

**REGULATIONS OF THE GENERAL SHAREHOLDERS MEETING  
OF  
APPLUS SERVICES, S.A.**



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# **REGULATIONS OF THE MEETING OF THE GENERAL SHAREHOLDERS' MEETING OF**

## **APPLUS SERVICES, S.A.**

### **PREAMBLE**

In keeping with the recommendations of the Unified Good Governance Code approved by the Spanish Securities Market Commission ("**CNMV**") on May 22, 2006 (in the updated version approved by the CNMV in June 2013) and considering the practice of Spanish listed companies in the preparation and development of General Meetings, as well as the legal provisions of Articles 512 and 513 of Royal Legislative Decree 1/2010 of July 2, which approves the Consolidated Text of the Spanish Capital Companies Act (the "**Spanish Companies Act**"), this Regulations of the General Shareholders' Meeting (the "**Regulations**") of APPLUS SERVICES, S.A. (the "**Company**") has a threefold purpose. In the first place, to reinforce the transparency that should prevail over the management bodies, by making public the procedures for the preparation and holding of General Shareholders' Meeting; in the second place, to specify the forms of exercising voting rights at the General Shareholders' Meeting; and, in the third place, to consolidate all rules relative to the General Shareholders Meeting into a single text, thus facilitating the knowledge that any shareholder may have regarding the management of the Company's Board of Directors.

### **CHAPTER I INTRODUCTION**

#### **Article 1.- Purpose of the Regulations**

The purpose of this Regulations is to govern the call, preparation and development of all General Shareholders' Meetings, whether annual or extraordinary, the information relative thereto, the meeting's attendance, and the exercise of shareholder voting rights, all in accordance with the provisions of the Spanish Companies Act and the Company By-laws.

#### **Article 2.- Interpretation**

2.1. These Regulations shall be construed in accordance with the law, the Company's Corporate Governance System, and good governance recommendations applicable thereto.

- 2.2. Any questions that may arise in connection with the interpretation hereof shall be resolved by Chairman of the Board of Directors, following consultation with the Secretary, when deemed necessary, following general criteria for interpretation of the legal rules.

## **CHAPTER II**

### **CONCEPT, TYPES AND FUNCTIONS OF THE GENERAL SHAREHOLDERS' MEETING**

#### **Article 3.- General Shareholders' Meeting**

- 3.1. The General Shareholders' Meeting constitutes the sovereign decision-making body of the Company.
- 3.2. The resolutions of the duly-convened General Shareholders' Meeting, adopted in accordance with the Company By-laws, with this Regulations, and with any legal provisions in force, are binding upon all shareholders, including those who are absent, abstain from voting, dissenting, and those without voting rights.
- 3.3. The provisions of the Spanish Companies Act will be applicable to anything not regulated in the By-laws or in these Regulations, including, for clarification purposes, the particular characteristics established therein for listed companies.
- 3.4. The Company shall ensure equal treatment for all shareholders who are in the same position with regard to the information, participation and the exercise of voting rights in the General Shareholders' Meeting at all times.

#### **Article 4.- Types of General Meetings**

- 4.1. A General Shareholders' Meetings may be annual or extraordinary.
- 4.2. The Annual General Shareholders' Meeting must meet within the first six (6) months of each financial year, as appropriate, to review corporate management, approve individual and, where appropriate, consolidated accounts from the prior financial year, and decide upon the allocation of the results from such financial year, all of which is notwithstanding the body's authority to address and settle any other items appearing on the Agenda, providing that the number of shareholders in attendance and percentage of share capital, legally or statutorily required, is present, as the case may be.

- 4.3. The Annual General Shareholders Meeting will be valid even if convened or held after the deadline.
- 4.4. Any General Shareholders' Meeting not provided for in the preceding section shall be deemed to be an Extraordinary General Shareholders', and will be held whenever convened by the Board of Directors of the Company upon its own initiative or at the request of shareholders who hold at least five percent (5%) of the share capital, without prejudice to the legal system for judicial calls.

**Article 5.- Powers of the General Shareholders' Meeting**

5. 1. The General Shareholders' Meeting shall decide the matters assigned thereto in accordance with the Spanish Companies Act and the Company's By-laws, including but not limited to the following:
1. The appointment and removal of directors.
  2. The appointment and dismissal of auditors.
  3. Review of corporate management; approval, where appropriate, of the individual and consolidated accounts from the previous financial year; and allocation of the results from such year.
  4. An increase or reduction in share capital.
  5. The issuance of debentures.
  6. Amendments to the Company's By-laws.
  7. The dissolution, merger, split-offs and transformation of the Company or the change of the Company's corporate purpose.
  8. Any transactions that would substantially affect the nature and structure of the Company, including:
    - i. the acquisition or disposal of key operating assets when they involve a change in the object of the Company; and
    - ii. transactions that effectively add-up to the liquidation of the

Company.

9. The authorization of the acquisition of assets in exchange for payment in an amount equal to or greater than one tenth of the share capital within two (2) year of the date of execution of the deed or re-registration into a corporation.
  10. The approval or ratification of the Company's corporate website.
  11. The approval and amendment of this Regulations.
5. 2. The aforementioned resolutions, together with any other subject reserved, by law or the By-laws, to the authority of the General Shareholders Meeting, may be adopted by it during an annual or extraordinary meeting, upon compliance with all applicable legal requirements.

### **CHAPTER III**

#### **CALL AND PREPARATION OF THE GENERAL SHAREHOLDERS MEETING**

##### **Section One. Call of the General Shareholders Meeting**

##### **Article 6.- Call of the General Shareholders Meeting**

- 6.1. Without prejudice to the provisions of the Spanish Companies Act on the universal General Shareholders Meeting and judicial calls, the General Shareholders' Meeting must be formally called by the Board of Directors, as follows:
- (a) On a date within the first six (6) months of each financial year, in the case of the Annual General Shareholders Meeting.
  - (b) When the Board of Directors deems it advisable to corporate interests, in the case of Extraordinary General Shareholders' Meetings.
  - (c) In all cases when, the meeting is requested, by notarial summons, by shareholders holding or representing at least five percent (5%) of the share capital, which request sets forth the matters to be addressed. In this case, the General Shareholders Meeting should be called within two (2) months of the date on which the Board of Directors is

summoned by notary. The Agenda will necessarily include the matters specified in the request.

(d) In all other cases provided by Law and the Company's By-laws.

- 6.2. Following a hearing of the directors, the Corporate Court's Judge from the Company's registered office may call the General Shareholders' Meeting: (i) at the request of any shareholder, if the Annual General Shareholders' Meeting has not been called within the statutorily prescribed deadline; and (ii) at the request of the petitioners if, after shareholders representing at least five percent (5%) of the share capital have requested that it be called and the directors fail to do so.
- 6.3. Shareholders representing at least five percent (5%) of the share capital may request the publication of a supplement to the call of the Annual General Shareholders' Meeting, including one or more additional items on the Agenda. It will be necessary for the new Agenda items to be accompanied by a rationale or, where appropriate, a substantiated proposal for a resolution.

The exercise of this right should be made by certified notice, received at the Company's registered office within five (5) days of the publication of the call. The supplement should be published at least fifteen (15) days prior to the scheduled date of the Annual General Shareholders Meeting. Failure to publish the supplement on time will be grounds for the annulment of the Annual General Shareholders Meeting.

- 6.4. Additionally, shareholders representing at least five percent (5%) of the share capital may, in the time period and manner indicated in the preceding Article, submit well-founded proposed resolutions regarding matters already included or that should be included in the Agenda of the call to the General Shareholders' Meeting. These proposed resolutions, as well as any attached documentation thereto, where appropriate, should be made available to other shareholders by continuous publication on the Company's corporate website, from the moment of their receipt up to the General Shareholders Meeting.

## **Article 7.- Announcement of the call**

- 7.1. The announcement of the call to the General Shareholders' Meeting shall be

disseminated through the following media, at a minimum: (a) the Official Gazette of the Commercial Registry (*Boletín Oficial del Registro Mercantil*) or in one of the more widely circulated newspapers in Spain; (b) the Company's corporate website; and (c) the website of the CNMV in general, at least one (1) month prior to the date scheduled for it to take place, with the exception of those cases for which the Spanish Companies Act has established a different time period.

The Board of Directors shall consider the advisability of disclosing the announcement in other social media so as to ensure fast and non-discriminatory access to the information by all shareholders, as well as gratuitous access to such calls throughout the European Union.

7.2. Extraordinary General Shareholders' Meeting may be convened at least fifteen (15) days in advance providing the Company offers shareholders the possibility of voting by electronic means, accessible to all of them. Any reduction to the convening period will require an express resolution of the Annual General Shareholders Meeting with a favorable vote from at least two thirds (2/3) of the subscribed voting capital. The validity of this resolution may not exceed the date on which the next Annual General Shareholders Meeting is to be held.

7.3. The announcement of the call will contain:

(a) The name of the Company, the venue, date and time of the meeting in its first and, where appropriate, second call (between which a period of at least twenty-four (24) hours should elapse), and the office of the person or persons making the announcement.

Shareholders may also be notified about the likelihood of holding the General Shareholders Meeting in its first or second call.

(b) The Agenda for the General Shareholders Meeting, drafted clearly and precisely, will contain the matters to be dealt in the meeting.

(c) Clear and precise information on the steps that shareholders should observe in order to participate and cast their votes at the General Shareholders' Meeting, and means of accrediting these before the Company. It will in all cases specify the date on which the shareholder should have the shares registered in his/her name in

order to be able to attend and vote at the General Shareholders' Meeting.

- (d) The right of shareholders to be represented at the General Shareholders Meeting by another person, shareholder or otherwise, and the requirements to exercise this right. In particular, the announcement will indicate the system for voting by proxy, specifying the requirements that should be observed to delegate votes, and the means to be used so that the Company may accept electronic proxy notices.
- (e) The shareholder right of information and the form of exercising it. Specifically, the place and means to obtain the complete text of the documents and proposed resolutions will be indicated, as well as the address of the Company's corporate website, where such information will be available.
- (f) The right of shareholders to include additional items on the Agenda and to present new proposals, and details regarding when and how to exercise said right. The announcement may only indicate the period during which this right can be exercised, when express reference is made to the Company's corporate website where more detailed information on such rights may be obtained.
- (g) The rules for distance voting, and any other requirements by the applicable legislation.

7.4. The Board of Directors will determine, upon the call of each General Shareholders' Meeting, the means of remote communication (including, as appropriate, telematics) to enable shareholders to participate in the Meeting, cast their vote, or delegate a proxy. Such means should duly ensure the identity of the shareholder and, in the case of delegation, the identity of the proxy as well. In that case, the announcement of the call should mention the specific means of remote communication that shareholders may utilize, where appropriate, to participate in the Meeting or to cast or delegate their vote, as well as the procedures that enable them to do so.

If the call allows the possibility of long-distance voting and notwithstanding the specific instructions established therein for each one of them, in order for the Company to verify and subsequently accept them, the voting document should contain the following, at minimum:

- (a) Date of the General Shareholders' Meeting and Agenda.
  - (b) Shareholder identity.
  - (c) The number of shares held by the shareholder.
  - (d) The way the vote is to be cast for the various items on the Agenda.
- 7.5. The Board of Directors may require the presence of a Notary in the General Shareholders' Meeting the draw up the minutes of the meeting, without prejudice when the presence of the Notary to the General Shareholders' Meeting is mandatorily required under the circumstances provided by law.
- 7.6. If a duly convened General Shareholders' Meeting, is not held on the first call, and no date for the second is specified in the announcement thereof, the second call must be announced, subject to the same public notice-related requirements as the first call, within fifteen (15) days of the date of the General Shareholders' Meeting not held and at least ten (10) days prior to the date of the second call.

## **Section Two.**

### **Preparation of the General Shareholders' Meeting**

#### **Article 8.- Information available as of the date of the call**

As of the publication date of the call of the General Shareholders' Meeting, the Company shall make available the following information to the shareholders at its registered office and will continuously publish it on the Company's corporate website:

1. The complete text of the announcement of the call.
2. The proposed resolutions formulated by the Board of Directors in relation to the items on the Agenda. Any proposed resolutions formulated by shareholders will also be included upon receipt.

Proposals for the appointment or reelection of Directors will include: a professional and biographic profile; information on other Boards of Directors to which the candidate belongs to; an indication of the Director category to which he/she belongs, as appropriate; in the case of proprietary directors,

the shareholder who he represents or to whom he is related; the date of his first appointment as Company's Director, as well as any subsequent appointments; the Company shares and any stock options held.

3. The total number of shares and voting rights on the date of the call, specified by share type, if any.
4. Any documents that, according to the Spanish Companies Act, the Company's By-laws, and these Regulations, must be submitted at the General Shareholders Meeting, specifically, reports from directors, auditors and independent experts.
5. Any other documents or information that, in accordance with the Spanish Companies Act, the Company's By-laws, and these Regulations, should be made available to the shareholders.
6. The forms that should be used for the delegation of proxies and the exercise of distance voting rights. If, for technical reasons, it is not possible to publish such forms, directions on how to obtain printed forms will be included, and these forms will be sent to any shareholder who so requests.
7. Information on communication channels between the Company and shareholders in order to collect data and formulate questions, clarifications or suggestions, in accordance with applicable legislation.

#### **Article 9.- Right to information prior to the General Shareholders Meeting**

- 9.1. From the date of publication of the call to the General Shareholders' Meeting through and including the seventh day prior to the date provided for the first call to meeting, the shareholders may request in writing questions, requests for information or clarifications that refer to:
  - (a) agenda items;
  - (b) information accessible to the public that shall have been furnished by the Company to the CNMV since the last General Shareholders' Meeting; or
  - (c) the audit report.

- 9.2. The requests for information provided in this Article will be answered in writing through the same channel which they were submitted, until the date of the corresponding General Shareholders' Meeting, after verifying the identity and shareholder status of the petitioners. In all cases, directors may provide the information in question via certified mail return receipt requested or via bureaufax.
- 9.3. Any other requests for information or clarifications that, pursuant to the terms provided in Article 9.1 above, are requested in writing by shareholders after the seventh day prior to the General Shareholders' Meeting will be addressed verbally during the General Shareholders' Meeting by any of the directors present, at the indication of the Chairman or, if it is not possible to answer at that time, within seven (7) days of the conclusion of the corresponding General Shareholders Meeting.
- 9.4. Shareholders may request information via the email address that is posted on the Company's corporate website for each General Shareholders Meeting. Requests may also be made in writing to the Investors Relations Department at the Company's registered address, delivered personally, by post or courier, as specified in the announcement of the call to the General Shareholders' Meeting. The provisions of this Article are understood to be without prejudice to the right of shareholders to obtain the documents in printed format and to request their delivery free-of-charge when so established by Law.
- 9.1. The Chairman of the Board of Directors may deny the information requested when, in his opinion, the publication of the data requested may prejudice the Company's interests, unless the request is supported by shareholders representing at least twenty-five percent (25%) of the share capital. Neither will the directors be obligated to respond to specific questions from shareholders when, prior to their formulation, the information requested is clearly and directly available for all shareholders on the Company's corporate website in a question and answer format.
- 9.2. The Board of Directors may empower any of its members as well as the Secretary and, when appropriate, deputy Secretary, to respond to any requests for information formulated by shareholders via the Investors Relations Department.

## **Article 10.- Electronic Shareholders' Forum**

An Electronic Shareholders' Forum shall be enabled on the Company's corporate website on occasion of the call to the General Shareholders' Meeting for access by shareholders and any voluntary shareholder associations validly established and entered in the special registry of the CNMV.

Access and use of the electronic forum for shareholders will be tailored to suit its legal purpose and the guarantees and rules of operation established by the Board of Directors, by determining the procedure, periods and other conditions for the operation, access and use of said forum.

#### **Article 11.- Right to Proxy Representation**

- 11.1. Shareholders with the right to attend may be represented by another person, whether or not such person is a shareholder.
- 11.2. The appointment and revocation of the proxy, as well as the notice to the Company of the appointment or revocation, should be made pursuant to the provisions of the Spanish Companies Act, in writing or by postal communication (including, as appropriate, electronic correspondence), the use of which has been expressly approved by the Board of Directors when calling the Meeting, and providing that they ensure the identification of the shareholder and his proxy. The proxy granted by any of the foregoing means of postal communication must be received by the Company at least twenty four (24) hours prior to the date scheduled for the General Shareholders Meeting to take place in its first call. Otherwise the proxy will be considered not granted.
- 11.3. The proxy will be granted specifically for each General Shareholders' Meeting, except in the case of a spouse, parent, or offspring of the principal or of an authorized legal representative with powers granted in a public deed to manage the entire estate of the shareholder in national territory.
- 11.4. The proxy may represent more than one shareholder, and is not restricted in terms of the number of shareholders represented.
- 11.5. The shareholder may not have more than one (1) proxy at the corresponding General Shareholders' Meeting. In exceptional cases, the Company will allow financial intermediaries that are formally recognized as shareholders and act in their own names but on behalf of end-clients (the **"Proxy Advisors"**) to be represented in the meeting by several agents in

order to reflect the various positions of their clients, as well as the material holders of the shares.

- 11.6. All cases of public proxy requests will abide by the provisions of the Spanish Companies Act.
- 11.7. The proxy is always revocable. In order to be enforceable, the Company should be notified in the same terms as those envisaged for the notification of a proxy granting. The last action performed by the shareholder with regard to the exercise of voting rights or delegation prior to the holding of the General Shareholders' Meeting will be deemed valid. If it is not possible to determine the date with certainty, the vote of the shareholder will prevail over the proxy. In all cases, the attendance by the shareholder to the General Shareholder Meeting entails the revocation of any proxy, regardless of the date thereof. The proxy will likewise be deemed null and void by the cancellation of shares about which the Company is aware.

#### **Article 12.- Place of the meeting**

The General Shareholders Meeting will be held at the place indicated in the call to meeting, within the municipal district of the Company's registered office or, when the Chairman deems it advisable for reasons of logistics or need, anywhere in the municipal province of Barcelona. If the place is not indicated in the call to meeting, it shall be deemed that the meeting will take place at the Company's registered office.

#### **Article 13.- Place, infrastructure and means**

- 13.1. Appropriate safety controls and surveillance and protection measures, as well as systems for controlling access to the meeting, shall be established in order to ensure the safety of the attendees and the orderly conduct of the General Shareholders' Meeting.
- 13.2. The General Shareholders' Meeting may be subject of audiovisual recording, if so determined by its Chairman.
- 13.3. In the room or rooms where the General Shareholders' Meeting takes place, the attendees may not use photographic, video, image and/or sound recorders, cell phones or similar devices, unless allowed by the Chairman. Control mechanisms may be established for access to the room or rooms to

facilitate compliance with this provision.

- 13.4. The existence of means for the simultaneous translation of statements made during the General Shareholders Meeting may be made available when deemed advisable for any reason.
- 13.5. The Board of Directors may require that a notary public attend the General Shareholders' Meeting and prepare the minutes thereof.

## **CHAPTER IV GENERAL SHAREHOLDERS' MEETING**

### **Section One. Conduct of the General Shareholders' Meeting**

#### **Article 14.- Right and duty of attendance**

- 14.1 Attendance at the General Shareholders' Meeting shall be granted to all shareholders owning one or more shares, whose ownership is registered in the corresponding book-entry register at least five (5) days prior to the Meeting, provided they verify the fact by displaying, at the registered office or the entities that are specified in the call, the appropriate certificate of entitlement or attendance card, or in any other manner permitted by applicable law.

Attendance cards shall be registered and issued by the Company with proof of ownership, or at its request, by the depository entities. The Company may suggest to such entities the format for which the attendance cards will be issued to shareholders. If this is the case, the Company will ensure that the cards issued by such entities are uniform and include a bar code, or other system that allows the electronic reading thereof, to facilitate digital calculation of the meeting's attendance, as well as the format that such document would take in order to delegate a proxy to another shareholder. The attendance card may provide the identity of the representative in the absence of express designation by the represented shareholder.

- 14.2 The members of the Board must attend the General Shareholders' Meeting, but the absence of any of them shall not affect the validity thereof. The General Shareholders' Meeting may also be attended, where they are so required, by directors, managers, technicians and others who, in the Board of Directors view, have an interest in the efficient running of corporate

affairs, and whose participation in the Meeting Shareholders may, if required, be useful to the Company. The chair of the General Shareholders' Meeting may authorize the attendance of the press, financial analysts or any other person he deems fit, subject to the right of the General Shareholders' Meeting to revoke such authorization.

- 14.3 The shareholders who so wish to exercise the right to attend the General Shareholders' Meeting by means of long-distance communication must prove their identity and their condition as shareholders in the form the Board of Directors had determined in the announcement of the call to meeting.

#### **Article 15.- Presiding Committee of the General Shareholders' Meeting**

- 15.1. The Presiding Committee (*Mesa*) of the General Shareholders' Meeting shall be formed at the time stated in the call to the General Shareholders' Meeting. The Presiding Committee shall be made up of the chair of and the secretary for the General Shareholders' Meeting.
- 15.2. The chairman of the Board of Directors, or, in the absence thereof, the vice-chair of the Board of Directors, shall act as chair of the General Shareholders' Meeting; if there are several vice-chairs of the Board of Directors, they shall act based on their as a board member. In the absence of vice-chair, the longest-standing board member shall chair the General Shareholders Meeting.
- 15.3. The chair of the General Shareholders' Meeting will:
- (a) To call the meeting to order.
  - (b) To verify that there is a valid quorum for the General Shareholders' Meeting, and if appropriate, to declare it to be validly in session.
  - (c) To take notice of the request, if any, made by the Board of Directors for the presence of a notary public to take the minutes of the meeting.
  - (d) To conduct the meeting so that the debate adheres to the agenda.
  - (e) To answer any questions that arise regarding the list of shareholders, including delegations, representations, and the content of the

agenda.

- (f) To give the floor to shareholders who request as much in writing prior to the General Shareholders Meeting, and subsequently to those who issue verbal or written requests during the course of the General Shareholders' Meeting, allocating such time as he sees fit, or allowing them to speak until he considers that a matter has been sufficiently resolved or the progress of the meeting is being impeded.
- (g) To indicate the time of voting and announce the results of voting.
- (h) In general, exercise all powers necessary for the best management of the meeting, including the interpretation of the provisions of these Regulations as applicable to the General Shareholders' Meeting in progress.

15.4. The role of the secretary of the General Shareholders' Meeting shall be played by the Secretary, and in his absence, the vice-Secretary of the Board of Directors of the Company. Where both are missing from the General Shareholders' Meeting, such functions shall be performed by the person appointed by the shareholders.

15.5. If for any reason during the course of the General Shareholders' Meeting, the chair of the General Shareholders' Meeting or the secretary have to leave, a substitute shall perform their duties and the meeting shall proceed as described in sections 15.2 and 15.4 above.

#### **Article 16.- Commencement of the General Shareholders' Meeting**

16.1. At the place, date and time specified in the call to the General Shareholders' Meeting, and within twenty four (24) hours prior to the scheduled time for the meeting to begin, the shareholders or those representing them may submit the documents proving their right to attend and, where appropriate, their proxy or delegation, to the personnel responsible for registering attendance. The right to attend shall be accredited in the manner and the terms set forth in Article 14 of this Regulations.

Shareholders wishing to attend and vote remotely, when permitted according to the terms of the call, must prove their identity and status as a shareholder in such manner as determined in the announcement of the call.

- 16.2. Shareholders, or where appropriate, their representatives, who access to the premises where the General Shareholders' Meeting takes place after the General Shareholders' Meeting has taken up the examination and deliberation of the agenda shall not be included on the list of attendees.
- 16.3. The list of attendees shall be included at the beginning of the minutes itself, or attached as an appendix, signed by the Secretary, and approved by the chair of the General Shareholders' Meeting.

The shareholders, who cast distance votes as provided in the relevant call to meeting, shall be considered present for purposes of establishment of a quorum to the General Shareholders' Meeting.

- 16.4. Having recorded the existence of a quorum, the board of the General Shareholders' Meeting of Shareholders shall be established, starting at the place, date and time set for the meeting, either in first or second call.
- 16.5. The chair of the General Shareholders' Meeting, or by delegation, the Secretary, shall read the call or incorporate it by reference if no shareholder opposes, and report on the general data contained on the list of attendees, detailing the number of shareholders entitled to vote who are present and represented at the meeting, the number of shares corresponding to each of them, and the percentage of capital they represent.
- 16.6. Once this information is announced by the chair of the General Shareholders' Meeting or the Secretary, the chair of the General Shareholders' Meeting shall declare whether or not the valid quorum requirements for the General Shareholders' Meeting are met. The Notary, if in attendance, will ask for any objections to the chair's statements concerning the number of shareholders present and the share capital they represent. Questions or doubts expressed to the notary, and in his absence, the Secretary, arising on these points shall be reflected in the minutes and shall be resolved by the chair of the General Shareholders' Meeting.
- 16.7. Thereupon, if appropriate, the chair of the General Shareholders' Meeting shall declare the General Shareholders' Meeting to be validly in session. Absences of shareholders occurring once a quorum for the General Shareholders' Meeting has been established shall not affect the validity of the meeting, subject to the provisions relating to the calculation of votes on proposed agreements, in accordance with Article 20 of these Regulations.

16.8. Annual and Extraordinary General Shareholders' Meetings alike shall be validly established:

- (a) In general, on the first call, where the shareholders present or represented own at least twenty-five percent (25%) of the share capital with voting rights. On second call, the convening of the General Shareholders Meeting shall be valid regardless of the capital in attendance.
- (b) For the General Shareholders' Meeting to be able to validly agree to issue bonds, an increase or reduction of the share capital, the cancellation or restriction of the pre-emptive rights to acquire new shares, the conversion, merger, spin-off or global assignment of assets and liabilities, the winding up and liquidation of the Company, as well as the transfer the Company's registered offices abroad, or to modify the By-laws, shall require, on first call, the presence of shareholders present or represented owning at least fifty percent (50%) of the share capital with voting rights. On second call, the attendance of twenty-five percent (25%) of such capital shall be enough.
- (c) For the Annual General Shareholders' Meeting to be able to validly agree to reduce the call period for Extraordinary General Shareholders' Meeting, shall require the affirmative vote of at least two thirds (2/3) of the share capital with voting rights.

16.9. If, in order to validly adopt a resolution regarding one or several items on the agenda of the General Shareholders' Meeting, the attendance of a certain percentage of share capital is required under applicable legal or statutory rules, and this percentage is not reached, or the consent of certain interested shareholders is required and they are neither present or represented, the General Shareholders' Meeting shall be limited to deliberation on those agenda items in which the valid adoption of an agreement does not require the attendance of such a percentage of capital or such shareholders.

16.10. If for any reason it is necessary or advisable to hold the meeting in separate locations, under the provisions of Article 12 above, proper media shall be provided to allow for the recognition and identification of the attendees, real-time interactivity and intercommunication, and thus, the continuity of the meeting, including also, where it is so envisaged in the call for the Meeting

in question, participation in and issuance of voting.

- 16.11. The provisions set out in this Article shall be deemed without prejudice to the minimum quorum required by legal provisions or the Company's By-Laws.

## **Section Two.**

### **Shareholder Participation Round**

#### **Article 17.- Participation Requests**

- 17.1. Once the General Shareholders' Meeting is validly established, shareholders in the exercise of their rights who wish to speak during the General Shareholders' Meeting participation round, shall identify themselves to the Secretary, or if applicable, the Notary (or persons assisting these), presenting their National Identity Card or equivalent identification document if they are foreigners, and their attendance card stating the number of shares that they own and the shares they represent. Both documents will be returned once they have been heard. If they wish for their speech to be recorded in the minutes of the General Shareholders' Meeting, they shall submit it in writing, at the time, to the Notary, or the Presiding Committee to refer to as the shareholder's speech is delivered.
- 17.2. Administrators may set out in the call that any speeches and proposed resolutions, under Law, that will be given by persons attending via electronic means, where this possibility is envisaged in the call to the Meeting, must be submitted to the Company prior to the time when the Meeting is convened. That call will lay out deadlines, forms and ways of exercising shareholders' rights as provided by the administrators to facilitate the orderly conduct of the Meeting.
- 17.3. Once the Presiding Committee has the list of shareholders wishing to speak, and before the vote on the issues featured in the agenda, the presentation round will begin.

#### **Article 18.- Participation**

- 18.1. Shareholder speeches shall proceed in the order in which they are called by the Presiding Committee. The chair of the General Shareholders' Meeting, in view of the circumstances, shall determine the maximum time initially

allocated to each speech.

18.2. In the exercise of his powers to organize the conduct of the General Shareholders' Meeting, subject to other proceedings, the chair of the General Shareholders' Meeting may direct and re-order presentations, and in particular:

- (a) may extend, if deemed appropriate, the time initially allocated to each shareholder;
- (b) may request that the parties clarify any issues that have not been understood or have not been sufficiently explained during the presentation;
- (c) may call to order the presenting shareholders, requesting that they limit their presentation to the business before the General Shareholders' Meeting, and refrain from making inappropriate statements or exercising their rights in an abusive or obstructionist manner;
- (d) may tell speakers when their time is almost up, so they may adjust their speech accordingly, and when they have exceeded the time allotted. If they persist in the manner described in point (c) above, he may revoke the floor; and
- (e) if he considers that a speech might alter the proper order and normal conduct of the meeting, he may require the presenters to leave the premises and, where appropriate, take the necessary measures to enforce this provision.

## **Article 19.- Information**

19.1. During the course of the Meeting, members of the Board of Directors shall be required to provide the information requested verbally by shareholders, under the terms of Article 9.1. of these Regulations, except in any of the circumstances referred to in Article 9.5, or if the requested information is not available at the time of the General Shareholders' Meeting. In the event of the latter, the information shall be provided in writing to a mailing address indicated by the shareholder within seven (7) days of the adjournment of the General Shareholders' Meeting.

- 19.2. The requested information or clarification shall be provided by the chair of the General Shareholders' Meeting, or as the case may be and at the latter's instruction, by the Chairman of the Audit Committee, the Secretary, a Director or, if appropriate, any employee or expert in the field who is present in accordance with Article 14.2 of these Regulations.

### **Section Three.**

#### **Voting and Documentation of Resolutions**

##### **Article 20.- Voting on proposed resolutions**

- 20.1. Once the shareholders presentations have ended and responses have been given to requests for information pursuant to the provisions of these Regulations, the proposed resolutions regarding matters included in the agenda of the call to meeting or which, pursuant to a law, may be submitted to a vote even though not appearing thereon, shall be submitted to a vote.
- 20.2. At the General Shareholders' Meeting, those matters that are materially separate shall be voted on separately, in particular: (i) the appointment, ratification, reappointment and removal of each director, to be voted on individually, and (ii) changes in the Company's By-laws, each article or group of articles that are not interdependent.
- 20.3. The Secretary shall offer shareholders the option of having the proposed resolutions read aloud or incorporated by reference. If so requested by any shareholder, or even if not requested, if deemed appropriate by the chair of the General Shareholders' Meeting, they shall be read aloud. In any event, the attendees shall be informed of the agenda item to which the proposed resolution put to a vote relates.
- 20.4. For each resolution put to the vote, there shall be a determination, at the least, of the number of shares for which valid votes were cast, the proportion of capital represented by those votes, the total number of valid votes, the number of votes for and against each resolution and, where appropriate, the number of abstentions.
- 20.5. Notwithstanding the fact that other alternative systems may be used at the initiative of the chair of the General Shareholders' Meeting, the voting on proposed resolutions referred to in the preceding paragraph shall be conducted according to the following procedure:

- (a) The voting on proposed resolutions relating to items on the agenda shall be effected via a process of negative deduction. To that end, for each proposal, the votes in favor equal the total number of all shares present and represented, minus the votes against and abstentions (which must be expressly stated). Negative votes and abstentions shall be counted separately.

If the shareholders have presented alternative proposals, these shall be put to a vote following the proposals of the Board of Directors. Once a proposed resolution is adopted, all others on the same subject that are incompatible shall automatically fail, without subjecting them to an express vote, which shall be stated by the board of the Meeting.

- (b) The voting on proposed resolutions relating to items not on the agenda, where such proposals are legally possible, shall be effected via a process of positive deduction. In other words, the votes against will equal all the shares present and represented, minus the votes corresponding to shares whose owners or representatives expressly state that they vote in favor or abstain.

For voting on these proposals, shareholders cast their vote remotely prior to the Meeting shall not be considered either present or represented, unless they have given express instructions.

Neither shall the shares, which cannot exercise their right to vote under the provisions of Articles 523 and 526 of the Act, be deemed present or represented, unless the conflict has been overcome.

20.6. Where technically possible, and provided that fulfillment of all legal requirements can be ensured, the Board of Directors may establish electronic systems for vote counting.

20.7. Statements containing a direction to vote given to the Notary or the Board, according to Article 20.5 above, may be made individually for each one of the proposals or jointly for some or all of them, informing the Notary or the Board of the identity and status as shareholder or representative of the person voting, the number of shares they represent, how to vote or, if applicable, whether to abstain.

20.8. When a representative holds proxies from several shareholders, he or she

may cast votes differently based on the instructions given by each represented party. The representative must preserve his represented party's instructions for one year from the conclusion of the relevant Meeting.

- 20.9. Exceptionally, votes can be split by Intermediaries-Trustees appearing as shareholders of record, and acting in their own name on behalf of different clients, and following the latter's instructions.

## **Article 21.- Adoption of resolutions and announcement of voting results**

- 21.1. In general, the adoption of resolutions shall require the following majorities:

- (a) On first call: resolutions shall be adopted where the votes in favor of the proposal exceed half of the votes for the shares present or represented.
- (b) On second call: resolutions shall also be adopted where the votes in favor of the proposal exceed half of the votes for the shares present or represented. Exceptionally, when attendance is less than half of the capital with voting rights, the valid adoption of resolutions as referred to in Article 16.8. (b) above and, in general, any amendment of the By-laws, shall require a vote in favor by at least two thirds (2/3) of the share capital with voting in attendance rights.
- (c) Reduction of the call period for extraordinary General Shareholders' Meeting shall be adopted only by the affirmative vote of at least two thirds (2/3) of the share capital with voting rights.

- 21.2. In determining the number of shares on which to calculate the majority required for approval of the various resolutions, the shares in attendance, present and represented at the meeting shall be considered all those on the list of attendees, less the shares whose owners or representatives have left the meeting prior to the vote on the proposed resolution or resolutions in question, and have recorded their withdrawal with the Notary, or failing that, the Secretary or staff assisting them (by way of clarification, such withdrawals shall not affect a quorum).

- 21.3. The chair of the General Shareholders' Meeting shall declare the resolution adopted if he is satisfied of the existence of sufficient votes in favor, notwithstanding any statements made, if applicable, by shareholders to the

Notary or the Board on this subject.

#### **Article 22.- Adjournment of the General Shareholders Meeting**

It is the chair of the General Shareholders' Meeting's duty to declare the session adjourned.

#### **Article 23.- Minutes of the General Shareholders Meeting**

- 23.1. The Secretary of the Meeting shall keep the minutes of the meeting for incorporation into the Book of Minutes. Minutes may be approved by the General Shareholders' Meeting itself at the end of the meeting, or failing this, and within fifteen (15) days, by the chair of the General Shareholders' Meeting of the Meeting and two (2) participants, one representing the majority and one the minority. The minutes of the General Shareholders Meeting shall include the list of attendees, and will contain a summary of the proceedings, verbatim expression of the resolutions adopted and the voting results.
- 23.2. Administrators may require the presence of a Notary to take down the minutes of the General Shareholders Meeting, and shall be required to do so at least five (5) days prior to the date set for the General Shareholders' Meeting, whenever so requested by shareholders representing at least one percent (1%) of the capital. In this case, resolutions shall only be effective if recorded in the notarial deed. The notarial deed shall be regarded as the minutes of the General Shareholders' Meeting, and notary fees shall be borne by the Company.

#### **Article 24.- Publication of Resolutions**

- 24.1. Subject to the registration of recordable resolutions in the Commercial Registry and applicable legal provisions on the publication of corporate resolutions, the Company shall communicate to the Spanish Securities Market Commission, either literally or through a summarized text of the contents of the resolutions approved at the General Shareholders' Meeting as a material fact.
- 24.2. The adopted resolutions and voting results shall be published in full on the Company's website within five (5) days following the adjournment of the General Shareholders' Meeting. Furthermore, the text of the approved

resolutions shall be described in the Annual Corporate Governance Report, in accordance with the provisions of the report template applicable at any given time.

### **FINAL PROVISION**

These Regulations shall be applicable as from the announcement of the General Shareholders' Meeting immediately following the one in which they were adopted.

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