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El valor de lo esencial

AUDIT COMMITTEE

21 February 2023

# Audit Committee Activities Report for 2022

For approval

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## 1 Introduction

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Under section 16.6 a) of Red Eléctrica Corporación, S.A.'s (the "**Company**") Board Regulations, the Audit Committee's Annual Action Plan for 2023 includes the preparation of an annual report on the activities of the Committee performed in 2022, which is the object of this document.

## 2 Legal background, structure, functions and composition

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### 2.1 Legal background

Spanish Audit Act [*Ley 22/2015, de 20 de julio, de Auditoría de Cuentas*] amended section 529 quaterdecies of the consolidated text of the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*], enacted by Royal Legislative Decree 1/2010, of 2 July (Corporate Enterprises Act), on Audit Committees, and, therefore, the Board amended sections 15 and 16 of the Board Regulations regarding the composition, functioning and functions of the Audit Committee in December 2016, which are fully adapted to that Act.

At a meeting held on 19 February 2019, the Board approved amendments to the Board Regulations in view of the strategic approach that the Board wanted to attribute to sustainability in the Company and its subsidiaries ("**Redeia**") by restructuring of the Board Committees, creating a new Sustainability Committee and updating the functions of the other two committees: the Audit Committee and the Appointments and Remuneration Committee. The responsibilities of the Appointments and Remuneration Committee were strengthened in relation to the group companies, in accordance with international best practices regarding corporate governance, and in addition, the general oversight and risk control function to be performed by the Audit Committee was reviewed, in conjunction with the specific functions assigned to each of the other committees within the scope of their respective responsibilities.

At the meeting held on 31 March 2020, the Board Regulations were amended to incorporate the appropriate adaptations in accordance with Spanish Law 11/2018, of 28 December, on non-financial information and diversity [*Ley 11/2018, de 28 de diciembre, en materia de información no financiera y diversidad*], update the functions of the Board and its Committees on sustainability, some of them cross-cutting, with the formal and material scope agreed by the three committees, and strengthen the coordination mechanisms between the three Board Committees.

Finally, at a meeting held on 25 May 2021, the Board approved amendments to the Board Regulations to incorporate the appropriate adaptations to Spanish Law 5/2021, of 12 April, amending the consolidated text of the Corporate Enterprises Act [*Ley 5/2021, de 12 de abril, por la que se modifica el texto refundido de la Ley de Sociedades de Capital*], enacted by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, as regards promoting the long-term involvement of shareholders in listed companies, and to introduce certain technical and drafting clarifications.

That review adapted the Board Regulations in matters relating mainly to the rules for related-party transactions, directors' remuneration, directors' duty of care and the Annual Corporate Governance Report and the Annual Director Remuneration Report.

### 2.2 Structure and functions

Article 23 of [Articles of Association](#) and sections 15 and 16 of [Board Regulations](#) regulate the structure, composition and functions of the Audit Committee.

Among other functions, the Audit Committee is tasked with supporting the Board in monitoring the process of preparing the Company's economic/financial and non-financial information, internal control and risk management systems, supervision of relations with external auditors, compliance with legal and internal regulations, and the relationship with the Company's shareholders in matters within its competence, and reporting on related-party transactions that must be approved by the General Meeting or the Board and supervising the internal procedure established by the Company.

The Committee meets with the appropriate frequency to properly discharge its duties. In any case, it must meet at least on a quarterly basis and when called by its chair or at the request of two of its members, and whenever the Board or its chair requests the issuance of a report or the submission of proposals.

Section 15.4 of the Board Regulations stipulates that the meetings can be called, with the associated documentation, by electronic means that ensure the due security and confidentiality of the notice of meeting and related documentation.

This call notice, which will include the agenda, will be sent by the chair or secretary of the Committee to each of its members at least three days before the date scheduled for the meeting, except in cases of emergency where a meeting needs to be called in a shorter period of time.

Section 15.6 of the Board Regulations establishes the possibility that Committee meetings may be held by conference call, video conference or by any other means of remote communication that allow them to be held, provided that all Committee members agree.

The Committee may be convened with the attendance of the majority of its members and may adopt decisions or recommendations by an absolute majority of votes of the directors attending the meeting in person or by proxy. To better perform its functions, the Committee may engage independent professionals and may also access any type of information or documents of the Company that it needs to perform its functions.

## 2.3 Composition

The composition of the Audit Committee is regulated in Article 23.1 of the Articles of Association and in section 15 of the Board Regulations. In accordance with the aforementioned precepts, the Committee will consist of four (4) members appointed among the non-executive directors, and the majority of its members must be independent directors. The chair of the Committee will be an independent director chosen by the Committee from among its members, and the secretary will be the secretary to the Board.

The appointment, re-election and removal of Committee members is performed by the Board at the proposal of the chair of the Board, following a report by the Appointments and Remuneration Committee. Committee members hold their positions for a period not exceeding four (4) years and may be re-elected, and they cease to hold their position when they cease to be directors or when the Board decides, following a report by the Appointments and Remuneration Committee. The chair will be replaced every four (4) years and may be re-elected when one year has elapsed since their replacement.

The composition of the Committee from 1 January 2022 to 31 December 2022 was as follows:

Director	Position	Category of Director	Last appointment
Mr Antonio Gómez Ciria	<i>Chair</i>	Independent non-executive	27/10/2020

Ms Mercedes Real Rodrigálvarez	<i>Member</i>	Proprietary non-executive (SEPI)	30/11/2021
Mr José María Abad Hernández	<i>Member</i>	Independent non-executive	02/07/2021
Mr José Juan Ruiz Gómez	<i>Member</i>	Independent non-executive	30/11/2021

There were no appointments, re-elections or removals of members of the Audit Committee in 2022.

The directors comprising the Committee are particularly well qualified for their position and have extensive professional experience, having held positions of the highest responsibility outside Redeia where they performed functions related to those entrusted to the Committee. Based on the professional profiles of its members, they have knowledge and experience in accounting, auditing and financial and non-financial risk management, which has been taken into account in their appointment as a whole, and in particular in the appointment of its Committee's chair, as in section 529 quaterdecies of the Corporate Enterprises Act and Recommendation 39 of the Good Governance Code for listed companies, and in section 15.2 of the Board Regulations, which also stipulates that the members of the Committee as a whole will have the relevant technical knowledge in relation to the sectors of activity to which the group companies belong.

Below is a brief summary of the professional careers of the Committee members at 31 December 2022, who have knowledge and experience in accounting, auditing and/or risk management:

- *Mr Antonio Gómez Ciria*, born on 25 March 1957, has a bachelor's degree in Economics and Business Studies from Universidad Complutense de Madrid, a bachelor's degree in Mathematics from Universidad Complutense de Madrid, and an Executive MBA from IESE Business School. Chartered Certified Accountant (AECA).

He is currently a member of the Advisory Board of Experts on Accounting and Financial Information (ECIF) of the General Council of the Spanish Association of Economists; Board member of Mapfre, S.A. and Chair of its Risk and Sustainability Committee; Board member of Mapfre España Compañía de Seguros y Reaseguros, S.A.; Board member of Mapfre Re Compañía de Reaseguros, S.A. and member of its Management Committee; Board member of Mapfre Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana; Board member of Hispasat S.A. and member of its Audit Committee and Appointments and Remuneration Committee.

He has also held positions that include Board member of Mapfre Global Risks Compañía Internacional de Seguros y Reaseguros, S.A. and member of its Management Committee; General Manager of Administration and Information Technology and member of the Management Committee of the FCC Group; Representative of the FCC Group at the Large Companies Forum of the Ministry of Finance and Public Administrations; General Manager of Internal Audit and member of the Management Committee of the FCC Group; Internal Audit Manager of the FCC Group; Member of the Advisory Board of the Institute of Internal Auditors and member of the Management Committee; General Technical Secretary of InverCaixa (investment management company belonging to the La Caixa Group); Chair of the Spanish Accounting and Audit Institute (ICAC); Director of Empresa Nacional de Uranio, S.A.; Director of Empresa Nacional de Autopistas, S.A.; Director of Tabacalera, S.A.; Head of Market Inspection for the Madrid Stock Exchange (Sociedad Rectora de la Bolsa de Valores de Madrid); Deputy Manager of Budget Planning and Research for Radio Televisión Española; Head of

the Auditing and Accounting Department of Banco de Crédito Agrícola; Auditor/Inspector for the Spanish State Auditing Agency.

Member of the Working Group of Spain's National Securities Market Commission (CNMV) that drew up the "Guidelines for management reporting by listed companies [*Guía para la elaboración del informe de gestión de las entidades cotizadas*]".

- *Ms Mercedes Real Rodríguez*, born on 6 January 1968, has a bachelor's degree in Economics and Business and a bachelor's degree in Law from Universidad Pontificia de Comillas (ICADE E-3), and completed the Executives Development Programme (PDD) at IESE Business School.

She is currently Sociedad Estatal de Participaciones Industriales (SEPI)'s Director of Investee Companies and Board member and Chair of the Audit Committee of ENRESA, S.A., S.M.E.

She has also held positions including Board member of ENUSA Industrias Avanzadas, S.A.; Chief Financial and Control Officer, Controller and Head of Human Resources at the INFOBOLSA Group (BME Group and Deutsche Börse Group, AG); Board member and Chief Financial and Control Officer of OPEN FINANCE, S.L.; Head of the Audit Team of companies in the financial sector at ARTHUR ANDERSEN (currently DELOITTE & TOUCHE).

- *Mr José María Abad Hernández*, born on 28 May 1982, holds a bachelor's degree in Law from the Universidad Pontificia de Comillas (ICADE). Bachelor's degree in Business Administration and Management, specialising in Finance, from Universidad Pontificia de Comillas (ICADE). Specialist in Quantitative Research Methods (Statistical Techniques) from Universidad Politécnica de Madrid. Advanced Studies Program in International Economics from the Kiel Institute for the World Economy (Germany).

He is currently Senior Advisor of the financial services practice of Oliver Wyman in Europe (since 2022); Consultant of the Global Macroeconomic Analysis and Markets Department of the International Finance Corporation (IFC) of the World Bank Group (Washington, DC) (since 2022); Member of the Advisory Board, Instituto Hermes Foundation (since 2022); Associate Professor at ICADE (Madrid) (since 2022), where he teaches "Analysis of Economic Situation" in Executive Education programmes; Independent consultant and adviser on macroeconomics and banking matters.

Among others, he was the winner of the "Federico Prades" Award that the Spanish Banking Association (AEB) awards every two years to an economist under 40, in this case for work on the usability of banking capital buffers (April 2022); Financial Sector Expert and Visiting Scholar, successively, at the Monetary and Capital Markets Department of the International Monetary Fund (IMF) (Washington, DC) (2020-2022); Executive Director of the European Financial Institutions Group of the Analysis Division and senior banking analyst responsible for the hedging of listed banks in southern Europe (Spain, Portugal, Greece) at Goldman Sachs (London) (2015-2020); Deputy chair and senior analyst of the Sovereign and Supranational Risk Group, and member of the Sovereign Ratings Committee of Moody's Investors Service (London) (2015); Board member of AXIS Business Investments, S.G.E.I.C., S.A.S.M.E. (ICO Group) (Madrid) (2012-2015).

As Chief Economist and Head — with the rank of Deputy Manager — of the Research Department and the International Relations Department of the Official Credit Institute (ICO) under the Ministry of Economy and Competitiveness (Madrid) (2012-2015), he has been: Responsible for forming the macro view of the ICO, defending the "Spanish position" on key economic policy issues with other European national and multilateral development banks, and managing the international agenda of the chair; Member of the Buying, Strategy and International Relations and Monitoring Committees of the ICO Global Fond-ICO; Co-secretary of the High-Level Expert Group for Financing SMEs of the Ministry of

Economy and Competitiveness (2013); ICO representative in the Financial Institutions Shareholder Group (FISG) of the European Investment Fund (EIF) in Luxembourg; ICO representative on the Board of the European Long-term Investors Association (ELTI) in Brussels; ICO representative in the Long-term Investors Club (LTIC) and the "Group of the Big Six" formed by the chairs and/or directors of the six main European development banks (Germany, France, Italy, Spain and Poland, in addition to the EU through the EIB Group); Co-head of the launch and monitoring of the ICO Foundation for Financing SMEs, led by the Universidad de Alcalá de Henares, which won the "Titans of Finance" award (granted by the ECOFIN Forum) in 2015; Advisor (for Spain and Portugal) of the Global Chief Economist at Unicredit Group (London) (2011-2012); Consultant (for Spain and Portugal) of the Goldman Sachs European Economic Analysis team (Frankfurt) (2010-2011); Senior associate of the Sovereign and Suprenational Risk Group, member of the Sovereign Ratings Committee and the Economic Analysis Committee at Moody's Investors Service (Frankfurt) (2009-2010); and Associate of the KPMG Operations and Strategy Group (Madrid) (2006).

In terms of his academic career, he was a Visiting Professor at ESADE (Barcelona) (2018-22), where he taught "Analysis and Valuation of Financial Institutions" on the Master's in Finance course; Research and teaching assistant at the Institute for Economic Policy at the University of Leipzig (Germany) (2011-2012); Research and teaching assistant at the International Centre for Financial Research (CIIF) at IESE Business School (Madrid) (2007-2008); Research and teaching assistant in the Department of Economics at ICADE - Universidad Pontificia Comillas (Madrid) (2005-2006).

He has also authored numerous monographs, articles and research projects on various topics related to financial and capital markets and economic policy.

- *Mr José Juan Ruiz Gómez*, born 30 July 1957, holds a bachelor's degree in Economics from Universidad Autónoma de Madrid. Trade Expert of the State.

He is currently an independent consultant and adviser on macroeconomic and Latin American market matters; Chair of the Elcano Royal Institute and member of its Executive Committee.

In relation to his professional profile, he was Chief Economist and head of the Research Department of the Inter-American Development Bank (2012-2018); Chief Economist for Latin America at Banco de Santander (1999-2012); Representative of Banco Santander on the Board of the Elcano Royal Institute (until 2012); Member of the Social Council of the Universidad de Castilla La Mancha (2005-2009) and later Chair (2010-2012); Member of boards of both public entities (INI, Aviaco, Autopistas del Atlántico, Renfe and Tabacalera) and private entities, in particular in the banking sector, holding director positions between 1999 and 2012 at Banco de Santiago (Chile), Banco Santander Puerto Rico, Banco Santander Peru and Banco Venezuela; Director of the Strategy and Planning Department of Banco Santander (1996-1999); Chief Economist of Asesores Financieros Internacionales (1996); Member of the Independent Experts Committee of the Ministry of Economy and Finance responsible for the construction of macroeconomic scenarios for the Spanish economy (1994-1998); Member of the Editorial Board of the Recoletos Group (1994-1999); Chief Economist of Argentaria (1993); Member of the Editorial Board of El País and the Prisa Group.

The most relevant positions held in the government (Ministry of Economy and Finance) are: Undersecretary for International Economy and Competition of the Ministry of Economy and Finance (1991-1993); Member of the Steering Committee of the Ministry of Economy and Finance (1991-1993); Chief of Staff for the Secretary of State for Economy (1988-1990); Executive Advisor to the Secretary of State for Economy (1985-1987); Head of the Balance of Payments Service, Secretary of State for Trade (1984-1985); Economic Advisor to the Secretary of State for Trade and the Secretary General for Trade (1983); Technical support to the General Technical Secretariat during the negotiation of Spain's entry into the EU (1984-1985); President of the Spanish Delegation to the OECD for the annual

meetings on macroeconomic monitoring (1990-1993); Chair of the Economic Policy Committee of the European Union (1992-1993); Member of the Economic Policy Committee of the EU (1989-1992); Responsible for Spanish relations with the IMF, the World Bank and the Development Banks (Africa, Asia, Latin America and Europe) (1986-1993).

In addition, he is active as a speaker at conferences with various institutions and collaborates as a lecturer in the International Master's programme at IE Business School.

Detailed information on the Committee members and their professional background is available to shareholders, investors and other stakeholders on the Company's website.

The secretary of the Committee was Carlos Méndez-Trelles García, current secretary of the Board, by virtue of his appointment as such, approved by Red Eléctrica Corporación, S.A.'s Board, at the proposal of the Appointments and Remuneration Committee, on 26 May 2020.

Throughout 2022, at the request of the Committee itself and at the invitation of the chair, the Corporate Economic and Financial Director, the Economic Director, the Director of Management Control, the Deputy Director of the Corporate Economic and Financial Director, the Chief Financial Officer, the Corporate Transformation and Resources Director, the Chief Transport Officer of Red Eléctrica de España, S.A.U., the person holding the position of Corporate Sustainability Director, the person holding the position of General Director of International Business and current Corporate Director of Sustainability and Studies, the General Telecommunications Business Director, the Chief Executive Officer of Hispasat, S.A., the Director of Corporate Development, the Director of Technology and Innovation, the Director of Regulation and Legal Services, the Director of Procurement, the Director of Information Technologies, the Head of the Corporate Governance, Compliance and Risk Control Department of Network Eléctrica Infraestructuras de Telecomunicación, S.A. attended the Committee meetings, all exclusively to report on matters related to the areas of their competence, safeguarding the independence in the functioning of the aforementioned Committee at all times.

In addition, the Internal Audit and Risk Control Manager attended on eleven (11) occasions and the Head of the Internal Audit Department attended the Audit Committee on five (5) occasions to take part in items on the agenda relating to matters within their competence.

In 2022, as regards the review of the financial statements of the Company and its group for 2021, the external auditor of the Company and its group explained to the Committee the audit procedures performed in the group. The Committee agreed to report favourably on the financial statements for 2021.

The external auditor attended Audit Committee meetings on (4) four occasions to take part in items on the agenda relating to matters within his competence.

### 3 Activities performed in 2022

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At its meeting held on 14 December 2021, the Audit Committee approved its Annual Action Plan for 2022, in view of the responsibilities assigned to it in the Articles of Association and Board Regulations.

The Audit Committee, through its chair, reported its activities to the Board at its meetings immediately after each Committee meeting and made available to all directors, through the "director portal" intranet, the documentation corresponding to the meetings and a copy of the minutes.

The Audit Committee met twelve (12) times in 2022, reporting the same number of times to the Board on the activities performed by the Committee.



The main tasks performed by the Committee in 2022 included the following:

### 3.1 Regarding financial and non-financial information

- Favourable analysis and report to the Board on the financial statements for 2021 of the Company and its Consolidated Group. Review of the non-financial information statement.
- Favourable analysis and report to the Board on the proposed distribution of profits of Red Eléctrica Corporación, S.A. for 2021, which includes, among other applications, the proposal for approval of a supplementary dividend charged to profit for 2021.
- Analysis and approval of the sections of the Annual Corporate Governance Report for 2021 within the scope of the competencies of the Audit Committee.
- Favourable analysis and report to the Board on the periodic economic and financial reports.
- Analysis of the additional reports prepared by the external auditor, KPMG, in compliance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament, and section 36 of Spanish Audit Act.
- Analysis of the tax criteria for the settlement of Corporation Tax and other taxes for 2021.
- Analysis and approval of the accounting and tax criteria applied at year-end 2021.
- Analysis of the country-by-country report that has to be submitted to the Spanish tax authorities for 2021.
- Analysis of the tax transparency report for 2021 to be submitted to the Tax Authority and the tax transparency report for 2021 to be published on the website.
- Favourable analysis and report to the Board on the reporting of results for 2021, and the quarterly and half-yearly results for 2022.
- Favourable report to the Board, for its approval, on the proposed renewal of the Annual European Commercial Paper (ECP) Programme and subsequent analysis of the Prospectus.
- Favourable analysis and report to the Board, for its approval, on the proposed renewal of the EMTN Annual Programme and subsequent analysis of the Prospectus.
- Favourable analysis and report to the Board on the Consolidated Financial Statements and the Consolidated Interim Directors' Report for the first half of 2022 and the draft external auditor's limited review report on them.
- Analysis and compliance with the financial year-end schedule for 2022 and with the auditor change process.
- Favourable analysis and report to the Board, for its approval, on the proposed allocation of an interim dividend for 2022.
- Analysis of the quarterly reports monitoring the main investment projects.
- Analysis of the estimated results for the year-end 2022.
- Analysis, favourable report to the Board, for its approval, on the Redeia budget for 2023.

- Analysis and report to the Board on the analysis of the profitability of diversification investments.
- Analysis, favourable report and submission to the Board, for its approval, of the proposal for capitalisation of a group company.
- Analysis, favourable report and submission to the Board, for its approval, of the proposal for authorisation to issue a hybrid bond.
- Analysis of the future annual report, and progress in defining its structure and alignment with the proposed European Corporate Sustainability Reporting Directive.
- Analysis of a proposed investment in a venture capital fund regulated by the CNMV and focused on the Energy Transition.

### 3.2 Regarding internal control and risk management systems

- Analysis of the follow-up report on the Annual Activities Plan for the Integrated Risk Management System (IRMS) for 2021, and the Annual Activities Plan for 2022.
- Analysis of the annual report on the 2021 Compliance System, and the 2022 Activities Plan.
- Analysis of the planning of the annual external audit work and of the review of ICFR for 2022 by the external auditor.
- Analysis of the Redeia Risk Map.
- Analysis of the update to the Criminal Compliance and Anti-Bribery System Manual for Redeia in Spain.
- Analysis of the high-level risk situation and special monitoring report for the first half of 2022.
- Analysis of the quarterly performance of the Key Risk Indicators.
- Analysis of the annual report on the Criminal and Anti-Bribery Compliance System for Redeia in Spain for 2021.
- Analysis of the follow-up report on the Criminal and Anti-Bribery Compliance System for the first half of 2022.

### 3.3 Regarding internal audit services

- Analysis of the quarterly reports on the internal audits performed in the fourth quarter of 2021, and the subsequent quarters of 2022, and the results of each of these audits, and on compliance with Internal Audit recommendations.
- Analysis of the Annual Report on Internal Audit Activities for 2021.
- Analysis of the Internal Auditor's Report on the Internal Control over Financial Reporting (ICFR) for 2021.
- Approval of the budget, means and resources of the Internal Audit service for 2023.

- Approval of the Annual Internal Audit Plan for 2023.
- Analysis, favourable report and submission to the Board, for its approval, of the proposed update of the Internal Audit Charter.

### 3.4 Regarding the external auditors

- Analysis of the external auditor's reports on the financial statements for 2021 and the preliminary external auditor's report for 2022.
- Analysis and approval of the report on the independence of the external auditor issued by KPMG Auditores, S.L., in accordance with Recommendation 6 of the Good Governance Code for listed companies.
- Analysis and approval of the contracting and fees of KPMG Auditores for 2022 for audit services, other audit-related services, and other non-audit services.
- Analysis and approval of the update of the fees for the external auditor of Red Eléctrica Corporación, S.A. and its group (KPMG) for 2022.
- Analysis and approval of the contracting and fees of Ernst & Young for 2022 for the services related to the preparation of the audit for 2023, and other services planned in 2022.
- Analysis of the external audits results report on the group's certified management systems for 2022.

### 3.5 Regarding compliance with legal provisions and internal regulations

- Analysis of the annual activity report and monitoring of internal regulations in 2021 and the first half of 2022.
- Analysis of the annual report on compliance with the Internal Code of Conduct in the Securities Market.
- Analysis of periodic occupational health and safety reports.
- Analysis of the annual management report on the Code of Ethics for 2021.
- Analysis and favourable report to the Board, for its approval, on various related-party transactions.
- Analysis of the half-yearly report on the approval of delegated related-party transactions for the first half of 2022.

### 3.6 Regarding the Company's shareholders

- Analysis of the resolutions proposed by the Board at the Annual General Meeting on matters within its competence.
- Follow-up on possible initiatives, suggestions and complaints raised by shareholders during the year: In 2022 no initiatives, suggestions or complaints were received from the Company's shareholders.
- Analysis and approval of the external audit of the management procedures of the Annual General Meeting held in 2022.

### 3.7 Other activities

- Approval of the Annual Activities Report of the Audit Committee for 2021.
- Analysis of the Group's Corporate Insurance Programme for the second half of 2021 and the first half of 2022.
- Analysis of the Annual Healthy Workplace Report for 2021.
- Approval of the Committee's Action Plan for 2023.
- Approval of the schedule of Committee meetings for 2023.
- Appointment of the external auditor for the additional annual review for 2021 on the accounting separation of the transport activities of Red Eléctrica de España, S.A.U., the operation of the peninsular system and the operation of the non-peninsular systems.
- Analysis of the annual report on the measures adopted to ensure adequate independence of the Organic Unit that exercises the function of the Transmission Network Manager and System Operator for 2021.
- Analysis and favourable report to the Board on the proposed update of the structure of general powers of attorney.
- Analysis on risk assessment in cybersecurity.

## 4 Directors' attendance at meetings

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In 2022, the Audit Committee held twelve (12) meetings, one (1) of them special, reporting the same number of times to the Board on the activities performed by the Committee. The meetings were attended either in person or by video-conference. Over the course of the year there was only one absence, where a director designated a proxy with instructions, and there were a total of 47 attendances, for an attendance rate of 97.91%.

## 5 Review of the financial statements for 2022

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The Audit Committee, at the meeting in which the Activities Report of the Audit Committee for 2022 was approved, proceeded to perform the following in relation to 2022:

- Review the financial statements for 2022 of the Company and of its Consolidated Group, the external auditor's report and the non-financial information statement.
- Analyse the proposed distribution of profit and payment of dividends for 2022 of Red Eléctrica Corporación, S.A.

The external auditor (KPMG) of the Company and its group for the year attended the meeting to provide the Committee with the appropriate clarifications and explanations.

The Committee reported favourably on both proposals.

In relation to the independence of the auditor, in view of the information provided by the external auditor (KPMG), the Audit Committee has not identified any aspects that call into question compliance with current regulations in Spain for the audit activity regarding auditor independence and, in particular, the Committee has confirmed that no aspects of this nature have been identified that may compromise the independence of the external auditor. Consequently, at its meeting held on 21 February 2023, the Committee approved the report on the independence of the external auditor of Red Eléctrica Corporación, S.A. and subsidiaries.

## 6 Assessment of compliance with the principles and recommendations established by the CNMV (Technical Guide 3/2017)

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On 27 June 2017 the Spanish National Securities Market Commission (CNMV) approved the Technical Guide for Audit Committees of Public Interest Entities (Technical Guide 3/2017), under sections 21(3) and 21.4 of the consolidated text of the Securities Market Act (*Ley del Mercado de Valores*), enacted by Royal Legislative Decree 4/2015, of 23 October.

The purpose of Technical Guide 3/2017 is to provide guidance on the functioning of audit committees and include recommendations for the companies concerned that the CNMV will take into account when performing its oversight function.

The Company's ongoing commitment to the application of international best practices regarding corporate governance has allowed it to comply with the recommendations in Technical Guide 3/2017, as explained in the Company's Annual Corporate Governance Report.

In view of the recommendations of Technical Guide 3/2017, the following should be noted as regards the Company's Audit Committee:

a) The structure, composition and functions of the Audit Committee are regulated in Article 23 of the Articles of Association and developed in sections 15 and 16 of the Board Regulations, which include, among other aspects, the composition, requirements for the appointment of its members, rules of operation, responsibilities and functions assigned, means that must be available to it, rules on the relationship of the Committee with the Board and shareholders, rules on communication with the External Auditor and the internal auditor, assessments performed by the Committee and reports to be issued. For reasons of legal certainty, it is considered more appropriate that the operating regulations of the Audit Committee are contained in the Board Regulations, published on the Company's corporate website and the CNMV's website, and registered at the Commercial Registry.

b) The Committee's independence is encouraged by the following:

i. It is composed exclusively of non-executive directors and both the chair and the majority of its members are independent directors.

ii. The remuneration of the Committee members is in accordance with the principle of moderation and is linked to their responsibility so as to avoid compromising their independence and objectivity.

iii. Furthermore, neither the chair of the Board nor the managing director participate in the Committee's meetings.

iv. Executives attending Committee meetings do so at the request of the Committee and only attend in relation to items on the agenda that fall within their competence.

c) To ensure the full independence of the External Auditor, the corresponding articles of the Articles of Association and the Board Regulations were adapted to reflect the reform of the Corporate Enterprises Act that regulates this area.

d) Ongoing dialogue is maintained with the various stakeholders related to the Committee's own functions. In addition, diversity of opinion is encouraged within the Committee so that each member may act in accordance with their personal criteria.

e) The Committee members have significant experience in management, financial matters and business.

f) A diverse composition is sought in terms of gender, professional experience, competencies and industry knowledge.

g) The Committee has an Annual Action Plan, meets on a monthly basis and reviews and analyses aspects relating to financial and non-financial information, internal control and risk management systems, compliance with legal provisions and internal regulations, and information on occupational health and safety.

h) An annual self-assessment process is performed on the functioning of the Committee, with external support, within the framework of the Board's annual self-assessment process.

i) There is a Welcome Programme for new Committee members, which is part of the Annual Welcome Plan for new directors, known as the Orientation Programme, which was last updated in May 2021.

j) There is an Annual Activities and Information Programme for directors, which is updated annually and implemented throughout the year.

k) Redeia has various mechanisms to prevent unlawful transactions, money laundering and fraudulent concealment or disposal of assets. These notably include the Code of Ethics and Conduct, which includes specific principles and guidelines for conduct related to Tax Liability, the code of conduct for suppliers, the Compliance Policy, the Criminal Compliance and Anti-Bribery System Manual, the "Third-Party Due Diligence and Human Rights Guidelines" and the "Guidelines for the Prevention of Corruption and Fraud: Zero Tolerance", which is available to the employees of Redeia, its suppliers and the various stakeholders through the corporate website.

## 7 Assessment and conclusions

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On the basis of the above, the Audit Committee assessed its composition and functioning during 2022, and considers that:

- The composition of the Committee was in line with the legal and corporate provisions for such, being made up of members that have the relevant expertise in relation to the Committee's functions, in particular on accounting, auditing and/or financial and non-financial risk management, and the sector of activity to which the Company belongs, with the majority of Committee members being independent directors.
- The Committee met more frequently than that in section 15 of the Board Regulations and when it was necessary in view of the matters to be addressed.
- All Committee meetings were attended, either in person or by video conference, by all its members (except for one meeting where one of the directors designated another of the members to be their proxy), who had the necessary information in relation to the different items on the agenda available to them, before the meetings, to be able to discuss and take informed decisions. When necessary, the Committee has also consulted external experts for advice.

- Lastly, the Committee performed all the functions assigned to it, both under regulations and those contained in the Articles of Association and Board Regulations, and also in accordance with the recommendations of the Good Governance Code for listed companies and Technical Guide 3/2017.

In accordance with the above, it can be concluded that the Audit Committee has complied with the rules set out by law and in its corporate texts in terms of composition, frequency of meetings, attendance and informed participation of its members, the Audit Committee having dealt with the matters within its competence in 2022.

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