



General Shareholders' Meeting

Report of the Board of Directors
Proposed Amendments of the Regulations for the General Shareholders' Meeting / 2017



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REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF IBERDROLA, S.A. REGARDING THE PROPOSED AMENDMENTS OF THE REGULATIONS FOR THE GENERAL SHAREHOLDERS' MEETING INCLUDED IN ITEM NUMBERS SEVEN AND EIGHT ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON 31 MARCH AND 1 APRIL 2017, ON FIRST AND SECOND CALL, RESPECTIVELY

1. Purpose of the Report

This report has been prepared by the Board of Directors of IBERDROLA, S.A. ("**Iberdrola**" or the "**Company**") in order to provide a rationale for the proposed amendments of the *Regulations for the General Shareholders' Meeting* (the "**Regulations**") included in item numbers seven and eight on the agenda.

To facilitate the shareholders' understanding of the changes entailed by these proposals, the purpose of and rationale for such amendments is first provided, followed by the proposed resolutions submitted to the shareholders for approval at the General Shareholders' Meeting.

In addition, in order to facilitate a comparison between the new text of the articles proposed to be amended and the current text thereof, attached to this report as an Annex is a verbatim transcription of both texts organised in a two-column table, for information purposes. The text contained in the right-hand column shows the changes proposed to be made to the text currently in force, which is contained in the left-hand column.

2. Purpose of and Rationale for the Proposals

2.1 Purpose

The proposed amendments of the *Regulations* are intended to improve and strengthen the regulation of the shareholders' right to receive information prior to the holding of the General Shareholders' Meeting and to expand the channels of participation, permitting other formulas or paths that might be developed for future meetings, provided that there are sufficient guarantees to ensure the authenticity and identification of the shareholder granting the proxy or voting. The measures are framed within the *Shareholder Engagement Policy* and in the Company's corporate governance strategy, and are ultimately intended to encourage the informed participation of the maximum number of shareholders at the General Shareholders' Meeting.

2.2 Structure of the Proposed Amendments

In order to facilitate the proper exercise of shareholders' voting rights, pursuant to the provisions of section 197 *bis* of the *Companies Act* and article 40.1 of the *Regulations for the General Shareholders' Meeting*, the amendments are proposed in two separate items on the agenda:

- (a) In item number seven, a proposal is made to amend article 14 of the *Regulations for the General Shareholders' Meeting* to strengthen the shareholders' right to receive information, expanding the array of reports that the Board of Directors must make available to the shareholders on occasion of the call to the General Shareholders' Meeting.
- (b) In item number eight, a proposal is made to amend articles 19 and 39 of the *Regulations* to expand the channels for shareholder participation in the General Shareholders' Meeting, providing for the ability to use other formulas or paths for remote participation, alternatives to postal or electronic correspondence, provided that there are sufficient guarantees to ensure the authenticity and identification of the shareholder granting the proxy or casting an absentee vote.

Below is a description of the purpose of the main amendments submitted to the shareholders for approval at the General Shareholders' Meeting, distinguishing the two items on the agenda:

2.3 Item number seven on the Agenda: Amendment of Article 14 (Corporate Website) of the Regulations

In article 14 of the *Regulations*, which governs the contents to be published on the corporate website for purposes of the call to the General Shareholders' Meeting, it is proposed to improve the regulation of the shareholders' right to receive information prior to the holding of the meeting, with the documents that must be made available to the Company's shareholders including the integrated report, the sustainability report, and any other reports that the Board of Directors determines, the related-party transactions report prepared by the Appointments Committee (until now required by the *General Corporate Governance Policy* and which the Company already published at the last General Shareholders' Meeting), and the activities report of the Board of Directors and the committees thereof (a new document that includes information regarding the activities of this body and that will substantially improve the transparency of the information received by the Company's shareholders).

In addition, there is a clarification as to which documents must be made available to the shareholders only at ordinary General Shareholders' Meetings and as to when they must be made available, allowing the publication thereof a few days after the publication of the announcement of the call to meeting.

2.4 Item number eight on the Agenda: Amendment of Articles 19 (Right to Proxy Representation) and 39 (Absentee Voting: Powers to Engage in Proxy-Granting and Absentee Voting) of the Regulations

In articles 19 and 39, it is proposed to expand the shareholders' channels of participation at the General Shareholders' Meeting in order to permit the granting of proxies and absentee voting by formulas other than postal and electronic correspondence, if there are sufficient guarantees to ensure the authenticity and identification of the shareholder granting the proxy or voting. It thereby seeks to provide the Company with instruments allowing the maximisation of the number of shareholders who can participate in the General Shareholders' Meeting.

3. Proposed Resolutions Submitted to the Shareholders at the General Shareholders' Meeting

The proposed resolutions submitted to the shareholders for approval at the General Shareholders' Meeting read as follows:

"ITEM NUMBER SEVEN ON THE AGENDA

Amendment of article 14 of the Regulations for the General Shareholders' Meeting to strengthen the right to receive information and to make technical improvements.

RESOLUTION

To amend article 14 of the Regulations for the General Shareholders' Meeting to strengthen the shareholders' right to receive information and to make technical improvements. This provision shall hereafter read as follows:

"Article 14. Corporate Website

1. *The Company shall use its corporate website to promote the informed participation of all shareholders in the General Shareholders' Meeting and to facilitate the exercise of their rights related thereto.*
2. *From the date of publication of the announcement of the call to meeting through the date of holding of the General Shareholders' Meeting in question, the Company shall continuously publish on its corporate website in electronic format and in an organised and environmentally-friendly manner, such information as is required by law or deemed appropriate to facilitate and promote the attendance and participation of the shareholders at the General Shareholders' Meeting, including in any case the following:*
 - a) *The announcement of the call to the General Shareholders' Meeting.*
 - b) *The total number of shares and voting rights existing on the date of the announcement of the call to meeting, broken down by classes of shares, if any.*
 - c) *Such documents relating to the General Shareholders' Meeting as are required by law, including the reports of the directors, the auditors, and the independent experts that are expected to be submitted, proposed resolutions submitted by the Board of Directors or by the shareholders, and any other relevant information that the shareholders might need in order to cast their vote.*
 - d) *In the event that the shareholders acting at a General Shareholders' Meeting must deliberate on the appointment, re-election, or ratification of directors, the corresponding proposed resolution shall be accompanied by the following information: professional profile and biographical data of the director; other boards of directors on which the director holds office, at listed companies or otherwise; type of director such person is or should be, with mention, in the case of proprietary directors, of the shareholder that proposes or proposed the appointment thereof or who the director represents or with which the director maintains ties; date of the director's first and any subsequent appointments as director of the Company; shares of the Company and derivative financial instruments whose underlying assets are shares of the Company of which such director is the holder; the report prepared by the Board of Directors and the proposal of the Appointments Committee in the case of independent directors, and the report of such Committee in other cases.*
 - e) *The existing channels of communication between the Company and the shareholders and, in particular, explanations pertinent to the exercise of the right to receive information, indicating the postal and e-mail addresses to which the shareholders may direct their requests.*

- f) *The means and procedures for granting a proxy to attend the General Shareholders' Meeting and for casting absentee votes, including the form of attendance, proxy, and absentee voting card, if any.*
3. *Furthermore, after the publication of the announcement of the call to the Ordinary General Shareholders' Meeting, the Company shall publish the following documentation on its corporate website:*
 - a) *The integrated report, the sustainability report and any other reports determined by the Board of Directors.*
 - b) *The report on the independence of the auditor prepared by the Audit and Risk Supervision Committee.*
 - c) *The related-party transactions report prepared by the Appointments Committee.*
 - d) *The activities report of the Board of Directors and of the committees thereof.*
4. *The Company shall use its best efforts to include in its corporate website, beginning on the date of the announcement of the call to meeting, an English version of the information and the principal documents related to the General Shareholders' Meeting. In the event of a discrepancy between the Spanish and English versions, the former shall prevail.*
5. *Pursuant to the provisions of applicable legislation, an Electronic Shareholders' Forum shall be enabled on the Company's corporate website on occasion of the call to the General Shareholders' Meeting. Duly verified shareholders and shareholder groups may access the Electronic Shareholders' Forum, the use of which shall conform to its legal purpose and to the assurances and rules of operation established by the Company."*

ITEM NUMBER EIGHT ON THE AGENDA

Amendment of articles 19 and 39 of the Regulations for the General Shareholders' Meeting to expand the channels for participation in the General Shareholders' Meeting.

RESOLUTION

To amend articles 19 and 39 of the Regulations for the General Shareholders' Meeting to expand the channels for shareholder participation in the General Shareholders' Meeting. These provisions shall hereafter read as follows:

"Article 19. Right to Proxy Representation

1. *Shareholders may exercise the right to attend personally or through proxy representation by another person, whether or not such person is a shareholder, by complying with the requirements of law and the Corporate Governance System.*
2. *The proxy may be granted by delivering to the proxy representative the attendance, proxy, and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company, or by any of the following means:*
 - a) *Advance delivery of the attendance, proxy, and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company at the premises provided by the Company on the days announced on the Company's corporate website.*
 - b) *Sending the attendance, proxy, and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company by postal correspondence addressed to the Company.*
 - c) *By electronic correspondence, completing the proxy form available on the Company's corporate website, using a recognised electronic signature of the shareholder or other type of guarantee that the Company deems proper to ensure the authenticity and identification of the shareholder granting the proxy.*

For these purposes, the use of the personal passwords that the Company has previously delivered to the shareholder by postal or electronic correspondence to the address that the shareholder has communicated to the Company or through any other form determined by the Board of Directors shall be deemed to be a proper assurance.
 - d) *By any other means that the Board of Directors determines is appropriate to favour the participation of the largest possible number of shareholders, provided that notice thereof is provided on the corporate website at the time of publishing the announcement of the call to meeting, and the authenticity and identification of the shareholder granting the proxy is duly ensured.*

3. A proxy granted by any of the means indicated in the preceding section must be received by the Company before 24:00 on the day immediately prior to the day on which the General Shareholders' Meeting is held upon first call or upon second call, as applicable.

4. The Board of Directors is authorised to further develop the foregoing provisions by establishing rules, means, and procedures adjusted to current techniques in order to organise the granting of proxies by electronic means, in each case in accordance with the rules and regulations issued for such purpose.

Specifically, the Board of Directors may establish rules for the use of personal passwords and other guarantees other than electronic signatures for the granting of proxies by electronic correspondence, reduce the advance period established above for receipt by the Company of proxies granted by postal or electronic correspondence, and accept, and authorise the chair of and the secretary for the General Shareholders' Meeting or the persons acting by delegation therefrom to accept, any proxies received after such period, to the extent allowed by the means available.

5. The chairman and the secretary of the Board of Directors or the chair of and the secretary for the General Shareholders' Meeting, from the constitution thereof, and the persons acting by delegation from either of them, shall have the broadest powers for verifying the identity of the shareholders and their representatives, verifying the ownership and status of their rights, and recognising the validity of the attendance, proxy, and absentee voting card or the instrument or means evidencing attendance or representation by proxy.

6. A proxy is always revocable. Attendance by the shareholder granting the proxy at the General Shareholders' Meeting, whether in person or due to having cast an absentee vote on a date subsequent to that of the proxy, shall have the effect of revoking the proxy.

7. A public solicitation for proxies by the Board of Directors or any of its members shall be governed by the provisions of law and by the corresponding resolution of the Board of Directors, if any.

8. A proxy may cover those matters that the law allows to be dealt with at the General Shareholders' Meeting even when not included in the agenda.

9. If the proxy has been validly granted pursuant to law and these Regulations but does not include voting instructions or if questions arise as to the intended proxy-holder or the scope of the representation, and unless otherwise indicated by the shareholder, it shall be deemed that the proxy: (i) is granted in favour of the chairman of the Board of Directors; (ii) refers to all of the items included in the agenda of the call to meeting; (iii) contains the instruction to vote favourably on all proposals made by the Board of Directors with respect to the items on the agenda of the call to meeting; and (iv) extends to matters that, although not included in the agenda of the call to meeting, may be dealt with at the General Shareholders' Meeting in accordance with law, in respect of which the proxy-holder shall vote in the direction the proxy-holder deems most favourable to the interests of the shareholder granting the proxy, within the framework of the corporate interest.

This provision may be further developed by any rules approved by the Board of Directors that systematise, further develop, adapt, and specify the provisions of the Corporate Governance System regarding the management of the General Shareholders' Meeting.

10. Before being appointed, the proxy-holder shall provide detailed information to the shareholder regarding the existence of any conflict of interest. If the conflict is subsequent to the appointment and the shareholder granting the proxy has not been advised of the possible existence of such conflict, the proxy-holder shall immediately inform the shareholder thereof. In both cases, if the proxy-holder has not received new specific voting instructions regarding each of the matters on which the proxy-holder has to vote on behalf of the shareholder, the proxy-holder shall abstain from voting, without prejudice to the provisions of the following section.

11. Unless otherwise expressly indicated by the shareholder, if the proxy-holder is affected by a conflict of interest and has no specific voting instructions, or if the proxy-holder has them but it is deemed preferable that the proxy-holder not exercise the proxy with respect to the items involved in the conflict of interest, the shareholder shall be deemed to have appointed the following persons as proxy-holders for such items, severally and successively, in the event that any of them is in turn affected by a conflict of interest: first, the chair of the General Shareholders' Meeting, second, the secretary therefor, and finally, the deputy secretary of the Board of Directors, if any. In this latter event, if there are several deputy secretaries, the order to be used shall be the order established at the time of their appointment (first deputy secretary, second deputy secretary, etc.). The proxy representative so designated shall cast the vote in the direction deemed most favourable to the interests of the person represented thereby, within the framework of the corporate interest.

12. A proxy representative may hold the proxy of more than one shareholder without limitation as to the number of shareholders being represented, and exercise the corresponding voting rights pursuant to the provisions of article 40.3 below."

“Article 39. Absentee Voting; Powers to Engage in Proxy-Granting and Absentee Voting

1. *Shareholders may cast their vote regarding proposals relating to the items included in the agenda of the call to meeting by means of postal or electronic correspondence, as well as by any other means of long-distance communication, provided that they adequately guarantee the authenticity and identification of the voting shareholders and, if applicable, duly ensure the security of the electronic communications. In all such cases, they shall be deemed to be present for purposes of the establishment of a quorum at the General Shareholders' Meeting.*
2. *In order to vote by postal correspondence, shareholders must send to the Company the attendance, proxy, and absentee voting card issued in their favour by the corresponding institution, setting forth thereon the direction of their vote, their abstention, or their blank vote, and the direction of the vote in these cases.*
3. *Votes by electronic correspondence shall be cast using a recognised electronic signature or using the personal passwords referred to in letter c of article 19.2 above or other type of guarantee that the Board of Directors deems best ensures the authenticity and identification of the voting shareholder.*
4. *Votes cast by any of the means set forth in the preceding sections must be received by the Company before 24:00 on the day immediately prior to the day set for the holding of the General Shareholders' Meeting upon first call or upon second call, as applicable.*
5. *The absentee voting referred to in this article shall be rendered void:*
 - a) *By subsequent express revocation made by the same means used to cast the vote and within the period established for such voting.*
 - b) *By attendance at the meeting of the shareholder casting the vote.*
 - c) *If the shareholder validly grants a proxy within the established period after the date of casting the absentee vote.*
6. *If no express instructions are included when casting the absentee vote, or if instructions are included only with respect to some of the items on the agenda of the call to meeting, and unless expressly indicated otherwise by the shareholder, it shall be deemed that the absentee vote refers to all of the items included in the agenda of the call to the General Shareholders' Meeting and that the vote is in favour of the proposals made by the Board of Directors regarding the items included in the agenda of the call to meeting with respect to which no express instructions are included.*
7. *As regards proposed resolutions other than those submitted by the Board of Directors or regarding items not included in the agenda of the call to meeting, the shareholder casting an absentee vote may grant proxy representation through any of the means contemplated in these Regulations, in which case the rules established for such purpose shall apply to the proxy, which shall be deemed granted to the chairman of the Board of Directors unless expressly indicated otherwise by the shareholder.*
8. *The Board of Directors is authorised to develop the appropriate rules, means, and procedures to organise the casting of votes and the granting of proxies by electronic means.*

Specifically, the Board of Directors may establish rules for the use of personal passwords and other guarantees other than electronic signatures for casting electronic votes or by other valid means of long-distance communication and to grant proxies by electronic correspondence. It may also reduce the advance period established in section 4 above for receipt by the Company of absentee votes and proxies granted by postal or electronic correspondence, and accept, and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation therefrom to accept, absentee votes and proxies received after such period, to the extent permitted by the means available.

The Board of Directors is also authorised to further develop the procedures for granting proxies and for absentee voting in general, including the rules of priority and conflict applicable thereto. The implementing rules adopted by the Board of Directors under the provisions of this section shall be published on the Company's corporate website.

The chairman and the secretary of the Board of Directors or the chair of and the secretary for the General Shareholders' Meeting, from the constitution thereof, and the persons acting by delegation therefrom, shall have the broadest powers to verify the identity of the shareholders and their representatives; check the legitimacy of the exercise of the rights of attendance, proxy-granting, and voting by the shareholders and their representatives; check and accept the validity and effectiveness of the proxies and absentee votes (particularly the attendance, proxy, and absentee voting card or verification document or instrument for attendance or proxy-

granting), as well as the validity and effectiveness of the instructions received through intermediary and management institutions or depositaries of shares, all in accordance with the provisions set forth in the Company's Corporate Governance System and in the rules that the Board of Directors may establish in order to further develop such provisions."

* * *

In Bilbao, on 21 February 2017.

ANNEX

Article 14. Corporate Website	Article 14. Corporate Website
1. The Company shall use its corporate website to promote the informed participation of all shareholders in the General Shareholders' Meeting and to facilitate the exercise of their rights related thereto.	1. The Company shall use its corporate website to promote the informed participation of all shareholders in the General Shareholders' Meeting and to facilitate the exercise of their rights related thereto.
2. From the date of publication of the announcement of the call to meeting through the date of holding of the General Shareholders' Meeting in question, the Company shall continuously publish on its corporate website in electronic format and in an organised and environmentally-friendly manner, such information as is required by law or deemed appropriate to facilitate and promote the attendance and participation of the shareholders at the General Shareholders' Meeting, including in any case the following:	2. From the date of publication of the announcement of the call to meeting through the date of holding of the General Shareholders' Meeting in question, the Company shall continuously publish on its corporate website in electronic format and in an organised and environmentally-friendly manner, such information as is required by law or deemed appropriate to facilitate and promote the attendance and participation of the shareholders at the General Shareholders' Meeting, including in any case the following:
a) The announcement of the call to the General Shareholders' Meeting.	a) The announcement of the call to the General Shareholders' Meeting.
b) The total number of shares and voting rights existing on the date of the announcement of the call to meeting, broken down by classes of shares, if any.	b) The total number of shares and voting rights existing on the date of the announcement of the call to meeting, broken down by classes of shares, if any.
c) Such documents relating to the General Shareholders' Meeting as are required by law, including the reports of the directors, the auditors, and the independent experts that are expected to be submitted, proposed resolutions submitted by the Board of Directors or by the shareholders, and any other relevant information that the shareholders might need in order to cast their vote.	c) Such documents relating to the General Shareholders' Meeting as are required by law, including the reports of the directors, the auditors, and the independent experts that are expected to be submitted, proposed resolutions submitted by the Board of Directors or by the shareholders, and any other relevant information that the shareholders might need in order to cast their vote.
d) In the event that the shareholders acting at a General Shareholders' Meeting must deliberate on the appointment, re-election, or ratification of directors, the corresponding proposed resolution shall be accompanied by the following information: professional profile and biographical data of the director; other boards of directors on which the director holds office, at listed companies or otherwise; type of director such person is or should be, with mention, in the case of proprietary directors, of the shareholder that proposes or proposed the appointment thereof or who the director represents or with which the director maintains ties; date of the director's first and any subsequent appointments as director of the Company; shares of the Company and derivative financial instruments whose underlying assets are shares of the Company of which such director is the holder; the report prepared by the Board of Directors and the proposal of the Appointments Committee in the case of independent directors, and the report of such Committee in other cases.	d) In the event that the shareholders acting at a General Shareholders' Meeting must deliberate on the appointment, re-election, or ratification of directors, the corresponding proposed resolution shall be accompanied by the following information: professional profile and biographical data of the director; other boards of directors on which the director holds office, at listed companies or otherwise; type of director such person is or should be, with mention, in the case of proprietary directors, of the shareholder that proposes or proposed the appointment thereof or who the director represents or with which the director maintains ties; date of the director's first and any subsequent appointments as director of the Company; shares of the Company and derivative financial instruments whose underlying assets are shares of the Company of which such director is the holder; the report prepared by the Board of Directors and the proposal of the Appointments Committee in the case of independent directors, and the report of such Committee in other cases.

e)	The existing channels of communication between the Company and the shareholders and, in particular, explanations pertinent to the exercise of the right to receive information, indicating the postal and e-mail addresses to which the shareholders may direct their requests.	e)	The existing channels of communication between the Company and the shareholders and, in particular, explanations pertinent to the exercise of the right to receive information, indicating the postal and e-mail addresses to which the shareholders may direct their requests.
f)	The means and procedures for granting a proxy to attend the General Shareholders' Meeting and for casting absentee votes, including the form of attendance, proxy, and absentee voting card, if any.	f)	The means and procedures for granting a proxy to attend the General Shareholders' Meeting and for casting absentee votes, including the form of attendance, proxy, and absentee voting card, if any.
		3.	<u>Furthermore, after the publication of the announcement of the call to the Ordinary General Shareholders' Meeting, the Company shall publish the following documentation on its corporate website:</u>
g)	The annual reports determined by the Board of Directors.	a)	g) The annual <u>The integrated report, the sustainability report and any other reports</u> that determined by the Board of Directors has approved regarding corporate social responsibility.
h)	The report on the independence of the auditor prepared by the Audit and Risk Supervision Committee.	b)	h) The report on the independence of the auditor prepared by the Audit and Risk Supervision Committee.
		c)	<u>The related-party transactions report prepared by the Appointments Committee.</u>
i)	The activities report of the Board of Directors and of the committees thereof.	d)	i) The activities reports or integrated activities report of the consultative committees of the Board of Directors <u>and of the committees thereof.</u>
3.	The Company shall use its best efforts to include in its corporate website, beginning on the date of the announcement of the call to meeting, an English version of the information and the principal documents related to the General Shareholders' Meeting. In the event of a discrepancy between the Spanish and English versions, the former shall prevail.	4.	3. The Company shall use its best efforts to include in its corporate website, beginning on the date of the announcement of the call to meeting, an English version of the information and the principal documents related to the General Shareholders' Meeting. In the event of a discrepancy between the Spanish and English versions, the former shall prevail.
4.	Pursuant to the provisions of applicable legislation, an Electronic Shareholders' Forum shall be enabled on the Company's corporate website on occasion of the call to the General Shareholders' Meeting. Duly verified shareholders and shareholder groups may access the Electronic Shareholders' Forum, the use of which shall conform to its legal purpose and to the assurances and rules of operation established by the Company.	5.	4. Pursuant to the provisions of applicable legislation, an Electronic Shareholders' Forum shall be enabled on the Company's corporate website on occasion of the call to the General Shareholders' Meeting. Duly verified shareholders and shareholder groups may access the Electronic Shareholders' Forum, the use of which shall conform to its legal purpose and to the assurances and rules of operation established by the Company.
Article 19. Right to Proxy Representation		Article 19. Right to Proxy Representation	
1.	Shareholders may exercise the right to attend personally or through proxy representation by another person, whether or not such person is a shareholder, by complying with the requirements of law and the Corporate Governance System.	1.	Shareholders may exercise the right to attend personally or through proxy representation by another person, whether or not such person is a shareholder, by complying with the requirements of law and the Corporate Governance System.
2.	The proxy may be granted by delivering to the proxy representative the attendance, proxy, and absentee voting card or any other means of verifying the grant of a proxy that is accepted by	2.	The proxy may be granted by delivering to the proxy representative the attendance, proxy, and absentee voting card or any other means of verifying the grant of a proxy that is accepted by

the Company, or by any of the following means:	the Company, or by any of the following means:
a) Advance delivery of the attendance, proxy, and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company at the premises provided by the Company on the days announced on the Company's corporate website.	a) Advance delivery of the attendance, proxy, and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company at the premises provided by the Company on the days announced on the Company's corporate website.
b) Sending the attendance, proxy, and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company by postal correspondence addressed to the Company.	b) Sending the attendance, proxy, and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company by postal correspondence addressed to the Company.
c) By electronic correspondence, completing the proxy form available on the Company's corporate website, using a recognised electronic signature of the shareholder or other type of guarantee that the Company deems proper to ensure the authenticity and identification of the shareholder granting the proxy.	c) By electronic correspondence, completing the proxy form available on the Company's corporate website, using a recognised electronic signature of the shareholder or other type of guarantee that the Company deems proper to ensure the authenticity and identification of the shareholder granting the proxy.
For these purposes, the use of the personal passwords that the Company has previously delivered to the shareholder by postal or electronic correspondence to the address that the shareholder has communicated to the Company or through any other form determined by the Board of Directors shall be deemed to be a proper assurance.	For these purposes, the use of the personal passwords that the Company has previously delivered to the shareholder by postal or electronic correspondence to the address that the shareholder has communicated to the Company or through any other form determined by the Board of Directors shall be deemed to be a proper assurance.
	d) <u>By any other means that the Board of Directors determines is appropriate to favour the participation of the largest possible number of shareholders, provided that notice thereof is provided on the corporate website at the time of publishing the announcement of the call to meeting, and the authenticity and identification of the shareholder granting the proxy is duly ensured.</u>
3. A proxy granted by any of the means indicated in the preceding section must be received by the Company before 24:00 on the day immediately prior to the day on which the General Shareholders' Meeting is held upon first call or upon second call, as applicable.	3. A proxy granted by any of the means indicated in letters a), b), or c) of the preceding section must be received by the Company before 24:00 on the day immediately prior to the day on which the General Shareholders' Meeting is held upon first call or upon second call, as applicable.
4. (...)	4. (...)
Article 39. Absentee Voting; Powers to Engage in Proxy-Granting and Absentee Voting	Article 39. Absentee Voting; Powers to Engage in Proxy-Granting and Absentee Voting
1. Shareholders may cast their vote regarding proposals relating to the items included in the agenda of the call to meeting by means of postal or electronic correspondence, as well as by any other means of long-distance communication, provided that they adequately guarantee the authenticity and identification of the voting shareholders and, if applicable, duly ensure the security of the electronic communications. In all such cases, they shall be deemed to be present for purposes of the	1. Shareholders may cast their vote regarding proposals relating to the items included in the agenda of the call to meeting by means of postal or electronic correspondence or, as well as by any other means of long-distance communication, provided that the identity of the person and they <u>adequately guarantee the authenticity and identification of the voting shareholders and, if applicable, duly ensure</u> the security of the electronic communications are assured . In all such

establishment of a quorum at the General Shareholders' Meeting.	cases, they shall be deemed to be present for purposes of the establishment of a quorum at the General Shareholders' Meeting.
2. In order to vote by postal correspondence, shareholders must send to the Company the attendance, proxy, and absentee voting card issued in their favour by the corresponding institution, setting forth thereon the direction of their vote, their abstention, or their blank vote, and the direction of the vote in these cases.	2. In order to vote by postal correspondence, shareholders must send to the Company the attendance, proxy, and absentee voting card issued in their favour by the corresponding institution, setting forth thereon the direction of their vote, their abstention, or their blank vote, and the direction of the vote in these cases.
3. Votes by electronic correspondence shall be cast using a recognised electronic signature or using the personal passwords referred to in letter c of article 19.2 above or other type of guarantee that the Board of Directors deems best ensures the authenticity and identification of the voting shareholder.	3. Votes by electronic correspondence shall be cast using a recognised electronic signature or using the personal passwords referred to in letter c of article 19.2 above or other type of guarantee that the Board of Directors deems best ensures the authenticity and identification of the voting shareholder.
4. Votes cast by any of the means set forth in the preceding sections must be received by the Company before twenty-four hours on the day immediately prior to the day set for the holding of the General Shareholders' Meeting upon first call or upon second call, as applicable.	Votes cast by any of the means set forth in the preceding sections must be received by the Company before twenty-four hours 24:00 on the day immediately prior to the day set for the holding of the General Shareholders' Meeting upon first call or upon second call, as applicable.
5. The absentee voting referred to in this article shall be rendered void:	4. The absentee voting referred to in this article shall be rendered void:
a) By subsequent express revocation made by the same means used to cast the vote and within the period established for such voting.	a) By subsequent express revocation made by the same means used to cast the vote and within the period established for such voting.
b) By attendance at the meeting of the shareholder casting the vote.	b) By attendance at the meeting of the shareholder casting the vote.
c) If the shareholder validly grants a proxy within the established period after the date of casting the absentee vote.	c) If the shareholder validly grants a proxy within the established period after the date of casting the absentee vote.
6. If no express instructions are included when casting the absentee vote, or if instructions are included only with respect to some of the items on the agenda of the call to meeting, and unless expressly indicated otherwise by the shareholder, it shall be deemed that the absentee vote refers to all of the items included in the agenda of the call to the General Shareholders' Meeting and that the vote is in favour of the proposals made by the Board of Directors regarding the items included in the agenda of the call to meeting with respect to which no express instructions are included.	5. If no express instructions are included when casting the absentee vote, or if instructions are included only with respect to some of the items on the agenda of the call to meeting, and unless expressly indicated otherwise by the shareholder, it shall be deemed that the absentee vote refers to all of the items included in the agenda of the call to the General Shareholders' Meeting and that the vote is in favour of the proposals made by the Board of Directors regarding the items included in the agenda of the call to meeting with respect to which no express instructions are included.
7. As regards proposed resolutions other than those submitted by the Board of Directors or regarding items not included in the agenda of the call to meeting, the shareholder casting an absentee vote may grant proxy representation through any of the means contemplated in these Regulations, in which case the rules established for such purpose shall apply to the proxy, which shall be deemed granted to the chairman of the Board of Directors unless expressly indicated otherwise by the shareholder.	6. As regards proposed resolutions other than those submitted by the Board of Directors or regarding items not included in the agenda of the call to meeting, the shareholder casting an absentee vote may grant proxy representation through any of the means contemplated in these Regulations, in which case the rules established for such purpose shall apply to the proxy, which shall be deemed granted to the chairman of the Board of Directors unless expressly indicated otherwise by the shareholder.
8. The Board of Directors is authorised to develop the appropriate rules, means, and procedures to organise the casting of votes and the granting of	7. The Board of Directors is authorised to develop the appropriate rules, means, and procedures to organise the casting of votes and the granting of

proxies by electronic means.	proxies by electronic means.
<p>Specifically, the Board of Directors may establish rules for the use of personal passwords and other guarantees other than electronic signatures for casting electronic votes or by other valid means of long-distance communication and to grant proxies by electronic correspondence. It may also reduce the advance period established in section 4 above for receipt by the Company of absentee votes and proxies granted by postal or electronic correspondence, and accept, and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation therefrom to accept, absentee votes and proxies received after such period, to the extent permitted by the means available.</p>	<p>Specifically, the Board of Directors may: establish rules for the use of personal passwords and other guarantees other than electronic signatures for casting electronic votes or by other valid means of long-distance communication and to grant proxies by electronic correspondence. It may also reduce the advance period of twenty-four hours established <u>in section 4 above</u> for receipt by the Company of absentee votes and proxies granted by postal or electronic correspondence, and accept, and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation therefrom to accept, absentee votes and proxies received after such period, to the extent permitted by the means available.</p>
<p>The Board of Directors is also authorised to further develop the procedures for granting proxies and for absentee voting in general, including the rules of priority and conflict applicable thereto. The implementing rules adopted by the Board of Directors under the provisions of this section shall be published on the Company's corporate website.</p>	<p>The Board of Directors is also authorised to further develop the procedures for granting proxies and for absentee voting in general, including the rules of priority and conflict applicable thereto. The Shareholder's Guide and other implementing rules adopted by the Board of Directors under the provisions of this section shall be published on the Company's corporate website.</p>
<p>The chairman and the secretary of the Board of Directors or the chair of and the secretary for the General Shareholders' Meeting, from the constitution thereof, and the persons acting by delegation therefrom, shall have the broadest powers to verify the identity of the shareholders and their representatives; check the legitimacy of the exercise of the rights of attendance, proxy-granting, and voting by the shareholders and their representatives; check and accept the validity and effectiveness of the proxies and absentee votes (particularly the attendance, proxy, and absentee voting card or verification document or instrument for attendance or proxy-granting), as well as the validity and effectiveness of the instructions received through intermediary and management institutions or depositaries of shares, all in accordance with the provisions set forth in the Company's Corporate Governance System and in the rules that the Board of Directors may establish in order to further develop such provisions.</p>	<p>The chairman and the secretary of the Board of Directors or the chair of and the secretary for the General Shareholders' Meeting, from the constitution thereof, and the persons acting by delegation therefrom, shall have the broadest powers to verify the identity of the shareholders and their representatives; check the legitimacy of the exercise of the rights of attendance, proxy-granting, and voting by the shareholders and their representatives; check and accept the validity and effectiveness of the proxies and absentee votes (particularly the attendance, proxy, and absentee voting card or verification document or instrument for attendance or proxy-granting), as well as the validity and effectiveness of the instructions received through intermediary and management institutions or depositaries of shares, all in accordance with the provisions set forth in the Company's Corporate Governance System and in the rules that the Board of Directors may establish in order to further develop such provisions.</p>