



FOR INFORMATION PURPOSES. SPANISH VERSION PREVAILS.

**REPORT FROM THE BOARD OF DIRECTORS OF MERLIN PROPERTIES, SOCIMI, S.A. ON THE PROPOSAL TO AMEND THE REGULATIONS OF THE SHAREHOLDERS' MEETING AS REFERRED TO IN ITEM TEN ON THE AGENDA OF THE ANNUAL SHAREHOLDERS' MEETING CALLED FOR APRIL 26 AND 27, 2021, ON FIRST AND SECOND CALL, RESPECTIVELY**

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**1. Introduction**

The Board of Directors of MERLIN Properties, SOCIMI, S.A. (the "**Company**") has issued this report in order to justify the proposed amendment of the Regulations of the Shareholders' Meeting of the Company (the "**Regulations**") which is submitted to the Shareholders' Meeting for approval under item ten on the agenda. For all appropriate purposes, this report also includes the full wording of the proposed amendments.

In order to facilitate the shareholders' understanding of the changes giving rise to these proposals, this report provides an explanation of the aim and justification of the amendments, followed by the proposed resolutions submitted to the Shareholders' Meeting for approval.

Lastly, in order to facilitate the comparison between the proposed new wording of the articles to be amended and their current wording, a text highlighting the proposed changes to be made to the current wording is included as an **Exhibit** to this report.

**2. Justification for the proposed resolution**

The proposed amendments to the Company's Regulations of the Shareholders' Meeting (in particular, to articles 5, 7 and 11 thereof) fall within the context, in general, of the Company's ongoing process of reviewing and updating its internal corporate governance regulations.

In general, the purpose of these amendments is to:

- (i) include wording whereby Shareholders' Meetings may be called to be held exclusively through electronic means (provided this is so permitted by the applicable legislation in force at any given time); and, in the framework of the foregoing,
- (ii) improve the wording of the article.

### **3. Structure of the amendment**

The amendments would be structured in the following groups:

- (i) Amendment of article 5 of the Regulations of the Shareholders' Meeting ("Call") to include wording whereby Shareholders' Meetings may be called to be held exclusively through electronic means (provided this is so permitted by the applicable legislation in force at any given time) and to improve the wording of the article.
- (ii) Amendment of article 7 of the Regulations of the Shareholders' Meeting ("Shareholders' right to information") to improve the wording of the article.
- (iii) Amendment of article 11 of the Regulations of the Shareholders' Meeting ("Remote attendance by electronic or telematic means") to improve the wording of the article as a result of the inclusion in the Regulations of the Shareholders' Meeting of the possibility of calling Shareholders' Meetings to be held exclusively through electronic means.

### **4. Proposed resolution to the Shareholders' Meeting**

There follows the transcription of the full text of the proposed resolution that is submitted to the Annual Shareholders' Meeting for approval in relation to item ten on the agenda.

#### **10.1 Amendment of article 5 of the Regulations of the Shareholders' Meeting ("Call") to include wording whereby Shareholders' Meetings may be called to be held exclusively through electronic means (provided this is so permitted by the applicable legislation in force at any given time) and to improve the wording of the article.**

*PROPOSED RESOLUTION:*

*To modify article 5 ("Call") of the Regulations of the Shareholders' Meeting of Merlin Properties, SOCIMI, S.A. to read as follows:*

## **ARTICLE 5. CALL**

1. *The shareholders' meeting shall be called in accordance with the provisions of the law and article 20 of the bylaws, such that quick and nondiscriminatory access to information is guaranteed to all shareholders. The call notice shall be disseminated by means of a notice published in or on at least the following media: (i) the Official Commercial Registry Gazette or one of the largest circulation newspapers in Spain; (ii) the website of the National Securities Market Commission; and (iii) the website of the Company, at least one (1) month in advance of the date scheduled for the meeting (unless the applicable legislation establishes a different time period).*

*The above notwithstanding, when the Company offers shareholders the possibility of voting by electronic means accessible to all of them, special shareholders' meetings may be called at least fifteen (15) days in advance. The reduction in the call period shall require an express resolution adopted at the annual shareholders' meeting by at least two-thirds of the subscribed voting capital, the validity of which may not exceed the date of the next meeting.*

2. *Where so permitted under the law in force at any time and in the conditions established by law, shareholders' meetings may be called to be held exclusively through electronic means, without the physical attendance of shareholders or their proxies.*

3. *The call notice shall state the annual or special nature of the meeting, the name of the Company, the date, time and venue of the meeting, the agenda including all business to be transacted and the office of the person(s) making the call, the date on which shareholders must have registered shares in their name in order to be able to participate and vote at the shareholders' meeting, the place and manner in which the full text of the documents and proposed resolutions can be obtained, and the address of the Company website on which the information will be available. It may also state the date on which the meeting is to be held on second call, if applicable. A period of at least twenty-four (24) hours must elapse between the meeting on first and second call. If the duly called shareholders' meeting is not held on first call, and no date is specified for the second call in the call notice, the meeting must be announced, with the same agenda and with the same publicity requirements as the first notice, within the fifteen days following the date of the shareholders' meeting not held, and at least ten days in advance of the date of the meeting.*

4. *The call notice shall also contain clear and accurate information on the formalities to be performed by shareholders in order to participate and cast their vote at the shareholders' meeting, including, in particular, the following aspects:*

(a) *The right to request information, to include items on the agenda and to present proposed resolutions, as well as the period for exercising such rights. Where the notice states that more detailed information on these rights can be found on the Company's website, the notice may simply indicate the period for exercising the rights.*

(b) *The system for voting by proxy, with special indication of the forms to be used to confer a proxy and of the means that must be used so that the Company can accept notification by electronic means of the proxies conferred.*

(c) *The procedures established for distance voting, whether by mail or electronic means, and the basic instructions to be followed to do so.*

(d) *Any other aspects required under the applicable legislation in force at any time.*

5. *Shareholders representing the minimum percentage of share capital legally provided for such purpose may request the publication of a supplement to the call notice for a shareholders' meeting, including one or more items on the agenda, provided that the new points are accompanied by a justification or, as the case may be, a justified proposal for a resolution. Under no circumstances may such right be exercised with respect to the call for a special shareholders' meeting.*

6. *The right provided for in the preceding subarticle must be exercised by means of a duly authenticated notice that must be received at the registered office within the five (5) days following the publication of the call notice. The supplement to the call notice must be published at least fifteen (15) days in advance of the date scheduled for the meeting. Failure to publish the supplement to the call notice within the legally established period shall be grounds for challenging the shareholders' meeting.*

**10.2 Amendment of article 7 of the Regulations of the Shareholders' Meeting ("Shareholders' right to information") to improve the wording of the article.**

**PROPOSED RESOLUTION:**

*To modify article 7 ("Shareholders' right to information") of the Regulations of the Shareholders' Meeting of Merlin Properties, SOCIMI, S.A. to read as follows:*

## **ARTICLE 7. SHAREHOLDERS' RIGHT TO INFORMATION**

1. *From the date of publication of the call notice for the annual or special shareholders' meeting, any shareholder may examine at the registered office the proposed resolutions, the reports and other documentation relating to the items on the agenda that must be made available in accordance with the law and the bylaws. The documentation shall also be made available to shareholders on the Company's website from the abovementioned time, all without prejudice to the fact that, in addition, in the legally applicable cases, shareholders may request the delivery or sending free of charge of the full text of the documents placed at their disposal.*

2. *In addition, from the publication of the call notice for the shareholders' meeting and until the meeting is held, the Company must publish on an uninterrupted basis on its website at least the following information:*

(a) *The call notice.*

(b) *The total number of shares and voting rights at the date of the call, broken down by share class, if any.*

(c) *The documents to be submitted to the shareholders' meeting and, in particular, reports from directors, auditors and independent experts.*

(d) *The full text of the proposed resolutions on each and every one of the items on the agenda or, in relation to items merely for information purposes, a report by the competent bodies on each of these. Proposed resolutions submitted by shareholders shall also be included as and when they are received.*

(e) *In the case of the appointment, ratification or re-appointment of members of the board of directors, their particulars, résumé and the category to which each of them belong, as well as the proposal and reports required by law. In the case of legal entities, the information must include the particulars of the individual who is to be appointed to discharge the functions inherent in the office on a permanent basis.*

(f) *The forms to be used for voting by proxy and distance voting, except when they are sent directly by the Company to each shareholder. Where they cannot be published on the website for technical reasons, the Company must indicate on the website how to obtain the forms on paper and must send them to any shareholder who so requests.*

(g) *Any other information required under the applicable legislation in force at any time.*

3. In particular, as from the publication of the call notice for the shareholders' meeting that is to approve the financial statements, any shareholder may obtain from the Company, immediately and free of charge, at the registered office, the financial statements, directors' report and auditor's report, both separate and consolidated, as the case may be. This information shall be made available to shareholders on the Company's website as from the date of publication of the call notice and at least until the date scheduled for the shareholders' meeting that is to approve them.

4. The board of directors shall evaluate the suitability of making available to the shareholders, on publication of the call, any additional information that contributes to improving their understanding of how to exercise their rights in relation to the shareholders' meeting and the items to be addressed by the meeting.

5. In addition, up to the fifth day prior to the date scheduled for the shareholders' meeting, shareholders may request in writing from the board of directors, with respect to the items on the agenda, any information or clarification they deem necessary or submit any questions they see fit. They may also request information or clarification or submit questions in writing regarding the information available to the public that has been provided by the Company to the National Securities Market Commission since the date of the last shareholders' meeting and on the auditor's report.

All requests for information can be made by delivering the request to the registered office or by sending them to the Company by mail or other means of electronic communication or telematic means to the address specified in the corresponding call notice. Requests shall be admitted where the document requesting the information contains the recognized electronic signature used by the person making the request or other mechanisms which, pursuant to a resolution adopted for such purpose in advance, the board of directors considers provide adequate guarantees of authenticity and identification of the shareholder exercising his/her right to information.

Regardless of the means used to issue requests for information, shareholder requests must include their full name and evidence the shares they hold, so that this information can be checked against the list of shareholders and the number of shares in their name provided by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) for the shareholders' meeting in question. Shareholders shall be responsible for providing proof of the sending of the request to the Company in due time and form. The Company's website shall provide the pertinent explanations for exercise of the shareholders' right to information, on the terms provided in the applicable legislation.

The board of directors shall provide the requested information referred to in the preceding paragraph in writing up to the date scheduled for the shareholders' meeting.

6. *During the course of the shareholders' meeting, shareholders may orally request any information or clarification they see fit regarding the items on the agenda and, if it is not possible to satisfy the shareholder's request at that time, the board of directors shall provide this information in writing within the seven (7) days following the end of the shareholders' meeting.*

7. *The board of directors has the obligation, which it may fulfill via management personnel, and via any employee or expert in the matter during the meeting, to provide shareholders with the information requested in accordance with subarticles 5 and 6 above, save for cases in which it is unlawful or the legislation in force allows for such information not to be provided. This exception shall not apply when the request is backed by shareholders representing at least one quarter (1/4) of the share capital.*

8. *The Company may include on its website information relation to the answers given to shareholders in reply to questions submitted by them in the exercise of the right to information regulated here.*

9. *Directors may limit their replies to the questions submitted by shareholders and refer to the information provided on the company's website in the Q&A format when, prior to the submission of the question, the requested information is clearly and directly available in that format for all shareholders on the Company's website.*

10. *The Company shall at all times guarantee that all shareholders in the same position are treated equally as regards information, participation and exercise of the right to vote at shareholders' meeting.*

11. *In accordance with the provisions of the legislation in force, on the call of the shareholders' meeting, a Shareholders' Electronic Forum shall be provided on the corporate website. The Shareholders' Electronic Forum shall be used in accordance with its legal purpose and with the operating rules and guarantees established by the Company, and may be accessed by duly-authenticated shareholders or groups of shareholders.*

12. *The board of directors, in compliance with the applicable legislation, shall approve the corresponding operating rules for the Shareholders' Electronic Forum, determining, among others, the procedure, the time periods and other conditions for access and use by Company shareholders and any voluntary associations that may be created in accordance with the applicable legislation.*

**10.3 Amendment of article 11 of the Regulations of the Shareholders' Meeting ("Remote attendance by electronic or telematic means") to improve the wording of the article as a result of the inclusion in the Regulations of the Shareholders' Meeting of the possibility of calling Shareholders' Meetings to be held exclusively through electronic means.**

PROPOSED RESOLUTION:

To modify article 11 (“Remote attendance by electronic or telematic means”) of the Regulations of the Shareholders’ Meeting of Merlin Properties, SOCIMI, S.A. to read as follows:

**ARTICLE 11. REMOTE ATTENDANCE BY ELECTRONIC OR TELEMATIC MEANS**

1. Pursuant to the provisions of the bylaws and independently of the shareholders’ right to be represented by proxy at the shareholders’ meeting and of the right to vote remotely prior to the shareholders’ meeting provided for in article 21 of these regulations, shareholders may attend using electronic or telematic means of distance communication where it is so resolved by the board of directors, having regard to the state of the art and once the appropriate conditions of security and simplicity have been met. The board of directors shall indicate in the call notice the means that may be used for such purposes since they meet the required security conditions that permit the identification of shareholders, the correct exercise of their rights and the adequate conduct of the meeting, as well as any other aspects required under the applicable legislation in force at any given time, for attendance through electronic or telematic means.

Accordingly, where remote attendance by electronic or telematic means is permitted, any shareholders exercising the right provided for in this article in the manner provided for herein and in the provisions implemented for such purpose by the board of directors, shall be considered to be present for the purposes of the constitution of the shareholders’ meeting in question. As a result, any proxies granted previously shall be deemed revoked.

2. Where the board of directors resolves to permit remote attendance at the shareholders’ meeting, the call notice shall indicate the time periods, forms and means of exercising the shareholder rights provided for by the board of directors in order to enable the correct conduct of the shareholders’ meeting, as well as any other aspects required under the applicable legislation in force at any given time, for remote attendance.

3. Remote attendance of the shareholders’ meeting using electronic or telematic means shall be subject to the following minimum provisions, which may be implemented and supplemented by the board of directors:

(a) Connection to the system for following the shareholders’ meeting must be established by the deadline indicated in the call notice with respect to the time the meeting is scheduled to begin. Once the connection deadline has passed, any shareholder subsequently establishing a connection shall not be deemed present at the meeting.



*(b) Any shareholder wishing to remotely attend the shareholders' meeting and exercise their rights must identify themselves by means of a recognized electronic signature or other means of identification on the terms established by the board of directors in the resolution adopted for such purpose, and with the adequate guarantees of authenticity and identification of the shareholder in question.*

*The right to vote and the right of information must be exercised using the electronic means of distance communication considered suitable in accordance with the provisions of these regulations.*

*(c) Any shareholders remotely attending the meeting in accordance with this article may exercise their right of information by asking the questions or requesting the clarification they see fit, provided that they refer to items included on the agenda, information available to the public that has been provided by the Company to the Spanish National Securities Market Commission since the date of the last shareholders' meeting and the auditors' report. The board of directors may stipulate in the call notice that any speeches or resolutions proposed by shareholders attending by telematic means, in accordance with the law, must be sent to the Company in advance, within the period provided for under the legislation applicable at any given time. Replies to any shareholder attending the shareholders' meeting in this manner who exercises their right of information during the course of the meeting shall be made in writing, where applicable, within the period provided for under the legislation applicable at any given time.*

*(d) The inclusion of shareholders attending the meeting remotely on the list of attendees shall be in keeping with the provisions of these regulations.*

*(e) The presiding panel of the shareholders' meeting and, as the case may be, the notary, must have direct access to the connection systems enabling attendance at the shareholders' meeting so that they can have direct and immediate knowledge of any communications made by shareholders attending remotely and of any statements made by them.*

*(f) Any interruption of the connection, due to technical circumstances or for security reasons deriving from unexpected developments, may not be claimed to constitute an unlawful breach of shareholder rights or a ground for challenging the resolutions adopted by the shareholders' meeting.*

*4. The board of directors may establish and upgrade means and procedures in keeping with the state of the art in order to facilitate remote attendance and distance voting during the shareholders' meeting, ensuring compliance with any legal provisions regarding this system and the provisions of the bylaws and of these regulations. Such means and procedures shall be published on the Company's website.*

*5. In the event the shareholders' meeting is held exclusively through telematic means, the board of directors shall also observe the obligations and requirements established for such shareholders' meetings by the applicable legislation in force at any given time.*

\* \* \*

Madrid, March 24, 2021

## Exhibit

### ARTICLE 5. CALL

1. The shareholders' meeting shall be called in accordance with the provisions of the law and article 20 of the bylaws, such that quick and nondiscriminatory access to information is guaranteed to all shareholders. The call notice shall be disseminated by means of a notice published in or on at least the following media: (i) the Official Commercial Registry Gazette or one of the largest circulation newspapers in Spain; (ii) the website of the National Securities Market Commission; and (iii) the website of the Company, at least one (1) month in advance of the date scheduled for the meeting (unless the applicable legislation establishes a different time period).

The above notwithstanding, when the Company offers shareholders the possibility of voting by electronic means accessible to all of them, special shareholders' meetings may be called at least fifteen (15) days in advance. The reduction in the call period shall require an express resolution adopted at the annual shareholders' meeting by at least two-thirds of the subscribed voting capital, the validity of which may not exceed the date of the next meeting.

2. [Where so permitted under the law in force at any time and in the conditions established by law, shareholders' meetings may be called to be held exclusively through electronic means, without the physical attendance of shareholders or their proxies.](#)
3. The call notice shall state the annual or special nature of the meeting, the name of the Company, the date, time and venue of the meeting, the agenda including all business to be transacted and the office of the person(s) making the call, the date on which shareholders must have registered shares in their name in order to be able to participate and vote at the shareholders' meeting, the place and manner in which the full text of the documents and proposed resolutions can be obtained, and the address of the Company website on which the information will be available. It may also state the date on which the meeting is to be held on second call, if applicable. A period of at least twenty-four (24) hours must elapse between the meeting on first and second call. If the duly called shareholders' meeting is not held on first call, and no date is specified for the second call in the call notice, the meeting must be announced, with the same agenda and with the same publicity requirements as the first notice, within the fifteen days following the date of the shareholders' meeting not held, and at least ten days in advance of the date of the meeting.
4. The call notice shall also contain clear and accurate information on the formalities to be performed by shareholders in order to participate and cast their vote at the shareholders' meeting, including, in particular, the following aspects:

- (a) The right to request information, to include items on the agenda and to present proposed resolutions, as well as the period for exercising such rights. Where the notice states that more detailed information on these rights can be found on the Company's website, the notice may simply indicate the period for exercising the rights.
  - (b) The system for voting by proxy, with special indication of the forms to be used to confer a proxy and of the means that must be used so that the Company can accept notification by electronic means of the proxies conferred.
  - (c) The procedures established for distance voting, whether by mail or electronic means, and the basic instructions to be followed to do so.
  - (d) Any other aspects required under the applicable legislation in force at any time.
5. Shareholders representing the minimum percentage of share capital legally provided for such purpose may request the publication of a supplement to the call notice for a shareholders' meeting, including one or more items on the agenda, provided that the new points are accompanied by a justification or, as the case may be, a justified proposal for a resolution. Under no circumstances may such right be exercised with respect to the call for a special shareholders' meeting.
6. The right provided for in the preceding subarticle must be exercised by means of a duly authenticated notice that must be received at the registered office within the five (5) days following the publication of the call notice. The supplement to the call notice must be published at least fifteen (15) days in advance of the date scheduled for the meeting. Failure to publish the supplement to the call notice within the legally established period shall be grounds for challenging the shareholders' meeting.

## **ARTICLE 7. SHAREHOLDERS' RIGHT TO INFORMATION**

1. From the date of publication of the call notice for the annual or special shareholders' meeting, any shareholder may examine at the registered office the proposed resolutions, the reports and other documentation relating to the items on the agenda that must be made available in accordance with the law and the bylaws. The documentation shall also be made available to shareholders on the Company's website from the abovementioned time, all without prejudice to the fact that, in addition, in the legally applicable cases, shareholders may request the delivery or sending free of charge of the full text of the documents placed at their disposal.
2. In addition, from the publication of the call notice for the shareholders' meeting and until the meeting is held, the Company must publish on an uninterrupted basis on its website at least the following information:

- (a) The call notice.
  - (b) The total number of shares and voting rights at the date of the call, broken down by share class, if any.
  - (c) The documents to be submitted to the shareholders' meeting and, in particular, reports from directors, auditors and independent experts.
  - (d) The full text of the proposed resolutions on each and every one of the items on the agenda or, in relation to items merely for information purposes, a report by the competent bodies on each of these. To the extent they have been received, proposed resolutions submitted by shareholders shall also be included.
  - (e) In the case of the appointment, ratification or re-appointment of members of the board of directors, their particulars, résumé and the category to which each of them belong, as well as the proposal and reports required by law. In the case of legal entities, the information must include the particulars of the individual who is to be appointed to discharge the functions inherent in the office on a permanent basis.
  - (f) The forms to be used for voting by proxy and distance voting, except when they are sent directly by the Company to each shareholder. Where they cannot be published on the website for technical reasons, the Company must indicate on the website how to obtain the forms on paper and must send them to any shareholder who so requests.
  - (g) [Any other information required under the applicable legislation in force at any time.](#)
3. In particular, as from the publication of the call notice for the shareholders' meeting that is to approve the financial statements, any shareholder may obtain from the Company, immediately and free of charge, at the registered office, the financial statements, directors' report and auditor's report, both separate and consolidated, as the case may be. This information shall be made available to shareholders on the Company's website as from the date of publication of the call notice and at least until the date scheduled for the shareholders' meeting that is to approve them.
4. The board of directors shall evaluate the suitability of making available to the shareholders, on publication of the call, any additional information that contributes to improving their understanding of how to exercise their rights in relation to the shareholders' meeting and the items to be addressed by the meeting.
5. In addition, up to the fifth day prior to the date scheduled for the shareholders' meeting, shareholders may request in writing from the board of directors, with respect to the items on the agenda, any information or clarification they deem necessary or submit any questions they see fit.

They may also request information or clarification or submit questions in writing regarding the information available to the public that has been provided by the Company to the National Securities Market Commission since the date of the last shareholders' meeting and on the auditor's report.

All requests for information can be made by delivering the request to the registered office or by sending them to the Company by mail or other means of electronic communication or telematic means to the address specified in the corresponding call notice. Requests shall be admitted where the document requesting the information contains the recognized electronic signature used by the person making the request or other mechanisms which, pursuant to a resolution adopted for such purpose in advance, the board of directors considers provide adequate guarantees of authenticity and identification of the shareholder exercising his/her right to information.

Regardless of the means used to issue requests for information, shareholder requests must include their full name and evidence the shares they hold, so that this information can be checked against the list of shareholders and the number of shares in their name provided by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) for the shareholders' meeting in question. Shareholders shall be responsible for providing proof of the sending of the request to the Company in due time and form. The Company's website shall provide the pertinent explanations for exercise of the shareholders' right to information, on the terms provided in the applicable legislation.

The board of directors shall provide the requested information referred to in the preceding paragraph in writing up to the date scheduled for the shareholders' meeting.

6. During the course of the shareholders' meeting, shareholders may orally request any information or clarification they see fit regarding the items on the agenda and, if it is not possible to satisfy the shareholder's request at that time, the board of directors shall provide this information in writing within the seven (7) days following the end of the shareholders' meeting.
7. The board of directors has the obligation, which it may fulfill via management personnel, and via any employee or expert in the matter during the meeting, to provide shareholders with the information requested in accordance with subarticles 5 and 6 above, save for cases in which it is unlawful or the legislation in force allows for such information not to be provided. This exception shall not apply when the request is backed by shareholders representing at least one quarter (1/4) of the share capital.
8. The Company may include on its website information relation to the answers given to shareholders in reply to questions submitted by them in the exercise of the right to information regulated here.

9. Directors may limit their replies to the questions submitted by shareholders and refer to the information provided on the company's website in the Q&A format when, prior to the submission of the question, the requested information is clearly and directly available in that format for all shareholders on the Company's website.
10. The Company shall at all times guarantee that all shareholders in the same position are treated equally as regards information, participation and exercise of the right to vote at shareholders' meeting.
11. In accordance with the provisions of the legislation in force, on the call of the shareholders' meeting, a Shareholders' Electronic Forum shall be provided on the corporate website. The Shareholders' Electronic Forum shall be used in accordance with its legal purpose and with the operating rules and guarantees established by the Company, and may be accessed by duly-authenticated shareholders or groups of shareholders.
12. The board of directors, in compliance with the applicable legislation, shall approve the corresponding operating rules for the Shareholders' Electronic Forum, determining, among others, the procedure, the time periods and other conditions for access and use by Company shareholders and any voluntary associations that may be created in accordance with the applicable legislation.

#### **ARTICLE 11. REMOTE ATTENDANCE BY ELECTRONIC OR TELEMATIC MEANS**

1. Pursuant to the provisions of the bylaws and independently of the shareholders' right to be represented by proxy at the shareholders' meeting and of the right to vote remotely prior to the shareholders' meeting provided for in article 21 of these regulations, shareholders may attend using electronic or telematic means of distance communication where it is so resolved by the board of directors, having regard to the state of the art and once the appropriate conditions of security and simplicity have been met. The board of directors shall indicate in the call notice the means that may be used for such purposes since they meet the required security conditions that permit the identification of shareholders, the correct exercise of their rights and the adequate conduct of the meeting, as well as any other aspects required under the applicable legislation in force at any given time, for attendance through electronic or telematic means.

Accordingly, where remote attendance by electronic or telematic means is permitted, any shareholders exercising the right provided for in this article in the manner provided for herein and in the provisions implemented for such purpose by the board of directors, shall be considered to be present for the purposes of the constitution of the shareholders' meeting in question. As a result, any proxies granted previously shall be deemed revoked.

2. Where the board of directors resolves to permit remote attendance at the shareholders' meeting, the call notice shall indicate the time periods, forms and means of exercising the shareholder rights provided for by the board of directors in order to enable the correct conduct of the shareholders' meeting, as well as any other aspects required under the applicable legislation in force at any given time, for remote attendance.
3. Remote attendance of the shareholders' meeting using electronic or telematic means shall be subject to the following minimum provisions, which may be implemented and supplemented by the board of directors:
  - (a) Connection to the system for following the shareholders' meeting must be established by the deadline indicated in the call notice with respect to the time the meeting is scheduled to begin. Once the connection deadline has passed, any shareholder subsequently establishing a connection shall not be deemed present at the meeting.
  - (b) Any shareholder wishing to remotely attend the shareholders' meeting and exercise their rights must identify themselves by means of a recognized electronic signature or other means of identification on the terms established by the board of directors in the resolution adopted for such purpose, and with the adequate guarantees of authenticity and identification of the shareholder in question.

The right to vote and the right of information must be exercised using the electronic means of distance communication considered suitable in accordance with the provisions of these regulations.

- (c) Any shareholders remotely attending the meeting in accordance with this article may exercise their right of information by asking the questions or requesting the clarification they see fit, provided that they refer to items included on the agenda, information available to the public that has been provided by the Company to the Spanish National Securities Market Commission since the date of the last shareholders' meeting and the auditors' report. The board of directors may stipulate in the call notice that any speeches or resolutions proposed by shareholders attending by telematic means, in accordance with the law, must be sent to the Company prior to the constitution of the shareholders' meeting in advance, within the period provided for under the legislation applicable at any given time. Replies to any shareholder attending the shareholders' meeting in this manner who exercises their right of information during the course of the meeting shall be made in writing, where applicable, within the seven days following the holding of the shareholders' meeting period provided for under the legislation applicable at any given time.
- (d) The inclusion of shareholders attending the meeting remotely on the list of attendees shall be in keeping with the provisions of these regulations.



- (e) The presiding panel of the shareholders' meeting and, as the case may be, the notary, must have direct access to the connection systems enabling attendance at the shareholders' meeting so that they can have direct and immediate knowledge of any communications made by shareholders attending remotely and of any statements made by them.
  - (f) Any interruption of the connection, due to technical circumstances or for security reasons deriving from unexpected developments, may not be claimed to constitute an unlawful breach of shareholder rights or a ground for challenging the resolutions adopted by the shareholders' meeting.
4. The board of directors may establish and upgrade means and procedures in keeping with the state of the art in order to facilitate remote attendance and distance voting during the shareholders' meeting, ensuring compliance with any legal provisions regarding this system and the provisions of the bylaws and of these regulations. Such means and procedures shall be published on the Company's website.
  5. In the event the shareholders' meeting is held exclusively through telematic means, the board of directors shall also observe the obligations and requirements established for such shareholders' meetings by the applicable legislation in force at any given time.