

GRIFOLS, S.A.

BOARD OF DIRECTORS' REPORT REGARDING THE AMENDMENT OF THE ARTICLES OF ASSOCIATION AND THE REGULATIONS OF THE GENERAL SHAREHOLDERS' MEETING

This report is prepared in connection with the proposals of share capital increase, amendment of the Articles of Association and amendment of the Regulations of the General Shareholders' Meeting that will be submitted to the Extraordinary General Shareholders' Meeting of Grifols, S.A. (hereinafter, "**Grifols**" or the "**Company**") called to be held at first call at Avenida Generalitat 152-158, Polígono Can Sant Joan, Sant Cugat del Vallès (Barcelona), at 12:00 hours CET on December 1, 2011, and at second call on December 2, 2011 at the same place and time (hereinafter the "**Extraordinary Meeting**").

The report is issued in accordance with the provisions of articles 286 and 506.2 of Legislative Royal Decree 1/2010, dated 2 July, by means of which the amended text of the Companies Act (*Ley de Sociedades de Capital*) (hereinafter, the "**CA**") is approved, and article 3.1 of the Regulations of the General Shareholders' Meeting. The report only analyses the commercial aspects required by the aforesaid articles, without making any accounting, or any other kind of evaluations.

I. FIRST PROPOSAL ON THE AGENDA

Increase of the Company's share capital in the amount of Euro 2,968,765.80, by issuing 29,687,658 new shares without voting rights of Class B, with a nominal value of Euro 0.10 each, without share premium, against voluntary reserves, in the proportion of 1 new share of Class B for each 10 former shares of Class A or Class B, with provision of incomplete allocation. Amendment of Article 6 of the Company's Articles of Association (share capital). Application before the relevant domestic and foreign authorities for the listing of the new shares on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, as well as on the Spanish Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market) and on the NASDAQ.

A. Description of the proposal

The proposal to increase the Company's share capital corresponding to the first item of the Extraordinary Meeting's agenda foresees the Company's share capital increase in the amount of Euro 2,968,765.80, by issuing and placing in circulation 29,687,658 new non-voting Class B shares, of nominal value of Euro 0.10 each, all of them belonging to the same class and series, being Company's shares without voting rights with the pre-emptive rights established in article 6 Bis of the Articles of Association.

The Class B shares will be issued for their nominal value of Euro 0.10, without share premium, and will be paid in full against voluntary reserves.

It is expressly stated by the directors that, pursuant to the provisions of article 303 of the CA, this increase in share capital will be based on the individual balance sheet of Grifols closed as of 30 September 2011, which has been duly audited by KPMG Auditores, S.L.

Pursuant to the provisions of paragraph 6.1 of article 6 Bis of the Articles of Association, all the shareholders of the Company will have a free allocation right over the new Class B shares in the proportion of one (1) new Class B share for each ten (10) former shares owned by them, whether of Class A or of Class B. These free allocation rights will be transferrable pursuant to the provisions of article 306.2 of the CA, there being a period of fifteen (15) days starting as from the date indicated in the relevant notice which will be published in the Official Gazette of the Commercial Registry (BORME), in order to allocate and transfer such rights.

Likewise, as of the date on which the capital increase is closed, the new Class B shares will confer their holders the rights ascribed to them by the Articles of Association.

The new shares will be represented by means of book entries and will be governed by the Securities Market Act (*Ley del Mercado de Valores*) and such other provisions as may be applicable. The book entries registry shall be managed by the company Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) and its participant entities.

Once the increase is closed, and upon the complete allocation of the new Class B shares, the Company's share capital will be set at Euro 117,882,384.10 Euros, represented by 213,064,899 ordinary shares, belonging to Class A and with a nominal value per share of Euro 0.50; and 113,499,346 non-voting shares, belonging to Class B and with a nominal value of Euro 0.10 per share.

In this sense and for the purposes of reflecting the new share capital amount and number of shares into which said share capital will be divided, the Board of Directors will amend article 6 of the Company's Articles of Association, based on the express delegation of authorities granted in its favour by the General Meeting for this purpose. In the event the capital increase is closed and all new Class B shares have been allocated, article 6 would read as follows, provided its current wording and the proposal of amendment (the new wording appears underlined):

Wording of the Articles of Association in force

Article 6.- Share Capital.-

1. Shares. The share capital of the Company is 114,913,618.30 euros, represented by 296.876.587 shares, fully subscribed and paid-up, pertaining to two separate classes:

Wording of the amendment proposed

Article 6.- Share Capital.-

1. Shares. The share capital of the Company is ~~114,913,618.30~~117,882,384.10 euros, represented by ~~296.876.587~~326,564,245 shares, fully subscribed and paid-up, pertaining to

two separate classes:

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| <p>1.1. Class “A” comprises 213,064,899 shares with a nominal value of 0.50 euros each, all of which belong to the same class and series, and being the ordinary shares of the Company (the “Class A Shares”); and</p> <p>1.2. Class “B” comprises 83,811,688 shares with a nominal value of 0.10 euros each, all of which belong to the same class and series and are non-voting shares of the Company with the preferential rights set forth in Article 6 Bis of these Articles of Association (the “Class B Shares” and, together with the Class A Shares, the “shares”).</p> <p>2. <u>Form of Representation.</u> The shares are represented by means of book entries and are governed by the Securities Market Act (<i>Ley del Mercado de Valores</i>) and such other provisions as may be applicable. The book entries registry shall be managed by the company Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) and its participating entities.</p> | <p>1.1. Class “A” comprises 213,064,899 shares with a nominal value of 0.50 euros each, all of which belong to the same class and series, and being the ordinary shares of the Company (the “Class A Shares”); and</p> <p>1.2. Class “B” comprises 83,811,688<u>113,499,346</u> shares with a nominal value of 0.10 euros each, all of which belong to the same class and series and are non-voting shares of the Company with the preferential rights set forth in Article 6 Bis of these Articles of Association (the “Class B Shares” and, together with the Class A Shares, the “shares”).</p> <p>2. <u>Form of Representation.</u> The shares are represented by means of book entries and are governed by the Securities Market Act (<i>Ley del Mercado de Valores</i>) and such other provisions as may be applicable. The book entries registry shall be managed by the company Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) and its participating entities.</p> |
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B. Justification of the proposal

The purpose of this transaction is to achieve positive effects both for Grifols’ shareholders as for its creditors and for the Company itself, provided that this transaction is not only limited to the simple transfer of funds from some liabilities accounts to another, but it causes a qualitative effect in the corporate equity, by reinforcing the structure of the Company’s own resources.

As regards the shareholders, this share capital increase implies that they will obtain a remuneration for their investment, different from the remuneration received via dividends, since it entails the free allocation of new shares, therefore allowing them to enjoy a benefit or an economic profit without having to make a capital disbursement in exchange.

Likewise, and as far the Company is concerned, the share capital increase against reserves will imply a cash-flow increase of the existing Class B shares and, accordingly, larger flexibility and negotiability when dealing with said shares in the

corresponding stock exchange markets. Accordingly, the aim is to strengthen the Company's position in the market and to speed up its stock related transactions in the stock markets in which they are listed.

On the other hand, this capital increase will allow creditors to see that their cashing guarantees are reinforced due to the conversion of part of the Company's reserves into share capital.

Based on the above, the Board considers it advisable and convenient for the Company and for the shareholders' interests to present to the General Meeting a proposal to carry out a liberated capital increase against reserves of free disposition.

II. SECOND PROPOSAL ON THE AGENDA

Delegation to the Board of Directors, with full power of substitution in any of its members, of the authority to increase the Company's share capital pursuant to the provisions of article 297.1.b) of the Companies Act, within the legal term of five years as of the date of this General Shareholders' Meeting up to a maximum amount equivalent to 50% of the Company's share capital as of the date of this authorisation, being enabled to carry out the increase at once or in several times. Delegation to the Board of Directors, with full power of substitution in any of its members, of the authority to exclude the pre-emptive subscription rights in the relevant capital increases, pursuant to the provisions of article 506 of the Companies Act.

A. Description of the proposal

The proposal of Delegation corresponding to the second item of the Extraordinary Meeting's agenda foresees the delegation to the Board of Directors, with full power of substitution in any of its members, of the authority to increase the Company's share capital pursuant to the provisions of article 297.1.b) of the CA.

The referred capital increase may be carried out at once or in several times at any moment, within a maximum legal term of five (5) years as from the date of the Extraordinary Meeting and in an amount that in no case may exceed half of the Company's share capital at the time of this authorisation.

The share capital increases to be carried out under this authorisation will be carried out, if appropriate, by issuing and placing in circulation new shares, with or without share premium, with a consideration consisting in cash contributions.

Likewise, as long as there are non-voting Class B shares in circulation, the capital increases to be carried out will observe, when applicable, the provisions of paragraph 6.1 of article 6 Bis of the Articles of Association, so that:

- (a) any capital increase implemented pursuant to this authorisation will entail the issuance of Class A and Class B shares in the same proportion as that

represented by Class A and Class B shares over the Company's share capital at the time this increase is approved;

- (b) Class B shares will have the same pre-emptive right over the Class B shares to be issued in that increase as those recognised to Class A shares over the Class A shares to be issued in that increase, and:
- (c) in said capital increases no other shares or securities will be issued.

The authority to exclude, pursuant to the provisions of article 506 of the CA, the pre-emptive right, is also delegated to the Board of Directors regarding future capital increases.

Finally, as long as Class B shares hold the redemption rights foreseen in paragraph 4 of article 6 Bis of the Articles of Association, the nominal value of the Class B shares that are to be issued in execution of this delegation cannot exceed one fourth of the total amount of the share capital resulting from the capital increase resolution.

Once the capital increase has been carried out and, as appropriate, the Company will apply for the listing of the new issued shares on the Stock Exchanges in Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, as well as in the Spanish Automated Quotation System (*Sistema de Interconexión Bursátil*) *Continuous Market*), and via ADSs (*American Depositary Shares*), on the *National Association of Securities Dealers Automated Quotation* (NASDAQ), as well as the inclusion of the new shares in the accounting registries of the company Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear).

The Board of Directors, or any of its members when acting by virtue of a substitution, will establish the issuance rate (nominal value plus share premium) of each new Grifols' share issued when executing this authorisation, according to the provisions of article 297.1.b) of the CA.

Once the capital increase is approved and executed, the Board of Directors will be authorised in order to, pursuant to the provisions of article 297.3 of the CA, to amend article 6 of the Articles of Association regarding the share capital, providing it with a new wording, as applicable.

B. Justification of the proposal

This proposal to delegate authorities to the Board of Directors in order to increase the Company's capital is justified by the convenience for the Board of Directors to have a mechanisms that would allow for one or several capital increases to be approved without the need of a new calling and holding of another Shareholders' Meeting, though respecting the terms and conditions established by the General Meeting.

This delegation proposal provides the Board of Directors with a much broader leeway, which is justified by how convenient it is for this administration body to have the necessary capacity and flexibility in order to give response to the needs arising from the current economic trade and to be able to act as quickly as required by market malfunctioning.

Moreover, the delegation to the Board of Directors of the authority to increase the share capital includes, pursuant to the provisions of article 506 of the CA, the ascription to the board members of the authority to exclude the shareholders' preemptive rights.

This additional delegated authority enables the Company's Board of Directors to remarkably increase its leeway and its capacity of response, when so is required by the corporate interest. It is therefore justified by the agility and flexibility of action that is granted to the Company at the time of carrying out share capital increases, respecting at all times the mechanisms of shareholders' protection and information foreseen in articles 308 and 506 of the CA.

III. THIRD PROPOSAL ON THE AGENDA

Amendment of the Articles of Association

3.1. The first by-laws amendment refers to articles 1, 9, 13, 14, 16, 17.bis, 23, 25, 26, 27, 28, 29 and 30 of the Articles of Association, its main purpose being to adequate their contents to the CA presently in force and to introduce certain qualitative improvements in their wording.

As a result, the following amendments to the Articles of Association are proposed to be passed, being the current wording of each of the referred articles and the proposal of amendment that is being submitted to the General Meeting for its approval transcribed below (the new wording appears underlined):

A. To amend article 1 of the Articles of Association, as regards the policies by which the Company is to be governed and the documents that make up its Corporate Governance system, in order to improve the quality of their wording and to avoid references to sets of law that have already been revoked.

Wording of the Articles of Association in force

Article 1.- Corporate name.- The company named GRIFOLS, S.A. is a Spanish public limited trading company (*sociedad anónima*) governed by these Articles of Association and, as to matters not otherwise contemplated or provided for herein, by the Consolidated Text of the Companies Act of 22nd December 1989 (*Ley de Sociedades Anónimas de 22 de*

Wording of the amendment proposed

Article 1.- Corporate name.- The company is named GRIFOLS, S.A. (the "Company") and it is a ~~Spanish~~ public limited ~~trading~~ company (*sociedad anónima*) of Spanish nationality and corporate nature.

The Company shall be governed by ~~these~~ Articles of Association ~~its~~ Corporate

diciembre de 1989), the Commerce Code and any other legal provisions applicable thereto.

Governance System and, as to matters not ~~otherwise~~ contemplated or provided for herein, by the ~~Consolidated Text of the Companies Act of 22nd December 1989 (Ley de Sociedades Anónimas de 22 de diciembre de 1989), the Commerce Code~~legal provisions regarding public limited companies and any other legal provisions applicable thereto.

The Company's Corporate Governance System shall consist of the Articles of Association, the Regulation of the General Shareholders' Meeting, the Regulation of the Board of Directors and the remaining Reports, Regulations and Internal Corporate Governance Regulations, passed by the competent bodies of the Company.

- B. To amend article 9 of the Articles of Association, as regards the rights and obligations conferred to the shareholders pursuant to the provisions of the Law and the Company's Corporate Governance System, in order to improve the quality of the wording and avoid references to sets of law that have already been revoked.

Wording of the Articles of Association in force

Wording of the amendment proposed

Article 9.- Each share confers upon its rightful holder the status of shareholder and vests such holder with the rights granted by the current Limited Liability Companies Act (*Ley de Sociedades Anónimas*) and these Articles of Association, regardless of the class and series of the shares that may be created in each one of the classes.

Article 9.- Each Company's share confers upon its rightful holder the status of shareholder and vests such holder with the rights ~~granted by the current Limited Liability Companies Act (Ley de Sociedades Anónimas) and these Articles of Association,~~and obligations established by Law and by the Company's Corporate Governance System, regardless of the class and series of the shares that may be created in each one of the classes

- C. To amend article 13 of the Articles of Association, as regards the types of General Meetings and the meeting itself, in order to adapt the terms used therein to the wording of articles 164.1 and 168 of the CA presently in force.

Wording of the Articles of Association in force

Wording of the amendment proposed

Article 13.- The General Shareholders' Meetings may be either ordinary or extraordinary. The ordinary General Shareholders' Meeting must be held within the first six months of each fiscal

Article 13.- The General Shareholders' Meetings may be either ordinary or extraordinary. The ordinary General Shareholders' Meeting must be held within the first six months of each fiscal year in

year in order to review corporate management, approve, if appropriate, the Accounts and the Balance Sheet for the previous fiscal year and the allocation of profit or losses. Any other shareholders' meeting will be deemed Extraordinary.

Extraordinary Meetings shall be held whenever the Board deems it convenient on its own initiative or upon the request of shareholders holding at least 5% of the share capital, who must state in their request the matters to be addressed at the Meeting.

In such case, the Meeting shall be called to be held within the thirty days following the date on which a notarial demand requesting the Board to call the Meeting was served.

D. To amend article 14 of the Articles of Association, as regards the media in which the notice of calling of the General Meeting and its contents must be published, the possibility to reduce the term for the call of the extraordinary General Meetings in certain events and the right of the shareholders to submit proposals regarding the items included in the agenda, in order to adequate its contents to the CA presently in force regarding the subject of calling of the General Meeting.

Wording of the Articles of Association in force

Article 14.- Calling of the General Shareholders' Meeting.-

1. Both the Ordinary and the Extraordinary General Shareholders' Meetings must be called according to the legal requirements in force through a notice published in the Official Gazette of the Commercial Registry and a major daily newspaper in circulation in the province where the Company has its registered office at least one month in advance from the date set for the meeting, except in those cases where the Law might have foreseen other terms

order to ~~review~~approve, if applicable, the corporate management, ~~approve, if appropriate, the Accounts and the Balance Sheet~~the annual accounts for the previous fiscal year and the allocation of ~~profit or losses~~the results. Any other shareholders' meeting will be deemed Extraordinary.

Extraordinary Meetings shall be held whenever the Board deems it convenient on its own initiative or upon the request of one or several shareholders holding at least 5% of the share capital, who must state in their request the matters to be addressed at the Meeting.

In such case, the Meeting shall be called to be held within the ~~thirty days~~two months following the date on which a notarial demand requesting the Board to call the Meeting was served.

Wording of the amendment proposed

Article 14.- Calling of the General Shareholders' Meeting.-

1. Both the Ordinary and the Extraordinary General Shareholders' Meetings must be called according to the legal requirements in force ~~through a notice published in the Official Gazette of the Commercial Registry and a major daily newspaper in circulation in the province where the Company has its registered office~~ at least one month in advance from the date set for the meeting, except in those cases where the Law might have foreseen other terms, by means of a notice published in, at least, the following media:

- a) The Official Gazette of the Commercial Registry or one of the major newspapers in circulation in Spain.
- b) The web page of the Spanish Securities Exchange Commission.
- c) The Company's web page.

Notwithstanding the foregoing, when the Company offers the shareholders the genuine possibility of voting by electronic means made available to all of them, the extraordinary General Meetings may be called with a minimum prior notice of fifteen (15) days. This reduction in the term to call the meeting will require an express resolution by the Ordinary General Meeting passed by, at least, two thirds (2/3) of the subscribed share capital with voting rights; the validity of this resolution must not exceed the date on which the next meeting is to be held.

The notice published on the Company's corporate web page will be kept available uninterruptedly at least until the General Shareholders' meeting takes place.

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| <p>2. The notice must state the name of the Company, the place, date and time of the meeting upon first call as well as the agenda, which shall include the matters to be addressed thereat; the notice may also set forth the date, time and place on which the meeting shall, as the case may be, be held upon second call.</p> | <p>2. The notice must state, <u>in addition to the statements required by article 517 of the Companies Act,</u> the name of the Company, the place, date and time of the meeting upon first call as well as, the agenda, which shall include the matters to be addressed thereat, <u>and the position held by the person or persons issuing the notice;</u> the notice may also set forth the date, time and place on which the meeting shall <u>be held,</u> as the case may be, be held upon second call.</p> |
| <p>3. Shareholders representing at least five per cent (5%) of the share capital may request the publication of a supplement to the call of the General Shareholders' Meeting including one or more items in the agenda. This right must be exercised by means of a</p> | <p>3. Shareholders representing at least five per cent (5%) of the share capital may request the publication of a supplement to the call of the <u>Ordinary</u> General Shareholders' Meeting including one or more items in the agenda; <u>agenda of the call and to file justified resolution</u></p> |

certified notification, which must be received at the Company's registered office within five (5) days of the publication of the call to the meeting.

proposals regarding matters already included or that should be included in the agenda, as long as these new proposals are accompanied by a justification or, if applicable, by a justified resolution proposal. This right must be exercised by means of a certified notification, which must be received at the Company's registered office within five (5) days of the publication of the call to the meeting.

The supplement to the call to the meeting must be published at least fifteen (15) days prior to the date set for the meeting.

The supplement to the call to the meeting must be published at least fifteen (15) days prior to the date set for the meeting.

- E. Amendment of article 16 of the Articles of Association, as regards the representations by a legal entity and the need to appoint an individual to represent such entity at the General Meeting, in order to adequate its contents to the CA presently in force on the subject of legitimacy and representation at a Meetings.

Wording of the Articles of Association in force

Wording of the amendment proposed

Article 16.- Right to attend, proxy granting and representation at the General Shareholders' Meeting.-

Article 16.- Right to attend, proxy granting and representation at the General Shareholders' Meeting.-

1. All Company shareholders shall be entitled to attend the general meeting as long as their shares appear registered under their name in the accounting registry at least five (5) days in advance from the date on which the meeting is to be held;
2. Notwithstanding the foregoing, all shareholders with right to attend the meeting, according to the provisions set forth herein, may do so by means of a proxy, even when such proxy is not a shareholder.

1. All Company shareholders shall be entitled to attend the general meeting as long as their shares appear registered under their name in the accounting registry at least five (5) days in advance from the date on which the meeting is to be held;
2. Notwithstanding the foregoing, all shareholders with right to attend the meeting, according to the provisions set forth herein, may do so by means of a proxy, even when such proxy is not a shareholder.

Proxy representation must be granted on a special basis for each meeting, either in writing or by distance communication systems, as long as the identity of the represented shareholder, the proxy-

Proxy representation must be granted on a special basis for each meeting, either in writing or by distance communication systems, as long as the identity of the represented shareholder, the proxy-

holder and the contents of the proxy itself are duly guaranteed.

holder and the contents of the proxy itself are duly guaranteed.

In the event the representation is granted to a legal entity, such entity shall appoint an individual as its proxy representative, as established by the Law.

- F. To amend article 17.bis of the Articles of Association, as regards the communication systems by means of which the shareholders may cast their distance votes regarding the proposals included on the agenda of the General Meeting, in order to improve the quality of its wording and adequate its contents to the CA presently in force on the subject of distance voting systems.

Wording of the Articles of Association in force

Wording of the amendment proposed

Article 17.bis.- Casting of votes through distance voting systems.-

Article 17.bis.- Casting of votes through distance voting systems.-

1. All shareholders who have right to attend the Meeting may cast their vote regarding the proposals included in the agenda through the following systems of communication:
 - (a) By postal correspondence, through the sending of the attendance card, duly signed and with indication of the sense of their vote;
 - (b) By any other distance voting systems in accordance with the instructions contained on the corporate web page of the Company, provided that the electronic document through which the voting right is exercised includes a recognized electronic signature, according to the provisions of the Electronic Signature Act (*Ley de Firma Electrónica*) or that, without fulfilling the requirements for the electronic signature, such electronic signature is deemed

1. All shareholders who have right to attend the Meeting may cast their vote regarding the proposals included in the agenda through the following systems of communication:
 - (a) By postal correspondence, through the sending of the attendance, proxy representation and distance vote card, duly signed and with indication of the sense of their vote; or
 - (b) By electronic correspondence or any other distance voting systems in accordance with the instructions contained on the corporate web page of the Company, provided that the safety of the electronic communications is duly guaranteed and the electronic document through which the voting right is exercised includes a recognized electronic signature, according to the provisions of the Electronic Signature Act (*Ley de Firma Electrónica*) or

to be valid by the Board of Directors for having the adequate guarantees as to the authenticity and identification of the shareholder who is exercising his voting right.

that, without fulfilling the requirements for the electronic signature, such electronic signature is deemed to be valid by the Board of Directors for having the adequate guarantees as to the authenticity and identification of the shareholder who is exercising his voting right.

In order to be deemed valid, distance votes must be received by the Company at least five (5) days before the date set for the meeting.

In order to be deemed valid, distance votes must be received by the Company at least five (5) days before the date set for the meeting.

2. The notice of the General Shareholders' Meeting shall state the deadlines, means and procedures for casting the vote through distance voting systems.
3. The shareholders who cast their vote through distance voting systems pursuant to this article shall be deemed as present to the effects of convening the meeting. In consequence, the delegations issued previously shall be deemed revoked and those conferred afterwards shall be deemed as not effected.
4. Notwithstanding the foregoing, a vote casted by distance voting systems shall be rendered void by the personal attendance of the shareholder casting the vote to the Meeting.

2. The notice of the General Shareholders' Meeting shall state the deadlines, means and procedures for casting the vote through distance voting systems.
3. The shareholders who cast their vote through distance voting systems pursuant to this article shall be deemed as present to the effects of convening the meeting. In consequence, the delegations issued previously shall be deemed revoked and those conferred afterwards shall be deemed as not effected.
4. Notwithstanding the foregoing, a vote casted by distance voting systems shall be rendered void by the personal attendance of the shareholder casting the vote to the Meeting.

G. To amend article 23 of the Articles of Association, as regards the authorities that may be delegated by law to the Board of Directors, in order to avoid references to sets of law that have already been revoked.

Wording of the Articles of Association in force

Wording of the amendment proposed

Article 23.- The Board of Directors is vested with all the authorities that can be legally delegated by the General Shareholders' Meeting in accordance with the provisions of the Companies

Article 23.- The Board of Directors is vested with all the authorities that can be legally delegated by the General Shareholders' Meeting in accordance with the provisions of the Companies

Act (*Ley de Sociedades Anónimas*).

Act (*Ley de Sociedades ~~Anónimas~~ de Capital*).

H. Amendment of article 25 of the Articles of Association, as regards the drafting of the annual accounts, in order to improve the quality of its wording.

Wording of the Articles of Association in force

Wording of the amendment proposed

Article 25.- Annual Accounts.-

Article 25.- Annual Accounts.-

1. Within the maximum term of three (3) months following the end of the fiscal year, the Board of Directors must prepare, in compliance with the requirements set by law, the annual accounts, that is, the balance sheet, the profit and loss statement and the notes to the annual accounts as well as the management report and the proposed allocation of profit or losses corresponding to such fiscal year.

1. Within the maximum term of three (3) months following the end of the fiscal year, the Board of Directors must prepare, in compliance with the requirements set by law, the annual accounts, ~~that is, the balance sheet, the profit and loss statement and the notes to the annual accounts~~ as well as the management report and the proposed allocation of ~~profit or losses~~the result corresponding to such fiscal year.

2. The annual accounts and the management report shall be reviewed by the Company's auditors and shall be submitted to the shareholders' consideration and approval, if applicable, at least one month prior to the date of the General Shareholders' Meeting.

2. The annual accounts and the management report shall be reviewed by the Company's auditors and shall be submitted to the shareholders' consideration and approval, if applicable, at least one month prior to the date of the General Shareholders' Meeting.

I. To amend article 26 of the Articles of Association, as regards the authority and competence of the Extraordinary General Shareholders Meeting to pass and to carry out structural modification transactions, in order to improve the quality of its wording and to avoid references to sets of law that have already been revoked.

Wording of the Articles of Association in force

Wording of the amendment proposed

Article 26.- The General Shareholders' Meeting called for such purpose may pass and implement the reorganization and merger of the Company, following at all times the requirements and formalities set up by the Companies Act (*Ley de Sociedades Anónimas*) and these Articles of Association.

Article 26.- The Extraordinary General Shareholders' Meeting called for such purpose may pass and implement ~~the reorganization and merger of the Company,~~ merger and split-up transactions, or any other structural modifications of its competence, following at all times the requirements and formalities set up by the Act on

Companies ~~Act~~ Structural Modifications
(*Ley de Modificaciones Estructurales de las Sociedades Anónimas Mercantiles*) and these Articles of Association.

- J. To amend article 27 of the Articles of Association, as regards the causes for a Company's dissolution, in order to avoid references to sets of law that have already been revoked.

Wording of the Articles of Association in force

Article 27.- The dissolution of the Company shall require a prior resolution of the General Shareholders' Meeting and its dissolution can be based on any of the grounds set forth in Article 260 of the Companies Act (*Ley de Sociedades Anónimas*).

Wording of the amendment proposed

Article 27.- The dissolution of the Company shall require a prior resolution of the General Shareholders' Meeting and its dissolution can be based on any of the grounds set forth in Article ~~260~~363 of the Companies Act (*Ley de Sociedades Anónimas de Capital*).

- K. To amend article 28 of the Articles of Association, as regards the lack of appointment of liquidators by the General Meeting that approved the dissolution of the Company and the conversion, in such event, of the current directors of the Company in its liquidators, in order to make the method of the appointment of liquidators more flexible in accordance with the CA presently in force and to avoid references to sets of law that have already been revoked.

Wording of the Articles of Association in force

Article 28.- Once the dissolution has been passed, the liquidation shall be carried out according to the provisions of the Companies Act (*Ley de Sociedades Anónimas*). For that purpose, the General Shareholders' Meeting shall appoint one or more liquidators, always in an odd number, and confer on them the appropriate mandate.

Wording of the amendment proposed

Article 28.- Once the dissolution has been passed, the liquidation shall be carried out according to the provisions of the Companies Act (*Ley de Sociedades Anónimas de Capital*). ~~For that purpose,~~ Provided the lack of appointment of the liquidators by the General Shareholders' Meeting ~~shall appoint one or more liquidators, always in an odd number, and confer on them the appropriate mandate~~ that approved the dissolution of the Company, those who held the office of directors at the moment of dissolution of the Company will be turned into liquidators.

- L. To amend article 29 of the Articles of Association, as regards the final balance sheet, the liquidation report and the project on the splitting of the remaining assets resulting from the liquidation, in order to adequate its contents to article

390 of the CA presently in force.

Wording of the Articles of Association in force

Article 29.- Upon completion of the liquidation, the liquidators or the liquidation committee shall prepare a final balance sheet and determine the value and the portion of corporate assets to be allotted to each share.

Wording of the amendment proposed

Article 29.- Upon completion of the liquidation, the liquidators or the liquidation committee shall prepare a final balance sheet ~~and determine the value and the portion of corporate assets to be allotted to each share,~~ a complete report on such liquidation and a project on the splitting of the remaining assets between the shareholders.

M. To amend article 30 of the Articles of Association, as regards the submission of the contentious corporate matters to arbitration by the Arbitration Court of Barcelona (*Tribunal Arbitral de Barcelona*).

Wording of the Articles of Association in force

Article 30.- 1. The shareholders are subject to the jurisdiction of the Court corresponding to the Company's registered office.

2. Any controversy, except for those provided for in the Companies Act (*Ley de Sociedades Anónimas*) shall be resolved by arbitration in law, pursuant to Act 36/1988, of 5 December.

3. Any person subject to a legal incompatibility, especially those established in Act 25/1983, of 26 December, amended by Act 9/1991, of 22

Wording of the amendment proposed

Article 30.- 1. The shareholders are subject to the jurisdiction of the Court corresponding to the Company's registered office.

2. ~~Any controversy, except for those provided for in the Companies Act (*Ley de Sociedades Anónimas*) shall be resolved by arbitration in law, pursuant to Act 36/1988, of 5 December.~~ All corporate contentious matters that might arise between the Company and its directors or its shareholders, between the former and latter, or between the shareholders between them, shall be resolved by arbitration of the Arbitration Court of Barcelona (*Tribunal Arbitral de Barcelona*), of the Catalan Association for Arbitration (*Asociación Catalana para el Arbitraje*), which will be in charge of appointing one (1) arbitrator and of the administration of the arbitration in accordance with its Regulations. All such matters over which the parties have no free disposition are excepted.

3. Any person subject to a legal incompatibility, especially those established in ~~Act 25/1983, of 26 December, amended by Act 9/1991, of 22~~

March, shall not be entitled to hold offices in the Company.

~~March~~ Law 5/2206, dated 10 April, shall not be entitled to hold offices in the Company.

- 3.2. The second by-laws amendment refers to the inclusion of a new article 9.bis in the Articles of Association, as regards the Company's duty of keeping a corporate web page, according the latest legislative developments concerning this matter introduced by the CA in force. Therefore, the new article 9.bis would read as follows (the new wording appears underlined):

Article 9 Bis.- Corporate web page.-
The Company will keep a corporate web page to enable the exercise by the shareholders of their information right, and to divulge the relevant information required by the securities market legislation, which shall include all documents and information foreseen by the Law and the Corporate Governance System of the Company and all other information deemed appropriate to be made available to the shareholders and investors through this system.

- 3.3. The third by-laws amendment refers to articles 22 and 22.bis of the Articles of Association and, specifically, to the ways to Board meetings can be called, the possibility of calling a Board meetings by one third (1/3) of its members and the holding of distance meetings. These articles are proposed to be amended in order to adequate their wording to the CA presently in force so as to allow more flexibility concerning the calls and the holding of distance meetings, providing the management of the Board of Directors with a larger agility.

Therefore, being the current wording of the articles 22 and 22.bis and the proposal of amendment that is being submitted to the General Meeting for its approval transcribed below (the new wording appears underlined):

Wording of the Articles of Association in force

Article 22.- Calling of the Board of Directors, quorum and majorities.- The Board of Directors shall be called to a meeting by the Chairperson or the or by the person validly taking his place, by registered mail with acknowledgement of receipt, with at least twenty days prior to the date on which the meeting is to be held. The notice of the meeting of the Board shall state the place, date and time as well as the matters to be discussed

Wording of the amendment proposed

Article 22.- Calling of the Board of Directors, quorum and majorities.- The Board of Directors shall be called to a meeting by the Chairperson or the or by the person validly taking his place, by ~~registered mail with acknowledgement~~ of any mean that allows its receipt, with at least ~~twenty~~ ten (10) days prior to the date on which the meeting is to be held, except for urgent matters that justify a shorter term. The notice of the meeting of the

thereat.

Board shall state the place, date and time as well as the matters to be discussed thereat.

Notwithstanding the foregoing, the Board of Directors shall be considered validly held without having been called, if all the directors attending or represented by proxy unanimously accept the holding of the meeting, as well as the agenda to be discussed thereat.

The directors constituting at least one third (1/3) of the members of the Board of Directors may call a meeting, for it to be held at the locality of the registered office, indicating the proposed agenda if, prior request to the Chairperson, he fails to call the meeting without a reasonable cause within one month from said request.

The attendance of one half plus one of its members, being present or represented by proxy, is required.

The attendance of one half plus one of its members, being present or represented by proxy, is required for validly holding meetings of the Board of Directors.

Resolutions shall be passed by absolute majority of the members of the Board present at the meeting. In the event of a tie, the Chairperson shall have the casting vote.

Resolutions shall be passed by absolute majority of the members of the Board present at the meeting. In the event of a tie, the Chairperson shall have the casting vote.

Article 22.bis.- Meetings held through distance communication systems.- The Board of Directors, as well as the Committees established within it according to the provisions of the Articles of Association, may hold meetings by videoconference or by any other systems that enables all directors attending the meeting to be connected through a multi-directional interconnection system integrating sound and image in real time. Additionally, any communication or information provided by the Board of Directors or any of the Committees therein shall be in writing, being the electronic means and other distance communication systems admissible. For such purposes, email addresses supplied by the Directors to the Secretary to the Board of Directors shall be deemed valid.

Article 22.bis.- Meetings held through distance communication systems.- The Board of Directors, as well as the Committees established within it according to the provisions of the Articles of Association, may hold meetings by videoconference, conference calls or by any other ~~systems that enables all directors attending the meeting to be connected through a multi-directional interconnection system integrating sound and image in real time~~ distance communication systems as long as said communications take place in real time and, therefore, in one sole act, and both the identity of the participating or voting individual and the security of the electronic communications, are properly guaranteed. Additionally, any communication or information provided by the Board of Directors or any of the Committees therein shall be in writing, being the electronic means and other

distance communication systems admissible. For such purposes, email addresses supplied by the Directors to the Secretary to the Board of Directors shall be deemed valid.

IV. FOURTH PROPOSAL ON THE AGENDA

Amendment of articles 5, 6, 7, 8, 9, 11, 12, 16, 19 and 20 of the Regulations of the General Shareholders' Meetings in order to adapt their contents to the Companies Act presently in force and to introduce certain qualitative improvements in their wording.

The purpose of the proposed amendment to the Regulation of the General Shareholders Meeting of the Company, whose wording is set out below, is to adequate its contents to the CA presently in force and to the amendments proposed in Section II above, as well as to introduce certain qualitative improvements to their wording.

As a result, the following amendments to the Regulations of the Board of Directors are proposed to be passed, being the current wording of each of the referred articles and the proposal of amendment that is being submitted to the General Meeting for its approval transcribed below (the new wording appears underlined):

- A. To amend article 5 of the Regulation of the General Shareholders' Meeting, as regards the general principles, in order to introduce certain qualitative improvements in its wording.

Wording of the Regulation of the General Shareholders' Meeting in force

Article 5. General Principles

1. The General Shareholders' Meeting is the supreme decision making body of the Company regarding the matters of its competence.

2. The General Meeting, duly called and summoned, represents all shareholders, and their resolutions, adopted pursuant to the provisions of the Law, the Articles of Association and these Regulations, shall bind all shareholders, including the dissenting shareholders and those who did not attend the meeting.

Wording of the amendment proposed

Article 5. General Principles

1. The General Shareholders' Meeting is the supreme decision making body of the Company regarding the matters of its competence.

2. The General Meeting, duly called and summoned, represents all shareholders, and their resolutions, adopted pursuant to the provisions of the Law, the Articles of Association and these Regulations, shall bind all shareholders, including the dissenting shareholders and those who did not attend the meeting.

- B. To amend article 6 of the Regulation of the General Shareholders Meeting, as regards the types of General Meetings, in order to adequate its contents to the CA presently in force on the subject of annual accounts.

Wording of the Regulation of the General Shareholders' Meeting in force

Article 6. Types of General Meetings

1. The General Shareholders' Meeting may be ordinary or extraordinary.
2. The Ordinary General Shareholders' Meeting, previously called for that purpose, must necessarily meet within the first six (6) months of each fiscal year, in order to examine the corporate management, to approve, if appropriate, the accounts of the previous fiscal year and to resolve on the allocation of the results.
3. All General Meetings not foreseen in the preceding paragraph shall be considered Extraordinary General Meetings.

- C. To amend article 7 of the Regulation of the General Shareholders' Meeting, as regards the tasks of the General Meeting, in order to avoid references to sets of law that have already been revoked and to adapt its contents to the CA presently in force, on the subject of annual accounts and the creation of the corporate web page, by introducing this latest as another task corresponding to the General Meeting.

Wording of the Regulation of the General Shareholders' Meeting in force

Article 7. Competence of the General Meeting

1. The General Shareholders' Meeting, duly called and summoned, shall decide on all matters relating to its competence, in accordance with the Law and the Articles of Association.
2. In particular, the General Shareholders' Meeting shall be in charge of adopting the following resolutions:
 - (a) the examination of the corporate management and the approval, if appropriate, of the annual accounts and the allocation of the results;
 - (b) the appointment and dismissal of

Wording of the amendment proposed

Article 6. Types of General Meetings

1. The General Shareholders' Meeting may be ordinary or extraordinary.
2. The Ordinary General Shareholders' Meeting, previously called for that purpose, must necessarily meet within the first six (6) months of each fiscal year, in order to ~~examine~~approve, if applicable, the corporate management, ~~to approve, if appropriate,~~ the annual accounts of the previous fiscal year and to resolve on the allocation of the results.
3. All General Meetings not foreseen in the preceding paragraph shall be considered Extraordinary General Meetings.

Wording of the amendment proposed

Article 7. Competence of the General Meeting

1. The General Shareholders' Meeting, duly called and summoned, shall decide on all matters relating to its competence, in accordance with the Law and the Articles of Association.
2. In particular, the General Shareholders' Meeting shall be in charge of passing the following resolutions:
 - (a) the ~~examination of~~approval, as the case may be, of the corporate management and ~~the approval, if appropriate,~~ of the annual accounts and the allocation of the results;
 - (b) the appointment and dismissal of

the members of the Board of Directors;

(c) the appointment and removal, in accordance with the legal requirements, of the Auditors of the Accounts;

(d) the amendment of the Articles of Association;

(e) the increase and reduction of the share capital, with suppression, if applicable, of the preferential subscription right; the delegation to the Board of Directors, within the terms foreseen by law, of the authority to set the date or dates for the execution of the agreed capital increase; the authorisation to the Board of Directors to increase the capital pursuant to the provisions contained in article 153.1.b of the Spanish Companies Act (*Ley de Sociedades Anónimas*);

(f) the issuance of numbered series of bonds or other securities, whether convertible or not, that may recognise or create a debt;

(g) the transformation, merger, split-off and dissolution of the Company;

(h) the establishment of the remuneration of the Board of Directors and the application, as the case may be, of the board members and non-board company managers payment systems, through the distribution of shares, of rights options over the same, or of incentives related to the value of the Company shares;

(i) the authorisation for the derivative acquisition of own shares;

(j) the exercise of the Company's action for liability, according to requirements established by Law;

(k) the approval and amendment of the Regulations of the General Shareholders' Meeting; and any other matter attributed to it by law or by

the members of the Board of Directors;

(c) the appointment and removal, in accordance with the legal requirements, of the Auditors;

(d) the amendment of the Articles of Association;

(e) the increase and reduction of the share capital, with suppression, if applicable, of the preferential subscription right; the delegation to the Board of Directors, within the terms foreseen by law, of the authority to set the date or dates for the execution of the agreed capital increase; the authorisation to the Board of Directors to increase the capital pursuant to the provisions contained in article ~~153.1~~297.1.b of the ~~Spanish~~ Companies Act (*Ley de Sociedades Anónimas de Capital*);

(f) the issuance of numbered series of bonds or other securities, whether convertible or not, that may recognise or create a debt;

(g) the transformation, merger, split-off and dissolution of the Company;

(h) the establishment of the remuneration of the Board of Directors and the application, as the case may be, of board members and company officers payment systems, through the distribution of shares, of option rights over the shares, or of incentives related to the value of the Company shares;

(i) the authorisation for the derivative acquisition of own shares;

(j) the exercise of the Company's action for liability, according to requirements established by Law;

(k) the approval and amendment of the Regulations of the General Shareholders' Meeting; ~~and~~

Articles of Association.

(l) the creation of a corporate web page; and

(m) ~~(n)~~ any other matter attributed to it by law of by the Articles of Association.

- D. To amend article 8 of the Regulation of the General Shareholders' Meeting, as regards the media on which the notice to the General Meeting, as well as its contents, are to be published, the possibility of reducing the period to call the extraordinary General Meetings in certain circumstances, and the right of the shareholders to present proposals regarding the items included in the agenda, in order to adequate its contents to the CA presently in force on the subject of call notices of the General Meeting.

Wording of the Regulation of the General Shareholders' Meeting in force

Wording of the amendment proposed

Article 8. Calling of the General Shareholders' Meeting

Article 8. Calling of the General Shareholders' Meeting

1. The Board of Directors of the Company must call the General Shareholders' Meeting, both ordinary or extraordinary, following the requirements foreseen in the Law and in the Articles of Association, in the Official Gazzette of the Commercial Registry and in at least one of the major newspapers published in the province where the Company's registered office is located and on the Company website , with at least one (1) month's notice from the date set for the meeting to be held. This does not contravene any events in which the Law foresees different terms for the calling of the meeting.

1. The Board of Directors of the Company must call the General Shareholders' Meeting, both ordinary or extraordinary, following the requirements foreseen in the Law and in the Articles of Association, ~~in the Official Gazzette~~ by means of a notice published in, at least, one of the following media:

a) The Official Gazette of the Commercial Registry ~~and in at least~~ or one of the major newspapers ~~published in the province where the Company's registered office is located and on the Company website ,~~ with in circulation in Spain.

b) The web page of the Spanish Securities Exchange Commission.

c) The Company's web page.

The notice of calling shall state the date and the place of the General Shareholders' Meeting as well as the agenda with all the matters to be discussed therein and it may also state the date in which, if applicable, the meeting shall be held on second call. Between the first and second call a period of, at least, twenty-four (24) hours must elapse.

The calling of the General Shareholders' Meeting must be published at least one (1) month's ~~notice in advance~~ from the date set for the meeting. This does not

contravene any events in which the Law foresees different terms for the calling of the meeting.

Notwithstanding the foregoing, the Extraordinary General Meetings may be called with a minimum prior notice of fifteen (15) days, provided always that the Company offers its shareholders the actual possibility of voting by electronic means. This reduction in the term to call a meeting will require an express resolution of the Ordinary General Shareholders' Meeting, passed by, at least, two thirds (2/3) of the subscribed share capital with voting rights; the validity of the resolution must not exceed the date on which the next meetings is to be held.

The notice of the calling shall state ~~the date and the place~~, in addition to the statements required by article 517 of the Companies Act, the name of the company, the date, and time of the General Shareholders' Meeting ~~as well as~~, the agenda with all the matters to be discussed ~~therein and~~ therein, as well as the position held by the person or persons issuing the notice and it may also state the date in which, if applicable, the meeting shall be held on second call. Between the first and second call a period of, at least, twenty-four (24) hours must elapse.

2. Shareholders representing, at least, five per cent (5%) of the share capital may request that a supplement to the notice of the General Meeting be published, including one or more items in the agenda. This right may be exercised by means of certified notification, which must be received at the registered office within five (5) days following the date of publication of the notice.

The supplement to the notice of the meeting must be published at least

2. Shareholders representing, at least, five per cent (5%) of the share capital may request that a supplement to the notice of the Ordinary General Shareholders' Meeting be published, including one or more items in the agenda and filing justified proposals covering matters already included or that should be included in the agenda, as long as these new items are accompanied by a justification or, if applicable, by a justified resolution proposal. This right may be exercised by means of certified notification, which must be received

fifteen (15) days prior to the date set for the General Meeting.

at the registered office within five (5) days following the date of publication of the notice.

The supplement to the notice of the meeting must be published at least fifteen (15) days prior to the date set for the General Meeting.

3. The General Shareholders' Meeting shall be called:

- (a) If ordinary, within the first six (6) months of each fiscal year;
- (b) If extraordinary, whenever the Board of Directors deems it to be convenient;
- (c) In any case, when requested, via Notary Public document, by a number of shareholders holding at least five per cent (5%) of the share capital, stating in said request the items to be discussed at the General Meeting. In such a case, the Meeting shall be called to be held within the thirty (30) days following the date on which the Board of Directors was required before Notary Public to call it.

If the General Meeting has not been called within the legally established term, it can be called, upon request of any shareholder, in case of ordinary General Meeting, or upon the request of the shareholders referred to in the section (c) above, by the Judge of First Instance Court of the jurisdiction in which the Company's registered office is located.

3. The General Shareholders' Meeting shall be called:

- (a) If ordinary, within the first six (6) months of each fiscal year;
- (b) If extraordinary, whenever the Board of Directors deems it to be convenient;
- (c) In any case, when requested, via Notary Public document, by ~~a number of one or several~~ holding representing shareholders at least five per cent (5%) of the share capital, stating in said request the items to be discussed at the General Meeting. In such a case, the Meeting shall be called to be held within ~~the thirty-two (30)~~ days-months following the date on which the Board of Directors was notarially required to call it.

If the General Meeting has not been called within the legally established term, it can be called, upon request of any shareholder, in case of ordinary General Meeting, or upon the request of the shareholders referred to in the section (c) above, by the Judge of ~~First Instance~~ the Commercial Court of the jurisdiction in which the Company's registered office is located.

- E. To amend article 9 of Regulation of the General Shareholders' Meeting, as regards the information that must be made available to the shareholders on the Company's web page before the General Meeting takes place, as well as the term and the way said information is to be made available, in order to adequate its contents to the CA presently in force on the subject of information rights of the shareholders.

Wording of the Regulation of the General Shareholders' Meeting in force

Article 9. Information right available for shareholders prior to the holding of the General Meeting

1. Information on the Company's corporate web page

As of the date of publication of the notice of calling of the General Meeting, shareholders shall have the right to obtain information on the Company's web page concerning:

- (a) the full text of the calling of the meeting;
- (b) the text of the proposed resolutions formulated by the Board of Directors in relation to the items in the agenda for the Meeting;
- (c) any other documents that must be made available by Law to the shareholders regarding the items in the agenda;
- (d) means and procedures of

Wording of the amendment proposed

Article 9. Information right available for shareholders prior to the holding of the General Meeting

1. Information on the Company's corporate web page

As of the date of publication of the notice of calling of the General Meeting, shareholders shall have the right to obtain information on the Company's web page concerning:

- (a) the full text of the calling of the meeting;
- (b) the total number of shares and voting right as at the date of the calling;
- (c) the documents to be presented at the Meeting and, in particular, the reports of the directors, auditors and independent experts;
- ‡
(d) ~~(b)~~ the complete text of the proposed resolutions formulated by the Board of Directors in relation to the items in the agenda for the Meeting or, in their absence, a report from the competent bodies, commenting each one of the items in the agenda. The proposed resolutions submitted by the shareholders will also be included as they are received;
- (e) ~~(e)~~ any other documents that must be made available by Law to the shareholders regarding the items in the agenda;
- (f) ~~(d) means and procedures~~

voting and distance delegation, which in accordance to the provisions contained in the Articles of Association and these Regulations, must be made available to shareholders;

~~of~~ the forms that will have to be used for distance voting and distance delegation granting of representation, which in accordance ~~to~~with the provisions contained in the Articles of Association and these Regulations, must be made available to shareholders, except for when the forms are sent directly by the Company to each shareholder. In the event they cannot be published on the internet site due to technical reasons, the Company must indicate on the internet site how to obtain the paper forms, which it will have to send to all shareholders who request them;

(e) any other information that the Board of Directors deems fitting for the full effectiveness of the shareholders' information rights.

(g) ~~(e)~~ any other information that the Board of Directors deems appropriate for the full effectiveness of the shareholders' information rights.

The notice published on the Company's corporate web page will be available uninterruptedly until the General Shareholders' meeting is held.

2. Request for prior information

(a) Up to the seventh day prior to the date foreseen for the General Meeting to be held, the shareholders shall have the right to request from the Board of Directors any information or clarification they may require about the items included in the agenda, or to formulate in writing any questions they may deem pertinent. Likewise, in the event that Company shares were quoted on an official secondary market, the

2. Request for prior information

(a) Up to the seventh day prior to the date foreseen for the General Meeting, the shareholders shall have the right to request from the Board of Directors any information or clarification they may require about the items included in the agenda, or to formulate in writing any questions they may deem pertinent. Likewise, in the event that Company shares were quoted on an official secondary market, the

shareholders shall have the right to request any information or clarification or to formulate in writing any questions concerning the information accessible to the general public that has been provided by the Company to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) since the last General Meeting was held.

- (b) The Board of Directors shall be obliged to provide the required information in writing up to the day the General Meeting is held, except in those cases where, according to the judgment of the Chairperson of the Board of Directors, the publication of the requested information may be prejudicial to the Company's best interests. Notwithstanding the above, in no case shall the request for information be denied when such request is backed up by shareholders representing at least twenty five per cent (25%) of the share capital.

- (c) The requests for information referred to in the preceding section (a) shall be made by means of a delivery of the request at the registered office, or by post delivery or any other means of distance electronic communication.

The only distance electronic communication means to be admitted will be those in which the electronic document based on which the request for information is carried out incorporates a recognised electronic signature, pursuant to the provisions of the Electronic

shareholders shall have the right to request any information or clarification or to formulate in writing any questions concerning the information accessible to the general public that has been provided by the Company to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) since the last General Meeting was held.

- (b) The Board of Directors shall be obliged to provide the required information in writing up to the day the General Meeting is held, except in those cases where, according to the judgment of the Chairperson of the Board of Directors, the publication of the requested information may be prejudicial to the Company's interest. Notwithstanding the above, in no case shall the request for information be denied when such request is backed up by shareholders representing at least twenty five per cent (25%) of the share capital.

- (c) The requests for information referred to in the preceding section (a) shall be made by means of a delivery of the request at the registered office, or by post delivery or any other means of distance electronic communication.

The only distance electronic communication means to be admitted will be those in which the electronic document based on which the request for information is carried out incorporates a recognised electronic signature, pursuant to the provisions of the Electronic

Signature Act (*Ley de Firma Electrónica*) or that, without observing the requirements for the recognised electronic signature, such were deemed to be valid by the Board of Directors due to the fulfilment of the adequate guarantees as to the authenticity and identification of the shareholder who is exercising his voting right.

Signature Act (*Ley de Firma Electrónica*) or that, without observing the requirements for the recognised electronic signature, such were deemed to be valid by the Board of Directors due to the fulfilment of the adequate guarantees as to the authenticity and identification of the shareholder who is exercising his voting right.

- F. To amend article 11 of Regulation of the General Shareholders' Meeting, as regards the representations by a legal entity and the need to appoint an individual to represent such entity at the General Meeting, in order to adequate its contents to the CA presently in force on the subject of legitimacy and representation at a Meetings.

Wording of the Regulation of the General Shareholders' Meeting in force

Wording of the amendment proposed

Article 11. Representation

Article 11. Representation

1. Any shareholder with the right to attend according to the provisions of the preceding Article 10 may be represented at the meeting by means of another person, even if such person is not a shareholder.

1. Any shareholder with the right to attend according to the provisions of the preceding Article 10 may be represented at the meeting by means of another person, even if such person is not a shareholder.

[In the event the representation is granted to a legal entity, such entity shall appoint an individual as its proxy representative, as established by the Law.](#)

2. The representation must be granted on a special basis for each meeting, either in writing or by distance communication systems, as long as the identity of the proxy-holder, the represented shareholder, and the contents of the conferred representation are duly guaranteed. The Company's web page shall include the procedures and requirements concerning the distance granting of representation.

2. The representation must be granted on a special basis for each meeting, either in writing or by distance communication systems, as long as the identity of the proxy-holder, the represented shareholder, and the contents of the conferred representation are duly guaranteed. The Company's web page shall include the procedures and requirements concerning the distance granting of representation.

3. Those individual shareholders who do not have full capacity to act, as well as corporate shareholders, may

3. Those individual shareholders who do not have full capacity to act, as well as corporate shareholders, may

be represented by those who exercise, by law, their legal representation, which must be duly proven.

4. The representation may always be revoked. Personal attendance of the represented shareholder to the Meeting shall automatically entail the revocation of the representation.

be represented by those who exercise, by law, their legal representation, which must be duly proven.

4. The representation may always be revoked. Personal attendance of the represented shareholder to the Meeting shall automatically entail the revocation of the representation.

- G. To amend article 12 of the Regulation of the General Shareholders' Meeting, as regards the public request for representation, in order to avoid references to sets of law that have already been revoked.

Wording of the Regulation of the General Shareholders' Meeting in force

Article 12. Public request for representation

1. The public request for representation shall be governed by Article 107 of the Spanish Companies Act (*Ley de Sociedades Anónimas*). In the event that the Company is quoted on an official secondary market, such limitations as established in Article 114 of the Securities Market Act (*Ley del Mercado de Valores*) shall be respected regarding the exercise of the voting right of representatives.
2. In any event, the document, in which the power of representation appears, shall contain or have annexed the agenda of the General Meeting, as well as the instructions concerning the exercise of the represented party's right to vote and the indication in which sense the proxy-holder shall vote in the case of no direct instructions being imparted.
3. Exceptionally, when circumstances that where not known by the shareholder at the time of sending of the voting instructions arise, the proxy-holder may vote in a contrary

Wording of the amendment proposed

Article 12. Public request for representation

1. The public request for representation shall be governed by Article ~~107~~¹⁸⁶ of the Spanish Companies Act (*Ley de Sociedades Anónimas de Capital*). In the event that the Company is quoted on an official secondary market, such limitations as established in Article 114 of the Securities Market Act (*Ley del Mercado de Valores*) shall be respected regarding the exercise of the voting right of representatives.
2. In any event, the document, in which the power of representation appears, shall contain or have annexed the agenda of the General Meeting, as well as the instructions concerning the exercise of the represented party's right to vote and the indication in which sense the proxy-holder shall vote in the case of no direct instructions being imparted.
3. Exceptionally, when circumstances that where not known by the shareholder at the time of sending of the voting instructions arise, the proxy-holder may vote in a contrary

sense, if the interests of the represented party might be damaged otherwise. In the event a vote is cast in a contrary sense to the instructions received, the proxy-holder must inform the represented shareholder immediately in writing explaining the reasons for such vote.

4. A public request for representation shall be considered to have taken place when the same proxy-representative is granted representation by more than three (3) shareholders.

sense, if the interests of the represented party might be damaged otherwise. In the event a vote is cast in a contrary sense to the instructions received, the proxy-holder must inform the represented shareholder immediately in writing explaining the reasons for such vote.

4. A public request for representation shall be considered to have taken place when the same proxy-representative is granted representation by more than three (3) shareholders.

- H. To amend article 16 of the Regulation of the General Shareholders' Meeting, as regards the speech of the Chairman and the turn of interventions, in order to adequate its content to the CA presently in force and to make qualitative improvements to its wording.

Wording of the Regulation of the General Shareholders' Meeting in force

Wording of the amendment proposed

Article 16. Chairperson's Speech and Participations

Article 16. Chairperson's Speech and Participations

1. Once the General Meeting has been summoned, the Chairperson shall invite the shareholders who wish to speak in order to request information or to formulate proposals for resolutions regarding the items in the agenda, to make this known to the Secretary, or as the case may be, to the Notary Public, or to those assisting them, indicating his name and surnames, the number of shares they own or, if applicable, they represent. If they wish to request that their participation should be recorded literally in the Minutes of the Meeting, they will have to deliver it in writing at that moment to the Notary or the Secretary.
2. Before starting the round of speeches, the Chairperson will present to the General Shareholders' Meeting the most relevant aspects of

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2. Before starting the round of speeches, the Chairperson will present to the General Shareholders' Meeting the most relevant aspects of

the fiscal year and the Board of Directors proposals, being able to require the attendance of the remaining members of the Board of Directors, of the Secretary and the managers of the Company.

3. After the Chairperson has finished his speech and once the Board table presiding the Meeting has the list of shareholders who wish to speak and, in any case, before voting on the matters included in the agenda, the shareholders' turn to speak will be opened in the order in which they are called by the presiding Board table.
4. The Chairperson of the Audit Committee or, in his absence, a member of such Committee will answer any questions and requests for information regarding any issues within the remit of the Audit Committee, without prejudice to the faculty to inform of the remaining members of the Board of Directors.
5. The Board of Directors shall be obliged to provide the information or clarifications concerning the items in the agenda that the intervening shareholders may request verbally. In the case of not being able to satisfy the right of the shareholder at that moment, the Board of Directors shall be obliged to facilitate the relevant information in writing within seven (7) days following the end of the Meeting, except in those cases where, in the Chairperson's judgement, the publication of the requested information may be prejudicial to the best interests of the Company.

The information cannot be denied when the request is backed by shareholders who represent at least twenty-five per cent (25%) of the share capital.

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- I. To amend article 19 of the Regulation of the General Shareholders' Meeting of the Company, as regards the distance voting and the resolutions passed, in order to adequate its content to the CA presently in force and to avoid references to the regulation already revoked.

Wording of the Regulation of the General Shareholders' Meeting in force

Article 19. Voting and passing of resolutions

1. Following the aloud reading by the Secretary, which may be waived when no shareholder opposes it, of the proposals of resolutions, voting shall take place firstly on the proposals formulated by the Board of Directors and, in such case, it shall then pass to voting on those made by other proposers in such events as set forth in the Spanish Companies Act (*Ley de Sociedades Anónimas*).

In any case, when a proposal of resolution is passed, all others on the same matter that are incompatible with it shall automatically be withdrawn and thus not be submitted to voting.

2. Each motion which is substantially independent shall be voted on separately. In particular, this regulation shall be applied to:
- (a) the appointment and ratification of members of the Board, voted on individually; and
 - (b) in the case of the modification of the Articles of Association, each article or group of articles which are substantially independent.
3. Fractional vote is permitted, so that financial intermediaries legalized as shareholders, but acting on behalf of different clients, can issue their votes according to their clients'

Wording of the amendment proposed

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instructions.

4. In order to vote on resolutions the following voting determination system will be used, without prejudice of the Chairperson's faculties to agree on the use of another alternative system when circumstances so advise:

- (a) when voting proposals of resolutions included on the agenda, favourable votes will be understood as those corresponding to all shares with voting rights attending the meeting, minus the votes of shares whose owners or proxy holders vote against, blank vote or abstain;

- (b) when referring to proposals of resolutions concerning matters not included on the agenda, all shares with voting rights attending the meeting shall be considered votes against, minus the votes of shares whose holders or representatives inform of their vote in favour, in blank or of their abstention.

5. Once the voting for each resolution has concluded, the Chairperson or, by his delegation, the Secretary shall declare the resolution passed or rejected, computing, in such case, the votes casted by distance voting systems in accordance with the provisions set forth in Article 20 of these Regulations.

- J. To amend article 20 of the Regulation of the General Shareholders' Meeting, as regards the communication systems by means of which the shareholders may cast their distance votes regarding the proposals included on the agenda of the General

~~instructions.~~

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Meeting, in order to improve the quality of its wording and adequate its contents to the CA presently in force on the subject of distance voting systems.

Wording of the Regulation of the General Shareholders' Meeting in force

Wording of the amendment proposed

Article 20. Distance voting

Article 20. Distance voting

1. According to the provisions of the Articles of Association, shareholders with the right to attend may cast a distance vote regarding the proposals included in the agenda, through the following systems of communication:
 - (a) by postal correspondence, through the sending of the attendance card, duly signed with clear indications of the sense of their vote;
 - (b) by any other of electronic communication, following the instructions contained on the corporate web site of the Company, as long as the electronic document through which the voting right is exercised incorporates a recognised electronic signature, pursuant to the Electronic Signature Act (*Ley de Firma Electrónica*), or that, without fulfilling the requirements for the electronic signature, such electronic signature is deemed to be valid by the Board of Directors for having the adequate guarantees as to the authenticity and identification of the shareholder who is exercising his voting right.
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 - (a) by postal correspondence, through the sending of the attendance card, duly signed with clear indications of the sense of their vote; or
 - (b) by electronic correspondence or any other ~~of electronic~~ distance communication systems, following the instructions contained on the corporate web ~~site~~page of the Company, as long as the safety of the electronic communications is duly guaranteed and the electronic document through which the voting right is exercised incorporates a recognised electronic signature, pursuant to the Electronic Signature Act (*Ley de Firma Electrónica*), or that, without fulfilling the requirements for the electronic signature, such electronic signature is deemed to be valid by the Board of Directors for having the adequate guarantees as to the authenticity and identification of the shareholder who is exercising his voting right.

2. The notice of the calling of the General Meeting will contain the procedure, the requirements and the deadlines for distance voting.
 3. The distance vote shall not be valid, if received by the Company less than five (5) days in advance of the date set for the holding of the meeting.
 4. The shareholders who cast a distance vote pursuant to the provisions of this article shall be deemed as present to the effects of convening the Meeting. In consequence, the previously issued delegations shall be deemed revoked and those conferred afterwards shall be deemed as not effected.
 5. Notwithstanding the foregoing, a vote casted by distance voting system referred to in this article shall be rendered void by the attendance of the shareholder casting the vote to the Meeting.
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V. RESOLUTION PROPOSALS TO BE SUBMITTED TO THE GENERAL MEETING

The complete text of the proposed resolutions on the amendment of the Company's Articles of Association and the Regulation of the General Shareholders Meeting that are being submitted to the General Shareholders' Meeting, may be examined in the document called "*Proposed resolutions to be submitted to the General Shareholders Meeting*" that is made available to the shareholders of Grifols together with this report and the remaining documentation of the General Meeting.

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Barcelona, 20 October 2011
The Board of Directors