

Articles of Association

Red Eléctrica Financiaciones, S.A.U.

November 30, 2021

Corporate Governance Rules



RED
ELÉCTRICA
FINANCIACIONES



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This document is a translation
of an original text in Spanish. In case
of any discrepancy between both
texts, the Spanish version will prevail.

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TITLE I**Name, objects clause, duration, and registered office****Article 1 Company name**

The Company is Red Eléctrica Financiaciones, S.A. [the «Company»] and will be governed by these Articles of Association, the Spanish Corporate Enterprises Act [Ley de Sociedades de Capital], the Spanish Commercial Code [Código de Comercio] and by any other applicable legal provisions.

Article 2 Objects clause

The Company's sole corporate purpose is the issue of ordinary, subordinated, non-subordinated, or any other type of debt instruments, the allotment of preferred shares or issue of other hybrid security instruments, where applicable, for other companies in the Red Eléctrica Group, and grant loans and credit to companies that form part of the Red Eléctrica Group at any given time, all in accordance with Additional Provision One of the Regulation, Supervision and Solvency of Credit Institutions Act [Ley 10/2014, de 26 de junio, de ordenación, supervisión y solvencia de entidades de crédito] and the legislation that may replace or develop it. All this in accordance with and within the limits set by the law governing each type of instrument.

It will perform its objects clause in compliance with the requirements established in each case by applicable law.

The CNAE code for the main activity is 6499 - Other financial services, except insurance and pension funds not classified elsewhere.

Article 3 Term and financial year

The Company is incorporated indefinitely and will become operational on the date the deed of incorporation is executed.

The financial year will run from 1 January to 31 December of each year. As an exception to the above, the first financial year will run from the day on which the deed of incorporation is executed.

Article 4 Registered office

The registered address is at Alcobendas [Madrid], C/Paseo del Conde de los Gaitanes, número 177, and the administrative body is authorised to transfer the address within the national territory.

The administrative body is also authorised to create, close or transfer branches, agencies, delegations or offices of the Company, both in national territory and abroad.

TITLE II **Shares and Share Capital**

Article 5 Share capital

The share capital of the Company is sixty thousand two hundred [EUR 60,200] euros and is fully subscribed and paid up.

Article 6 Shares

The share capital comprises six hundred and two [602] ordinary, nominative shares of a single series and class, with a par value of one hundred euros [100 euros] each, numbered sequentially from number ONE [1] to SIX HUNDRED AND TWO [602], both inclusive. Shares may be included in multiple certificates.

Article 7 Shareholders rights

Shares confer the status of shareholder on their legitimate owner and grant them the rights recognised in the Corporate Enterprises Act and in these Articles and, in particular, the right to receive profits and assets in cases of liquidation, pre-emption right when allotting shares and issuing debentures convertible into shares, the right to attend and vote at General Meetings, challenge resolutions, and the right to information established by Law.

Article 8 Representation of shares, Register of Members

Shares must be recorded in a Register, which the Company must keep, duly legalised by the Commercial Registry, in which successive shares transfers are to be recorded, specifying the full name, company name, where applicable, nationality and address of the successive owners, and the constitution of proprietary rights and other encumbrances over them.

Only persons recorded in that Register will be considered shareholders by the Company.

Any shareholder who so requests may inspect the Register of Members.

The Company may only rectify entries that it considers false or inaccurate when it has notified the relevant interested party of its intention to do such and they have not objected within thirty days from that notification.

Until the share certificates have been printed and delivered, the shareholder will be entitled to obtain confirmation of the shares registered in his name.

Article 9 Share transfers

The shares are transferable in accordance with the current law and these Articles of Association.

TITLE III Corporate Bodies

Article 10 Corporate bodies

The Company's bodies are the General Meeting and the Administrative Body, the structure of which will be decided by the General Meeting in accordance with these Articles.

Section One General Meeting

Article 11 General Meeting

Shareholders, duly convened at the General Meeting, will decide by the majorities established by law on matters within the competence of the General Meeting

All shareholders, including dissenters and those who have not participated in the meeting, will be bound by the resolutions of the General Meeting, without prejudice to the rights and actions recognised by Law.

Article 12 Types of General Meetings

General Meetings may be ordinary or special and must be convened by the Administrative Body of the Company.

Article 13 Ordinary General Meeting

The ordinary General Meeting, once called, must meet within the first six months of each year to approve the management of the Company, the accounts of the previous financial year, and decide how to apply profits, where applicable, without prejudice to any other legally required matters.

Article 14 Special General Meeting

Any Meeting that is not that described in the preceding article will be classified as a special General Meeting.

Article 15 Universal Meeting

Notwithstanding the previous articles, the General Meeting will be understood as called and quorate to discuss any matter, without the need for prior call, provided that all of the share capital is present or represented and the participants unanimously agree to hold the General Meeting. The Universal Meeting may take place anywhere in national territory or abroad.

Article 16 Calling the General Meeting

The General Meeting, be it ordinary or special, must be called by the Administrative Body by announcement published in the Official Gazette of the Commercial Registry and in one of the most widely circulated newspapers in the province where its registered address is located, at least one month before the date of the meeting.

The call must include the name of the Company, the place, date and time of the meeting, the agenda, which must include all matters to be addressed, and the position held by the person or persons making the call. The call may also include the date upon which the General Meeting will be held on second call. A period of at least twenty-four hours must elapse between the first and second meeting.

The Administrative Body must also call the General Meeting if so requested, by shareholders who hold at least five per cent of the share capital, stating in the request the matters to be discussed in the General Meeting. In this case, the General Meeting should be called to take place within two months from the date on which the Administrative Body is instructed via the notary to call it. The Administrative Body shall draw up the agenda, which shall necessarily include the items that have been the subject of the request.

The call must state the shareholders' right to inspect the documents to be submitted for approval by the General Meeting and the technical reports required by Law, at the registered address and to obtain a copy of those documents free of charge and immediately. In addition, if the General Meeting has to decide on any amendment to the Articles of Association, the items to be amended must be clearly identified in the call.

General Meetings will take place at the registered address, unless the call expressly specifies another place in the municipality where the Company has its registered office.

Article 17 **Quorum for the General Meeting**

As an exception to article 18, the General Meeting, be it ordinary or special, will be quorate on first call when the shareholders present or represented hold at least twenty-five per cent of the subscribed capital with voting rights. The Meeting will be quorate on second call, irrespective of the share capital in attendance.

Article 18 **Special resolutions. Quorum**

For the ordinary or special General Meeting to validly increase or reduce the share capital and any other amendment to the Articles of Association, issue debentures, disapply or restrict pre-emption rights in relation to the allotment of new shares, change legal form, merge, spin-off or global transfer the Company's assets and liabilities, or transfer the registered office abroad, the attendance of shareholders in person or by proxy representing at least fifty per cent of the subscribed share capital with voting rights will be required on first call. The second call only requires that shareholders with twenty-five per cent of the capital be present or represented.

For the above resolutions, if the capital present or represented exceeds fifty per cent, it will be sufficient for the resolution to be passed by an absolute majority. However, a favourable vote of two thirds of the capital present or represented at the General Meeting will be required when shareholders representing twenty-five per cent or more of the subscribed capital with voting rights are present at the second call without reaching fifty per cent.

Article 19 Right to attend

Owners of shares that have recorded them in the Register of Members five days before the date on which the General Meeting is to be held and holders of shares that can prove, through a public document, their lawful acquisition from someone recorded as owner in the Register will be entitled to attend the meeting. That evidence will be understood to be an application to the director to make the corresponding entry in the Register.

When so agreed by administrative body and it is included in the call, shareholders entitled to attend the General Meeting and their representatives may remotely, electronically and simultaneously attend in a way that enable them to be recognised and identified, and to cast the electronic vote remotely during the Meeting in accordance with the procedure agreed by the administrative body and set out in section 182 Corporate Enterprises Act.

In addition, the administrative body is authorised to call the General Meeting exclusively remotely, that is to say, without the physical attendance of shareholders or their representatives, provided that the identity and standing of shareholders and their representatives can be duly ensured and that all attendees may effectively participate in the meeting by appropriate remote means, such as audio or video, and have the possibility to use written messages during the course of the Meeting, both to exercise in real time the right to speak, obtain information, make proposals, vote, and to follow the interventions of the other attendees by the means indicated, complying with all the requirements established in section 182 bis Corporate Enterprises Act. Meetings conducted exclusively by electronic means will be considered held at the registered address regardless of where the chair is.

Article 20 Representation

All shareholders entitled to attend General Meetings may be represented by another person, who need not be a shareholder. Proxy must be granted in writing and specifically for each General Meeting and in compliance with the legal provisions on the matter.

Proxy applies without prejudice to the legal provisions for cases of family representation and execution of general powers of attorney.

In any event, both for cases of voluntary and legal proxy, no more than one proxy may attend the General Meeting.

Proxies may always be revoked. Personal attendance at the meeting will revoke the proxy.

Article 21 List of Attendees

Before opening the agenda, a list of participants will be drawn up, indicating the eligibility or proxy of each and the number of shares held or represented. The number of shareholders attending in person or by proxy must be recorded at the bottom of the list, together with the amount of share capital they hold and the corresponding voting shares.

If the General Meeting so resolves, two scrutineers will be appointed from amongst the attendees.

Article 22 General Meeting Officers

If there is a Board of Directors, the chair and secretary of the General Meeting will be the same as for the Board of Directors. In their absence, the General Meeting will be chaired by the person designated by the shareholders attending the meeting. The chair will be assisted by a secretary, who must also be appointed by the shareholders.

Article 23 Deliberation and Passing resolutions

Once the meeting is commenced, the secretary must read the items on the agenda and deliberations will take place, with the chair and the persons designated by them speaking first.

Once these interventions have taken place, the chair will give the floor to shareholders who request it, directing and maintaining the debate within the limits of the agenda and ending it when the matter has, in the chair's opinion, been sufficiently debated.

Finally, the various resolution proposals will be put to a vote. Each share will entitle its holder to one vote. Resolutions will require a favourable vote of the majority of the capital, present or represented, entitled to vote at the General Meeting, without prejudice to the rules for increased quorum and voting established by law and in these Articles.

Any shareholder, present or represented, who does not expressly state their abstention or vote against the proposed resolution will be considered to vote in favour of it. Approval by majority will be recognised by recording the votes against the proposed resolution or abstentions.

Article 24 Minutes

The secretary will issue minutes for each meeting, which must include the resolutions passed by the General Meeting. The minutes must be approved by the General Meeting, and, failing this, within a period of fifteen [15] days by the chair of the meeting and two shareholders, one acting on behalf of the majority and the other on behalf of the minority.

The Minutes will be transcribed in the Company's Minutes book or stored in any manner permitted by law. Once approved, the Minutes must be signed by the meeting secretary and approved by whoever acted as chair. Resolutions are enforceable from the date of approval of the minutes in which they are recorded.

Section Two Management Body

Article 25 Administration

The General Meeting will decide which of the following structures, without the Articles being

amended, should be followed as regards management and representation of the Company:

- i. A Sole Director.
- ii. Two Joint Directors.
- iii. A minimum of two and maximum of three joint and several (solidarios) directors.
- iv. A Board of Directors, comprising a minimum of three and a maximum of twelve directors.

The General Meeting is responsible for deciding the number of members within those limits.

The scope of the Administrative Body's authority to represent the Company, in whatsoever forms it adopts under this article, will extend to all acts included in the corporate purpose, in accordance with section 234 Corporate Enterprises Act.

It is not necessary to be a shareholder to be a director.

The General Meeting will appoint the person to hold the position of director.

Article 26 **Term of office**

Directors will hold their position for five years, and may be re-appointed one or more times for periods of equal duration.

Directors' appointments will lapse where, at the end of their term of office, the next General Meeting has been held or the legal time limit for holding the General Meeting to approve financial statement for the preceding financial year has elapsed.

Article 27 **Directors' remuneration**

Directors will not be remunerated. Without prejudice to the above, Board members must be reimbursed for ordinary and habitual travel, stay and maintenance expenses incurred as a result of attending Board meetings.

Article 28 **Functioning of the Board of Directors**

If General Meeting opts for a Board of Directors, it must comprise a minimum of three and a maximum of twelve members, appointed by the General Meeting, which must also specify the required number.

The Board of Directors will elect, from among its members, a chair by majority vote and, where appropriate, choose a vice chair to replace the chair during periods of absence or illness. The Board of Directors will also choose who is to hold the post of secretary or vice secretary, as applicable. The secretary and, where applicable, deputy secretary, may or may not be directors. In the latter case, they shall have the right to speak but not vote.

The Board of Directors may appoint, from amongst its members, one or more directors or executive committees, indicating the content, limits and forms of delegation. Permanent delegation of any of the Board's powers to an Executive Committee or CEO, and appointment of

the director(s) that will hold such positions, will require a vote in favour from two-thirds of the Board members, and will not take effect until registered at the Commercial Registry.

The Board must meet whenever the interests of the Company so require, but at least once per quarter.

Board meetings will be quorate when the a majority of its members, present or represented, are in attendance, and must be called by the chairman or the person who may hold that post from time to time, either of their own volition or when requested to do so by at any two of the directors, at least ten [10] days before the date on which the meeting is to be held, by written notice sent to each director by email or by any other means that makes it possible to prove its receipt. However, when there are urgent reasons to convene the Board, it will be sufficient for the call to be made at least three [3] calendar days before the meeting date.

Without prejudice to the above paragraph, the Directors constituting at least one third of the Board members may call a meeting, specifying the agenda, to be held at the Company's registered office, if the chair fails to call the meeting, without just cause, within a period of one month when requested to do so.

The call must include at least the day and time of the meeting, and a provisional agenda of matters to be discussed at the meeting, without prejudice to any other that may be proposed by the directors during the meeting.

Notwithstanding the above, Board meetings will be quorate, without the need for prior notice, when all members are present or represented and they unanimously decide to hold a meeting.

Board resolutions passed by multiple telephone call, video-conference, or any other means of communication that allows the meeting to take place remotely, will be valid as long as none of the directors opposes this procedure, all the directors have the necessary means to attend, and they mutually acknowledge each other, which should be expressed in the minutes of the board meeting and in the certification issued for the resolutions. In this case, the board meeting shall be deemed to be a single meeting held at the Company's registered office. Written Board resolutions passed without a meeting will be valid as long as none of the directors oppose this procedure.

Any director may authorise, in writing and for a particular meeting, another director to represent them at that meeting.

Article 29 **Passing Board resolutions**

Board of Directors resolutions will require an absolute majority of the members attending the meeting by attendees, unless the Law requires otherwise.

Each director, including the chair, will be entitled to one vote, without prejudice to any delegated votes they may hold.

Board of Directors deliberations and resolutions must be recorded in a minute book, and the minutes signed by the chair and the secretary.

Article 30 Commissions

El órgano de administración, en caso de tener forma de consejo de administración, podrá constituir en su seno comisiones especializadas, determinando su composición, designando a sus miembros y estableciendo las funciones que asume cada una de ellas.

En caso de ser de aplicación, el consejo de administración constituirá aquellas comisiones que establezca la normativa aplicable, con la composición y las funciones que se indiquen en ella.

TITLE IV Financial Statements and Allocation of Profits/Losses

Article 31 Prepare, verify and approve financial statements, management report and allocation of profits/losses.

The Administrative Body, in the first three months of each financial year at most, or, where applicable, the period set by law, must prepare and sign the Annual Accounts and the Management Report, which must include, as applicable, the statement of non-financial information and proposed allocation of profit or loss, and, where applicable, the consolidated accounts and management report.

Article 32 Application of profits/losses

The General Meeting must approve the Annual Accounts and Management Report and decide on how to allocate the profits/losses based on the approved balance sheet.

Once the law and articles of association been applied, dividends charged to the profits for the year or to unrestricted reserves may be distributed only where the value of net equity is not, or will not become subsequent to the distribution, less than the share capital. If there are retained losses that cause the value of the Company's equity to be less than its share capital, the profit will be used to offset these losses.

Payment of interim dividends are subject to the Law.

TITLE V Liquidation and Winding Up

Article 33 Winding up and liquidation

The Company may be wound up on the grounds and following the liquidation procedure established by law.

TITLE VI **Final Provision**

Article 34 Dispute resolution

The shareholders and the Company expressly submit to the jurisdiction of the Company's registered office and waive any other jurisdiction to which they may be entitled, to resolve any dispute that arises between the Company and shareholders, or between the shareholders themselves, as a result of corporate activity.

Data of Amendment of the Articles of Association:

Registered at the Madrid Commercial Registry on December 30, 2021, in Volume 39314, Sheet 119, Page M-483031, Entry 76.



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