secretary, or by any person expressly authorized for such purpose.

4. Without prejudice to the right of shareholders to information concerning General Shareholders' Meetings as referred to in Sub-article 3 above, once the General Shareholders' Meeting has been called, shareholders may, after providing evidence of their identity as such, make comments or suggestions in writing on the items on the agenda through the Shareholder's Office or the Company's website. The General Shareholders' Meeting will not be informed of these comments or suggestions, without prejudice to the Board of Directors being able to take them into account and to the right of shareholders to participate in the debates of the General Shareholders' Meeting on its agenda.

5. An Electronic Shareholder Forum will be set up on the company's website. It may be accessed with due guarantees by both individual shareholders as well as the voluntary associations they may establish, in order to facilitate communications prior to holding the General Meetings. Proposals intended to be presented as a supplement to the agenda announced in the meeting notice, requests for adherence to said proposals, initiatives to achieve a sufficient percentage to exercise a minority right provided by law, as well as offers or requests for voluntary representation, may be published in the Forum.

8.5 Amendment of Article 10 of the General Meeting Regulations. Attendance Right.

To amend the present Article 10 (Attendance right) of the General Meeting Regulations, by re-wording it in the following terms:

Article 10. Attendance right

1. Shareholders who have their shares recorded in the pertinent book-entry ledger five days in advance of the meeting being held and who hold the relevant attendance card may attend the General Meeting. Attendance cards shall be issued through the institutions that carry the accounting records and shall be used by shareholders as the document for granting their proxy for the General Meeting in question. The foregoing shall be construed notwithstanding the certificates of standing issued in accordance with the entries of the Accounting Record by the relevant responsible or member entity.

2. Prior to the start of the meeting, attendees shall be handed out the text of the proposed resolutions to be submitted to the decision of the General Meeting, excluding any documentary schedules, if any. They shall also be handed out, as the case may be, the text of those responses provided to shareholders in satisfying requests for information formulated thereby in writing prior to holding the General Meeting, when the Board of Directors deems the knowledge thereof by the shareholders attending the meeting to be necessary or appropriate.

3. Members of the Board of Directors must attend the General Meetings.

4. The Chairman may authorize the attendance of any person he or she deems appropriate, although the General Meeting may revoke said authorization.

8.6 Amendment of Article 11 of the General Meeting Regulations. Representation by proxy.

To amend the present Article 11 (Representation by proxy) of the General Meeting Regulations, by re-wording it in the following terms:

Article 11. Representation by proxy

1. Every shareholder entitled to attend may have himself or herself represented at the General Meeting by another person. The proxy must be granted in writing and specifically for each Shareholders' Meeting, as well as comply with all other relevant legal provisions. This power of representation 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 cases of voluntary as well as legal proxies, there may not be more than one proxyholder at the General Meeting.

2. A proxy is always revocable. Personal attendance at the General Meeting shall have the effect of revocation.

3. Financial intermediaries who have standing as shareholders but who are acting for the account of different clients, may fraction their vote in such a manner that allows them to abide by the instructions received.

8.7 Amendment of Article 24 of the General Meeting Regulations. Publication.

To amend the present Article 24 (Publication) of the General Meeting Regulations, by re-wording it in the following terms:

Article 24. Publication

1. Regardless of the disclosure measures required by statute or regulations in each case, the shareholders may apprise themselves of the resolutions adopted by the General Shareholders' Meeting on the Company's website, on which the full wording of such resolutions will be posted.

2. In addition, resolutions eligible for registration will be filed for registration at the Mercantile Registry and for publication in the Official Mercantile Registry Bulletin (*Boletín Oficial del Registro Mercantil*).

8.8 Approval of the amended and restated General Shareholders' Meeting Regulations.

To approve the following restated text of the General Shareholders' Meeting Regulations, amending the present numbering, substituting the reference of "article 20 bis" for "article 21" and, consequently, the rest of references of the articles as from said article through the end "article 25" which shall be substituted for "article 26".

AMENDED AND RESTATED GENERAL SHAREHOLDERS' MEETING REGULATIONS

PREAMBLE

In compliance with the provisions of the Corporate Bylaws, and in consideration of the rules of good governance of listed companies, Endesa's General Shareholders' Meeting hereby adopts these Regulations. The purpose thereof is to strengthen the participation of shareholders at the General Meeting, through the adequate planning of the mechanisms that facilitate reporting thereto and stimulate their contribution towards forming the corporate will through the exercise of the rights to intervention in deliberations and voting. For such purposes, in drawing up the contents thereof, not only the legal and statutory rules have been considered, but also the recommendations of good governance, the best practices of listed companies and Endesa's own experience.

Article 1. Purpose

In conformity with statutory provisions and the Corporate Bylaws, these Regulations govern the organization and functioning of the General Shareholders' Meeting, including meeting notices, preparation and information for the Meeting, and attendance and proceedings thereat, with a view to making it easier for shareholders to exercise their rights.

Article 2. Effectiveness and interpretation

These Regulations will be submitted for approval by the General Shareholders' Meeting, at the proposal of the Board of Directors, and will become effective as soon as they are approved.

These Regulations will be interpreted pursuant to the provisions of **the legislation in force and the Corporate Bylaws.**

Article 3. Publicity

In order to make it easy for shareholders to have access to these Regulations, the full wording of the Regulations will be posted on the Company's website.

Article 4. General Shareholders' Meeting

The General Shareholders' Meeting is a meeting at which the shareholders, observing the statutorily established formalities and requirements, debate and decide by a majority on matters falling within their jurisdiction and to express the will of the Company in the form of resolutions.

All shareholders, including dissenters and those not participating at the meeting, will be subject to the resolutions of the General Shareholders' Meeting.

Article 5. Classes

1. General Shareholders' Meetings may be Annual or Special. In both cases, General Shareholders' Meetings will be governed by the provisions of the legislation in force, the Corporate Bylaws and these Regulations.

An Annual General Shareholders' Meeting, previously called for such purpose, must be held within the first six months of each fiscal year to scrutinize the conduct of business, approve, as the case may be, the prior year's financial statements and resolve on the appropriation of income or allocation of loss. It will also debate and adopt resolutions on any other item on the agenda which falls within the specific jurisdiction of the General Shareholders' Meeting.

2. Any Meeting other than as provided for in the preceding paragraph will be deemed to be a Special General Shareholders' Meeting.

Article 6. Competencies

The General Meeting is the competent body for resolving on all matters reserved to its decision by Law or the Corporate Bylaws and, in general, for adopting all resolutions characteristic of its status as the Company's sovereign body. In particular, and by way of illustration, it is responsible for:

- a) Resolving on the approval of the individual and consolidated annual financial statements and on the application of earnings, as well as examining and, as the case may be, approving, the corporate management.
- b) Appointing and, as the case may be, re-electing or ratifying the members of the Board of Directors, notwithstanding the power of co-optation characteristic thereof, as well as resolving their removal.
- c) Appointing and, as the case may be, re-electing the auditors, as well as resolving the revocation thereof in cases permitted by law.
- d) Resolving the increase or reduction of capital, bond issue, transformation, merger, demerger or dissolution of the Company and, in general, any amendment to the Corporate Bylaws.
- e) Approving and amending the General Meeting Regulations.
- f) Deciding on those matters submitted to its authorization by the Board of Directors and on such other decisions as are legally attributed thereto.
- g) The exercise of any other competency attributed thereto by Law or the Corporate Bylaws, and the hearing or decision of any matter that the Board of Directors resolves to be reported to or resolved by the General Meeting, in considering that it is of special relevance to the corporate interest.

Article 7. Power and obligation to call a Meeting

1. The Board of Directors or, as the case may be, the liquidators of the Company, shall call an Annual General Shareholders' Meeting to be held within the first six months of each year and a Special General Shareholders' Meeting whenever they so deem appropriate for the interests of the Company.

A General Shareholders' Meeting must also be called if shareholders holding at least 5 percent of the capital stock so request, stating in the request the business to be transacted at that Meeting. In such a case, the General Shareholders' Meeting must be called to be held within thirty days following the date on which notice of the request to call it was served by a notary. The Board of Directors will draw up the agenda, which must include the business requested.

2. Notwithstanding the above, if there is a situation which in the opinion of the Chairman of the Board of Directors or whoever substitutes for him is of singular importance to the Company and its shareholders, the Chairman, or his substitute, may call a Special General Shareholders' Meeting to analyze the situation in question and, as the case may be, adopt the relevant resolutions.

Article 8. Publicity and announcement of call to meeting

1. The General Meeting shall be called by legal notice in the Official Mercantile Registry Bulletin (*Boletín Oficial del Registro Mercantil*) and on the Company's website, at least one month prior to the date set for the meeting to be held.

The legal notice of the call to meeting shall be sent by the Company to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and to the other governing bodies of the markets on which it trades, in accordance with the rules in force for the respective markets.

2. The meeting notice shall express the name of the Company, the date and time of the meeting, as well as the agenda, which shall contain the business to be transacted, and shall indicate, as appropriate, the agenda items included at the request of shareholders entitled to request such inclusion. It may also state, if appropriate, the date on which the General Shareholders' Meeting is to be held on second call. There must be at least 24 hours between the first and second Meetings.

3. If the General Meeting, duly convened, is not held in first call, and the date of the second call is not contemplated in the legal meeting notice, it shall be announced, in following the same publicity requisites as the first call, within 15 days following the date of the General Meeting not held and 8 days in advance of the meeting date.

4. The text of the legal notice shall be included on the Company's website. In addition, information on any other aspects of interest for the following of the meeting, such as the existence of simultaneous translation or audiovisual dissemination of the General Meeting, shall be provided on said website.

5. Shareholders representing at least five percent of the share capital may request that a supplement to the call to general shareholders' meeting, including one or more agenda items, be published. The exercise of this right must be carried out by attestable notice which must be received at the registered offices within five days following publication of the official meeting notice.

The supplement to the official meeting notice shall be published at least 15 days in advance of the date established for the general meeting.

The absence of publication of the supplement to the official meeting notice within the deadline established by law shall be cause for annulment of the general meeting.

6. Proposals relating to the appointment or ratification of each director shall be included on the agenda separately, as well as Corporate Bylaws amendments, which shall be instrumented for each article or group of articles that are substantially independent, or the subject matter of which is of a homogeneous nature.

Article 9. Right to information

1. As soon as the call notice of the Annual General Shareholders' Meeting is served, any shareholder may, immediately and at no charge, obtain from the Company at its registered office, the financial statements, the proposed appropriation of income or allocation of loss, the management report and the auditors' report.

This documentation will also be made available to the shareholders on the Company's website as from the date of the call notice.

2. From the date of the call notice for the Annual or Special General Shareholders' Meeting, the shareholders may inspect at the registered offices and on the Company's website the proposed resolutions, the reports and other documentation which is required to be made available in such places pursuant to the Law and the Bylaws. In such cases as may be legally applicable, the shareholders may also request that the full wording of the documents made available to them be delivered or sent to them at no charge.

3. From the same day of publication of the official notice of the General Shareholders' Meeting up to and including the seventh day before the date on which the meeting is to be held in first call, the shareholders may request in writing the information or clarifications they deem necessary or ask the questions they deem appropriate in writing concerning the items on the Agenda. In addition, in the same manner and with the same notice, the shareholders may request information or clarifications, or ask questions in writing about the information accessible to the public that the Company has provided to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) since the date on which the last General Shareholders' Meeting was held.

All of these requests for information may be made by delivery of the petition to the registered offices or sending it to the company by post or other means of electronic or automated long-distance communication addressed to the address specified in the relevant meeting notice. Those in which the electronic document by virtue of which the information is requested includes a recognized electronic signature employed by the petitioner, or other type of electronic signature which, by resolution previously adopted to such effect, the Board of Directors considers satisfies adequate guarantees of authenticity and identification of the shareholder exercising his right to information, shall be admitted as such. The shareholder shall be responsible for proving the sending of the request to the company in due time and form.

The directors shall be obliged to provide the information requested in accordance with the two preceding paragraphs in the manner and in the terms provided by law, except in cases in which, in the Chairman's opinion, publishing such information would not be in the company's interests. This exception will not apply when the request is supported by shareholders that represent at least one quarter of the capital.

Replies to the shareholders will be issued by the Board of Directors in a resolution or, as the case may be, by any of the Directors, by the Board Secretary, or by any person expressly authorized for such purpose.

4. Without prejudice to the right of shareholders to information concerning General Shareholders' Meetings as referred to in Sub-article 3 above, once the General Shareholders' Meeting has been called, shareholders may, after providing evidence of their identity as such, make comments or suggestions in writing on the items on the agenda through the Shareholder's Office or the Company's website. The General Shareholders' Meeting will not be informed of these comments or suggestions, without prejudice to the Board of Directors being able to take them into account and to the right of shareholders to participate in the debates of the General Shareholders' Meeting on its agenda.

5. An Electronic Shareholder Forum will be set up on the company's website. It may be accessed with due guarantees by both individual shareholders as well as the voluntary associations they may establish, in order to facilitate communications prior to holding the General Meetings. Proposals intended to be presented as a supplement to the agenda announced in the meeting notice, requests for adherence to said proposals, initiatives to achieve a sufficient percentage to exercise a minority right provided by law, as well as offers or requests for voluntary representation, may be published in the Forum.

Article 10. Attendance right

1. Shareholders who have their shares recorded in the pertinent book-entry ledger five days in advance of the meeting being held and who hold the relevant attendance card may attend the General Meeting. Attendance cards shall be issued through the institutions that carry the accounting records and shall be used by shareholders as the document for granting their proxy for the General Meeting in question. The foregoing shall be construed notwithstanding the certificates of standing issued in accordance with the entries of the Accounting Record by the relevant responsible or member entity.

2. Prior to the start of the meeting, attendees shall be handed out the text of the proposed resolutions to be submitted to the decision of the General Meeting, excluding any documentary schedules, if any. They shall also be handed out, as the case may be, the text of those responses provided to shareholders in

satisfying requests for information formulated thereby in writing prior to holding the General Meeting, when the Board of Directors deems the knowledge thereof by the shareholders attending the meeting to be necessary or appropriate.

3. Members of the Board of Directors must attend the General Meetings.

4. The Chairman may authorize the attendance of any person he or she deems appropriate, although the General Meeting may revoke said authorization.

Article 11. Representation by proxy

1. Every shareholder entitled to attend may have himself or herself represented at the General Meeting by another person. The proxy must be granted in writing and specifically for each Shareholders' Meeting, as well as comply with all other relevant legal provisions. This power of representation 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 cases of voluntary as well as legal proxies, there may not be more than one proxyholder at the General Meeting.

2. A proxy is always revocable. Personal attendance at the General Meeting shall have the effect of revocation.

3. Financial intermediaries who have standing as shareholders but who are acting for the account of different clients, may fraction their vote in such a manner that allows them to abide by the instructions received.

Article 12. Public proxy solicitation

If the Directors of the Company, the custodians of the securities or the entities in charge of the book entry record request a proxy for themselves or for another and, in general, provided that the request is made publicly, the document in which the authority is recorded must contain or have attached to it the agenda, as well as the request for instructions to exercise the right to vote. Such delegation may also include items that, although not included on the agenda in the official meeting notice, may be addressed at the meeting, due to so being permitted by law.

Article 13. Convening the General Shareholders' Meeting

1. The General Shareholders' Meeting will be validly convened on first call if the shareholders present in person or by proxy hold at least 25 percent of the subscribed voting capital stock. On second call, the Meeting will be validly convened regardless of the capital stock attending.

2. Debt issues, capital increases or reductions, changes in legal form, or merger or spin-off, of the Company and, in general, any amendment to the Corporate Bylaws, will require on first call the attendance in person or by proxy of shareholders holding at least 50 percent of the subscribed voting capital stock. On second call, the attendance of 25 percent of that capital stock will suffice.

3. The provisions of this Article will be deemed to be without prejudice to such qualified quorums for convening or voting at the Meeting as may be established by Law or by the Bylaws.

Article 14. Planning and media

1. General Shareholders' Meetings may be held in various meeting halls if the Presiding Panel considers that there is just cause for doing so. In this case, audiovisual media enabling intercommunication must be installed to ensure the simultaneity and unity of the proceedings at the Meeting.

2. If deemed necessary, the Meeting will be equipped with a simultaneous interpretation system.

3. To ensure orderly proceedings at the Meeting, systems for controlling access to the Meeting may be established and such security measures as may be deemed suitable will be adopted.

4. In order to promote the broadest dissemination of the proceedings and resolutions adopted at the General Shareholders' Meeting, the media will be given access to the Meeting.

Article 15. Chairman and Presiding Panel

1. General Shareholders' Meetings will be chaired by the Chairman of the Board of Directors or, in his absence, by the relevant Voce Chairman in accordance with the provisions of the Corporate Bylaws or, in the absence of both, by such Director as may be chosen by the Meeting.

The Chairman shall be assisted by a Secretary, who shall be the Secretary of the Board of Directors and, in his absence, by the Assistant Secretary, if any, and, in any other case, by the person appointed by the General Shareholders' Meeting.

Once the Meeting has started, if the Chairman or the Secretary of the General Shareholders' Meeting has to absent himself from it, his functions will be taken over by the relevant person in accordance with the provisions of the preceding paragraphs and the Meeting will continue.

2. The Presiding Panel will be composed of the Board of Directors.

Article 16. Drawing up of the attendance list

1. Attendance cards and proxies will be accepted up to the time set for the General Shareholders' Meeting to start. Thereafter, shareholders or proxies who wish to attend the Meeting may do so in the same hall where the Meeting is being held or, if deemed appropriate by the Company, in an adjacent hall from which they can follow it, but they will not be deemed to be attendees of the Meeting for the purpose of drawing up the attendance list.

2. Before transacting the business on the agenda, a attendance list will be drawn up, stating the nature or representative capacity of each of them and the number of shares, held by them or third parties, with which they attend.

The attendance list may be drawn up on a card filing system or be included on a computer medium. In these cases, the method used will be recorded in the Minutes themselves and the appropriate identification stamp, signed by the Secretary of the General Shareholders' Meeting and countersigned by the Chairman, will be affixed to the sealed cover or the cover of the medium.

The number of shareholders, present or represented, will be stated at the end of the list, as well as the amount of capital they own, with specification of the capital belonging to shareholders with voting rights.

3. If the Chairman deems necessary, he may designate two or more shareholder scrutineers to assist the Presiding Panel in drawing up the attendance list and, as the case may be, counting the votes.

4. During the General Shareholders' Meeting any shareholder with the right to attend may consult the attendance list provided that it does not delay or postpone normal proceedings at the Meeting once the Meeting Chairman has declared the Meeting to be legally convened, and the Presiding Panel of the Meeting is not obliged to read or provide a copy of the list during proceedings at the Meeting.

Article 17. Start of the Meeting

Once the attendance list has been drawn up, the Chairman will declare the Meeting to be validly assembled and then allow the Notary Public to take the floor so that he can ask the attendees if they have any reservations concerning or objections to the data disclosed or the valid convening of the Meeting, indicating that whoever wishes to express such reservations or raise such objections must do so by making a statement in the presence of the same Notary Public so that it can be duly noted in the Minutes of the Meeting.

Article 18. Speeches

1. The Chairman will invite shareholders who wish to participate in the Meeting to request information or propose resolutions regarding the items on the agenda or to make any other statement so that, in the presence of the Notary Public, they can have their request, proposed resolutions or statement duly noted after indicating their personal particulars and the number of shares held by them or, as the case may be, represented by them.

2. The Chairman of the Meeting and such persons as he may designate for the purpose will address the attendees to present their respective reports.

Then, the Chairman will invite shareholders who have so requested to take the floor, after determining the order in which they are to be called to do so.

3. Each shareholder will initially have five minutes on the floor, although the Chairman of the Meeting may extend the time allotted.

4. During the time allotted to them for speaking on the floor, the shareholders may request such information or clarifications as they deem necessary regarding the items on the agenda.

The Chairman is responsible, as provided by Law, for furnishing the information requested, although he may, if he deems appropriate due to its nature, entrust this function to the Chief Executive Officer, to any member of the Presiding Panel or to such expert as he may consider suitable.

If it is not possible to fulfill the shareholder's right during the General Shareholders' Meeting, the directors shall be obliged to provide the shareholder in question with the information in writing within seven days following the day on which the General Shareholders' Meeting ends.

The directors shall be obliged to provide the information requested in accordance with the two preceding paragraphs in the manner and terms set forth by law, except in cases in which, in the Chairman's opinion, publishing such information would not be in the Company's interests and the request is supported by shareholders that represent less than twenty-five percent of the capital.

5. Also, in light of the proposed resolutions delivered to them before the start of the Meeting, shareholders may, while speaking on the floor, submit alternative proposals on any item on the agenda, except in cases where by law they must be available to the shareholders at the registered office when the official meeting notice is published.

In addition, while speaking on the floor they may propose the adoption of resolutions on business which does not have to be stated on the agenda of the Meeting in order to be debated and decided on by the Meeting.

6. Shareholders who wish to have the entirety of what they say on the floor noted in the Minutes must expressly make a request to this effect and deliver to the Notary Public, before taking the floor, the written transcript of their speech so that it can be verified and subsequently attached to the original Minutes.

Article 19. Powers of the Chairman

1. The Chairman is responsible for moderating and keeping the debate within the confines of the agenda and for ending it when the matter has, in his view, been sufficiently debated.

2. In performing his duties of directing and organizing the Meeting, the Chairman will have, inter alia, the following powers:

- a) To organize shareholders' speeches on the floor in the terms provided for in the preceding Article.
- b) Where appropriate, to resolve to extend the time initially available to the shareholders for taking the floor.
- c) To moderate speeches by shareholders on the floor, with power to urge them to keep to the agenda and observe the rules of etiquette when on the floor.
- d) To call the shareholders to order when their speeches on the floor manifestly obstruct the Meeting or seek to disturb the normal conduct of the Meeting.
- e) To ask shareholders to leave the floor when the time allotted to them has expired or when, despite the warnings made under letters c. and d. above, the shareholder persists in his conduct. In the exercise of this power, the Chairman may demand that a shareholder who has repeatedly ignored his requests leave the hall, as well as adopt the appropriate measures to ensure that the shareholder does so.
- f) To announce the result of voting.
- g) To resolve on matters that may arise in the course of the General Shareholders' Meeting regarding the rules established in these Regulations.

Article 20. Adoption of resolutions

1. Resolutions shall be adopted by the favorable vote of the majority of voting capital stock attending the General Meeting in person or by proxy, notwithstanding any reinforced quorums for assembly and voting as established by Law or the Corporate Bylaws.

When substantially independent matters are submitted to voting at the General Meeting, the Board of Directors shall prepare different proposed resolutions so that the shareholder may vote on them separately, especially in respect of:

- the appointment or ratification of directors, which shall be voted on individually;
- and amendments to the Corporate Bylaws, differentiating each article or group of articles that are substantially independent.

2. If proposals relating to subject matters on which the General Meeting may resolve without their being reflected on the agenda have been formulated, the Chairman shall decide on the order in which they shall be submitted to voting. Otherwise, the process for adopting resolutions shall be implemented in following the agenda contemplated in the official meeting notice.

3. Following reading by the Secretary, which reading may be omitted when no shareholder so objects, proposed resolutions formulated in each case by the Board of Directors shall first be submitted to voting and, as the case may be, those proposed by other parties shall then be put to a vote pursuant to an order of priority in time.

In any case, once a proposed resolution has been approved, all those relating to the same item of business which are incompatible therewith shall automatically fail and shall not be put to a vote.

4. For adopting resolutions the following system of determining votes shall be used:

- a) In the case of resolutions on business included on the agenda, votes pertaining to all shares participating at the meeting either in person or by proxy, less votes pertaining to shares whose holders or proxyholders inform the Notary Public in writing or personal declaration of their vote against, in blank, or abstention, shall be deemed to be votes in favor of the proposal submitted to voting.
- b) In the case of resolutions on business not included on the agenda, votes pertaining to all shares participating at the meeting either in person or by proxy, less votes pertaining to shares whose holders or proxyholders inform the Notary Public in writing or by verbal declaration of their vote in favor, in blank or their abstention, shall be deemed to be votes against the proposal submitted to voting.
- c) For the purposes contemplated in sections a) and b), supra, shares participating at the meeting shall be deemed to be those appearing on the attendance list less those whose holders or proxyholders have absented themselves from the meeting prior to the voting and have left a record of this circumstance with the Notary Public.

5. Notwithstanding the provisions of the foregoing section, and in consideration of the circumstances occurring in the case, the General Meeting Presiding Officers may resolve that in order to adopt resolutions any other system for determining votes may be followed, provided that it allows verifying the obtaining of the favorable votes necessary for the approval thereof and stating for the record in the minutes the result of the voting.

6. Whatever the system followed for determining votes, the verification by the General Meeting Presiding Officers of the existence of a sufficient number of favorable votes to attain the necessary majority in each case shall allow the Chairman to declare the pertinent proposed resolution approved.

Article 21. Voting and representation by remote means of communication.

a) The stockholders entitled to attend and vote may cast their votes on the proposals concerning the items on the agenda by post or through electronic communication, in accordance with that set forth in the By-laws, these Regulations and the rules that supplement and develop these Regulations, as stipulated by the Board of Directors.

Casting one's vote by post shall be carried out by sending to the Company the attendance card issued by the Company or entities entrusted with carrying the book-entry records, notwithstanding the further requisites and conditions which may be established by the Board of Directors in accordance with the provisions of section b) of this article.

A vote by electronic communication shall be cast under recognized electronic signature or any other type of guarantee the Board of Directors deems adequate in order to ensure the authenticity and identification of the shareholder exercising his or her right to vote, notwithstanding as well the further requisites and

conditions which may be established by the Board of Directors in accordance with the provisions of section b) of this article.

With respect to a vote cast by any of the means contemplated in this section a), in order to allow the adequate processing thereof, receipt by the Company must take place sufficiently in advance of the holding of the General Meeting. Otherwise, the vote shall be deemed not to have been cast.

Shareholders entitled to attend who cast their vote remotely as provided by this section a) shall be deemed to be present for purposes of the assembly of the General Meeting in question.

b) The Board of Directors is authorized to develop the provisions in the foregoing section a), stipulating the rules, means and procedures in line with the state of the art as well as the forms, conditions, restrictions and requirements that they deem appropriate in order to supplement the rules set forth in these regulations for exercising the right to vote through remote means of communication. Furthermore, the Board of Directors, on the basis of the stability and security offered by available technical resources, shall establish the time as from which shareholders may cast their vote by long-distance communication.

The Board of Directors shall publish on the Company's website the implementing and supplementary regulations to the scheme established in the General Meeting Regulations as well as the time from which shareholders may cast their vote at the General Meeting by long-distance communication.

c) In particular, the Board of Directors may regulate the use of guarantees other than electronic signatures for the casting of electronic votes in order to preserve the authenticity and identity of the stockholder exercising the right to vote, and may also reduce the term of notice referred to in section a) above for the company to receive votes cast by electronic or postal correspondence the company to receive votes cast by electronic or postal correspondence.

In any case, the Board of Directors shall adopt the necessary measures to avoid potential duplicity and ensure that the person who casts his or her vote by postal or electronic correspondence has due standing to do so as provided by article 27 of the Corporate Bylaws.

d) That set forth in sections a) and b) above shall also apply to a stockholder authorizing a proxy for the General Stockholders' Meeting by means of electronic communication or any other remote means of communication.

In accordance with the provisions of the Corporate Bylaws, personal attendance by the shareholder at the General Meeting shall have the effect of revoking a vote cast by postal or electronic correspondence. Furthermore, personal 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 22. Conclusion of the Meeting and the Minutes

1. Once voting on the proposed resolutions has finished, the Meeting will conclude and shall be adjourned by the Chairman.

2. The Minutes of the Meeting will be drawn up by a Notary Public and need not be approved by the attendees. For such purpose, the Board of Directors will resolve to request a Notary Public of its choice to draw up the Minutes.

Article 23. Extension

1. At the proposal of the Presiding Panel or at the request of the shareholders representing one-quarter of the capital present at the General Shareholders' Meeting, the attendees may resolve to extend the Meeting sessions for one or more consecutive days.

2. Once the Meeting has been extended, compliance with the requirements imposed by the Law or by the Corporate Bylaws for it to be validly convened need not be repeated at the successive sessions. If any shareholder included in the attendance list drawn up at the start of the Meeting does not attend the successive sessions subsequently, the majorities necessary to adopt resolutions will continue to be determined at those sessions per the data from that list.

Article 24. Temporary suspension

1. By way of exception, if there are disturbances that substantially interrupt the proper order of the Meeting or there is any other extraordinary circumstance that temporarily hinders its normal conduct, the Presiding Panel may resolve to suspend the Meeting for an appropriate time, but at no time for longer than two hours, in order to have the conditions necessary for it to continue restored.

In this case, the Chairman may adopt such measures as he deems appropriate to ensure the safety of those present and avoid any repetition of circumstances that may further disrupt the proper order of the Meeting.

2. If, after the Meeting has resumed, the circumstances that gave rise to the temporary suspension persist, the Chairman may ask the Board of Directors, if an absolute majority of its members is sitting on the Presiding Panel of the Meeting, to propose to the attendees that the Meeting be extended on the following day. If the extension is not, or cannot, be approved, the Meeting will be adjourned immediately.

Article 25. Publication

1. Regardless of the disclosure measures required by statute or regulations in each case, the shareholders may apprise themselves of the resolutions adopted by the General Shareholders' Meeting on the Company's website, on which the full wording of such resolutions will be posted.

2. In addition, resolutions eligible for registration will be filed for registration at the Mercantile Registry and for publication in the Official Mercantile Registry Bulletin (*Boletín Oficial del Registro Mercantil*).

Article 26. Notification

The Company will notify the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores) and the regulatory agencies of the markets on which it is listed of the wording of the resolutions adopted, in the form required in the rules regulating each market. The notice will be given as soon as possible and, in any event, within the deadline established for such purpose.

9. ANNUAL REPORT ON DIRECTORS' REMUNERATION, FOR VOTING ON A CONSULTATIVE BASIS

In accordance with the best Corporate Governance practices, to submit to voting, on a consultative basis, the approval of the Annual Report on Directors' Compensation, the text of which has been made available to the shareholders together with the rest of the documentation relating to the General Meeting as from the date of the official meeting notice in respect thereof.

10. Delegation to the Board of Directors for the execution and implementation of the resolutions adopted by the General Meeting, as well as to substitute the authorities it receives from the General Meeting, and granting of authorities for processing the said resolutions as a public instrument, registration thereof and, as the case may be, correction thereof.

1. To delegate to the Company's Board of Directors the broadest authorities to adopt such resolutions as may be necessary or appropriate for the execution, implementation, effectiveness and successful conclusion of the General Meeting resolutions and, in particular, for the following acts, without limitation:
 - (i) clarify, specify and complete the resolutions of this General Meeting and resolve such doubts or aspects as are presented, curing and completing such defects or omissions as may prevent or impair the effectiveness or registration of the pertinent resolutions;
 - (ii) execute such public and/or private documents and carry out such acts, legal businesses, contracts, declarations and transactions as may be necessary or appropriate for the execution and implementation of the resolutions adopted at this General Meeting; and

- (iii) delegate, in turn, to the Executive Committee or to one or more directors, who may act jointly and severally and indistinctly, the powers conferred in the preceding paragraphs.
- 2. To empower the Chairman of the Board of Directors, Mr. Borja Prado Eulate, the Chief Executive Officer (CEO) Mr. Andrea Brentan and the Secretary of the Board of Directors and Secretary General Mr. Salvador Montejo Velilla, in order that, any of them, indistinctly, may:
 - (i) carry out such acts, legal businesses, contracts and transactions as may be appropriate in order to register the preceding resolutions with the Mercantile Registry, including, in particular, inter alia, the powers to appear before a Notary Public in order to execute the public deeds or notarial records which are necessary or appropriate for such purpose, to publish the pertinent legal notices and formalize any other public or private documents which may be necessary or appropriate for the registration of such resolutions, with the express power to remedy them, without altering their nature, scope or meaning; and
 - (ii) appear before the competent administrative authorities, in particular, the Ministries of Economy and Finance and Industry, Tourism and Commerce, as well as before other authorities, administrations and institutions, especially the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores), the Securities Exchange Governing Companies and any other which may be competent in relation to any of the resolutions adopted, in order to carry out the necessary formalities and actions for the most complete implementation and effectiveness thereof.