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THE APPOINTMENTS AND
REMUNERATION COMMITTEE

24 April 2024

**2025-2027 Directors'
Remuneration Policy of
Redeia Corporación, S.A.**

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I. REPORT

I.1 Background

The Ordinary General **Shareholders' Meeting** held on 29 June **2021 approved the directors' remuneration policy** of Redeia Corporación, S.A.¹ (hereinafter referred to as the "Entity", the "Company" or "**Redeia Corporación**"). The **valid term** of such policy encompasses the financial years 2022, 2023 and 2024.

Section 1 of Article 529 *novodecies* of Act 5 of 12 April 2021, which amended the Redrafted Text of the Spanish Capital Companies' Act², stipulates that the Directors' remuneration policy must be approved before the end of the last financial year the previous policy is applicable and will remain in force for a maximum term of three financial years.

Considering the above, the Redeia Corporación Appointments and Remuneration Committee has agreed to propose to the Board of Directors, at the time the next Ordinary General Shareholders' Meeting is called in 2024, the **approval of a new remuneration policy of the Directors of Redeia Corporación** (hereinafter, the "**Remuneration Policy**" or "**the Directors' Remuneration Policy**") for the **financial years 2025, 2026 and 2027**, for submission to the General Shareholders' Meeting for approval.

As part of the process for determining the Remuneration Policy proposed for approval by the Company's General Shareholders' Meeting, the Appointments and Remuneration Committee has considered numerous internal and external perspectives to assess the level of suitability of the Remuneration Policy for its purpose. Among other aspects, the Committee considered its level of alignment with all the stakeholders, particularly, the Company's shareholders, the priorities set out in the Strategic Plan in force at all times of the Redeia Corporación, S.A. and its subsidiaries (hereinafter "**Redeia**" or "**Group**") and its long-term sustainability commitment.

The **new Remuneration Policy** is an **absolute continuation of that in force, and no changes are proposed**. This report is drawn up according to the provisions in the Spanish Capital Companies' Act, which stipulates that the approval of the Directors' remuneration policy is an obligation of the General Shareholders' Meeting, as a separate item on the Agenda. The Spanish Capital Companies' Act stipulates that the proposal of the Board of Directors for the Directors' remuneration policy must be justified and must include a specific report issued by the Appointments and Remuneration Committee. Both documents must be posted on the company's website when the General Shareholders' Meeting is called and the shareholders are expressly entitled to request that such documents be delivered or handed over free of charge; this right must be expressly stated in the call notice for the General Shareholders' Meeting.

¹ On the date of approval of the Directors' remuneration policy by the Ordinary General Shareholders' Meeting, the company was called "Red Eléctrica Corporación, S.A."

² Law 5/2021 of 12 April, which modifies the consolidated text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July, and other financial regulations, regarding the promotion of shareholders' long-term involvement in listed companies.

This document is the **legal Report with due grounds justifying the proposal for the Directors' Remuneration Policy** as detailed below and will be presented for the approval of the Board of Directors to be submitted to the Ordinary General Shareholders' Meeting of 2024.

Pursuant to the provisions in Article 24 of the Corporate Bylaws and Article 18 of the Board of Directors' Regulations, the Appointments and Remuneration Committee is assigned, *inter alia*, the duties of proposing the Directors' remuneration policy to the Board of Directors, supervising observation of its compliance and, if need be, its updating.

The Board of Directors of Redeia Corporación has voluntarily submitted the annual remuneration of the Board of Directors since 2007 and the Annual Report on Remuneration of Directors since 2010 for the **binding approval** of the Ordinary General Shareholders' Meeting. Redeia Corporación has also submitted the Directors' Remuneration Policy since 2015 for the approval of the General Shareholders' Meeting, after this was expressly stipulated in the Spanish Capital Companies' Act. Continuing along the same lines, it is proposed that the **Director's remuneration** for all the items, for **2024**, the **2025-2027 Directors' Remuneration Policy** and the **Annual Report on Remuneration of Directors** for financial year **2023**, are **submitted for approval** as separate and independent items on the Agenda of the General Shareholders' Meeting of 2024.

In this way, Redeia Corporación maintains its level of alignment with the best corporate governance practices, which are aimed at providing the shareholders with sufficient autonomy and independent judgement to individually and separately vote on each of the different kinds of resolutions that fall within the competence of the General Shareholders' Meeting.

I.2 Grounds for the Directors' Remuneration Policy

The proposed Directors' Remuneration Policy, as set forth below, is based on the following **grounds**, in line with those in the Remuneration Policy in force up to 2024:

- a) The Group's **performance**.
- b) The value of the **contribution by the position and the person** both to the Company and Redeia, and the shareholders.

- c) The following **general principles and internal criteria**:
- The quality and commitment of Redeia Corporación's human resources are essential to ensure the successful execution of the Redeia's strategies and, with this in mind, any remuneration policy and practices are applied to the Board of Directors and the senior executives to attract, motivate and retain the best professionals.
 - Balance and moderation.
 - Alignment with the Redeia's strategy, including the strategic commitment to its long-term sustainability.
 - Alignment with the effective time spent, responsibility and performance of duties.
 - The remuneration policies and practices guarantee non-discrimination of any kind, *inter alia*, based on gender, age, culture, religion or race.
 - Alignment with the remuneration applied by comparable companies.
 - Transparency.
 - Submitting any decision related to the Directors' remuneration to the approval of the General Shareholders' Meeting.
- d) **Internal equity**.
- e) The **guidelines and recommendations of shareholders and institutional investors and proxy advisors**, along with the information received from them in the regular engagement process conducted by the Company. Also, the reasons that support the results of the votes at the Ordinary General Shareholders' Meeting of the Company relating to the Annual Report on Remuneration of Directors in the last two financial years (7.032% and 3.378% of votes against in 2022 and 2023, respectively) and those relating to the Directors' Remuneration Policy approved on 29 June 2021 (6.051% of votes against).
- f) The **market data** obtained in the analyses of companies comparable to Redeia Corporación. These analyses are performed on a regular basis to check the adequacy and moderation of its remuneration with the market.
- g) The provisions in Redeia Corporación's **corporate rules** (the Corporate Bylaws and the Board of Directors' Regulations) and the principles determined in the Corporate Governance Policy approved by the Company's Board of Directors at its meeting held on 24 November 2020, and posted on the corporate website.
- h) The applicable **regulations**. The Appointments and Remuneration Committee has verified that the new Directors' Remuneration Policy is suitable according to that stipulated, in general terms, for capital companies in section 4 of Article 217 of the Spanish Capital Companies' Act, which states the following:

“The directors’ remuneration must in all cases be in a reasonable proportion to the company’s importance, its economic situation from time to time and the market standards of comparable companies. The remuneration system applied must be aimed at promoting the company’s long-term profitability and sustainability and must include the necessary precautions to avoid excessive risk being undertaken and compensation of unfavourable results.”

As previously anticipated, the Appointments and Remuneration Committee and the Board of Directors, in the annual review of the Directors’ Remuneration Policy, have conducted the usual **analysis of comparable companies** to Redeia to ensure the suitability and moderation of their remuneration compared with the market. To determine the relevant parameters and amounts, the Company obtains remuneration benchmarking conducted by consulting firms of recognised international prestige and presence on the market.

Specifically, as part of the decision-making process to determine the remuneration of the **non-executive Chairwoman of the Board of Directors** from the financial year 2025, inclusive, a comparative analysis has been conducted of the remuneration of the position of non-executive chairpersons on the selective **Ibex-35** index, where Redeia Corporación is listed.

The main **conclusions** drawn from the analysis related to the non-executive Chairperson of the Board of Directors in the financial year 2024 are as follows:

- The remuneration of non-executive Chairpersons on the Ibex-35 consists of fixed components, which do not depend on business targets.
- There is a very great difference in the amounts observed on the market. Specifically, the 25th percentile amounts to EUR 343 thousand, the median to EUR 618 thousand and 75th percentile to EUR 778 thousand. The **remuneration at Redeia Corporación** (EUR 546 thousand, according to the Remuneration Policy in force in 2024) **is positioned** at the 44th percentile, **slightly below the market’s median**.
- In particular, qualitative issues related to the specific person that holds such position are taken into account in order to determine the remuneration, such as, *inter alia*, the time spent, experience, knowledge, critical aspects at historic times, the importance of the position from an institutional standpoint, etc. as well as the importance of the corporate duties assigned thereto in Redeia.

In addition, for the purpose of reviewing the suitability of the **Directors’** remuneration levels **(for their non-executive duties)** and to ensure they are in a reasonable proportion to the Entity’s importance, its economic situation from time to time and the market standards of comparable companies, the Appointments and Remuneration Committee and the Board of Directors considered, among other factors, an analysis of external competitiveness conducted in 2024. The selected peer group was comprised of companies belonging to the Ibex-35 stock exchange index, in the same way as in previous years, since Redeia Corporación belongs to this index and is positioned at about the median thereof for market capitalisation. The remuneration of the Company’s non-executive Directors sits between the median and the **average of the peer group** (Ibex-35), in the same way as in previous years.

Likewise, as part of the decision-making process to determine the remuneration of the **Chief Executive Officer** (lead executive), who has all the executive duties assigned, a benchmarking of the remuneration compared with **three peer groups** has also been conducted, in line with the analyses conducted in previous years, as follows:

- A peer group formed by companies listed on the **Ibex-35**, an index on which Redeia Corporación is listed.
- An **ad-hoc** comparison group formed by companies selected based on the same criteria applied to the remuneration analysis conducted in recent years for the lead executive. These criteria are as follows:
 - Geographic scope: Companies with registered headquarter in Spain.
 - Scope of responsibility: Listed companies belonging to either Ibex-35, the main Spanish selective index in which Redeia Corporación is listed, or Ibex Medium Cap.
 - Dimension factors: A group of companies with a revenue range of between 40% and 250% of the Redeia's revenue was selected. Factors, such as market capitalisation, total assets and number of employees were also considered.
 - Business sector: Multi-industry. The companies were excluded from the set of companies that meet the previous criteria if their business is considerably different to that of Redeia, such as banking institutions.

In the analysis carried out in 2024, this group consists of the following 11 companies: Acciona Energía, Almirall, Applus, Cellnex, CIE Automotive, Ebro Foods, Enagás, Fluidra, Indra, Meliá Hotels and Viscofan.

- A peer group formed by **European energy companies**, which both the Company and the proxy advisor, Institutional Shareholder Services ("ISS"), consider to be comparable with Redeia Corporación in terms of dimension (revenues) and that are important in the sector in terms of the evolution in their performance.

In the analysis carried out in 2024, this group consists of the following 14 companies: BKW, Électricité de Strasbourg, Elia, Enagás, Energiedienst, EVN, Interpump, Pennon, Terna, REN, Severn Trent, Snam, United Utilities and Verbund.

The main **conclusions** drawn from the analysis related to the position of Chief Executive Officer (lead executive) are as follows:

- Bearing in mind the principle of moderation and prudence in remuneration and the general relative positioning of Redeia Corporación compared with the peer groups, the desired target positioning in remuneration terms would be around the **25th percentile** of the market benchmarks, which is the same as what has been considered in the previous Director's Remuneration Policies of the Company.
- The target **total remuneration** of Redeia Corporación's Chief Executive Officer (the sum of the Fixed Remuneration, Annual Variable Remuneration, annualised Multi-year Variable Remuneration, Long-Term Savings Scheme and Remuneration as a member of the Board of Directors) is placed, in general terms, **below the desired target positioning** of 25th percentile. In particular, it is positioned at the minimum of the Ibex-35 peer group, the minimum of the ad-hoc peer group and around the 25th percentile of the peer group of European energy companies. This is mainly explained by the following two factors:
 - Redeia Corporación's Fixed Remuneration is positioned at the minimum or below the 10th percentile of the peer groups. Other remuneration components (Annual and Multi-year Variable Remuneration, and contribution to the Long-Term Savings Scheme) are determined as a percentage of the Fixed Remuneration and are hence also affected by this positioning.
 - The Multi-year Variable Remuneration, defined as an absolute amount, is positioned below the market benchmarks. Also, the **weight** of the **long-term incentive** and the component in **shares** on target total remuneration is **lower than** that observed on the **market**.

In any case, the Board of Directors, upon proposal of the Appointments and Remuneration Committee may propose to the General Shareholder's Meeting in the future measures to allow adjustment of the remuneration of both offices to the size and relevance of the Entity and Redeia, their economic situation, comparability, profitability and sustainability, pursuant to the previous criteria as well as to the desired remuneration positioning all within the framework of the Directors' Remuneration Policy in force at any given time.

I.3 Valid term

The Remuneration Policy will come into force on 1 January 2025 and will remain in force in the years 2025, 2026 and 2027, notwithstanding the adaptations or updates that, if any, are made by the Board of Directors pursuant to the contents of the Policy and the amendments that may be approved by General Shareholders' Meeting of Redeia Corporación from time to time.

II. PROPOSAL FOR A RESOLUTION

To submit the following proposal for the Directors' Remuneration Policy of Redeia Corporación, S.A. for the approval of the Ordinary General Shareholders' Meeting held in 2024, as a separate item on the Agenda thereof.

THE DIRECTORS' REMUNERATION POLICY OF REDEIA CORPORACIÓN, S.A.

Introduction

This document includes the proposed Directors' Remuneration Policy of Redeia Corporación, S.A. (hereinafter referred to as the **"Entity"**, the **"Company"** or **"Redeia Corporación"**), which will be submitted to a binding vote of the General Shareholders' Meeting of 2024 as a separate item on the Agenda and that will be valid as of 1 January 2025, since the Directors' Remuneration Policy approved by the Ordinary General Shareholders' Meeting held on 29 June 2021 will expire at the end of 2024 (hereinafter, the **"Remuneration Policy"** or the **"Directors' Remuneration Policy"**).

Redeia Corporación, within its commitment to consult and listen permanently to its shareholders, maintains a constant and transparent dialogue with them to know, among other matters, their opinion about the Remuneration Policy and to assess the modifications that are appropriate to introduce. The Appointments and Remuneration Committee receives timely information on the comments and opinions of shareholders and incorporates them into the process of determining and applying the Remuneration Policy.

In the reflection process carried out by the Appointments and Remuneration Committee to prepare this Policy, it has also considered the results of the votes relating to the Annual Report on Remuneration of Directors in the last two financial years (7.032% and 3.378% of votes against in 2022 and 2023, respectively) and those relating to the Directors' Remuneration Policy approved on 29 June 2021 (6.051% of votes against). Therefore, in preparing this Remuneration Policy, the Appointments and Remuneration Committee has taken into account the following factors:

Internal Factors	External Factors
<ul style="list-style-type: none">• Linkage to the priorities included in the Strategic Plan in force at all times, including sustainability priorities.• Short- and long-term business objectives.• Redeia's performance.• Respect for Redeia's consolidated practice of salary moderation, as the primary principle.	<ul style="list-style-type: none">• The information received from institutional investors and proxy advisors in the regular engagement process conducted by Redeia, as well as the general recommendations on good governance. Also, the voting results on the current Remuneration Policy and the previous Annual Remuneration Reports on Directors.

Internal Factors	External Factors
<ul style="list-style-type: none"> • The degree of adequacy of total remuneration to reward the value of the position and individual contribution to both Redeia and shareholders. • The alignment of the Remuneration Policy with the remuneration conditions of senior executives and employees as a whole. In particular, the alignment with the vectors and lines of action established in the Comprehensive Diversity Plan has been reviewed, which facilitate and support full inclusion and commitment to talent. 	<ul style="list-style-type: none"> • The market practice in companies relevant to Redeia because they are competitors by business or talent and the positioning of the remuneration in Redeia with respect to these peers. • National and international corporate governance regulations and general recommendations.

As a result of all the above considerations, **the new Remuneration Policy is a continuation of the previous one**, without incorporating significant changes.

The remuneration and its corresponding amounts included in this Remuneration Policy are deemed in all cases as gross amounts. Each Director will bear the applicable withholding or payment on account of personal income tax (referred to by its initials in Spanish IRPF).

Apart from the remuneration contemplated in this Remuneration Policy, the Directors of the Company could receive remuneration, if applicable, from other companies in Redeia (hereinafter **“Redeia” or the “Group”**) for being members on the Board of Directors of such companies. This remuneration will be subject to the corresponding legal and statutory requirements applicable to each of these companies and there will be fully disclosed information of it being received by the Directors in the corresponding Annual Report on Remuneration of Directors of the Company.

1. The remuneration principles and practices

The quality and commitment of the members of the Board of Directors and senior executives of Redeia Corporación are essential to ensure the successful execution of Redeia’s strategies and, with this in mind, the Appointments and Remuneration Committee draws up and proposes the Remuneration Policy which includes certain general remuneration principles and practices applicable to the Board of Directors and, if applicable, to the senior executives to suitably remunerate the best professionals.

The general principles on which the Directors' Remuneration Policy is based are as follows:

	Executive Director (Chief Executive Officer)	Non-executive Directors
Alignment of the Remuneration Policy with the strategy of the Company and Redeia	●	●
Balance and moderation	●	●
Maintaining a reasonable balance between the different components of the fixed remuneration (short-term) and variable remuneration (annual and long-term) that shows that the risks have been suitably undertaken combined with achievement of the defined targets related to creating sustainable value	●	
Pay equity. The remuneration policies and practices guarantee non-discrimination of all kinds, among others, based on gender, age, culture, religion or race	●	●
Transparency	●	●
Alignment with the practices required by the shareholders and investors and proxy advisors	●	●
Alignment with the remuneration determined by comparable companies	●	●
Consideration of the effective time spent on their duties	●	●
Link with the responsibility and performance of their duties as Directors	●	●
Lack of variable components in their remuneration to ensure their full independence compared with the remuneration of the executive Director (Chief Executive Officer) and the executive team		●
Motivating amount, without affecting their independence		●
Voluntarily submitting any decision related to the Directors' remuneration for the approval of the General Shareholders' Meeting	●	●

All the previous principles are coherent with the Company's Corporate Governance Policy approved by the Board of Directors at its meeting held on 24 November 2020 and posted on the corporate website.

In addition, such remuneration principles, in general terms, meet the requirements for capital companies in the Spanish Capital Companies' Act, regarding their suitability to the company's dimension and importance, its economic situation, comparability, profitability and sustainability and regarding excessive risks not being undertaken or unfavourable results not being compensated.

What we do	What we don't do
<p>Executive Director (Chief Executive Officer):</p> <ul style="list-style-type: none"> Reward based on career path, dedication and responsibility undertaken, consistent with Redeia's commitment to talent diversity, socio-labour inclusion and non-discrimination. Link the payment of a relevant part of the remuneration to the audited economic-financial results and to the results and progress in sustainability. Defer the receipt of a relevant part of the remuneration. Deliver a portion of the short- and long-term variable remuneration in Company shares. Require a holding period on the shares delivered, in whole or in part, as variable remuneration^(*). Include <i>malus</i> and clawback clauses applicable to the short- and long-term variable remuneration. Include severance payments for the termination of the legal relationship limited to one year of fixed and variable remuneration, for achieving 100% of the objectives. Regularly review the alignment of the total remuneration with comparable companies. Regularly obtain support from external advisors. <p>Non-executive Directors:</p> <ul style="list-style-type: none"> Link the remuneration with the effective time they spend, the responsibilities undertaken and performance of their duties as Directors. 	<p>Executive Director (Chief Executive Officer):</p> <ul style="list-style-type: none"> Guarantee increases in the fixed remuneration and payments of variable remuneration. Grant discretionary remuneration. Allow hedging of the value of the shares received in the holding period.^(*) <p>Non-executive Directors:</p> <ul style="list-style-type: none"> Participate in remuneration schemes linked to the Company's performance (they only receive a fixed remuneration). Participate in retirement plans or other social benefit schemes.

^(*)The holding period refers to the time after the vesting of shares that have been granted as remuneration during which they cannot be sold or be accessible.

2. The Remuneration Policy for the executive Director (Chief Executive Officer)

The components of the Remuneration Policy for the Chief Executive Officer are provided below. These are aligned with the remuneration system set out in the Corporate Bylaws:

2.1. Table related to the Remuneration Policy for the executive Director (Chief Executive Officer)

Table 1. Remuneration policy for the executive Director (Chief Executive Officer)

	Limits	Functioning
<p>Annual Fixed Remuneration</p> <p><i>Purpose: Reward the executive based on responsibility and professional career.</i></p>	<p>€399,170, no change compared with the previous Remuneration Policies.</p> <p>Standard general update:</p> <p>The Fixed Remuneration may be reviewed on an annual basis, according to the criteria approved from time to time by the Board of Directors, upon proposal from the Appointments and Remuneration Committee, <i>inter alia</i>, the development and consolidation in the position, evolution in the Company's performance, complexity of the business, geographic diversity, market benchmarks, etc.</p> <p>Although the updating will take place in the terms described above, the Appointments and Remuneration Committee must always provide justification for them.</p>	<p>The Annual Fixed Remuneration is calculated in accordance with his responsibility and leadership in the organisation and in line with the amount paid by comparable companies on the market.</p> <p>In certain exceptional cases, the Appointments and Remuneration Committee may appreciate, for example, the existence of a change in responsibility and/or development in the position and/or special needs for retaining or motivating the executive. Under these circumstances, the Committee may propose to the Board of Directors to apply ad-hoc increases. The underlying reasons will be explained in the relevant Annual Report on Remuneration of Directors.</p> <p>The Annual Fixed Remuneration is paid in cash.</p>
<p>Long-Term Savings Scheme</p> <p><i>Purpose: To offer a total remuneration package that is competitive with market practice.</i></p>	<p>Annual contribution:</p> <p>20% of the Annual Fixed Remuneration.</p>	<p>The defined contribution retirement scheme. The contingencies covered by this scheme are retirement, death and permanent disability.</p> <p>This scheme is funded through an insurance policy underwritten with an external insurer. The benefits consist of the economic rights corresponding to the beneficiary due to any of the contingencies arising covered by this scheme.</p> <p>In the event of termination of the relationship, the economic rights will be consolidated in favour of the Chief Executive Officer, unless the termination takes place due to misconduct or serious negligence thereby when performing the duties causing damages to the Company. Receiving any indemnity will be compatible with recognition of the economic rights in the retirement scheme.</p> <p>If new regulatory provisions are approved that imply the scheme should be reviewed, according to a proposal made by the Appointments and Remuneration Committee, the Board of Directors may make the relevant amendments to adapt it to the new regulations. If amendments are made, the reasons must be duly notified in the Annual Report on Remuneration of Directors.</p>
<p>Social Benefits</p> <p><i>Purpose: To offer a total remuneration package that is competitive with market practice.</i></p>	<p>Annual amount: €60,000.</p>	<p>An allowance in cash or in kind as social benefits.</p>

	Limits	Metrics	Functioning
<p>Annual variable remuneration</p> <p><i>Purpose:</i> To incentivise the achievement of the annual targets in line with the Redeia's Strategic Plan.</p>	<p>Target 75% of the Annual Fixed Remuneration.</p> <p>It is attained if 100% of the predetermined targets are achieved.</p> <p>Maximum 110% of the Target Incentive (82.5% of the Annual Fixed Remuneration).</p> <p>It is attained in the case of overachievement of the maximum pre-determined targets.</p>	<p>It is linked to achieving a combination of specific, pre-determined and quantifiable, quantitative and qualitative targets, aligned with the corporate interests and in line with the Redeia's Strategic Plan in force at all times. These targets may include, <i>inter alia</i>, economic-financial, business, operational and/or value-creation metrics, (for example, Net Profit, ROIC, Investments), as well as indicators linked to sustainability in their social, environmental and/or good corporate governance vectors (for example, Culture and People, projects to make progress in the Group's Sustainability Plan).</p> <p>In a scenario in which the target objectives are achieved, the qualitative targets imply a maximum weight of 30% of the overall incentive.</p>	<p>The Board of Directors, upon proposal of the Appointments and Remuneration Committee, approves the targets at the beginning of each financial year and assess their achievement at the end of the year.</p> <p>The performance scale, set at the beginning of each financial year, includes a minimum threshold below which no incentive is paid, a target level that corresponds to achieving 100% of the targets and a specific maximum level for each metric. The maximum incentive is only payable if it is determined that the targets set at the beginning of the financial year have been achieved and a level of overachievement has been reached, if applicable to the target. In any case, it is determined that the average weighted achievement of all the targets must be at least 70%. Otherwise no right whatsoever will be granted to receive the incentive, regardless of the individual achievement of each target.</p> <p>To propose the degree of achievement and the level of overall payment of the Annual Variable Remuneration to the Board, the Appointments and Remunerations Committee will consider the degree of achievement and the weighting of each of the objectives – individual and/or global – and the internal objective evaluation rules and procedures, established by the Company for its Directors, will be applied. For this assessment duty, the Committee is supported by the Economic and Financial Corporate Management that is responsible for the management control duty of Redeia and provides information about the individual and consolidated audited economic performance of Redeia.</p> <p>To ensure that the Annual Variable Compensation is effectively related to the professional performance of the beneficiaries, when determining the level of achievement of the targets, the positive or negative economic effects related to extraordinary events that could imply distortions in the results of the assessment, are eliminated.</p> <p>The Annual Variable Remuneration is paid by means of a combination of cash and/or Company shares and/or a long-term savings vehicle. If applicable, the number of shares will be equivalent to, at least, 25% of the Annual Variable Remuneration. The Chief Executive Officer undertakes a commitment with the Company, while he holds such position, to keep the shares received, net of applicable taxes, for at least five (5) years. If the General Shareholders' Meeting does not approve granting the Chief Executive Officer shares as remuneration or determines a maximum amount lower than that specified, an amount equivalent to the remuneration that cannot be paid in shares will be paid in cash.</p>
<p>Multi-year Variable Remuneration</p> <p><i>Purpose:</i> To reward the attainment of the long-term strategic priorities of Redeia, the sustainability of the Redeia's performance and the sustainable value creation for the shareholders.</p>	<p>Annualised Target Up to 50% of the annual Fixed Remuneration for each year in the Plan's performance period.</p> <p>Annualised Maximum 110% of the Target Incentive (55% of the Annual Fixed Remuneration for each year in the Plan's performance period).</p> <p>This remuneration may be applied as of 1 January 2026, since until 2025, inclusive, the Long-Term Incentive Plan for the Promotion of the Energy Transition, Reduction of the Digital Divide and Diversification is applicable.</p>	<p>The economic-financial, business and operational targets included in the Redeia's strategy, value creation targets for the shareholders and non-financial targets linked to the multi-year Sustainability Plans of Redeia (for example, promoting Connectivity, Innovation and Technology, Efficiency, People, Sustainability).</p> <p>Some of the metrics can be assessed on a relative basis by comparison of a peer group of competing companies.</p>	<p>The Board of Directors, upon proposal of the Appointments and Remuneration Committee, approves the targets before the beginning of the Plan. The incentive may be paid in cash and/or include the delivery of shares and/or be implemented through a long-term savings vehicle, provided that the objectives established for this purpose are met. The performance period shall be at least three (3) years.</p> <p>The performance scale, whose proposal is made by the Appointments and Remuneration at the beginning of the scheme, for approval by the Board, will include a minimum threshold below which no incentive is paid, a target level that corresponds to achieving 100% of the targets and a specific maximum level, if targets are exceeded. Intermediate levels will be calculated by linear interpolation. In any case, it is determined that the average weighted achievement of all the targets must be at least 70%. Otherwise no right whatsoever will be granted to receive the incentive, regardless of the individual achievement of each target.</p> <p>The Appointments and Remuneration Committee monitors the targets on an annual basis. Once the performance period has ended, the Board will agree the level of achievement and payment, upon proposal from the Appointments and Remuneration Committee. For this assessment duty, the Committee and the Board are supported by the Economic and Financial Corporate Management, responsible for the management control duty of Redeia, which provides information about the individual and consolidated audited economic performance of Redeia. The Committee and the Board also consider any related risk both for determining the targets and for assessing their achievement.</p> <p>When determining the level of achievement of the targets, the positive or negative economic effects related to extraordinary events that could imply distortions in the results of the assessment, are eliminated.</p> <p>The incentive payment, once the performance period has ended, may be made at one time or progressively over a period of more than one year.</p> <p>Shares derived from the Plan, net, where applicable, of applicable taxes, may be subject, in whole or in part, to a holding period.</p>

Due to the potential impact on the Redeia's strategic interests, the level of achievement of the targets to which the variable remuneration is linked is considered commercially sensitive information. Therefore, this will be disclosed and published in the corresponding Annual Report on Remuneration of Directors, as is the usual practice of the Company, once the year to which these targets are related has ended and once the assessment of the levels of achievement has been made by the Appointments and Remuneration Committee.

2.2. Other remuneration components of the Chief Executive Officer

The Chief Executive Officer's Remuneration Policy includes the Company granting loans, advance payments and guarantees in line with the policy for the Group's executives.

The Remuneration Policy of the executive Director also contemplates the participation in the remuneration systems that imply the delivery of the Company's shares or referenced to their value, with the prior express authorisation of the General Shareholders' Meeting and within the limits and conditions stipulated by the laws in force at any time.

In addition, the Chief Executive Officer will receive the remuneration corresponding thereto for the supervisory duties as a member of the Board of Directors, as described in Table 4 of this Remuneration Policy, for the items of "Fixed Remuneration" and "Remuneration for attending the Board of Directors' Meetings".

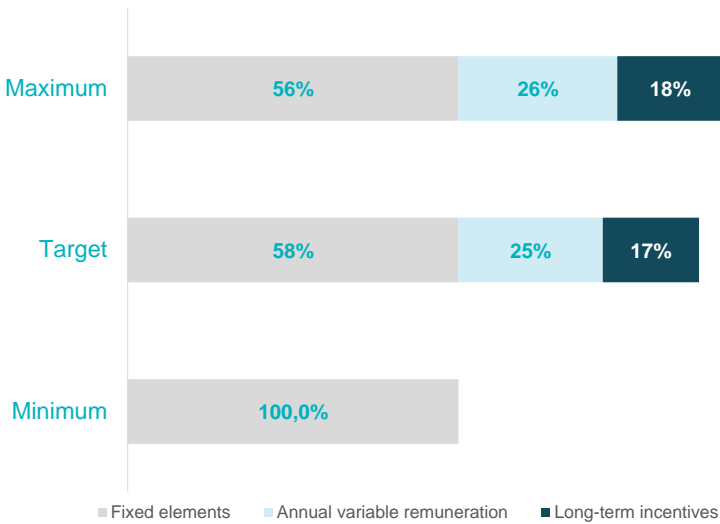
2.3. Remuneration mix of the Chief Executive Officer

The Chief Executive Officer has a fully flexible variable remuneration scheme, which is suitably in accordance with the performance achieved and that, if the pre-determined minimum achievement thresholds are not reached, the variable remuneration would be reduced to zero.

If the targets are exceeded, the weight of the short- and long-term variable remuneration will not exceed 50% of the total remuneration (considering that, for this purpose, this means the sum of the Annual Fixed Remuneration, the Long-Term Savings Scheme, Social Benefits, Remuneration of the Board, Annual Variable Remuneration and annualised Multi-year Variable Remuneration, excluding any potential fluctuation in the share price).

The following graph shows the possible remuneration scenarios (minimum, target and maximum) according to the following hypothesis:

Fixed Components	All the scenarios	Including the Annual Fixed Remuneration (the amount of EUR 399,170 is considered), Long-Term Savings Scheme, Social Benefits and Board's Remuneration.
Annual Variable Remuneration (excluding any potential fluctuation in the share price)	Minimum	No Annual Variable Remuneration is paid.
	Target	75% of the Annual Fixed Remuneration. It is attained if 100% of the pre-determined targets are achieved.
	Maximum	110% del <i>target</i> . Se alcanzará en caso de sobrecumplimiento máximo de los objetivos preestablecidos.
Multi-year Variable Remuneration (excluding any potential fluctuation in the share price)	Minimum	No Multi-year Variable Remuneration is paid.
	Target	50% of the Annual Fixed Remuneration for each year in the target performance period of the Plan.
	Maximum	110% of the target. It is attained if the maximum of the pre-determined targets is exceeded.



2.4. Ex-post control of the variable remuneration (Chief Executive Officer)

The Appointments and Remuneration Committee is responsible for proposing to the Board of Directors cancellation or reimbursement of the payment of the short or long-term variable remuneration by the relevant beneficiary or beneficiaries or responsible person or persons due to unexpected circumstances that prove the variable remuneration has been accrued or paid based on inaccurate or erroneous information or data or the corporate internal regulations or applicable law were infringed as subsequently proven. Furthermore, the Appointments and Remuneration Committee will decide whether, due to exceptional circumstances of this kind, the termination of the contractual relationship with the relevant beneficiary or beneficiaries or responsible person or persons can be proposed to the Board of Directors, also being able to propose that all the measures considered appropriate are adopted.

The Appointments and Remuneration Committee may propose to the Board of Directors that adjustments should be made to the components, criteria, thresholds and limits of the annual or multi-year variable remuneration due to exceptional circumstances caused by extraordinary internal or external factors or events. The details and justification for such adjustments will be recorded in the relevant Annual Report on Remuneration of Directors.

2.5. Contractual terms and conditions for the Chief Executive Officer

The contract regulating the duties and commitments of the Chief Executive Officer is of a commercial nature and includes the clauses that in practice are usually contained in these kinds of contracts.

Both tables below describe, as a summary, the main clauses of the aforementioned Chief Executive Officer’s contract:

Table 2. Severance pay in the case of termination of the contractual relationship

	Dismissal decided by the Company	Resignation by the Chief Executive Officer
Prior notice	There is no prior notice period.	Agreed prior notice of 2 months. If the prior notice term is not fulfilled, the Chief Executive Officer must indemnify the Company with the amount of all the corresponding remuneration for the time remaining to complete such term.
Severance Pay	Termination of the contractual relationship. The severance pay will be equivalent to one year of remuneration, which will include the fixed remuneration plus the amount corresponding to the variable remuneration, calculated according to a 100% achievement of the targets. The severance pay will not be applicable if the termination is due to misconduct or serious negligence by the Chief Executive Officer when performing his duties causing damages to the Company.	Termination of the contractual relationship. If the Chief Executive Officer decides to terminate the relationship with the Company due to serious and culpable breach of contract by the latter or a significant change in the duties not due to a reason caused by the Chief Executive Officer, the latter will be entitled to receive the same severance pay specified for cases of dismissal by the Company In a scenario of change of control, the Chief Executive Officer will be offered the option, within 2 months, to resign from the position, automatically terminating his contract and receiving the severance pay specified in cases of dismissal by the Company.

Table 3. Exclusivity and non-competition

	Functioning
Confidentiality	The Board of Directors’ Regulations (Article 31) state that none of the Directors may disclose the information, data, reports or background that he/she has access to when performing their duties, even when they have left the Company, except in the cases such disclosure is allowed or required by law.
Non-competition	The executive Director’s contract includes an obligation not to compete with the Company for two (2) years after he is no longer in the position, without this entitling him to any indemnification as a post-contractual non-compete obligation, given that this is presumed as covered by his Fixed Remuneration. In his position as Director of Redeia Corporación, the Chief Executive Officer must not compete with the Company in the terms in which such obligation is regulated for the Company’s Directors by law and the Board of Directors’ Regulations (Article 32).
Limitation of posts and exclusivity	A full-time working system is determined and he may not render other services of any kind to other enterprises, whether they are in competition or not with the company, while he has a relationship with Redeia, unless expressly authorised by the Board of Directors. The Board of Directors’ Regulations (Article 7.2.a) stipulate that the Chief Executive Officer may only hold office as a Director on one (1) Board of Directors of another company (unless Redeia holds a stake therein).

3. The Remuneration Policy for the Directors in their positions as members of the Board of Directors^(*) (“in their positions as such”, according to the Spanish Capital Companies’ Act for their non-executive duties)

() This is also applicable to the Chief Executive Officer as a member of the Board of Directors.*

The components of the Directors’ Remuneration Policy in their positions as such (for their non-executive duties) are provided below.

The Corporate Bylaws, in the text related to the Directors’ remuneration, state that the maximum overall annual remuneration for the entire Board, i.e. in their positions as members of the Board (“in their positions as such” according to the Spanish Capital Companies’ Act), for all components, will be approved by the General Shareholders’ Meeting and will not exceed an amount equivalent to 1.5% of the Company’s net income, approved by the General Shareholders’ Meeting, and this cap will remain in force insofar as no change is approved.

The previous remuneration is, in all cases, the maximum, the Board being responsible for allotting its amount among the specified items and among the Directors, in the manner, at the time and in the proportion that is determined bearing in mind the duties and responsibilities assigned to each Director, whether they are members of the Board’s Committees and other objective circumstances considered relevant.

The Directors’ remuneration “in their positions as such” will continue consisting of fixed remuneration items, bearing in mind the trends expressed by the investors and their advisors, pursuant to the best international corporate governance practices.

Table 4. Remuneration Policy for the Directors in their positions as members of the Board of Directors

	Purpose	Limits	Functioning
Fixed remuneration	To adequately remunerate the responsibility and time spent on the duties, without reaching levels that could hinder the Director’s independence.	€130,742 per annum per Director. Adjustments may be made on an annual basis within the maximum overall annual cap for all the members of the Board of Directors during the period the policy is in force.	It is paid by means of monthly instalments before the fifth (5 th) day of the following month.

	Purpose	Limits	Functioning
Remuneration for attending the Board of Directors' Meetings	To remunerate the personal and effective attendance at the Board of Directors' Meetings.	The Board of Directors: €1,500 per Director and per ordinary meeting. Adjustments may be made on an annual basis within the maximum overall annual limit for all the members of the Board of Directors during the period the policy is in force.	The remuneration for attending the Board of Directors' meetings is paid for the personal attendance of each Director at each of the ordinary meetings planned in each financial year according to the schedule approved by the Board of Directors, being able to delegate their duties to a proxy for duly justified reasons at a maximum of twice a year without forfeiting the right to receive the remuneration. This amount will be paid within fifteen (15) days after the meetings have been held. Attending extraordinary Board of Directors' Meetings, in person or by electronic means, shall not result in any remuneration being payable for this item.
Non-Executive Chairwoman of the Board of Directors	To adequately remunerate the time spent as required by the duties, the level of special responsibility and the skills and experience required to perform such duties.	€399,170 per annum. Annual reviews may be conducted within the maximum overall annual cap for all the members of the Board of Directors during the period the policy is in force.	It is paid by means of monthly instalments before the fifth (5 th) day of the following month.
Time spent on the Board of Directors' Committees	To remunerate the time spent and attendance at the Board of Directors' Committee meetings.	- Member of each of the Committees: €27,900 per annum. - Chairpersons of each of the Committees: €15,000 per annum for each one (in addition to their remuneration as members thereof). Adjustments may be made on an annual basis within the maximum overall annual cap for all the members of the Board of Directors during the period the policy is in force.	The remuneration for the time spent and attending the Board of Directors' Committee meetings and the remuneration for the committees' chairpersons will be paid by means of monthly instalments before the fifth (5 th) day of the following month. The previous amounts are calculated on an annual basis regardless of the number of Committee Meetings held in the financial year.
Lead Independent Director	To adequately remunerate the additional time required for the duties.	€15,000 per annum. Adjustments may be made on an annual basis within the maximum overall annual limit for all the members of the Board of Directors during the period the policy is in force.	It is paid by means of monthly instalments before the fifth (5 th) day of the following month.

The Directors will be paid or reimbursed for any reasonable and duly justified expenses incurred as a result of attending the meetings and other duties directly related to the performing the duties of their position, such as travel, accommodation, meals and any others they may incur.

The Remuneration Policy for the Directors, in their positions as members of the Board of Directors with non-executive duties, does not include granting loans, advance payments or guarantees being provided by the Company in their favour.

Nor does it contemplate the participation of the Directors with non-executive duties in pension schemes or indemnities for their supervisory duties or take part in a group decision on the termination of their relationship with the Company due to their positions as non-executive Directors or any other additional remuneration being granted apart from that referred to above.

In line with what has been described above, the contract of the non-executive Chairwoman of the Board of Directors does not contemplate any additional remuneration and/or indemnity to that indicated in the table above.

4. The Remuneration Policy applicable to new Directors

The aforementioned remuneration system described for the position of executive Director (Chief Executive Officer) will be applicable to any director that could become a member of the Board of Directors during the valid term of this Remuneration Policy for performing executive duties.

When determining the economic system for a new executive Director, the Appointments and Remuneration Committee will take into consideration the experience and knowledge of such new executive Director, their origin and remuneration level prior to their appointment.

Table 1 in this Remuneration Policy (see section 2.1) describes the components to be considered to design and determine the remuneration system for new executive Directors. Depending on the remuneration level they had prior to joining the Company, the Committee may determine different remuneration to achieve an economic system deemed suitable.

Notwithstanding the foregoing, the Remuneration Policy does not contemplate a guaranteed sign-in bonus being granted.

In this respect, the Appointments and Remuneration Committee will determine the basic conditions and justify the new remuneration bearing in mind, *inter alia*, the following factors:

- The regulations applicable from time to time to the remuneration of the members of the Board of Directors who perform executive duties.
- The provisions in the Corporate Bylaws, the Board of Directors' Regulations and the principles contained in the Corporate Governance Policy approved by the Company's Board of Directors at its meeting held on 24 November 2020 and posted on the corporate website.
- The principles referred to in section 1 of this Remuneration Policy applicable to the position of executive Director.
- The market data and guidelines of institutional investors and proxy advisors, as well the information received from them in the engagement process conducted by Redeia.

The Remuneration Policy for new appointments includes the possible existence of more than one executive Director with different duties and responsibilities being assigned to each of them.

If non-executive members join the Board of Directors during the valid term of this Remuneration Policy, the remuneration system described in Table 4 above shall be applicable thereto.

5. The relation between the Remuneration Policy and the conditions of the employees of the Company and Redeia (Group)

The remuneration policy for the employees of the Company and Redeia was taken into account in order to determine the remuneration conditions for the position of Chief Executive Officer, as described in this Remuneration Policy.

In this respect, the Remuneration Policy of the Chief Executive Officer is aligned with that of the rest of the employees, both including the following principles:

- It is a part of Redeia's equal opportunities policy, which expresses and formalises the Company's commitment and strategic positioning to promote equal opportunities, respect of differences and non-discrimination in all its activities related to human resources management and it aims at ensuring that the remuneration policies and practices guarantee at all times non-discrimination of any kind, *inter alia*, due to gender, age, culture, religion or race, or any other circumstance. Therefore, Redeia's employees are remunerated depending on their professional worth, experience, the time they spend on their duties and the responsibility they undertake.
- The total remuneration offered by Redeia may consist of fixed components, short- and long-term variable components and remuneration in kind and other social benefits.
- In the same way as for the rest of the Redeia's executive team, a significant part of the total remuneration for the position of Chief Executive Officer is variable and receiving it is subject to achieving a combination of specific, pre-determined and quantifiable, quantitative and qualitative targets, aligned with the corporate interests and Strategic Plan of Redeia in force at all times.
- The variable remuneration is not guaranteed and is absolutely flexible and hence no amount can be received for this item if the minimum achievement thresholds are not reached.

6. Coherence of the Remuneration Policy with the long-term strategy, interests and sustainability of the Company and Redeia (Group)

Regarding the executive Director (Chief Executive Officer), the Remuneration Policy has the following features that guarantee coherence with the long-term strategy, interests and sustainability of the Company and the Group:

- The design of the remuneration scheme shows a balanced and efficient relation between the fixed and variable components. The proportion of the fixed remuneration for the position of Chief Executive Officer enables the proportions of variable remuneration as Chief Executive Officer to reach up to a maximum of approximately 50% of his total remuneration (Annual Fixed Remuneration + maximum Annual Variable Remuneration + maximum

annualised Multi-year Variable Remuneration, excluding any potential fluctuation in the share price + Long-Term Savings Schemes + Social Benefits and other items).

- The variable components of the remuneration are sufficiently flexible to enable them to be modulated and, in a scenario in which the minimum level of targets linked to the variable remuneration are not achieved, the executive Director would only receive the fixed remuneration.
- Regarding the metrics determined in the variable remuneration, the Annual Variable Remuneration is linked to achieving a combination of specific, pre-determined and quantifiable, quantitative and qualitative targets, aligned with the social interest and in accordance Redeia's Strategic Plan in force at all times. These targets may include, *inter alia*, economic-financial, business, operational and/or value creation metrics, (for example, Net Profit, ROIC, Investments), as well as indicators linked to sustainability in their social, environmental and/or good corporate governance vectors (for example, Culture and People, projects to make progress in Redeia's Sustainability Plan). The Multi-year Variable Remuneration is linked to the economic-financial, business and operational targets included in Redeia's Strategic Plan in force at all times, value creation targets for the shareholders and non-financial targets linked to Redeia's multi-year Sustainability Plans (for example, promoting Connectivity, Innovation and Technology, Efficiency, People, Sustainability).
- The Multi-year Variable Remuneration is encompassed in a multi-year framework to guarantee that the assessment process is based on the long-term results and the Company's underlying economic cycle is considered. This remuneration can be granted and paid in cash and/or shares so that the Chief Executive Officer's interests are in line with those of the shareholders.
- The shares provided within the scope of the Annual Variable Remuneration are subject to a holding period of five years.

In addition, the following measures ensure exposure to excessive risks is reduced and that it is adapted to the Company's long-term objectives, values and interests:

- There is no guaranteed variable remuneration for the position of Chief Executive Officer or senior executives.
- The Company's Appointments and Remuneration Committee is responsible for examining and analysing compliance with the Directors' and senior executives' remuneration policy that is approved by the Board. The Board's Regulation determines, among other duties of this Committee, proposing the remuneration policy for the Board of Directors and the senior executives to the Board and supervising observance of compliance with the approved remuneration policy applicable to the Company's Board of Directors, executive Directors and senior executives. The professionals whose work could have a significant impact on the Company's risk profile are included in these groups.

- Similarly, the Company's Audit Committee takes part in the decision-making process related to the Annual and Multi-year Variable Remuneration of the executive Director, by means of verifying the economic-financial data that could be part of the targets determined in such remuneration, since this Committee is required, first of all, to previously verify the audited economic performance of the Company and the Group that, if need be, are considered in order to calculate the relevant targets.
- The Sustainability Committee also supervises the achievement of the sustainability objectives, predetermined and quantifiable, linked to the variable remuneration of executive Directors and senior executives, collaborating in this regard with the Appointments and Remunerations Committee, where appropriate, by sending reports when appropriate within the scope of their responsibilities.
- Pursuant to the provisions included in the Directors' Remuneration Policy in force, the Appointments and Remuneration Committee is competent for proposing to the Board cancellation or reimbursement of the payment of the short- and long-term variable remuneration of the relevant beneficiary or beneficiaries or person or persons responsible due to unexpected circumstances arising that prove the variable remuneration has been accrued or paid based on inaccurate or erroneous information or data, or the corporate internal regulations or applicable legislation were infringed, as subsequently proven.
- In addition, the Appointments and Remuneration Committee will decide whether, due to exceptional situations of this kind, the termination of the contractual relationship with the relevant beneficiary or beneficiaries or responsible person or persons can be proposed to the Board of Directors.
- The Appointments and Remuneration Committee may also propose adjustments to the variable remuneration to the Board in exceptional situations due to internal or external factors. The details of these adjustments will be listed, if need be, in the relevant Annual Report on Remuneration of Directors.
- Regarding the measures required to avoid conflicts of interest by the Directors, according to the provisions in the Spanish Capital Companies' Act, articles 30 (section 2.h), 31 (sections c y e), 32 and 35 (section 3) of the Regulation of the Board of Directors of the Company includes a series of obligations based on due diligence and loyalty, the duty to avoid situations of conflict of interest and the duty to provide information.

The Directors' remuneration schemes, in their positions as members of the Board of Directors (for their non-executive duties), do not include assessment components that incentivise taking excessive risks by the Company, since they are limits to the fixed remuneration due to belonging to and attending the meetings of the Board of Directors and its Committees.

7. The process for determining, reviewing and applying the Remuneration Policy

The Appointments and Remuneration Committee, whose functions are established in articles 24 of the Articles of Association and 18 of the Regulations of the Board of Directors, plays a main role in the definition of the Directors' Remuneration Policy and its application, and the main decisions in relation to the application of the Policy approved by the General Meeting must be approved by the Board of Directors.

Below are the functions performed by the different governing bodies of the Company involved in the determination, review and application of the Directors' Remuneration Policy and its conditions:

	Determination of the Remuneration Policy	Review and application of the Remuneration Policy
General Shareholders' Meeting	<ul style="list-style-type: none"> • Approves the Remuneration Policy, at least, every three years as a separate item on the Agenda. • Directors in their capacity as such: approves the maximum amount of the annual remuneration of all Directors. • Executive Director: approves the delivery of capital instruments associated with variable remuneration systems or remuneration referred to the value of the shares. 	<ul style="list-style-type: none"> • Approves (binding vote) the Annual Report on Remuneration of Directors, which details the remunerations accrued during the previous financial year and those of the current financial year. • Approves the Board's proposal regarding the remuneration of Directors for each financial year.
Board of Directors	<ul style="list-style-type: none"> • Directors in their capacity as such: approves the individual setting of the remuneration of each Director in their capacity as such, within the framework of Company bylaws and the Remuneration Policy. • Executive Director: <ul style="list-style-type: none"> • Approves the individual remuneration of the executive Director and the other conditions of their contract, within the framework of the Remuneration Policy. • Approves the proposed Remuneration Policy, and its adaptations or updates, for its submission to the General Shareholders' Meeting. 	<ul style="list-style-type: none"> • Executive Director: <ul style="list-style-type: none"> • Approves the design, initial amounts, degree of achievement of the objectives and incentive amounts to be paid, where appropriate, both of the annual variable remuneration and the long-term variable remuneration of the executive Director, upon proposal of the Appointments and Remuneration Committee. • Evaluates whether <i>malus</i> and/or clawback clauses apply. • Approves the Annual Report on Remuneration of Directors to be submitted for approval by the Ordinary General Shareholders' Meeting. • It is informed about the analyses and remuneration analyses of the Directors, previously evaluated by the Appointments and Remuneration Committee.
Appointments and Remuneration Committee	<ul style="list-style-type: none"> • Directors in their capacity as such: proposes to the Board of Directors the individual setting of the remuneration of each Director in their capacity as such, within the framework of the statute and the Remuneration Policy. • Executive Director: proposes to the Board of Directors the contract that regulates the performance of the functions and responsibilities of the executive Director. • Proposes to the Board of Directors the Directors' Remuneration Policy for its submission to the General Shareholders' Meeting, including the maximum overall amount, the items and the remuneration amounts. 	<ul style="list-style-type: none"> • Executive Director: <ul style="list-style-type: none"> • Proposes to the Board the annual remuneration of the executive Director, which will include the part corresponding to the fixed remuneration and the variable remuneration. • Proposes the metrics and the targets, predetermined and quantifiable, linked to the variable remuneration of the executive Director at the beginning of the performance period. This proposal considers its potential long-term impact, the sustainability of the results and any associated risks.

Determination of the Remuneration Policy

- Prepares a specific Report, which is submitted to the Board of Directors, on the proposal of the Directors' Remuneration Policy that is submitted for approval by the General Shareholders' Meeting.

In carrying out these actions, the Appointments and Remuneration Committee values the vote of the shareholders at the General Meetings to which the Directors' Remuneration Policies and the Annual Reports on Remuneration of the Directors of the previous financial years were voted, with a binding nature.

To perform these functions, the Committee has the advice of independent external consultants and remuneration experts, when it deems it appropriate.

Review and application of the Remuneration Policy

When analysing, selecting and proposing quantitative and qualitative objectives, the Committee takes into account Redeia's strategic pillars and initiatives, both short- and long-term, approved by the Board of Directors.

To establish the appropriate weighting and levels of achievement of each objective, the Appointments and Remuneration Committee considers historical analyses, projections and expectations of Redeia results and periodically monitors them.

- Periodically monitors the achievement level of the objectives to be evaluated to determine the final amount of the executive Director's variable remuneration.
- Evaluates the achievement level of the objectives linked to the variable remuneration of the position of executive Director and proposes the level of payment for approval by the Board.

To ensure that variable remuneration is effectively related to the professional performance of the beneficiaries, the economic effects, positive or negative, derived from extraordinary events that could introduce distortions in the results of the evaluation of the achievement level of quantitative objectives are eliminated.

- Sends a report to the Board, where applicable, on the admissibility or non-applicability of the *malus* and/or clawback clauses.
- Periodically reviews the Remuneration Policy, integrating in this review process the comparison with reference companies, selecting groups of comparable companies, and maintains permanent contact with its shareholders and proxy advisors to check the adequacy and moderation of the remuneration of its non-executive Directors and the position of executive Director (Chief Executive Officer) with respect to the market. Details of

Determination of the Remuneration Policy**Review and application of the Remuneration Policy**

the peer groups are included in the Annual Reports on Remuneration of the Directors.

- Proposes to the Board of Directors the Annual Report on Remuneration of Directors.

To perform these functions, the Committee has the advice of independent external consultants and remuneration experts, when it deems it appropriate.

Audit Committee

- Executive Director: Reviews the audited results necessary for the assessment of the achievement of the objectives linked to their variable remuneration.
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Sustainability Committee

- Executive Director: Reviews the results which, where appropriate, are necessary to evaluate the achievement with non-financial objectives in the field of sustainability, linked to their variable remuneration.
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8. Valid term

The Remuneration Policy will come into force on 1 January 2025 and will remain in force in the years 2025, 2026 and 2027, notwithstanding the adaptations or updates that, if any, are made by the Board of Directors pursuant to the contents of the Policy and the amendments that may be approved by General Shareholders' Meeting of Redeia Corporación from time to time.