

redeia

El valor de lo esencial



BOARD OF DIRECTORS
30 April 2024

**Delegation by the General Meeting of authority to increase the share capital and issue bonds to the Board of Directors.
Explanatory report**

1. EXPLANATORY REPORT BY THE BOARD OF DIRECTORS

DELEGATION TO THE COMPANY'S BOARD OF DIRECTORS OF AUTHORITY TO INCREASE THE SHARE CAPITAL AND TO ISSUE BONDS AND OTHER FIXED-INCOME SECURITIES (INCLUDING CONVERTIBLE AND/OR EXCHANGEABLE SECURITIES), IN BOTH CASES WITH AUTHORITY TO EXCLUDE SUBSCRIPTION RIGHTS IN WHOLE OR IN PART UP TO A MAXIMUM AGGREGATE LIMIT OF 10% OF EQUITY, AND WITH EXPRESS AUTHORITY TO REDRAFT THE ARTICLES OF ASSOCIATION AS APPROPRIATE (GENERAL MEETING AGENDA ITEMS 7th AND 8th).

1.- Purpose of the Report.

At a meeting held on 30 April 2024, the Board of Directors of Redeia Corporación, S.A. (the "Company") resolved to submit to the General Meeting (scheduled for 3 June 2024 at the first call to meeting and for 4 June 2024 at the second call to meeting) for approval, under Agenda items 7th and 8th, of delegation to the Company's Board of Directors of authority both to increase the share capital by issuing new shares for cash contributions and to issue bonds and other fixed-income securities (including convertible and/or exchangeable bonds), in both cases with authority to exclude subscription rights in whole or in part, and with express authority to redraft the Articles of Association where appropriate.

This report has been drawn up by the Board of Directors of the Company in compliance with (i) sections 286, 296(1), 297(1)(b), and 506 Corporate Enterprises Act (the "Act") in force in relation to delegating to the Board of Directors authority to increase the share capital; and (ii) sections 286, 510, and 511 of the Act, and secondarily section 297(1)(b) of the Act in relation to delegating to the Board of Directors authority to issue bonds and other similar fixed-income securities and more specifically authority to issue convertible and/or exchangeable bonds.

The sections of the Act cited above require a written report by the Board of Directors explaining the reasons both for the proposal and for granting authority to exclude subscription rights.

2.- Explanation of the delegation to the Company's Board of Directors of authority to increase the share capital and to issue bonds and other fixed-income securities (including convertible and/or exchangeable securities), in both cases with authority to exclude subscription rights in whole or in part up to a maximum aggregate limit of 10% of equity, and with express authority to redraft the Articles of Association as appropriate.

The operating conditions of all businesses, in particular companies whose shares are admitted to trading on a regulated market, require their governing and administrative bodies to have at their disposal, at all times, suitable instruments to be able to respond appropriately to the requirements of the company itself or the needs of the market. These needs may include providing the company with new financial resources to meet those requirements potentially obtainable by means of new capital contributions or by issuing securities or fixed-income instruments, which may be convertible into newly issued shares (with the resulting increase in share capital) or exchangeable for previously issued shares, either the company's own shares or the shares of other companies.

Given the current global economic situation and the high degree of market volatility, speed in executing this type of corporate transaction is particularly critical and indeed is a determining factor for successfully attracting potential additional funds.

To avoid difficulties like not being able to foresee short or medium-term needs for more share capital and to ensure a nimble and effective response, section 297(1)(b) of the Act enables the General Meeting, subject to the requirements for amending the Articles of Association, to delegate to the directors authority to decide one or multiple share capital increases in amounts they decide up to a specific figure each time without first taking the matter up with the General Meeting. These increases may not exceed half of the company's equity at the

time authorisation was granted and must take the form of cash contributions within a maximum term of five years from when the agreement is approved by the General Meeting.

Sections 510 and 511 of the Act expressly envisage the possibility of delegating to the directors of listed companies authority to issue bonds convertible into shares, and analogously this also arises from the possibility of delegating to them authority to increase the share capital through one or more operations involving conversion of those bonds (section 297(1)(b) of the Act). The Act directly vests the management body with authority to issue non-convertible bonds and other non-convertible debt securities (section 406(1) of the Act), though there is nothing to prevent the General Meeting from approving an agreement setting whatever terms for and limits that authority it sees fit, in that way affording shareholders a greater decision-making role in accordance with corporate governance best practice.

Based on this possibility under the law, frequently used by companies whose shares are admitted to trading on a regulated market, it is proposed that the General Meeting approve for the Board of Directors both authority to increase the share capital in one or more operations up to a maximum amount of one hundred and thirty-five million, two hundred and seventy thousand euros (EUR 135,270,000), equal to 50% of the current equity, by issuing new shares in exchange for cash contributions, and authority to issue bonds and other fixed-income securities (including convertible and/or exchangeable securities) in terms that are also specified.

Furthermore, pursuant to section 506 of the Act, the authority to increase the share capital discussed in this report to be delegated to the Board of Directors also includes authority to exclude shareholders' subscription rights in whole or in part when it is in the Company's interest to do so, as provided in section 506 of the Act referred to above.

However, while the authority to increase the share capital delegated is for 50% of the Company's share capital at the time authority is delegated, special authority to exclude shareholders' subscription rights in whole or in part is to be limited to a maximum amount of 10% of equity, that is, to twenty-seven million and fifty-four thousand euros (EUR 27,054,000). Share capital increases for convertible bond issues for which subscription rights have been excluded also fall within that limit.

Accordingly, the proposal for authority to issue securities convertible into new Company shares also includes authority to exclude shareholders' subscription rights in whole or in part subject to that same aggregate limit of 10% of the Company's equity, pursuant to sections 417 and 511 of the Act.

This maximum limit of 10% on the equity for which subscription rights may be excluded is stricter than the statutory limit of 20% envisaged in sections 506(1) and 511(1) of the Act and has been set to address the concerns of many investors that their shareholdings in the Company could be overly diluted should the Board of Directors, under the authority delegated pursuant to these agreements, decide to increase the share capital directly or through an issue of convertible bonds while at the same time excluding subscription rights.

The Board of Directors considers that the authority to exclude subscription rights is justified firstly by the relative lowering of the costs associated with these transactions that exclusion of these rights often brings compared to share or convertible bond issues subject to subscription rights and secondly by significantly increasing the Board of Directors' ability, as can sometimes be required in today's financial markets, to take action and respond quickly, enabling the Company to take advantage of windows when market conditions are most favourable. What is more, cancelling subscription rights results in less distortion in trading of the Company's shares during issues, which tend to be shorter than issues with subscription rights, and at the same time allows more streamlined and efficient placement procedures that help maximise the issue price of the securities. In addition, from a financial standpoint convertible bonds are highly complex securities that are generally tend to be targeted at quite specific and specialised groups of investors.

It should in any case be noted that the authority to exclude subscription rights delegated to the Board of Directors by the General Meeting is merely an option, and it will therefore be up to the Board of Directors to decide whether or not excluding those rights is appropriate each time having in mind the specific circumstances of the situation at hand in full compliance with legal requirements. Furthermore, as previously pointed

out, exclusion may only affect a maximum of 10% of equity in aggregate for both direct share capital increases and underlying increases through convertible bond issues the Board of Directors might order pursuant to both types of authority delegated.

Should the Board of Directors elect to make use of its authority to exclude subscription rights for an individual share capital increase or convertible bond issue ordered pursuant to the authority granted by the General Meeting, when approving the corresponding agreement it must also issue a report explaining the specific reasons of corporate interest that support the decision to exclude subscription rights. Pursuant to sections 308(2), 417(2), 506, 510, and 511 of the Act, where appropriate that report will in turn be subject to a report by an independent expert other than the Company's auditor appointed by the Commercial Registry.

Sections 506(4) and 511(3) of the Act require the directors' report and if applicable the independent expert's report to be made available to shareholders and communicated to the first General Meeting held after the corresponding agreement. However, should it make use of its authority to exclude subscription rights, the Board of Directors further intends to publish those reports on the Company's website immediately pursuant to section 39(6) of the Regulations of the Company's Board of Directors and recommendation 5 in the Good Governance Code for Listed Companies.

Pursuant to the proposed authority to be granted by the General Meeting, in the event of a share capital increase the Board of Directors will also be authorised to amend Article 5 of the Articles of Association in relation to the share capital {as stipulated by section 297(2) of the Act}, which will provide the necessary flexibility in case of potential future agreements to increase the share capital.

Lastly, the proposed agreements being submitted to the General Meeting also provide for revoking previous agreements delegating authority in these matters so that the delegations of authority will not overlap in time, notwithstanding continued full validity and effectiveness of the issues, issue programmes, delegations of authority, and any other steps taken pursuant to that earlier authority in effect on the date of the General Meeting.

2. PROPOSED AGREEMENTS

PROPOSED AGREEMENTS TO DELEGATE TO THE COMPANY'S BOARD OF DIRECTORS AUTHORITY TO INCREASE THE SHARE CAPITAL AND TO ISSUE BONDS AND OTHER FIXED-INCOME SECURITIES (INCLUDING CONVERTIBLE AND/OR EXCHANGEABLE SECURITIES), IN BOTH CASES WITH THE AUTHORITY TO EXCLUDE SUBSCRIPTION RIGHTS IN WHOLE OR IN PART UP TO A MAXIMUM AGGREGATE LIMIT OF 10% OF EQUITY, AND WITH EXPRESS AUTHORITY TO REDRAFT THE ARTICLES OF ASSOCIATION AS APPROPRIATE AND TO REVOKE EARLIER DELEGATIONS OF AUTHORITY (GENERAL MEETING AGENDA ITEMS 7th AND 8th).

The following proposed agreements are submitted to the General Meeting for approval:

1. TO AUTHORISE THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL IN ONE OR MORE ISSUES AT ANY TIME DURING A TERM OF FIVE (5) YEARS UP TO A MAXIMUM AMOUNT OF ONE HUNDRED AND THIRTY-FIVE MILLION, TWO HUNDRED AND SEVENTY THOUSAND EUROS (EUR 135,270,000), I.E., UP TO HALF THE CURRENT SHARE CAPITAL, IN THE AMOUNT AND USING THE TYPE OF SHARE ISSUE THE BOARD OF DIRECTORS DECIDES IN EACH CASE, WITH THE POWER TO EXCLUDE SUBSCRIPTION RIGHTS IN WHOLE OR IN PART ON UP TO A MAXIMUM AGGREGATE AMOUNT OF 10% OF EQUITY, AND WITH EXPRESS AUTHORISATION TO AMEND, IF APPROPRIATE, THE WORDING OF ARTICLE 5 OF THE ARTICLES OF ASSOCIATION AND TO APPLY, IF APPROPRIATE, FOR ADMISSION TO TRADING, CONTINUED LISTING, AND/OR DELISTING OF THE SHARES ON REGULATED MARKETS.

1.- Delegation of authority to the Board of Directors, term, and quantitative limit.- To delegate to the Board of Directors of Redeia Corporación, S.A. (the "Company") pursuant to section 297(1)(b) Corporate Enterprises Act and Article 8 of the Articles of Association for a maximum term of five (5) years from the date of this agreement authority as broad and effective as permitted by law to increase the share capital, in one or more operations, in the amounts and at the times it may decide, up to a maximum amount of one hundred and thirty-five million, two hundred and seventy thousand euros (EUR 135,270,000), equivalent to half the Company's current share capital, without calling a General Meeting or an agreement by the General Meeting.

2.- Scope of authority.- Any share capital increases resolved by the Board of Directors pursuant to this delegation of authority are to be effected by issuing and putting into circulation new ordinary, preferred, or redeemable voting or non-voting shares or any other type of shares subject to a fixed or variable premium or no premium for a consideration in the form of a cash contribution.

The Board of Directors may decide the terms and conditions for the capital increases in all respects not specified in this agreement delegating authority, including, but not limited to, the characteristics of the shares, the type of issue, the investors and markets at which the increases are directed, and the placement procedure, and it may freely offer new shares that are not subscribed within the term or terms for exercising any subscription rights that are not excluded.

The Board of Directors may also direct that if an issue is not fully subscribed, the capital increase will be without effect or cover only the amount subscribed, and it may redraft Article 5 of the Articles of Association concerning the share capital and the number of shares in circulation after each increase has been approved and implemented.

3.- Exclusion of subscription rights.- Pursuant to sections 308 and 506 Corporate Enterprises Act, the Board of Directors is expressly authorised to exclude subscription rights in whole or in part in respect of all or some of the share issues it may decide to carry out under this authorisation where this is in the Company's interests and the par value of the shares being issued plus any issue premium decided represents the fair market value of the Company's shares in the terms provided in section 504(3) Corporate Enterprises Act. If in using its authority to exclude subscription rights the Board of Directors

resolves to cancel those rights for a given share capital increase, pursuant to section 506(3) Corporate Enterprises Act it must issue, with the agreement to increase the share capital, a reasoned report setting out the grounds, where appropriate together with the independent expert's report envisaged in section 308 Corporate Enterprises Act. The above reports are to be published on the Company's website immediately after the agreement to increase the share capital has been approved and must be made available to shareholders and communicated to the first General Meeting held after that agreement.

Nevertheless, this authority is limited to the maximum amount equal to 10% of the Company's equity at the time this authorisation is issued, i.e., twenty-seven million, fifty-four thousand euros (EUR 27,054,000).

4.- Calculating the aggregate limit.- The amount of any capital increases the Board of Directors may effect to cover the conversion of debentures, bonds, and other similar fixed-income securities convertible into newly issued shares or warrants that carry entitlement to receive newly issued shares pursuant to the proposal submitted to this General Meeting for approval under Agenda item 8th will be considered to fall within the scope of the maximum limits available at any given time referred to in points 1 and 3 above.

5.- Admission to trading.- The Board of Directors is also authorised to apply for admission to trading, continued listing, or where appropriate delisting of the shares issued pursuant to this authorisation on Spanish or foreign regulated markets on which the Company's shares are listed and to perform all formalities and steps with the competent bodies of the various Spanish or foreign securities markets necessary or appropriate for admission to trading, continued listing, and/or where appropriate delisting.

6.- Delegation of authority.- The Board of Directors is expressly authorised to delegate the powers contained in this agreement and to issue substitute powers.

7.- Revocation.- This delegation of authority expressly revokes the authority similar to the instant delegation of authority under this Agenda item previously delegated to the Board of Directors pursuant to the agreement approved by the General Meeting held on 14 May 2020 insofar as that earlier authorisation has not been used prior to approval of this agreement.

2. TO AUTHORISE THE BOARD OF DIRECTORS, FOR A TERM OF FIVE (5) YEARS, TO ISSUE, DIRECTLY OR THROUGH GROUP COMPANIES, IN ONE OR MORE OPERATIONS, DEBENTURES, BONDS AND OTHER FIXED-INCOME INSTRUMENTS OR DEBT INSTRUMENTS OF A SIMILAR NATURE, WHETHER SIMPLE OR CONVERTIBLE INTO OR EXCHANGEABLE FOR SHARES IN THE COMPANY, OTHER GROUP COMPANIES, OR OTHER COMPANIES THAT DO NOT BELONG TO THE GROUP, INCLUDING, BUT NOT LIMITED TO, PROMISSORY NOTES, SECURITISED BONDS, PREFERRED SHARES, SUBORDINATED DEBT, HYBRID SECURITIES, AND WARRANTS THAT GIVE ENTITLEMENT TO RECEIVE NEWLY ISSUED OR OUTSTANDING SHARES OF THE COMPANY OR OF OTHER GROUP COMPANIES FOR AN AGGREGATE AMOUNT OF UP TO FIVE THOUSAND MILLION (5,000,000,000) EUROS, AND IN THE CASE OF CONVERTIBLE AND EQUIVALENT SECURITIES, WITH EXPRESS AUTHORISATION TO EXCLUDE, IN WHOLE OR IN PART, SUBSCRIPTION RIGHTS ON UP TO A MAXIMUM AGGREGATE AMOUNT OF 10% OF EQUITY. THE BOARD OF DIRECTORS' POWERS ARE TO INCLUDE AUTHORISATION FOR THE COMPANY TO GUARANTEE NEW ISSUES OF FIXED-INCOME SECURITIES (INCLUDING CONVERTIBLE AND EXCHANGEABLE SECURITIES) BY GROUP COMPANIES AND EXPRESS AUTHORISATION TO AMEND, IF APPROPRIATE, THE WORDING OF ARTICLE 5 OF THE ARTICLES OF ASSOCIATION AND TO APPLY, IF APPROPRIATE, FOR ADMISSION TO TRADING, CONTINUED LISTING, AND/OR DELISTING OF THOSE SECURITIES.

1.- Delegation of authority to the Board of Directors.- To delegate to the Board of Directors of Redeia Corporación, S.A. (the "Company") authority as broad and effective as permitted by law to issue fixed-income securities in the terms specified in this agreement pursuant to sections 510 and 511 Corporate Enterprises Act and other legislation and regulations on issuing bonds.

The Board of Directors may also, where appropriate, authorise the acquisition, repurchase, amortization, exchange, or swapping of existing fixed-income securities issued (or guaranteed) directly by the Company

or through other group companies or of new fixed-income securities to be issued (or guaranteed) directly by the Company or where applicable by other group companies, in both cases pending amortization by other fixed-income securities issued or to be issued by the Company or by other group companies.

2.- Securities to be issued.- The securities referred to in this delegation of authority may be bonds, debentures, and other similar fixed-income securities or debt instruments of any kind permitted by law issued directly or through other group companies, including, but not limited to, promissory notes, securitised bonds, preferred shares, subordinated debt, hybrid securities, and warrants or other similar securities, whether simple or directly or indirectly convertible and/or exchangeable into/for newly issued and/or outstanding shares of the Company, of other group companies, or of other companies that do not belong to the group, settled by physical delivery or by difference, or fixed-income securities, preferred shares, and warrants that carry a right of option to subscribe newly issued shares or to acquire outstanding shares of the Company or of other group companies.

3.- Term of the delegation of authority.- The securities under this delegation of authority may be issued in one or more operations within a maximum term of five (5) years from the date on which this agreement is approved.

4.- Maximum amount of the delegation of authority.- The maximum aggregate amount of the securities issue or issues effected pursuant to this delegation of authority will be five thousand million (5,000,000,000) euros or its equivalent in another currency at the time of issue.

For warrants, the sum of the premiums and exercise prices of the warrants in each issue effected pursuant to this delegation of authority is to be taken into account for purposes of calculating the above limit. For bonds, promissory notes, and similar securities issued as part of issue programmes pursuant to this delegation of authority, the outstanding balance of the securities is to be taken into account for purposes of calculating the above limit.

It is noted for the record that pursuant to section 401 Corporate Enterprises Act, the Company is not subject to any maximum statutory limit on issuing bonds and other securities that recognise or create debt.

5.- Scope of the delegation of authority.- The delegation of authority referred to in this agreement is to be as broad as required by law and applies to setting the various financial terms, regulations, features, and conditions of each issue. In particular, by way of non-limiting examples, it will be up to the Company's Board of Directors to determine, for each issue, the amount of the issue, the place of issue (domestic or foreign), and the currency of issue and, if foreign, its initial equivalence in euros; the denomination of the bonds, debentures, or any other form of security (including hybrid and subordinated securities) permitted by law; the date or dates of issue; for non-convertible securities, whether they are exchangeable, in whole or in part, for pre-existing shares of the Company, of other group companies, or of other companies that do not belong to the group; whether conversion or exchange is compulsory or voluntarily, and in this latter case, whether it is at the discretion of the holder of the securities or of the Company or is based on some objective criterion, or whether an option to purchase or subscribe the shares is included; the rate of interest, including whether the rate is variable based on one or more index factors, including, but not limited to, social, environmental, or corporate governance (ESG) indicators; coupon payment dates and procedures; whether the securities are perpetual or callable, and in the latter case, the amortization period and maturity dates; the form of amortization, premiums, and lots; issue guarantees, including mortgages, provided directly by the Company or by other group companies; how the securities are issued, in the form of certificates, book entries, or any other form permitted by law; the number of securities and their nominal value, which in the case of convertible and/or exchangeable securities may not be less than the par value of the shares; the legislation applicable to the terms and conditions of domestic or foreign issues; application for admission to trading of the securities to be issued on domestic or foreign regulated or unregulated markets in compliance with the terms and requirements prescribed in each case by the legislation in force; where applicable, appointment of the lead investor of syndicated holders of the securities issued and approval of the basic rules governing the legal relationship between the Company

and any such syndicate; and more generally, any other terms or conditions for the issue and completion of all formalities necessary or appropriate for the respective issues effected pursuant to this delegation of authority.

This delegation of authority also authorises the Board of Directors to decide the terms of amortization of the securities issued pursuant to this authorisation, which may be any envisaged in the Corporate Enterprises Act in force, and to acquire, repurchase, or exchange the securities issued for other securities.

The Board of Directors is further authorised to modify the terms and conditions of the securities should it see fit, subject to obtaining any necessary official authorisations and, if appropriate, approval by the meetings of any syndicates of holders of the relevant securities that may be issued pursuant to this authorisation.

6.- Terms and forms of conversion or exchange.- Be it resolved to establish the following criteria for issues of securities convertible into new shares of the Company or of other group companies or exchangeable for outstanding shares of the Company, of other group companies, or of other companies that do not belong to the group and for determining the terms and forms of conversion or exchange:

1.- The securities issued pursuant to this agreement may be convertible into newly issued shares of the Company or of other group companies or exchangeable for outstanding shares of the Company, of other group companies, or of other companies that do not belong to the group. Conversion or exchange may be permitted depending on the circumstances and on the terms set forth in the agreement to proceed with the issue subject to a fixed (determined or determinable) or variable conversion or exchange ratio, which may include maximum and/or minimum limits on the conversion price. The Board of Directors will decide whether an issue is convertible or exchangeable or both or whether conversion or exchange is to be performed by physical delivery of the shares or by difference and will decide whether conversion or exchange is compulsory or voluntary and if voluntary whether at the discretion of the holder or the issuer, with the frequency and for the period specified in the agreement to proceed with the issue, not to exceed fifteen (15) years from the date of issue.

2.- For convertible and exchangeable issues the Board of Directors may stipulate that the Company is to reserve the right to choose, at any time, between conversion into new shares or exchange for outstanding shares; specify the nature of the shares to be delivered upon conversion or exchange; and even choose to deliver a mix of newly issued shares and pre-existing shares or to deliver cash in whole or in part.

3.- For purposes of conversion and exchange, bonds, debentures, or securities are to be valued at their nominal amount. The shares are to be valued at the rate set in the Board of Directors' agreement, which may be (i) fixed as specified in the Board agreement itself, (ii) fixed and determinable at a date or dates to be specified in the Board agreement itself, or (iii) variable. The determinable fixed exchange rate or the variable exchange rate may be calculated based on either the price of the Company's shares on the stock exchange on the date or dates or in the period or periods, taken as a reference, or any other basis determined by the Board of Directors. Furthermore, the Board of Directors may stipulate exchange with or without a premium or discount, which may differ on each conversion and/or exchange date for each issue (or for each issue tranche).

4.- By default, fractions of shares deliverable to the holders of bonds or debentures upon conversion and/or exchange will be rounded down to the nearest whole number, and each holder will receive any resulting difference in cash.

5.- For debentures, bonds, or other similar securities convertible into newly issued shares, the value of the shares for purposes of the conversion ratio may not be less than their par value.

6.- Pursuant to section 415(2) Corporate Enterprises Act, debentures, bonds, and other securities may not be converted into shares when the nominal value of the debentures, bonds, or securities to be converted is less than the par value of the shares into which they are being converted. In addition,

convertible debentures, bonds, and fixed-income securities may not be issued for less than the par value.

7.- On approval of a convertible debenture, bond, or other security issue pursuant to this authorisation by the General Meeting, the Board of Directors must issue a report specifying and explaining the terms and forms of conversion specifically applicable to the issue based on the criteria described above, and if applicable the reasonableness of the financial terms of the issue in accordance with section 510 Corporate Enterprises Act and the suitability of the conversion ratio and its adjustment formulas to avoid diluting the economic interests of the shareholders. If mandatory under the applicable legislation, the above report is to be issued together with the corresponding report by an independent expert other than the Company's auditor appointed for this purpose by the Commercial Registry as prescribed in section 414 Corporate Enterprises Act.

7.- Rights of the holders of convertible securities.- The holders of convertible or exchangeable securities and warrants will be entitled to all the rights they are granted under the terms and conditions of each issue in accordance with the applicable legislation.

8.- Exclusion of subscription rights for convertible securities and share capital increases.- The delegation of authority to the Board of Directors pursuant to this agreement is in accordance with the following terms and conditions:

1.- Pursuant to section 511 Corporate Enterprises Act as it relates to section 417 of that same Act, authority by the Board of Directors to exclude shareholders' subscription rights where doing so is justified by the Company's interests.

In any event, if the Board of Directors decides to eliminate shareholders' subscription rights in connection with a given issue of convertible securities effected pursuant to this authorisation, on approving the issue it must, in accordance with sections 417 and 511 Corporate Enterprises Act, issue a report setting out the specific reasons in the Company's interest in support of that measure, and where mandatory under applicable legislation, it will be subject to a corresponding report by an independent expert other than the Company's auditor setting out a technical opinion on the reasonableness of the data contained in the directors' report and on the suitability of the conversion ratio and, if appropriate, the adjustment formulas to avoid potential dilution of the economic interests of the shareholders. The above reports are to be published on the Company's website immediately after the agreement to proceed with the issue has been approved and must be made available to shareholders and communicated to the first General Meeting held after that agreement.

The authority to exclude subscription rights is in any event limited to share capital increases carried out pursuant to this authorisation and the share capital increases referred to in Agenda item 7th for this General Meeting up to a maximum aggregate amount of 10% of equity on the date this agreement is approved.

2.- In accordance with section 414(1) Corporate Enterprises Act, authority to increase the share capital by the amount necessary to meet requests for conversion of convertible securities issued pursuant to this delegation of authority. This authority may be exercised only insofar as in effecting the above increases and any other share capital increases pursuant to this or any other delegation of authority to increase the share capital at its disposal the Board of Directors does not exceed the limit of half the amount of the share capital as stipulated in section 297(1)(b) Corporate Enterprises Act calculated at the time this authorisation is issued.

This authorisation to increase the share capital to cover the conversion of securities or the exercise of warrants includes authority to issue and put into circulation, in one or more operations, shares representing the share capital necessary for that conversion or exercise, with authority to redraft Article 5 of the Articles of Association relating to the amount of share capital and the number of shares in circulation and, where appropriate, authority to cancel any portion of the share capital increase that proves not to be necessary to convert the securities into shares or exercise the warrants.

Pursuant to section 304(2) Corporate Enterprises Act, share capital increases effected by the Board of Directors to meet the above requests for conversion or exercise will not be subject to any subscription rights of the Company's shareholders.

3.- Authority to draw up and specify the terms and forms of conversion and/or exchange in accordance with the criteria set forth in point 6 above and more generally to stipulate, in the broadest possible sense, the terms and conditions necessary or appropriate for the issue. At successive General Meetings of the Company, the Board of Directors must inform the shareholders of any use of the delegation of authority to issue convertible and/or exchangeable securities made up to that time.

9.- Warrants.- The rules set forth in points 6 to 8 above will apply analogously to the issue of warrants or other similar securities that may directly or indirectly carry the right to subscribe shares newly issued by the Company or other group companies, and the broadest possible authority is delegated to decide all aspects the Board of Directors sees fit in relation to securities of this type, with the same scope as in the preceding points.

10.- Admission to trading.- The delegation of authority to the Board of Directors specified in this agreement includes authority to apply for admission to trading of the debentures, bonds, preferred shares, warrants, and any other securities issued or guaranteed pursuant to this delegation of authority on domestic or foreign regulated or unregulated markets whenever the Board of Directors sees fit. The Board of Directors is also authorised to perform the formalities and steps with the competent bodies of the various Spanish or foreign securities markets necessary or appropriate for admission to trading, continued listing, and/or where appropriate delisting of those securities; to provide any guarantees or assurances required under the laws in force, and to apply for and process the relevant application for admission to trading of any shares issued for conversion or exercise of the acquisition or subscription rights under the securities issued.

11.- Guaranteeing securities issued by other group companies.- The Company's Board of Directors is further authorised to issue guarantees in the name of the Company in any form permitted by law, within the limits stipulated above, for new securities issues (convertible or exchangeable securities included) by companies that belong to its group while this agreement has effect.

12.- Delegation of authority.- The Board of Directors is expressly authorised to delegate the powers contained in this agreement and to issue substitute powers.

13.- Revocation.- This delegation of authority expressly revokes the authority similar to the instant delegation of authority under this Agenda item previously delegated to the Board of Directors pursuant to the agreement approved by the General Meeting held on 14 May 2020 insofar as that earlier authorisation has not been used prior to approval of this agreement, without prejudice to the continued full validity and effectiveness of the issues, issue programmes, delegations of authority, and any other steps taken pursuant to that earlier authority in effect on the date of this agreement.

redeia

El valor de lo esencial