

MASTEC INC
Form 8-K
February 22, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): February 21, 2008

MASTEC, INC.

(Exact Name of Registrant as Specified in Its Charter)

Florida

(State or Other Jurisdiction of Incorporation)

Florida

0-08106

65-0829355

(State or other jurisdiction of
incorporation)

(Commission File
Number)

(IRS Employer
Identification No.)

800 S. Douglas Road, 12th Floor, Coral Gables, Florida 33134

(Address of Principal Executive Offices) (Zip Code)

(305) 599-1800

(Registrant's Telephone Number, Including Area Code)

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01 Regulation FD Disclosure.

On February 21, 2008, MasTec, Inc. (the Company) issued a press release announcing that it has received a letter from the Securities and Exchange Commission staff stating that its formal investigation in connection with the Company s restatement of financial statements in 2001 through 2003 has been completed and that it does not intend to recommend any enforcement action. A copy of the press release is furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. The information contained in this report on Form 8-K, including Exhibit 99.1, shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the Company under the Securities Act of 1933, as amended.

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release dated February 21, 2008.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MASTEC, INC.

Date: February 21, 2008

By: /s/ Alberto de Cardenas
Alberto de Cardenas
Executive Vice President and General
Counsel

EXHIBIT INDEX

Exhibit No. Description

99.1 Press Release dated February 21, 2008.

, as provided in article 228 of the Spanish Stock Market Act (*Ley del Mercado de Valores*), hereby reports the following

SIGNIFICANT EVENT

The Annual General Shareholders Meeting of TELEFÓNICA, S.A. held at second call today, May 12, 2016, with the attendance, present or represented, of shareholders holding shares representing 56.13% of the share capital of the Company, has approved by a majority of votes all the resolutions submitted by the Board of Directors for deliberation and vote by the General Shareholders Meeting.

The full text of these resolutions is attached to this report.

Madrid, May 12, 2016

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Telefónica, S.A.

ORDINARY GENERAL SHAREHOLDERS MEETING

OF TELEFÓNICA, S.A. - 2016 -

PROPOSED RESOLUTIONS SUBMITTED BY THE BOARD OF DIRECTORS

TO THE SHAREHOLDERS FOR DECISION AT THE GENERAL

SHAREHOLDERS MEETING

May 11/12, 2016

Translation from Spanish for informational purposes only. In the event of a conflict, the Spanish version prevails.

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Telefónica, S.A.

Proposal regarding Item I on the Agenda: Approval of the Annual Accounts and of the Management Report of both Telefónica, S.A. and of its Consolidated Group of Companies for fiscal year 2015.

To approve the Individual Annual Accounts (Balance Sheet, Income Statement, Statement of Changes in Shareholders Equity, Cash Flow Statement and Notes), the Consolidated Financial Statements -Consolidated Annual Accounts- (Statements of Financial Condition, Income Statements, Global Income Statements, Statements of Changes in Shareholders Equity, Cash Flow Statements and Notes to the Consolidated Financial Statements), and the Management Reports of Telefónica, S.A. and its Consolidated Group of Companies for fiscal year 2015 (ended on December 31, 2015), as finalized by the Board of Directors at its meeting of February 24, 2016.

In the Individual Annual Accounts, the Balance Sheet as of December 31, 2015 discloses assets, liabilities and shareholders equity in the amount of 85,013 million euros each, and the Income Statement as of the end of the fiscal year shows a profit of 8 million euros.

In the Consolidated Financial Statements (Consolidated Annual Accounts), the Balance Sheet as of December 31, 2015 discloses assets, liabilities, and shareholders equity in the amount of 122,974 million euros each, and the Income Statement as of the end of the fiscal year shows a profit of 2,745 million euros.

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Telefónica, S.A.

Proposal regarding Item II on the Agenda: Approval of the Proposed Allocation of the Profits/Losses of Telefónica, S.A. for fiscal year 2015.

To approve the following Proposal for the Allocation of the Profits/Losses of Telefónica, S.A. for the fiscal year ended December 31, 2015:

To allocate the profits posted by Telefónica, S.A. in fiscal year 2015, in the amount of 8,391,375.54 euros, as follows:

1,690,464 euros to funding a restricted reserve for Goodwill.

839,137.55 euros (10% of the profit for the fiscal year) to the Legal Reserve.

5,861,773.99 euros to payment of an interim dividend (fixed gross amount of 0.40 euro per share entitled to receive it). Such dividend was paid in full on May 12, 2015.

In addition, as regards the difference between the amount allocated to payment of the aforementioned interim dividend (5,861,773.99 euros) and the total amount distributed as an interim dividend on May 12, 2015 (1,912,135,456.40 euros), to approve the application of such amount, i.e., 1,906,273,682.41 euros, against voluntary reserves.

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Telefónica, S.A.

Proposal regarding Item III on the Agenda: Approval of the management of the Board of Directors during fiscal year 2015.

To approve the corporate management of the Board of Directors of Telefónica, S.A. during fiscal year 2015.

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Proposal regarding Item IV on the Agenda: Re-election, ratification and appointment of Directors, if applicable.

- IV.1 To re-elect Mr. Isidro Fainé Casas as Director, for the bylaw-mandated four-year period, upon a prior favorable report of the Nominating, Compensation and Corporate Governance Committee, with the classification of proprietary Director.
- IV.2 To re-elect Mr. Julio Linares López as Director, for the bylaw-mandated four-year period, upon a prior favorable report of the Nominating, Compensation and Corporate Governance Committee, with the classification of Other external Director.
- IV.3 To re-elect Mr. Peter Erskine as Director, for the bylaw-mandated four-year period, prior favorable report of the Nominating, Compensation and Corporate Governance Committee, with the classification of independent Director.
- IV.4 To re-elect Mr. Antonio Massanell Lavilla as Director, for the bylaw-mandated four-year period, upon a prior favorable report of the Nominating, Compensation and Corporate Governance Committee, with the classification of proprietary Director.
- IV.5 To ratify Mr. Wang Xiaochu interim appointment as Director by resolution of the Board of Directors at its meeting held on September 30, 2015, and to appoint him as Director, for the bylaw-mandated four-year period, upon a prior favorable report of the Nominating, Compensation and Corporate Governance Committee, with the classification of proprietary Director.
- IV.6 To ratify Ms. Sabina Fluxà Thienemann interim appointment as Director by resolution of the Board of Directors at its meeting held on April 8, 2016, and to appoint her as Director, for the bylaw-mandated four-year period, upon a prior favorable report of the Nominating, Compensation and Corporate Governance Committee, with the classification of independent Director.
- IV.7 To ratify Mr. José Javier Echenique Landiribar interim appointment as Director by resolution of the Board of Directors at its meeting held on April 8, 2016, and to appoint him as Director, for the bylaw-mandated four-year period, upon a prior favorable report of the Nominating, Compensation and Corporate Governance Committee, with the classification of independent Director.

IV.8

To ratify Ms. Peter Löscher interim appointment as Director by resolution of the Board of Directors at its meeting held on April 8, 2016, and to appoint him as Director, for the bylaw-mandated four-year period, upon a prior favorable report of the Nominating, Compensation and Corporate Governance Committee, with the classification of independent Director.

IV.9 To ratify Ms. Juan Ignacio Cirac Sasurain interim appointment as Director by resolution of the Board of Directors at its meeting held on April 8, 2016, and to

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appoint him as Director, for the bylaw-mandated four-year period, upon a prior favorable report of the Nominating, Compensation and Corporate Governance Committee, with the classification of independent Director.

Also, it will be proposed, where appropriate, to the General Shareholders Meeting, the ratification of those interim appointments of Directors that the Board of Directors might approve since the call of the General Shareholders Meeting until immediately prior to its celebration.

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Telefónica, S.A.

Proposal regarding Item V on the Agenda: Re-election of the Auditor for fiscal year 2016.

Pursuant to the proposal made by the Audit and Control Committee, the Board of Directors submits the following resolution for approval of the shareholders at the General Shareholders Meeting:

To re-elect the firm Ernst & Young, S.L., with registered office in Madrid, at Plaza Pablo Ruiz Picasso, 1 and Tax Identification Code (*C.I.F.*) B-78970506, as Auditor of Telefónica, S.A. and its Consolidated Group of Companies for fiscal year 2016.

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Telefónica, S.A.

Proposal regarding Item VI on the Agenda: Appointment of the Auditor for fiscal years 2017, 2018 and 2019.

After conducting a selection process in an impartial, transparent and non-discriminatory manner, pursuant to applicable regulations, and from among the Audit Firms participating in such process, the Board of Directors, taking into account the preference expressed by the Audit and Control Committee submits the following resolution for approval of the shareholders at the General Shareholders Meeting:

To appoint PricewaterhouseCoopers Auditores S.L, with registered office at Madrid, Torre PWC, Paseo de la Castellana 259 B and Tax Identification Code (C.I.F.) B-79031290 as Auditor of Telefónica, S.A. and its Consolidated Group of Companies, for fiscal years 2017, 2018 and 2019

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Telefónica, S.A.

Proposal regarding Item VII on the Agenda: Approval of a reduction in share capital by means of the cancellation of shares of the Company's own stock, excluding the right of creditors to object, subject to effective receipt of the proceeds from the closing of the sale of Telefónica's operations in the United Kingdom (O2 UK).

(A) To reduce the share capital of Telefónica, S.A. (the **Company**) by the amount of 74,627,988 euros, by means of the cancellation of 74,627,988 shares of the Company held as treasury stock (representing, approximately, 1.5% of the Company's current share capital).

The reduction in share capital does not entail a return of contributions to the shareholders, since the Company itself is the owner of the cancelled shares, and is made with a charge to unrestricted reserves, by means of the funding of a reserve for cancelled share capital in an amount equal to the par value of the cancelled shares (i.e. in the amount of 74,627,988 euros), which may only be used in compliance with the same requirements as those established for the reduction of share capital, by application of the provisions of Section 335. c) of the Companies Act.

Accordingly, as laid down in such section, the creditors of the Company will not have the right to oppose the reduction mentioned in Section 334 of the Companies Act in connection with the approved reduction in share capital.

It is hereby stated for the record, in order to comply with the provisions of Section 411.1 of the Companies Act, that the consent of the bondholders' syndicate for the outstanding issues of debentures and bonds is not required, since the approved capital reduction does not reduce the original ratio between the sum of capital plus reserves and the amount of the debentures pending repayment.

The effectiveness of this resolution is subject to the condition precedent of effective receipt of the proceeds from the closing of the sale to Hutchinson Whampoa Group of the Telefónica Group's operations in the United Kingdom (Telefónica UK Limited).

B) To authorize the Board of Directors, within one year from the date of adoption of this resolution, and once the condition precedent referred to in section A) above has been fulfilled, to determine the other matters that have not been expressly established in this resolution or that are a result thereof, to declare the fulfillment of the condition precedent by means of a mere statement -without the need to provide documentary evidence of such fulfillment- and to adopt the resolutions, take the actions, and execute the public or private documents that may be necessary or appropriate for the full implementation of this resolution, including, without limitation, the publication of the legally required notices, the making of the appropriate applications and the giving of the appropriate notices required to delist the cancelled shares. The delegation comprises the power for amending article 6 of the By-Laws, regarding share capital.

Also, to authorize the Board of Directors to waive the condition precedent referred to in section A) above, in which case this condition shall be deemed not established and the agreement will deploy all its effectiveness from the time of such waiver.

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The Board of Directors is expressly authorized to in turn delegate to the Executive Commission or the Executive Chairman of the Board of Directors the powers referred to in this resolution, without prejudice to the powers that may be granted to any person for specific acts of execution.

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Telefónica, S.A.

Proposal regarding Item VIII on the Agenda: Shareholder compensation.

VIII.1 Distribution of dividends in the first half of 2016 with a charge to unrestricted reserves.

To approve a distribution of cash dividends with a charge to unrestricted reserves through the payment of the fixed amount of 0.40 euros to each of the existing and outstanding shares of Telefónica, S.A. entitled to participate in such distribution on the date of payment.

Payment will be made on May 19, 2016 through the participants in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR).

VIII.2 Shareholder compensation in the second half of 2016 via scrip dividend. Approval of an increase in share capital with a charge to reserves by such amount as may be determined pursuant to the terms and conditions of the resolution, through the issuance of new ordinary shares having a par value of one euro and with provision for incomplete allocation. Offer to the shareholders to purchase their free allotment rights at a guaranteed price.

The implementation of the increase in share capital is subject to the condition of effective receipt of the proceeds from the closing of the sale of Telefónica's operations in the United Kingdom (O2 UK) not having been previously carried out. If the effective receipt of the proceeds from the closing of the sale has been carried out, instead of the increase in share capital and the scrip dividend, a distribution of dividends with a charge to unrestricted reserves will be carry out.

1.- Capital increase with a charge to reserves

The share capital is increased by the amount resulting from multiplying (a) the nominal value of one euro per share of Telefónica, S.A. (the **Company**) by (b) the number of new shares of the Company to be determined using the formula indicated under item 2 below (the **New Shares**).

The capital increase is carried out by means of the issuance and flotation of the New Shares, which will be ordinary shares, having a nominal value of one euro each, of the same class and series as those that are currently outstanding, represented by book entries.

The capital increase is carried out in its entirety with a charge to one of the reserves provided for in Section 303.1 of the Companies Act (*Ley de Sociedades de Capital*).

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The New Shares are issued at par, i.e., at their nominal value of one euro, without a share premium, and will be allotted without charge to those shareholders who exercise their free allotment rights.

Pursuant to the provisions of Section 311 of the Companies Act, provision is made for the possibility of an incomplete allotment of the Capital Increase, in the event that the Company, a company within its Group or a third party waives all or part of the free allotment rights to which they are entitled at the time of implementation of the increase. In the event of such incomplete allotment, the share capital will be increased by the corresponding amount

2.- New Shares to be issued

The number of New Shares will be the number that results from the application of the following formula, with the resulting number being rounded downwards to the next lower integer:

$$\text{NAN} = \text{NTAcc} / \text{Number of Rights}$$

where

NAN is the Number of New Shares to be issued;

NTAcc is the number of shares of the Company on the date on which the Board of Directors, resolves to implement the capital increase; and

Number of Rights is the number of free allotment rights required for the allotment of one New Share, which number will result from the application of the following formula, with the result being rounded to the next higher integer:

$$\text{Number of Rights} = \text{NTAcc} / \text{Provisional number of shares}$$

where

$$\text{Provisional number of shares} = \text{Reference Amount} / \text{PreCot.}$$

For these purposes:

Reference Amount will be the reference market value of the capital increase, which will result from the application of the following formula:

$$\text{Reference Amount} = \text{NTAcc} \times 0.35 \times \text{PreCot} / (\text{PreCot} - 0.35)$$

with a maximum in any case of 1,850,000,000 euros.

PreCot is the arithmetic mean of the average weighted listing prices of the Company's Shares on Spanish Automated Quotation System (*Sistema de Interconexión Bursátil*) in the five trading sessions closed prior to the resolution of the

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Board of Directors, to implement the capital increase, rounded up or down to the closest one-thousandth part of a euro and, in the case of half of one thousandth of a euro, rounded to the next higher one thousandth part of a euro. In any event, PreCot may not be less than the nominal value of the shares, such that if the result of such calculation is less, PreCot shall be equal to one euro.

3.- Free allotment rights

Each share of the Company will grant its holder one free allotment right.

The number of free allotment rights required to receive one New Share will be automatically determined according to the ratio existing between the number of New Shares and the number of shares of the Company (NTAcc).

Specifically, the shareholders will be entitled to receive one New Share for as many free allotment rights, determined as provided in Section 2 above (Number of Rights), as are held by them.

In the event that (i) the number of free allotment rights required for the allotment of one share (Number of Rights) multiplied by the number of New Shares (NAN) results in a number that is lower than (ii) the number of outstanding shares (NTAcc), the Company, or an entity within its Group, will waive a number of free allotment rights equal to the difference between both figures, for the sole purpose that the number of New Shares be a whole number and not a fraction.

The free allotment rights will be allotted to the shareholders who appear as being entitled thereto in the book-entry records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) on the relevant date, in accordance with applicable rules governing the clearing and settlement of securities.

The free allotment rights may be traded on the Spanish continuous market during such term as may be determined by the Board of Directors, which term will not be less than fifteen calendar days. During the period for trading the free allotment rights, a sufficient number of free allotment rights may be acquired on the market in the proportion required to subscribe for New Shares.

4.- Irrevocable commitment to purchase the free allotment rights

The Company, or such company of its Group as may be determined, will assume an irrevocable commitment to purchase the free allotment rights at the price set forth below (the **Purchase Undertaking**).

The Purchase Undertaking will be in effect during such term, within the period for trading the rights, as is established by the Board of Directors. For such purpose the Company, or the corresponding company of its Group, is authorized to acquire such free allotment rights up to the maximum limit of the total number of rights issued, in all cases with due observance of any applicable legal restrictions.

The **Purchase Price** of each free allotment right under the Purchase Undertaking shall be the amount that results from the following formula, rounded up or down to the closest one thousandth part of a euro and, in the case of one-half of one thousandth of a euro, to the next higher one thousandth part of a euro:

$$\text{Purchase Price} = \text{PreCot} / (\text{Number of Rights} + 1)$$

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The Company may acquire the free allotment rights pursuant to the Purchase Undertaking in whole or in part with a charge to one of the reserves provided for in Section 303.1 of the Companies Act.

5.- Balance sheet for the transaction and reserve to which the increase will be charged

The balance sheet used as the basis for the transaction is the balance sheet for the fiscal year ended December 31, 2015, duly audited and approved by the shareholders at this General Shareholders Meeting.

As noted above, the capital increase is made in its entirety with a charge to one of the reserves provided for in Section 303.1 of the Companies Act. When implementing the increase, the Board of Directors, will determine the reserve to be used and the amount thereof in accordance with the balance sheet used as the basis for the transaction.

6.- Representation of the New Shares

The New Shares will be represented by book entries, the book-entry registration of which is entrusted to *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (IBERCLEAR) and its participating entities.

7.- Rights carried by the New Shares

Holders of the New Shares will have the same voting and dividend rights as the holders of the ordinary shares of the Company that are currently outstanding, from the date on which the capital increase is declared to be subscribed and paid in.

8.- New Shares on deposit

Once the period for trading the free allotment rights has ended, the New Shares that could not be allotted for reasons not attributable to the Company will be held on deposit for those who provide evidence that they are the lawful holders of the corresponding free allotment rights.

Upon the passage of three years from the end of the period for trading the free allotment rights, the New Shares that are still pending allotment may be sold in accordance with the provisions of Section 117 of the Companies Act, for the account and risk of the interested parties. The net proceeds from such sale will be deposited with the Bank of Spain (*Banco de España*) or with the Government Depository (*Caja General de Depósitos*) at the disposal of the interested parties.

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9.- Application for admission to official trading

Application will be made for admission of the New Shares issued to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Spanish Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market), with the taking of such steps and actions as are required or appropriate and the submission of the required documents to the appropriate bodies of the foreign Stock Exchanges on which the shares of the Company are listed (currently London and Buenos Aires and, through American Depositary Shares (ADSs), New York and Lima) in order for the New Shares to be admitted to trading, with an express statement for the record of the Company's submission to the rules that may now or hereafter exist with respect to Stock Exchange matters, and especially regarding trading, continued listing on and delisting from official markets.

It is expressly stated for the record, for appropriate legal purposes, that in the event of a subsequent request for delisting of the Company's shares, such delisting will be carried out with such formalities as apply thereto and, in such event, the interests of the shareholders opposing or not voting on the resolution to delist will be safeguarded, in compliance with the requirements set out in applicable laws and regulations.

10.- Implementation of the increase

Within a period of one year from the date of this resolution, the Board of Directors may resolve, if it so deems appropriate, to implement the increase and set the terms and conditions thereof as to all matters not provided for in this resolution.

However, it is expected that the free allocation rights derived from the increase in share capital will be allocated to the Telefónica, S.A.'s shareholders who appear as entitled thereto in the book-entry records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR) on November 16, 2016.

For these purposes, it is expected that at a Board of Directors's meeting, which will take place no later than November 11, 2016, the necessary corporate decisions are adopted to carry out the implementation of the capital increase released, relating to the shareholder compensation in the via scrip dividend. In this way, the five trading sessions prior to the aforementioned meeting will determine the listing price that applies to the formula for fixing the purchase price of the free allocation rights and the provisional number of shares to issue.

If the Board of Directors does not deem it advisable to implement the capital increase, it may decide not to implement it, in which case it must report such decision to the shareholders at the next General Shareholders' Meeting held. The capital increase to which this resolution refers will be deprived of any and all effect in the event that the Board of Directors does not exercise the powers delegated thereto within the aforementioned period of one year.

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Once the period for trading the free allotment rights has ended:

(a) The New Shares will be allotted to the holders of the free allotment rights, according to the records maintained by IBERCLEAR and its participating entities, in the proportion resulting from section 3 above.

(b) The Board of Directors, will declare the period for trading the free allotment rights to have ended and will formalize the appropriation of an amount of reserves equal to the amount of the capital increase, with which appropriation such capital increase will thus be fully paid in.

Likewise, once the period for trading the free allotment rights has ended, the Board of Directors will adopt the resolutions required to amend the By-Laws in order to reflect the new amount of share capital resulting from the increase, and to apply for admission of the New Shares to listing on the Spanish and foreign Stock Exchanges on which the shares of the Company are listed.

11.- Condition. Distribution of dividends with a charge to reserves

If the effective receipt of the proceeds from the closing of the sale to a Hutchison Whampoa Group of the Telefónica Group's operations in the United Kingdom (Telefónica UK Limited) takes place prior to the Board of Directors decision of implementation of the increase in capital contemplated in this resolution, the increase will be deprived of effect.

If that is the case, a distribution of dividends with a charge to unrestricted reserves is hereby approved through the payment of the fixed amount of 0.35 euros to each of the existing and outstanding shares of Telefónica, S.A. entitled to participate in such distribution on the date of payment.

Payment will be made on November 17, 2016 through the participants in Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR).

12.- Delegation of powers for implementation of the increase

Delegation is made to the Board of Directors of the power to declare the resolution providing for the increase in capital to be ineffective in the event that the effective receipt of the proceeds from the closing of the sale to Hutchison Whampoa Group of the Telefónica Group's operations in the United Kingdom (Telefónica UK Limited) takes place prior to the implementation of such increase, and otherwise, of the power to set the terms and conditions of the capital increase as to all matters not provided for in this resolution, pursuant to the provisions of Section 297.1.a) of the Companies Act.

In particular, and by way of example only, the following powers are delegated to the Board of Directors, with express power of substitution:

1.- To set the date on which the Capital Increase is to be carried out, which shall be within a period of one year from approval thereof, and to determine the reserves, from among those listed in Section 303.1 of the Companies Act, with a charge to which such increase will be implemented.

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- 2.- To set the reference date and time for allotment of the free allotment rights and the duration of the period for trading the free allotment rights, which shall not be less than fifteen calendar days.
- 3.- To determine the exact amount of the capital increase, the number of New Shares and the free allotment rights needed for the allotment of New Shares, applying the rules established in this resolution for such purpose.
- 4.- To establish the terms and conditions of the Purchase Undertaking.
- 5.- To amend article 6 of the By-Laws regarding the share capital to bring it into line with the result of the capital increase.
- 6.- To waive the free allotment rights held by the Company or the respective company of its Group at the end of the period for trading such rights as a result of the Purchase Undertaking and, thus, the New Shares corresponding to such rights.
- 7.- To waive free allotment rights, if appropriate, for the sole purpose of facilitating the number of New Shares being a whole number and not a fraction.
- 8.- To declare the capital increase to be closed and implemented.
- 9.- To take all steps required for the New Shares resulting from the capital increase to be included in the book-entry records of IBERCLEAR and admitted to listing on the Spanish and foreign Stock Exchanges on which the Company's shares are listed, in accordance with the procedures established at each of such Stock Exchanges.
- 10.- To take all such actions as are necessary or appropriate to implement and formalize the capital increase with any public or private entities or agencies, whether domestic or foreign, including acts for purposes of representation or supplementation or to cure defects or omissions that might prevent or hinder the full effectiveness of the foregoing resolutions.

The Board of Directors is expressly authorized to in turn delegate to the Executive Commission or the Executive Chairman of the Board of Directors, the powers referred in this resolution, without prejudice to the powers that may be granted to any person for specific acts of execution.

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Translation from Spanish for informational purposes only. In the event of a conflict, the Spanish version prevails.

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Telefónica, S.A.

Proposal regarding Item IX on the Agenda: Delegation of powers to formalize, interpret, correct and carry out the resolutions adopted by the shareholders at the General Shareholders Meeting.

To authorize, on a several basis, the Executive Chairman of the Board of Directors, the Secretary of the Board of Directors and the Vice Secretary of the Board of Directors, such that, without prejudice to any other delegations included in the foregoing resolutions and any powers of attorney to convert existing resolutions into public instruments, any of them may formalize and implement the foregoing resolutions, with the power for such purpose to execute the public or private documents that may be necessary or appropriate (including documents for purposes of interpretation, clarification, further development, supplementation, correction of errors and curing of defects) for the most correct performance thereof and for the registration thereof, to the extent required, with the Commercial Registry (*Registro Mercantil*) or any other public registry, as well as to deposit the accounts of the Company and its Group.

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Translation from Spanish for informational purposes only. In the event of a conflict, the Spanish version prevails.

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Telefónica, S.A.

Proposal regarding Item X on the Agenda: Consultative vote on the 2015 Annual Report on Directors Remuneration.

To approve, on a consultative basis, the Annual Report on Directors Remuneration for fiscal year 2015.

It is hereby stated for the record that the full text of such Report has been made available to the shareholders, along with the other documentation relating to this General Shareholders Meeting, since the date of the call to meeting.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Telefónica, S.A.

Date: May 12, 2016

By: /s/ Ramiro Sánchez de Lerín García- Ovies
Name: Ramiro Sánchez de Lerín García- Ovies
Title: General Secretary and Secretary to the Board of
Directors