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Board of Directors

27 February 2023

Annual Report on Remuneration of
Directors 2022

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Annex III Statistic of the Annual Report on Remuneration of Directors for listed companies (Circular 3/2021, of September 28, of the CNMV), corresponding to Red Eléctrica Corporación S.A. 58

1. Presentation of the Report by the Chairwoman of the Appointments and Remuneration Committee



Dear shareholders,

On behalf of the Appointments and Remuneration Committee, I am pleased to present the Annual Report on Remunerations of Directors, which includes the Directors' remuneration policy for financial year 2023 and the implementation of the directors' remuneration in 2022, according to the Directors' Remuneration Policy of Red Eléctrica Corporación 2022-2024¹ (hereinafter also referred to as "Red Eléctrica Corporación", the "Company", the "Entity" or "REC"), approved by the Ordinary General Shareholders' Meeting held on 29 June 2021. Likewise, Red Eléctrica Corporación, S.A. and its subsidiaries shall hereinafter be referred to as "Redeia" or "Group".

Results of 2022 Ordinary General Shareholders' Meeting and analysis of the shareholders' vote

At the Ordinary General Shareholders' Meeting of the Company held on 7 June 2022, two resolutions regarding the remuneration of the Board of Directors were submitted for approval:

1º The Annual Report on Remuneration of Directors for the financial year 2021.

2º The annual Remuneration of the Board of Directors, for all items, for the financial year 2022.

I would like to highlight the **broad support** obtained by the Company's shareholders in relation to the second agreement proposal, which obtained a very low vote against (less than 0.6%), in line with the results obtained in previous Meetings.

Regarding the agreement proposal on the **Annual Report on Remuneration of Directors**, this obtained a **limited vote against** from the shareholders (7%), although higher than that of the 2021 General Shareholders' Meeting (0.6%). This result is aligned with the 6% negative vote obtained in relation to the Directors' Remuneration Policy 2022-2024 of the Company, approved by the 2021 Ordinary General Shareholders' Meeting.

¹ The Directors' Remuneration Policy of Red Eléctrica Corporación, S.A. 2022-2024 can be found in this link:
https://www.ree.es/sites/default/files/03_GOBIERNO_CORPORATIVO/Documentos/Junta_General_de_Accionistas/CA_RemunerationPolicy_JGOA2021.pdf

During 2022, the **reasons and foundations of said votes** against the Annual Report on Remuneration of Directors for the financial year 2021 **were analysed**, as well as the main recommendations of the investment world and its proxy advisors in this regard, concluding that they were based, among others, on the recommendation to maintain the ownership of a minimum percentage of the Company's shares by the Chief Executive Officer, for a certain period of time, once said shares have been delivered as variable remuneration. These reasons are in line with those identified in the process of analysing the results of the votes taken at the 2021 General Shareholders' Meeting in relation to the Directors' Remuneration Policy 2022-2024. In this sense, the Company considers that complies with said recommendation through the delivery of a portion of the Chief Executive Officer's variable remuneration, both annual and multi-year, in shares as well as his commitment, while holding said position, to maintain for, at least five years, the ownership of the shares received as Annual Variable Remuneration.

According to our analysis, another possible reason for the negative vote of some of the Company's shareholders in relation to the Annual Report on Remuneration of Directors for the financial year 2021 would be their dissent regarding the current percentage, in Company shares, of the Chief Executive Officer's Variable Remuneration (Annual and Multi-year), recommending an increase in line with some international corporate governance recommendations and practices. As of 31 December 2023, the Chief Executive Officer will hold shares equivalent to almost one year of his Fixed Remuneration. This position has been generated since his appointment in May 2019 through the annual delivery in shares of 25% of the annual variable remuneration. The Chief Executive Officer has undertaken a commitment to the Company, while holding said position, to maintain for, at least five (5) years, the ownership of the shares received. Additionally, the Chief Executive Officer has been granted up to a maximum of 17,000 shares in the Long-Term Incentive Plan for the Promotion of the Energy Transition, Reduction of the Digital Divide and Diversification, which he may receive in the event that a scenario of maximum compliance with all the objectives of the Plan is achieved. This position is considered appropriate by both the Company and the majority of its shareholders, in view of the low percentage of votes against (7%) of the aforementioned Annual Report at the Ordinary General Shareholders' Meeting of the Company held in 2022.

Finally, as a result of the aforementioned analysis, it has been concluded that shareholders, in accordance with recent international corporate governance practices, could be demanding new advances in terms of the structure and content of the Annual Report on Remuneration of Directors, in order to make further progress in terms of information transparency; a matter that has been taken into account in the preparation of this Report, which presents new developments in this regard, in line with the Company's aim of continuous improvement and with the objective of providing a timely response to the priority issues for the majority of our shareholders.

Results and remuneration accrued in financial year 2022

Regarding the **economic results** achieved by Redeia (**Group**) in 2022, it should be noted that the investment has amounted to EUR 1,032.3 million, 79.3% higher than that executed in the prior year. This increase is driven by the strong growth in the regulated business in Spain and Redeia's corporate transactions this year, having acquired 5 new concessions in Brazil through Argo, as well as Hispasat's acquisition of Axess. On the other hand, EBITDA amounted to EUR 1,491.3 million, slightly lower than that generated in 2021 (-0.5%), and the profit achieved by the Group was EUR 664.7 million, also lower than that of 2021 (-2.3%). Finally, it should be noted that the strong cash flow and the sale of the 49% stake in Reintel to KKR have enabled Redeia's net financial debt to be reduced by 18% compared to the end of 2021.

These results will enable the Board of Directors to propose to the next Ordinary General Shareholders' Meeting to maintain the distribution of a dividend of EUR 1 per share (as in 2021), charged to the Accounts for financial year 2021, maintaining its commitment to shareholders.

In light of this results, on 20 February 2023, the Appointments and Remuneration Committee, after evaluating the degree of achievement of the predetermined and quantifiable objectives, established at the beginning of the financial year 2022, has considered a global level of achievement of the objectives to which the **Annual Variable Remuneration of the Chief Executive Officer is linked for financial year 2022** of 110%, equivalent to 82.5% of his Annual Fixed Remuneration for his executive functions. This Report includes details of the objectives, their weightings and the mechanics followed to determine the corresponding amounts. All this, in accordance with the provisions of the current Directors' Remuneration Policy and in the Annual Report on Remuneration of Directors, approved at the last Ordinary General Shareholders' Meeting held on 7 June 2022.

Annual Variable Remuneration Metrics and Objectives for 2023

On 24 January 2023, the Appointments and Remuneration Committee has approved the proposal of **Objectives** to which the Chief Executive Officer's Annual Variable Remuneration for **financial year 2023** will be linked. It is worth highlighting, once again, among the *business objectives*, the relevance of the "Return on Capital Invested by the Group (ROIC)" (35%) and the "Achieve Redeia's Consolidated Net Profit (NP) (€M)" (35%) and the "Redeia's Total Investment (€M)" (30%). Among the *operating objectives linked to the Redeia's business activities*, the one that promotes "Making the energy transition in Spain a reality" is consolidated (including the "Degree of progress Special Projects" objective, which includes the electricity interconnection with France and the Chira-Soria project), the weighting of which remains unchanged (35%); the weighting of objectives related to "Efficiency", is increased from 20% to 30% (highlighting the objective related to the "Group's average variable financial debt rate"), and "Sustainability", which is increased from 12% to 15%. Among the latter, the focus is placed, among others, on the "Advance of compliance with the 2023-2025 Sustainability Plan", the corresponding detail being included in section 3 "Directors' Remuneration Policy in 2023" of this Report.

Multi-year Variable Remuneration

Redeia has in place the Long-Term Incentive Plan for Promotion of Energy Transition, Reduction of the Digital Divide and Diversification, the total term of which is 6 years, and will end on 31 December 2025. I would like to recall that 75% of the Objectives set out in it are related to Sustainability (ESG), having been defined as "Making the Energy Transition a reality in Spain" (45%), "Boosting Connectivity" (15%), "Compliance with the Sustainability Plan" (10%) and "People" (5%).

Remuneration of the Board of Directors in 2023

The remuneration for the non-executive duties of Directors has remained unchanged, by elements and amounts, since financial year 2014, except for the position of the non-executive Chair of the Board which was created in financial year 2016, and since then its remuneration amount also remains unchanged.

The Appointments and Remuneration Committee has conducted a review of the current remuneration for the Entity's directors, "in their condition as such" (for their non-executive duties), and of the remuneration for the Chief Executive Officer. Since the review process of the Directors' Remuneration Policy 2022-2024 is required to be done in 2024 and a new Policy will be submitted for the approval of the General Shareholders' Meeting, the Committee has considered adequate to address in 2024, with an overall view approach and in parallel, both review processes of the annual remuneration for directors and the said Policy.

As a result, as it was proposed for financial year 2022, in February 2023, the Board of Directors, upon the proposal of the Appointments and Remuneration Committee, has approved the proposal for the annual remuneration of directors in their condition as members of the Board of Directors, for financial year 2023, which is maintain unchanged with regard to financial year 2022. The Board will submit this proposal for approval at the next General Shareholders' Meeting, separately from the Annual Report on Remuneration of Directors, as usual, when the General Meeting is called.

As is the usual practice, the Statistical Annex III of the Annual Report on the Remuneration of the Company's Directors is incorporated as an annex to this Report, completed in accordance with the provisions of the Circular 3/2021, of September 28, of the National Securities Market Commission.

I would like to conclude by thanking the members of the Appointments and Remuneration Committee, and to all those who have collaborated with this Committee, for their commitment, support and assistance throughout the whole year; I would also like to express my appreciation for the comments, recommendations and suggestions received from our shareholders and their advisors throughout our permanent engagement and consultation process, that are key factors for continuous improvement in adopting responsible corporate governance practices related to remuneration.

Signed: Socorro Fernández Larrea

2. Summary of remuneration and results

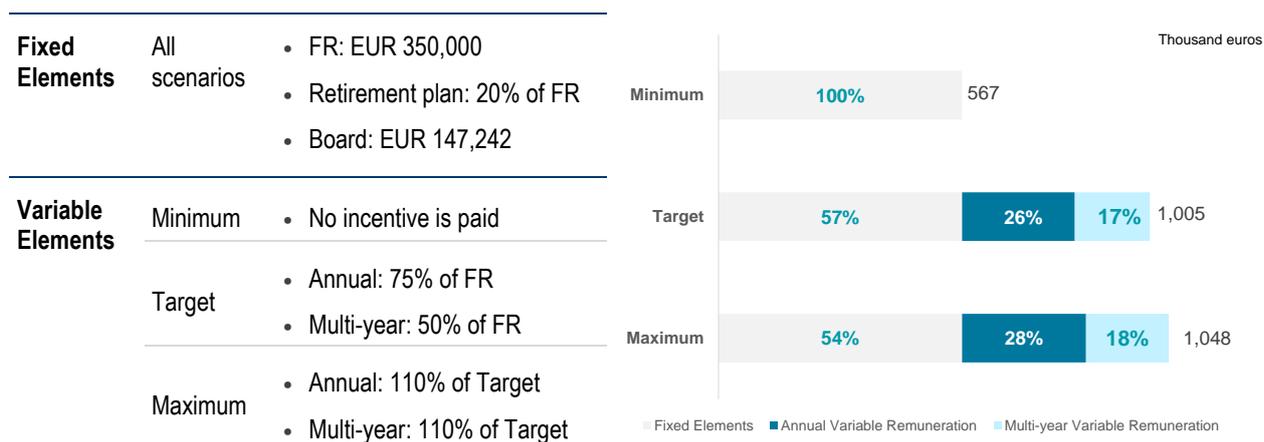
2.1. Remuneration policy for the Chief Executive Officer in 2023

	2023	Changes compared to 2022
Fixed Elements		
Annual Fixed Remuneration (FR)	• EUR 350,000	No changes
Retirement plan	• 20% of Annual Fixed Remuneration	No changes
Social benefits	• EUR 60,000	No changes
Annual Variable Remuneration		
Opportunity	<ul style="list-style-type: none"> • Target: 75% of Annual Fixed Remuneration • Maximum: 110% of Target 	No changes
Metrics ¹⁾	<ul style="list-style-type: none"> • Business: economic-financial and investment (75%) • Operating managerial: linked to the Group's business activities, including Sustainability (25%) 	No changes (in both global percentages)
Settlement	• 75% in cash and 25% in shares	No changes
Multi-year Variable Remuneration		
Opportunity	<ul style="list-style-type: none"> • Target (annualised): 50% of Annual Fixed Remuneration • Maximum (annualised): 110% of Target 	No changes
Metrics ^{1) y 2)}	<ul style="list-style-type: none"> • Financial and Operational (90%) • Sustainability (10%) 	No changes
Instruments ³⁾	• ~75% Cash and ~25% Shares	No changes
Performance period	• 6 years	No changes
Shareholding		
Commitment	The Director has undertaken the commitment, while he holds such position, to maintain the ownership of the shares received as Annual Variable Remuneration, for at least five years	No changes

- 1) Details of metrics and weightings are presented in the following section 3.
- 2) Of all these objectives, 75% is related to Sustainability.
- 3) The total incentive consists of the sum of an incentive in shares and an incentive in cash. For a scenario where the degree of achievement of the objectives is 100% (target), the number of shares that the Chief Executive Officer may receive would be 14,966 shares. The target incentive in cash would be equivalent to the difference between: a) 50% of the Annual Fixed Remuneration at the end date of the Plan multiplied by each of the years of the performance period and; b) the value of the target number of shares considering the weighted average price of the Company's share in the 30 trading days immediately prior to 1 January 2020, without including the aforementioned day in the calculation (EUR 17.54 per share).

Remuneration mix 2023

The following table and graph show different scenarios on the remuneration to be perceived by the Chief Executive Officer based on the fixed elements established for 2023 and Variable Remuneration, Annual and Multi-year, established for 2023. For the Multi-year Variable Remuneration, the indicated amounts consider the annualised granted value, without taking into account the possible variation in the share price during the performance period.



In addition, the Chief Executive Officer is entitled to an allowance in lieu of social benefits, which amounts to EUR 60,000.

2.2. Redeia results and accrued remuneration, in 2022

2022 Results

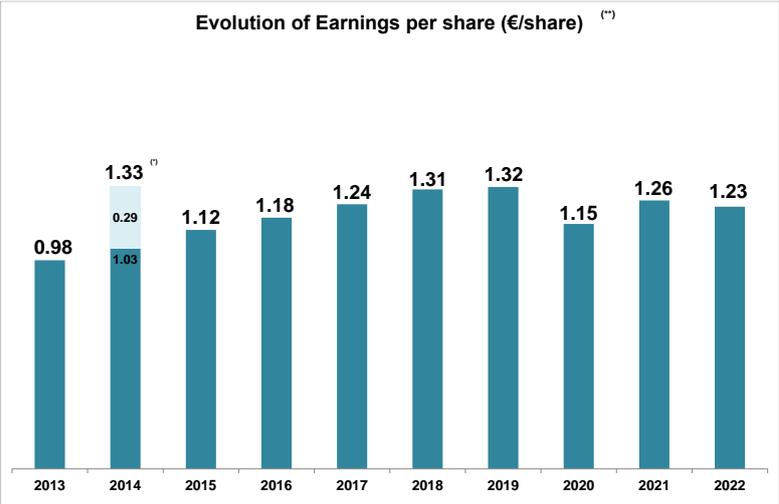
Redeia has closed the financial year with Revenues, including results from participated companies, amounting to EUR 2,065.4 million, 4.2% above that recorded in 2021, and the EBITDA reached EUR 1,491.3 million, 0.5% below that obtained in 2021. These results come from **the growth in diversification businesses**, particularly from the international electric transmission and telecommunications. Finally, the consolidated result for the period amounted to EUR 664.7 million, 2.3% lower than in 2021.

The most relevant positive variations in **cash flows**, specifically, changes in working capital and the collection of the sale of Reintel's 49% participation to KKR, have enabled the development of the following actions in 2022:

- **Reduce** net financial **debt** by EUR 1,014 million, 18% compared to 2021. On 26 April 2022 the credit rating agency Standard & Poor's maintained the long-term rating level as "A-" with a stable forecast. On 14 October 2022, Fitch Ratings maintained the long-term rating of Red Eléctrica Corporación, S.A. as "A-" with a stable forecast.

- **Execute investments** valued in EUR 1,032.3 million, 79.3% above the executed in the previous year.

Maintain the **dividend** payout of EUR 1 per share, which will enable proposing in the following General Shareholders’ Meeting, by the Board of Directors, the distribution of this dividend, charged to the Accounts for the year 2022, maintaining the Company its **commitment to shareholders**.



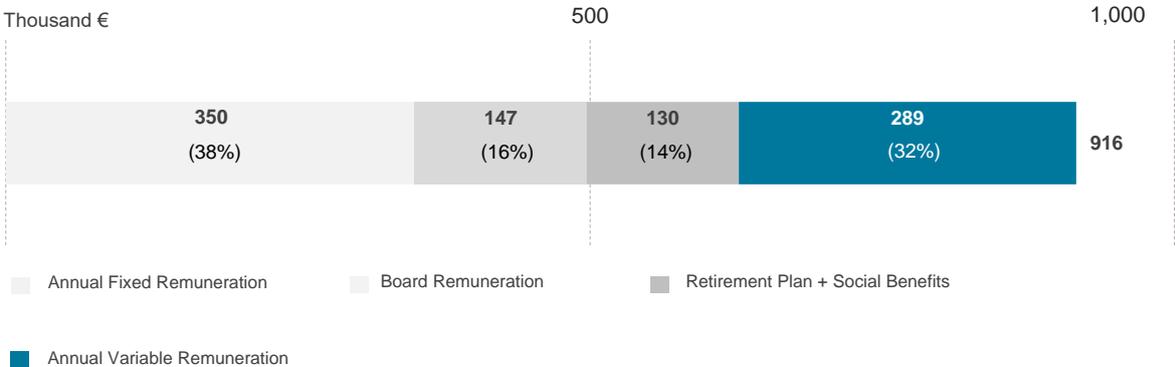
(*) Note: The net profit specified for 2014 (EUR 1.33 per share) includes exceptional events taking place in that financial year, all of them positive.

(**) Note: exclusively for the purposes of comparing between financial years, the 2016 split has been applied to share price in all financial years.

Remuneration accrued in 2022

Based on results achieved in 2022, the **Annual Variable Remuneration accrued** by the Chief Executive Officer in **2022** amounts to EUR 288,750 (equivalent to 82.5% of his **Annual Fixed Remuneration for his executive functions**). Therefore, the Total Remuneration accrued by the Chief Executive Officer, amounts to EUR 915,992 in 2022.

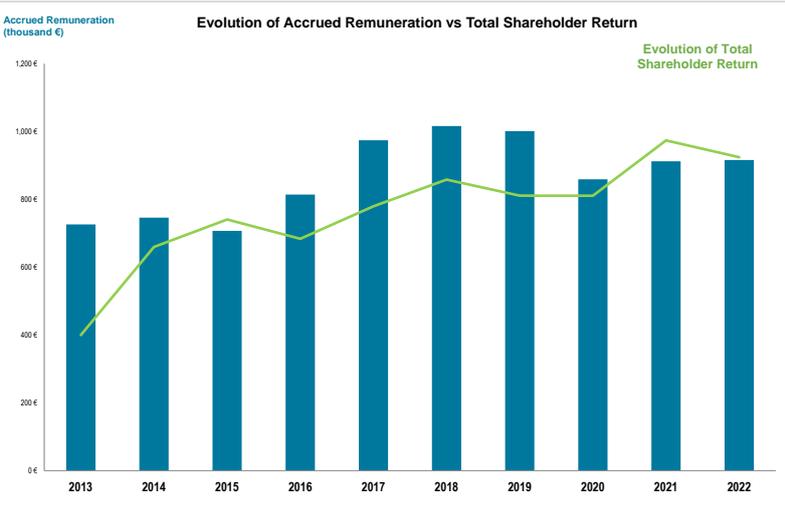
The following graph shows the amount of each remuneration element and its weight in the Total Remuneration accrued:



The weight of the fixed elements, in 2022, was of 68% of accrued Total Remuneration and Annual Variable Remuneration represents 32% of the aforementioned accrued Total Remuneration.

Evolution of results and accrued remuneration

The following graph shows the **variation in the Total Remuneration accrued by the Chief Executive Officer compared with the variation in the Total Shareholder Return in the last 10 years:**

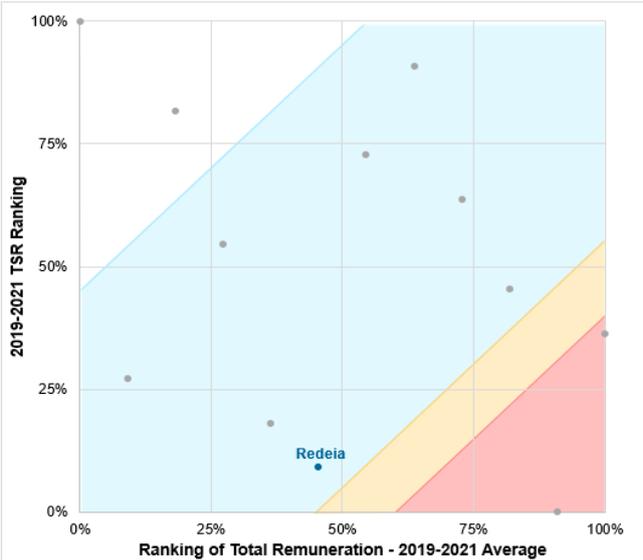


Explanatory notes on the graph:

- The Total Shareholder Return is the total return of the share and includes the share price revaluation and the reinvestment of dividends.
- The remuneration accrued in 2019 includes the annual remuneration of the outgoing and incoming *chief executive officers* in that financial year.
- The remuneration in 2013 includes the accrual of the Long-Term Incentive Plan, "Extraordinary Plan, 25th Anniversary 2009-2013".
- The remuneration in 2019 includes the accrual of the 2014-2019 Multi-Year Variable Remuneration Plan.

The following graphs show the **positioning of Redeia (Group) compared with representative companies in the energy sector**. The variation of the **Total Shareholder Return (TSR)** and **EBITDA** between **2019 and 2021** of each company in the last 3 years is compared with the average of the total pay of its Chief Executive Officer in the same period.

The transversal lines show the proportional correlation range between the growth of the indicator and that of the remuneration. A positioning in the yellow and red areas reveals a non-proportional growth correlation between the indicator considered and the remuneration; specifically, it indicates a more than proportional growth of the remuneration compared to the indicator considered. A positioning in the white area reveals a more than proportional growth in the indicator considered (TSR and EBITDA, in each graph) compared to the remuneration.



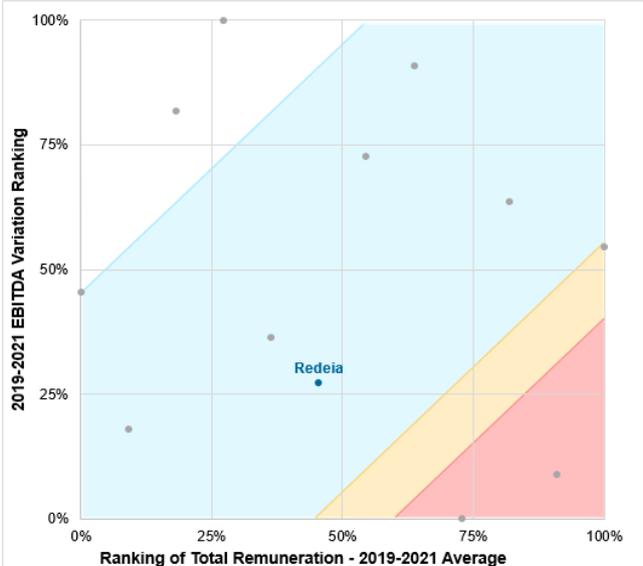
The Total Shareholder Return (TSR) is the total return of the share and includes the price revaluation of the share and the reinvestment of dividends.

The companies included are those in the European energy peer group: BKW, Électricité de Strasbourg, Elia System Operator, Enagás, Energiedienst, EVN, Public Power Corporation, REN, Snam, Terna and Verbund.

The evolution of Redeia’s TSR in the last 3 years positions the Company at the 9th percentile of the peer group, whereas the average of the total remuneration in the same period is at the 45th percentile.

Source of TSR data: Bloomberg.

Source of remuneration data: annual reports on remuneration of directors published in 2022, 2021 and 2020.



The companies included are those in the European energy peer group: BKW, Électricité de Strasbourg, Elia System Operator, Enagás, Energiedienst, EVN, Public Power Corporation, REN, Snam, Terna and Verbund.

The variation of Redeia’s EBITDA de Redeia in the last 3 years positions the Company at the 27th percentile of the peer group, whereas the average of the total remuneration in the same period is at the 45th percentile.

Source of EBITDA data: Bloomberg.

Source of remuneration data: annual reports on remuneration of directors published in 2022, 2021 and 2020.

3. Directors' Remuneration Policy in 2023

The Ordinary General Shareholders' Meeting held on 29 June 2021 approved the Directors' Remuneration Policy for year 2023. The valid term of such Policy encompassed the financial years 2022, 2023 and 2024. This Remuneration Policy does not set forth the possibility to apply temporary exceptions.

What we do	What we don't do
<p>Executive director (Chief Executive Officer):</p> <ul style="list-style-type: none"> • Link the payment of a relevant part of the remuneration to the Group's audited economic-financial results. • Defer the receipt of a relevant part of the remuneration. • Deliver a portion of the remuneration in Company shares. • Include <i>malus</i> and clawback clauses applicable to the short- and long-term variable remuneration. • Include severance payments for the termination of the legal relationship limited to one year of fixed and variable remuneration, for achieving 100% of the objectives. • Regularly review the alignment of the total remuneration with comparable companies. • Regularly obtain support from external advisors. <p>Non-executive directors:</p> <ul style="list-style-type: none"> • Link the remuneration with the effective time they spend, the responsibilities undertaken and performance of their duties as directors. 	<p>Executive director (Chief Executive Officer):</p> <ul style="list-style-type: none"> • Guarantee increases in the fixed remuneration and payments of variable remuneration. • Grant discretionary remuneration. • Allow hedging of the value of the shares received in the holding period^(*) • Discriminate in remuneration on the basis of gender, age, culture, religion or race. The professionals of Redeia are remunerated based on their professional career, the time spent on their duties and the responsibility they undertake. <p>Non-executive directors:</p> <ul style="list-style-type: none"> • Participate in remuneration schemes linked to the Company's performance (they only receive a fixed remuneration). • Participate in retirement plans or other social benefit schemes.

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

3.1. Policy determination process

Considerations when determining the Policy

The resolution on the Directors' Remuneration Policy of Red Eléctrica Corporación, S.A. 2022-2024, submitted to the General Shareholder's Meeting in 2021, obtained a reduced vote against (6%) from the shareholders, although higher than that of the General Shareholder's Meeting of 2019 regarding the previous Directors' Remuneration Policy (1.6%). As indicated in the Annual Report on Remunerations of Directors for the financial year 2021 and as

anticipated in section 1, “Presentation of the Report by the Chairwoman of the Appointments and Remuneration Committee”, the **reasons and grounds** for such votes against the Directors’ Remuneration Policy 2022-2024 **were analysed** during that financial year, as well as the main recommendations of the investor world and proxy advisors in this regard, concluding that they were based on the recommendation that the Chief Executive Officer should maintain the ownership of a minimum percentage of Company shares for a certain period of time, once these shares have been delivered as variable remuneration. This same issue was also identified as one of the main reasons for the vote against (7%) in relation to the Annual Report on Remunerations of Directors for 2021.

Through various contacts and meetings with the investor world (engagement), in 2021 and 2022, **the appropriate clarifications and explanations were provided** to transmit that aforementioned recommendation is met through the delivery in shares of a portion of the Chief Executive Officer’s variable remuneration, both annual and multi-year. These meetings also highlighted his commitment, while holding such position, to maintain for the ownership of the shares received as annual variable remuneration for at least five years.

Therefore, once the corresponding analysis has been carried out, the Board of Directors and the Appointments and Remuneration Committee, have maintained for 2023, the structure, elements and amounts from the current Directors’ Remuneration Policy of Red Eléctrica Corporación, S.A. 2022-2024.

On the other hand, the Appointment and Remuneration Committee, considers essential to regularly review the Director’s Remuneration Policy to keep it aligned to the best corporate governance practices adopted by institutional shareholders and the recommendations of the main proxy advisors.

In this respect, as it is a standard practice in the Company, the Committee has conducted a **remuneration benchmarking** for the position of Chief Executive Officer, considering three comparator groups, in line with the analysis conducted in previous years:

- A peer group formed by companies listed on the **Ibex-35**, an index in which Redeia is listed.
- An **ad-hoc peer group** formed by 12 companies which have been selected based on the same criteria applied in the remuneration benchmarking conducted in previous years for the Chief Executive Officer. These criteria (geographic scope, scope of responsibility, size and

activity sector) are included, in detail, with regards to the Chief Executive Officer as lead executive in the Directors' Remuneration Policy 2022-2024.

The companies forming the ad-hoc peer group are the following:

Acciona Energía	CIE Automotive	Enagás	Indra
Almirall	Cellnex	Fluidra	Sacyr
Amadeus	Ebro Foods	Grifols	Viscofan

- A **peer group** formed by 11 **European energy** companies, which the Company ("REC") and/or the proxy advisor Institutional Shareholder Services ("ISS") consider comparable with REC, in 2022, in terms of size (revenues) and which are relevant in the energy sector in terms of results' evolution, as detailed below:

BKW (ISS)	Energiedienst (ISS)	Snam (ISS y REC)
Électricité de Strasbourg (ISS)	EVN (ISS)	Terna (ISS y REC)
Elia System Operator (ISS y REC)	Public Power Corporation (ISS)	Verbund (ISS)
Enagás (ISS y REC)	REN (REC)	

The following graphs show the results of the analyses:

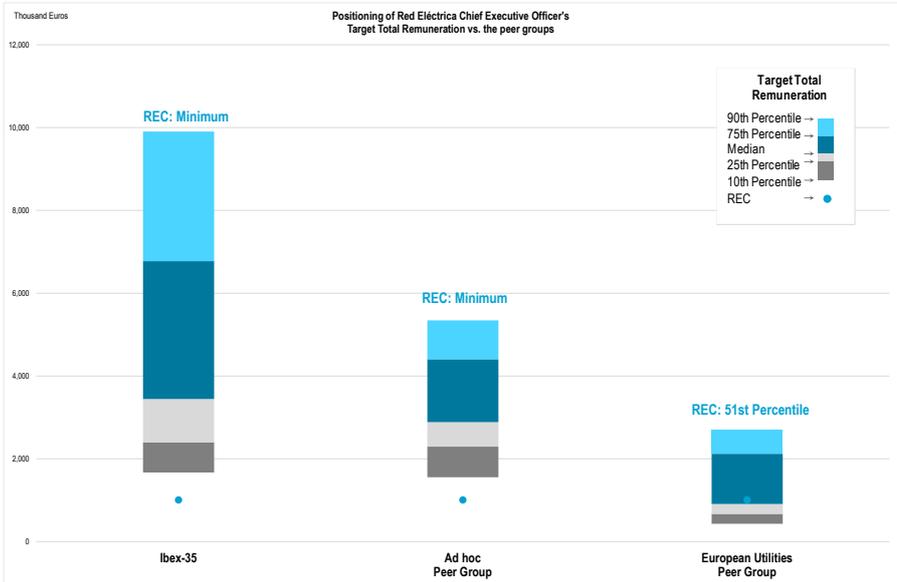
- Analysis of the Ibex-35 group: an overall overview of the data regarding the size of Redeia (Group) points to a market benchmark between the 25th percentile and the median of the Ibex-35. In terms of target remuneration (in other words, for a level of achievement of the objectives of 100%), the position of the Chief Executive Officer of Redeia is positioned at the market's minimum.
- Analysis of the ad-hoc group: an overall overview of the data regarding the size of Redeia points to a market benchmark around the median. In terms of target remuneration (in other words, for a level of achievement of the objectives of 100%), the position of the Chief Executive Officer of Redeia is positioned at the market's minimum.

- Analysis of the European energy group: an overview of the data regarding the size of the Group points to a market benchmark around the median. In terms of target remuneration (in other words, for a level of achievement of the objectives of 100%), the position of the Chief Executive Officer of Redeia is positioned at the 51st percentile.

The target total remuneration includes:

- Base Salary.
- Target Annual Bonus, granted to the executive director for the last financial year, if 100% of the objectives are achieved.
- Annualized expected value of long-term incentives.
- Remuneration for membership of the Board and for attending the Board meetings and, when applicable, its Committees.
- Pension annual expense.

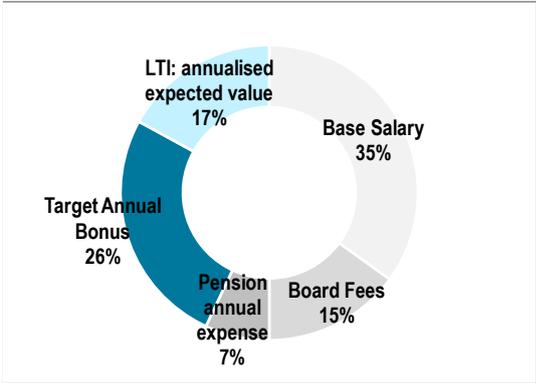
The market data are those disclosed in the Annual Report on Remuneration of Directors of each company published in 2022.



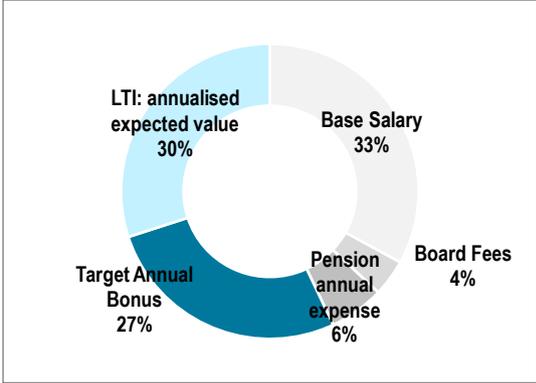
	Ibex-35	Ad-hoc	European utilities
2021 Revenues	19	26	37
Market Capitalisation 30.11.2022	52	77	68
Total Assets 31.12.2021	33	79	55

The graphs below show the mix of the Chief Executive Officer's remuneration system and its comparison with the market for a scenario of standard achievement of objectives (target or 100%). As a whole, in Redeia, the target variable remuneration (“pay at risk”), annual and multi-year, represents 43% of the target total remuneration (the sum of the Annual Base Salary and Annual and Multi-year Variable Remuneration).

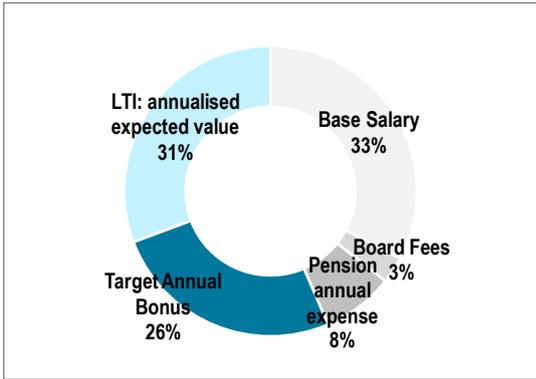
Redeia: Target Remuneration Mix Chief Executive Officer



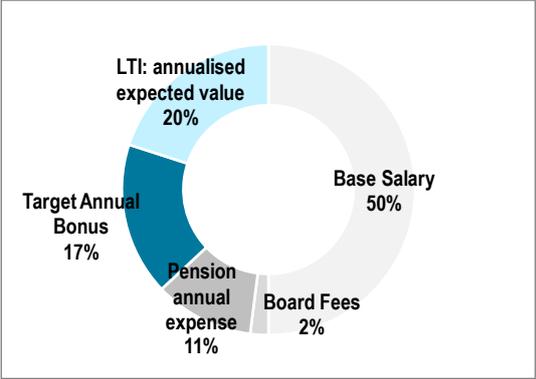
Ibex-35 Group: Target Remuneration Mix Lead Executive



Ad-hoc Group: Target Remuneration Mix Lead Executive



European Utilities Group: Target Remuneration Mix Lead Executive



2023 Metrics and objectives

The Annual and Multi-year Variable Remuneration for the executive director is based on the achievement of a combination of predefined and quantifiable objectives, measured at Group level, that reflect the priorities established in 2021-2025 Strategic Plan.

Strategic Pillars	2023 Annual Variable Remuneration	Long-term Incentive Plan
Making the energy transition a reality in Spain	<ul style="list-style-type: none"> • Redeia's Total Investment • Progress level in Special Projects • Obtaining construction administrative authorisation (CAAs) • EBITDA TSO • AIT Spanish Energy System (Average Interruption Time) 	<ul style="list-style-type: none"> • Volume of regulatory asset base (RAB) placed in service • Penetration of renewables • Investments in operation of the electricity system
Consolidate the international electric business	<ul style="list-style-type: none"> • EBITDA of the international business 	<ul style="list-style-type: none"> • EBITDA of the international business
Boost the connectivity in the telecommunications area	<ul style="list-style-type: none"> • EBITDA Reintel+Hispasat+Restel (5G) 	<ul style="list-style-type: none"> • EBITDA of the Telecommunication business
Efficiency (operational and financial)	<ul style="list-style-type: none"> • ROIC • Net Profit • % EBITDA/ margin on Revenues • Redeia Financial Debt average rate to variable • Cost reduction of the contracts awarded with comparable scope 	<ul style="list-style-type: none"> • Average annual ROIC (weighted by EBITDA) • Average Interruption Time (AIT) of electric power demand • Compliance with CNMC ratios
Innovation and technology	<ul style="list-style-type: none"> • Launch of the energy Transition Fund (closing of the first phase of investment commitments) 	<ul style="list-style-type: none"> • Compliance with the Innovation Plan
People	<ul style="list-style-type: none"> • Global severity index in Redeia 	<ul style="list-style-type: none"> • Accident severity rate
Sustainability	<ul style="list-style-type: none"> • Progress of compliance of the Sustainability Plan 2023-2025 • Redeia CO2 emission reduction • Presence in the main Sustainability indexes 	<ul style="list-style-type: none"> • Compliance with the Sustainability Plan

External advisers

In 2022 and 2023 -until the date this report is approved- WTW, an independent adviser specialised in directors' and executives' remuneration, has provided their services to the Committee on the following matters: remuneration benchmarking for the non-executive Chairwoman of the Board of Directors and for the Chief Executive Officer, remuneration benchmarking for non-executive Directors and, lastly, assistance in preparing the Annual Report on Remuneration of Directors.

3.2. Remuneration policy for the executive director (Chief Executive Officer) in 2023

The remuneration system for the Chief Executive Officer (lead executive) includes fixed and variable elements, the latter short- and long-term, in line with the Group's objectives and strategies.

The elements included in the remuneration system for the Chief Executive Officer in 2023 are detailed below:

Annual Fixed Remuneration

The amount of the Annual Fixed Remuneration for the Chief Executive Officer has been determined at EUR 350,000. It will be paid entirely in cash.

Social Benefits and other remuneration

The Chief Executive Officer participates in a defined contribution retirement scheme. Redeia's liability is limited to the realisation of an annual contribution equivalent to 20% of the Chief Executive Officer's Annual Fixed Remuneration.

The scheme covers the following contingencies: retirement, death and permanent disability.

This scheme is funded through an insurance policy underwritten with an external insurer. The benefit consists of the economic right that corresponds to the beneficiary as a consequence of the occurrence of any of the contingencies covered by the scheme.

In case of termination of the relation, the economic rights will consolidate in favour of the Chief Executive Officer, except when the termination occurs because of a severe negligent conduct on his side, in the exercise of his functions, which causes damages to the Company. The receipt of any severance payment will be compatible with the recognition of the economic right over the retirement scheme in such cases.

The Chief Executive Officer is entitled to an allowance in lieu for social benefits, which amounts to EUR 60,000. This amount remains unchanged with respect to that established in 2022. It can be perceived either in cash or in benefits in kind as social benefits.

The Chief Executive Officer does not receive any other kind of social benefits.

The remuneration Policy of the Chief Executive Officer includes the Entity granting of loans, advances and guarantees, in line with the policy of the Group's executives.

Annual Variable Remuneration

The Annual Variable Remuneration for the Chief Executive Officer is based on achieving a combination of predetermined and quantifiable objectives, measured at Redeia (Group) level. The Appointments and Remuneration Committee is responsible for approving the objectives at the beginning of each financial year. The aforementioned Committee approved the objectives and their weightings for the financial year 2023, at its meeting held on 24 January 2023, as explained in this section.

All the objectives are contemplated in the Budget for the financial year 2023. These objectives are the following:

I- 75% of the incentive is linked to the following *business objectives*, the weightings of which are distributed as follows:

- 70% of the incentive depends on the economic-financial objectives, which measure the capacity to generate Group's profits and are materialised in the following metrics:
 - 35% Return on the invested capital of Redeia (ROIC), which measures the net operating profit over the invested capital.
 - 35% Achieve the Consolidated Profit of Redeia (M€).
- 30% of the incentive depends on aspects linked to the Redeia's Total Investment.

The following table details the weightings, the thresholds and the maximums applicable to the mentioned metrics.

II- The remaining **25%** depends on *operating managerial objectives linked to Redeia's business activities*. These are disclosed below with their weightings:

- Making the Energy Transition a reality in Spain
 - 35% of the incentive is linked to activities related to the development, profitability and quality of the TSO. This year this objective also includes, in particular, the progress level in two Special Projects (electric interconnection with France and the Chira-Soria project). This objective's description also includes obtaining construction administrative authorizations (CAAs), the EBITDA TSO (M€), and the AIT Spanish Energy System (Average Interruption Time).

- Boost the connectivity
 - 5% of the incentive is linked to results generated by Reintel, by Hispasat and by Restel (5G) within Redeia.
- Consolidate the international business
 - 5% of the incentive is linked to revenues generated by the international activity of Redeia (EBITDA of the international business).
- Innovation and Technology
 - 5% of the incentive is linked to the launch of the energy Transition Fund (closing of the first phase of investment commitments)
- People
 - 5% of the incentive is linked to the global severity index in Redeia, in relation to the number of lost days due to accidents, having established that in case of fatal accident with death, the objective will be considered as unachieved.
- Efficiency
 - 30% of the incentive is linked, basically, to the improvement of efficiency through the EBITDA margin on Revenues; to Redeia (Group) Financial Debt average rate to variable; and to the cost reduction of the contracts awarded with comparable scope with respect to the CPI evolution produced since the last contracting.
- Sustainability
 - 15% of the incentive is linked to progress in the 2023-2025 Sustainability Plan of Redeia; to Redeia (Group) CO2 emission reduction; and to the permanence of the Company in the most relevant indices in the field of sustainability, in particular, in the Dow Jones indices (DJSI World y Europe) and Vigeo/Eiris (World 120, Europe 120 y Eurozone 120).

Regarding the progress of the 2023-2025 Sustainability Plan, which consists in achieving by 2023, 40% of the Plan, and will be measured by assessing the degree of progress of the 190 actions established in each of the 4 priorities of the Commitment to Sustainability 2030: (i) Decarbonization of the economy (32 actions), (ii) Responsible value chain (79 actions), (iii) Contribution to the development of the environment (35 actions) and (iv) Anticipation and action for change (44 actions). Likewise, it will be assessed the achievement of objectives of emission reduction scope 1 (reduction of

SF6 emissions compared to 2015) and scope 1+2 (reduction of emissions compared to 2019).

The following table details the weightings, the thresholds and the maximums applicable to the mentioned metrics. The information about such assessment will be included in the Annual Report on Remunerations of Directors that will be submitted to the Ordinary General Shareholders' meeting in 2024.

For the *operating managerial objectives linked to Redeia's business activities*, the Appointments and Remuneration Committee may also assess the minimum threshold of individual achievement and determine a maximum level of individual achievement, which could reach a global maximum of 155% in the case of over-achievement. The Appointments and Remuneration Committee will have the level of autonomy required to evaluate the annual degree of achievement of these objectives.

A summarised table that includes all the objectives, thresholds and weightings that determine the calculation of the Annual Variable Remuneration for the Chief Executive Officer is provided below:

METRICS	WEIGHTING	LEVEL OF ACHIEVEMENT OF OBJECTIVES			INCENTIVE PAYOUT LEVEL		
		Minimum	Target	Maximum	Minimum	Target	Maximum
75% BUSINESS OBJECTIVES							
1. ROIC	35%	92%	100%	100%	0%	100%	100%
2. Net Consolidated Profit	35%	92%	100%	100%	0%	100%	100%
3. Redeia's Total Investment	30%	90%	100%	110%	0%	100%	200%
25% OPERATING MANAGERIAL OBJECTIVES LINKED TO REDEIA'S BUSINESS ACTIVITIES							
1. Making the Energy Transition a reality in Spain	35%		100%		0%	100%	185.7%
2. Boost the connectivity	5%		100%		0%	100%	200%
3. Consolidate the international business	5%		100%		0%	100%	200%
4. Innovation and Technology	5%	Assessment by ARC(*)	100%	Assessment by ARC(*)	0%	100%	200%
5. People	5%		100%		0%	100%	200%
6. Efficiency	30%		100%		0%	100%	116.7%
7. Sustainability	15%		100%		0%	100%	100%

(*) In the said assessment, as for the rest of the objectives, the Committee will consider the degree of achievement and the weighting of each of the objectives and the internal rules and procedures for evaluating objectives, established for its executives, will be applied.

Note: intermediate levels (between minimum and target and between target and maximum) will be calculated by linear interpolation.

Under exceptional circumstances, the Appointments and Remuneration Committee may propose adjustments to the Annual Variable Remuneration to the Board, due to internal or external factors. The details of these adjustments will be disclosed, if appropriate, in the relevant Annual Report on Remuneration of Directors.

The overall maximum level of achievement of the previous objectives (*business and managerial-operating*) and the maximum payout level may not exceed 110%.

The target level, which will be reached in the case of achieving 100% of the predetermined objectives, will be equivalent to 75% of the Annual Fixed Remuneration (EUR 262,500). The maximum level of Annual Variable Remuneration, which will be reached in the case of maximum over-achievement of the predetermined objectives will be equivalent to 82.5% of the Annual Fixed Remuneration (EUR 288,750), corresponding to the overall maximum level of achievement of the objectives (110% of the target level).

75% of the gross Annual Variable Remuneration will be settled in cash and the remaining 25% will be delivered in Company shares. In addition, the Chief Executive Officer has undertaken the commitment with the Company, while he holds such position, to maintain the ownership of the shares he receives for at least five (5) years.

Multi-year Variable Remuneration

The Chief Executive Officer participates in the Long-Term Incentive Plan for Promotion of Energy Transition, Reduction of the Digital Divide and Diversification.

The total term of the Plan is 6 years, which is the performance period to measure the objectives, and will end on 31 December 2025.

The right to receive the incentive is conditional on the achievement of objectives linked to the 2021-2025 Strategic Plan, as well as permanence in the Company during the term of the Plan. To set the aforementioned objectives, the Appointments and Remuneration Committee and the Board have taken into account, among other issues, the transversal sustainability strategy of the 2021-2025 Strategic Plan, the alignment with Redeia's Commitment to Sustainability, its

Sustainability Policy and the 2030 Agenda for Sustainable Development of the United Nations Organization, compliance with which is periodically supervised by the Company's Sustainability Committee. The objectives and their metrics are detailed below:

WEIGHT	OBJECTIVES	METRICS
45%	Making the Energy Transition a reality in Spain	<ul style="list-style-type: none"> • Volume of regulatory asset base (RAB) placed in service (25%) • Average interruption time (AIT) of electric power demand (7.5%) • Electricity system operator: penetration of renewables (7.5%) • Investments in operation of the electricity system (5%)
15%	Boosting Connectivity	<ul style="list-style-type: none"> • EBITDA of the Telecommunication business
10%	Consolidating the International Business	<ul style="list-style-type: none"> • EBITDA of the international business
5%	Innovation and Technology	<ul style="list-style-type: none"> • Compliance with the Innovation Plan
5%	People	<ul style="list-style-type: none"> • Accident severity rate
10%	Efficiency	<ul style="list-style-type: none"> • Average annual ROIC (weighted by EBITDA) (5%) • Compliance with CNMC ratios (5%)
10%	Sustainability	<ul style="list-style-type: none"> • Compliance with the Sustainability Plan

The Appointments and Remuneration Committee will monitor the objectives and, once the Plan's measurement period has ended, in the first quarter of the fiscal year following its expiration, it will evaluate the achievement of each of the objectives and the fulfilment of the Plan as a whole, considering the information provided by the Company, and will propose the incentive levels associated with compliance, based on the achievement scales established in the Plan.

The Appointments and Remuneration Committee is supported by the Corporate Economic-Financial Management, responsible for the management control function of Redeia, which provides information on the audited results of the Company and of Redeia. Both for the establishment of the objectives and for the evaluation of their fulfilment, the Commission will also consider any associated risks.

In addition, the Company's Audit Committee verifies the economic-financial data that may form part of the established objectives, since it is necessary for this Committee to previously verify the economic results of the Company and of Redeia that, if applicable, are considered for the calculation of the corresponding objectives.

In any case, it is established that the average weighted level of achievement of the set of targets must reach, at least, 70%. Otherwise, no right to receive the incentive will arise, regardless of the individual achievement of each target. Likewise, the maximum achievement of the set of targets in the Plan will be 110%, although the average weighted achievement of the targets may be higher.

In determining the level of achievement of the objectives, the economic effects, positive or negative, derived from extraordinary events that could distort the results of the evaluation shall be eliminated.

The total incentive assigned to the Chief Executive Officer consists of the sum of an incentive in shares and a cash incentive:

- For a scenario where the degree of achievement of the objectives is 100% (target), the number of shares that the Chief Executive Officer may receive would be 14,966 shares. The target incentive in cash that, where appropriate, the Chief Executive Officer could receive, is equivalent to the difference between: a) 50% of the Annual Fixed Remuneration at the end date of the Plan multiplied by each of the years of the performance period and; b) the value of the target number of shares considering the weighted average price of the Company's share in the 30 trading days immediately prior to 1 January 2020, without including the aforementioned day in the calculation (EUR 17.54 per share).
- In a scenario of maximum achievement of all objectives, the maximum incentive would be equivalent to 110% of the indicated target incentive.

In the Annual Report on Remuneration of Directors of the corresponding year, the degree of achievement of the objectives and the corresponding level of incentive in shares and in cash will be reported.

Taking into account the duration of the performance period to measure the objectives of the Plan (6 years), when it ends and its compliance is evaluated by the Appointments and Remuneration Committee, the shares that, if applicable, could be delivered to the Chief Executive Officer in execution of the Plan, will not be subject to any subsequent retention period.

Ex – post control of the Annual and Multi-year Variable Remuneration

Pursuant to the provisions in the Directors' remuneration Policy approved by the Ordinary General Shareholders' meeting of June 2021, the Appointments and Remuneration Committee is responsible for proposing to the Board the cancelation or refund of the payment of the short- and long-term variable remuneration of the beneficiary or beneficiaries or people responsible due to circumstances arising that show that the variable remuneration has been accrued or paid on the basis of inaccurate or erroneous information or data, or the internal corporate regulations or applicable laws have been infringed, which are subsequently proven. In addition, the Appointments and Remuneration Committee will assess whether, due to exceptional circumstances of this kind, it could even be proposed to the Board of Directors the termination of the contractual relationship with the beneficiary or beneficiaries or people responsible, also being able to propose the adoption of any measures it deems appropriate.

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

Contractual terms

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

The main severance, exclusivity and non-competition clauses of the aforementioned Chief Executive Officer's contract are described below, in accordance with the Remuneration Policy approved by the General Shareholders' Meeting.

Without prejudice to the confidentiality obligation expressly established in such contract, the Chief Executive Officer is also bound by the duty of confidentiality established in article 31 of the Regulation of the Board of Directors, applicable to all directors, in accordance to which directors are to refrain from disclosing the information, data, reports or records to which the director has had access in the performance of his duties. The confidentiality obligation shall survive, even after leaving the position.

In his capacity as a director of Red Eléctrica Corporación, the Chief Executive Officer has the obligation of not developing activities, as an employed or self-employed, which mean an effective competition, current or potential, with the Company on the terms in which such obligation is regulated for directors of the Company in law and in article 32 of the Regulation of the Board of Directors.

In addition, the non-compete obligation is expressly set forth in the contract for a term of two (2) years after his termination, such obligation not giving him a right to post-contractual noncompetition indemnity, as it is deemed to have been remunerated by way of his remuneration set form in the contract.

The contract, following common market practices, contemplates an indemnity in the case of termination of the contractual relation as a result of discretionary dismissal by Red Eléctrica Corporación (provided that there is no serious, intentional and culpable conduct of the Chief Executive Officer in the exercise of his functions, which causes damages to the Company) with no prior notice from the Company being required. The aforementioned indemnity will also apply if the Chief Executive Officer voluntarily resigns due to a serious and culpable breach of the Company, or a material modification of the Chief Executive Officer's duties for reasons not attributable to the same. In the calculation of such indemnity, the base used will be one year's Fixed Remuneration, plus the amount corresponding to the variable remuneration as Chief Executive Officer, calculated considering a 100% achievement of targets.

In the event of voluntary resignation by the Chief Executive Officer, he must notify the Company within 2 months' notice and in case of breach of this period, the Chief Executive Officer must compensate the Company with the amount of all the corresponding compensation for the remaining time for fulfilling that period.

In a scenario of change of control, the Chief Executive Officer will have the option, within 2 months, to cease his position, automatically terminating his contract and receiving the severance pay indicated in cases of dismissal by the Company.

Following the market practices for these cases, as a result of the appointment of the Chief Executive Officer, the previous contractual labour relationship is suspended. In the event of termination, the remuneration existing at the date of the suspension would be accrued as severance payment, considering, accordingly, his seniority in Red Eléctrica de España, S.A.U. until the date of his appointment as Chief Executive Officer (15 years), plus the period of services - if any - after his termination as Chief Executive Officer, all in accordance with the

existing labour laws. Upon conclusion of process to boost the corporation, conducted in 2020, the entity which assumes the said obligation is Red Eléctrica Corporación, S.A.

3.3. Remuneration Policy for the Directors in their condition as members of the Board of Directors in 2023^(*) ("in their capacity as such", in accordance with the Law on Capital Companies -LSC-, for their non-executive functions)

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

The Corporate Bylaws set the maximum overall annual remuneration for the entire Board, in their position as members of the Board ("in their position as such" according to the LSC), for all items, and will not exceed an amount equivalent to 1.5 percent of the Company's net income, approved by the General Shareholders' Meeting, and will remain in force insofar if no change is approved.

The previous remuneration is, in any case, the maximum payable and the Board is responsible for proposing the allotment of its amount among the specified items and among the directors, in the form, at the time and in the proportion specified, bearing in mind the duties and responsibilities assigned to each director, membership on the Board's Committees and other objective circumstances considered relevant.

The Appointments and Remuneration Committee regularly reviews the Board of Directors' remuneration Policy in line with best corporate governance practices adopted by the institutional shareholders and according to the recommendations of the main proxy advisors.

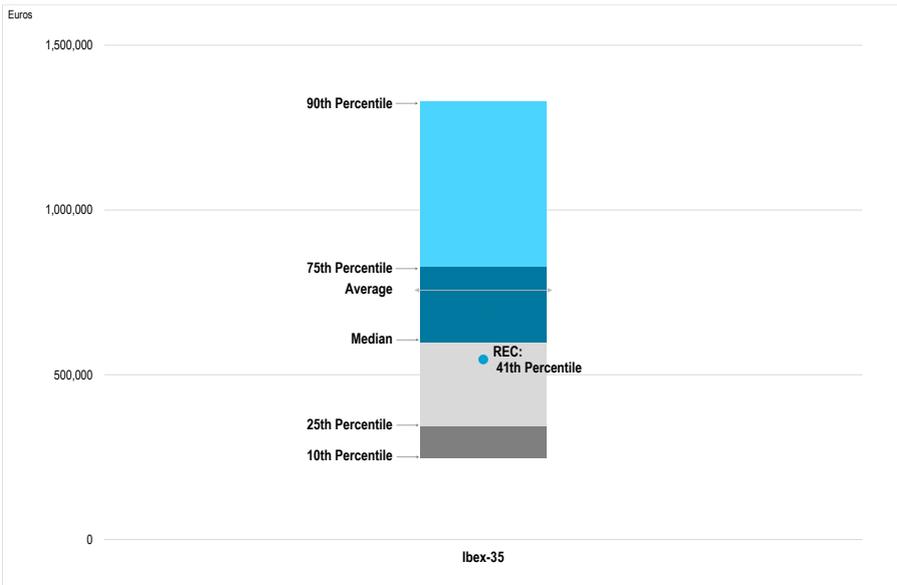
In this respect, in 2022 a remuneration benchmarking for the position of non-executive Chair of the Board of Directors and of the remuneration levels of the directors (for their non-executive functions) has been conducted, in which a peer group formed by 15 of the 17 companies in the Ibex-35 that have appointed a non-executive Chair has been considered. The following companies have been excluded:

- Meliá Hotels International, given that the remuneration Policy does not establish specific remuneration for the position of the Chair of the Board and the incumbent is a member of the main shareholder family and holds over 50% of the share capital.
- Acciona Energía, given that the remuneration Policy does not establish specific remuneration for the position of the Chair of the Board and the incumbent is the Executive Chairman of Acciona, S.A (controlling shareholder of Acciona Energía).

In terms of size, Redeia is positioned between the 25th percentile and the median of the peer group. The remuneration for the position of the non-executive Chair of the Board in Redeia sits in the 41st percentile.

The following graph shows a comparison of the remuneration of the Chairwoman of Redeia’s Board of Directors with the aforementioned peer group:

Non-executive Chairman of the Board of Directors: Total Remuneration

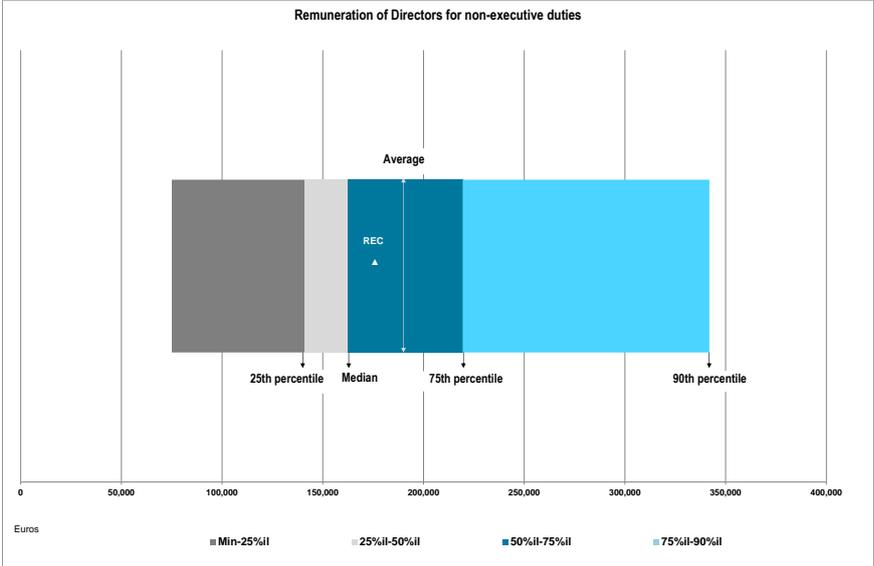


Note: The total remuneration includes the total amount of the remuneration accrued by the non-executive Chairmen, according to the information disclosed in the financial year 2022.

In relation to the directors’ remuneration levels (for their non-executive duties), for the purpose of reviewing the suitability and to ensure they are in a reasonable proportion to the Entity’s importance, its economic situation from time to time and the market standards of comparable companies, the Committee considered, among other factors, an analysis of external competitiveness conducted in 2022. In such study, also developed with the support of the independent consulting company WTW, the selected peer group was comprised of companies belonging to the Ibx-35 stock exchange index, in the same way as in previous years, since

Redeia belongs to this index and is positioned at about the median thereof for market capitalisation.

The following graph shows a comparison between the remuneration of Redeia’s non-executive directors^(*) and the specified peer group in 2022:



(*) This includes the remuneration that could be paid to a director for being a member of the Board, the Executive Committee (there is none at Redeia) and one of the other Board’s Committees (whether Audit or Appointments and Remuneration or other committees that could have been created, as the Sustainability Committee in Redeia).

The remuneration of the Company’s directors for their non-executive duties is positioned between the median and the average of the peer group (Ibex-35), in the same way as in previous years.

As a result of the previous analyses, the Board of Directors has decided, in its meeting held on 27 February 2023, according to the Appointments and Remuneration Committee’s proposal, for the financial year 2023, to maintain the same remuneration of the directors for their non-executive functions as members of the Board of Directors and its Committees as those determined for 2022. This agreement, as it is the Company common practice, will be submitted for approval of the 2023 General Shareholders’ Meeting.

The remuneration for the non-executive duties of Directors has remained unchanged, by elements and amounts, since financial year 2014, except for the position of the non-executive Chair of the Board which was created in financial year 2016, and since then its remuneration amount also remains unchanged.

Therefore, the amounts and remuneration concepts foreseen for 2023 would be as follows:

Fixed Remuneration

- EUR 130,742 per annum per director, to be paid monthly before the fifth (5th) day of the following month.

Remuneration for attending meetings of the Board of Directors

- EUR 1,500 for personal attendance of each director at each of the eleven (11) ordinary meetings contemplated for the year 2023 in the calendar approved by the Board of Directors. Proxies may be granted without losing the entitlement to receive the per diem for just cause, a maximum of two (2) times a year. Such amount shall be paid within fifteen (15) days of the meeting being held.

The holding of extraordinary meetings of the Board of Directors, in person or electronically, does not result in remuneration in the form of per diems.

Non-executive Chairwoman of the Board of Directors

- EUR 399,170 per annum, to be paid monthly before the fifth (5th) day of the following month.

The Chairwoman of the Board of Directors will also maintain the annual remuneration established for all directors, as members of the Board of Directors, as “Fixed remuneration” and “Remuneration for attendance meetings of the Board of Directors”.

Assignment to Board of Directors’ Committees

- EUR 27,900 per annum for each member of the Board Committees, to be paid monthly before the fifth (5th) day of the following month. The above amount per year, regardless of the number of meetings of the Committees held during the year 2023.
- EUR 15,000 per annum (additional to the remuneration for being member of the committee) to the chairs of the Board Committees to be paid monthly, before the fifth (5th) day of the following month. The above amount per year, regardless of the number of meetings of the Committees held during the year 2023.

Lead Independent Director

- EUR 15,000 per annum, to be paid monthly, before the fifth (5th) day of the following month.

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

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

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

In 2023 the Company has underwritten civil liability insurance policies that cover claims by third parties for possible damages and/or losses caused by acts or omissions in the exercise of the position as members of the Board of Directors.

In addition to the aforementioned remunerations, pursuant to the Remuneration Policy of Directors in force, the directors of Red Eléctrica Corporación could receive remunerations, if applicable, coming from other entities of Redeia for membership of the Board of Directors on said entities. These remunerations will be subject to the corresponding legal and statutory requirements applicable to each of these entities, and directors' perception will be duly disclosed in the corresponding Annual Report on Remuneration of Directors of Red Eléctrica Corporación. It's the case of directors of the Company who are also directors or individuals representing legal persons in the Board of Directors of the subsidiary Hispasat S.A., with the exception of the Chief Executive Officer of Red Eléctrica Corporación, S.A., who does not receive remuneration as individual representing the director legal person Red Eléctrica Sistemas de Telecomunicaciones, S.A.U. (RESTEL), in the Board of that subsidiary.

At the date of issuance of this Report, in relation to the remuneration of the directors for the year 2023, there is no other type of remuneration concept than those explained in the previous sections.

4. Implementation of the Remuneration Policy in 2022

The Board of Directors and the Appointments and Remuneration Committee have applied the Remuneration Policy, in 2022, following the principles established therein.

The remuneration accrued in financial year 2022 has followed the terms of the Remuneration Policy approved by the Ordinary General Shareholders' Meeting on 29 June 2021, in accordance with the provisions of article 529 novodecies of the Capital Companies Law. It is hereby stated that in 2022 there has been no deviation from the procedure established for the application of the aforementioned Remuneration Policy, the current limits have not been exceeded and no temporary exception has been applied to it.

4.1. Implementation of the Remuneration Policy for the Chief Executive Officer (executive director) in 2022

During 2022 the Remuneration Policy approved by the Ordinary General Shareholders' meeting held in 29 June 2021 was applied.

Annual Fixed Remuneration

The Chief Executive Officer's Fixed Remuneration amounted to EUR 350,000 in 2022, within the maximum limit established in the remuneration Policy (EUR 399,170). This was paid entirely in cash.

Social Benefits and other remuneration

Since his appointment on 27 May 2019 the Chief Executive Officer participates in a defined contribution retirement scheme.

Redeia's liability is limited to the realisation of an annual contribution equivalent to 20% of the Chief Executive Officer's Annual Fixed Remuneration. The amount of the contribution made in 2022 by the Company amounted to EUR 70,000 for the indicated period. The amount of the accumulated funds, as of 31 December 2022, amounts to EUR 251,774.

The features of the Chief Executive Officer's welfare system have been disclosed in detail in the section on "Remuneration Policy for the executive director (Chief Executive Officer) in 2023" of this Report.

The Chief Executive Officer has received a cash allowance in lieu for social benefits, which amounts to EUR 60,000 in 2022.

At 31 December 2022, the Balance sheet has no credits, advances granted, or guarantees set up by the Company in favour of the Chief Executive Officer.

Annual Variable Remuneration

The Chief Executive Officer had been assigned a target Annual Variable Remuneration equivalent to 75% of his Annual Fixed Remuneration in the case of achieving 100% of the objectives predetermined by the Appointments and Remuneration Committee at the beginning of the year, and which can reach up to a maximum level of 82.5% of his Annual Fixed Remuneration.

The Appointments and Remuneration Committee, at its meeting held on 18 February 2022, established the objectives and their weightings for the determination of the Annual Variable Remuneration of the Chief Executive Officer, for financial year 2022. Quarterly the Appointments and Remuneration Committee has monitored performance and at the end of the financial year, the Committee has conducted a process to assess its achievement, supported by the Economic-Financial Corporate Management, responsible for the Group's management control and which has provided information about the Group's audited results. In such assessment, the Committee has also considered the possible impact of the objectives in the long term and any risk associated to them.

The Annual Variable Remuneration for the Chief Executive Officer, established for 2022, is based on achieving a combination of *business objectives*, quantitative and qualitative, measured at Redeia (Group) level -which weigh 75% of his total Annual Variable Remuneration- as well as to the achievement of the *operating objectives linked to Redeia's (Group) business activities* -which weigh 25% of his total Annual Variable Remuneration-. The following table contains the aforementioned objectives, their weightings, the level of achievement and the incentive payout level for each, after the assessment conducted on 20 February 2023 by the Appointments and Remuneration Committee to determine the amount of the Annual Variable Remuneration to be paid:

Types of Objectives and Weightings	Metrics	Weighting	Objective Performance Range	Level of Achievement	Incentive Pay-out for each measure
BUSINESS (75%)	1. ROIC	35%	95% - 100%	100.0%	100.0%
	2. Net Profit	35%	95% - 105%	163.1%	163.1%
	3. Group's Total Investment	30%	85% - 100%	76.7%	76.7%
SUBTOTAL (before the application of the global maximum limit for Business Objectives)		100%		115.1%	115.1%
SUBTOTAL (once the global maximum limit has been applied for Business Objectives)		100%		110%	110%
OPERATING MANAGERIAL OBJECTIVES LINKED TO REDEIA's (GROUP) BUSINESS ACTIVITIES (25%)	1. Making the Energy Transition a reality in Spain	35%	Up to 185.7% Assessment by the ARC ⁽¹⁾	111.1%	111.1%
	2. Boost Connectivity	7%	Up to 200% Assessment by the ARC ⁽¹⁾	110%	110%
	3. Consolidate the International Business	5%	Up to 200% Assessment by the ARC ⁽¹⁾	200%	200%
	4. Innovation and Technology	6%	Up to 100% Assessment by the ARC ⁽¹⁾	93.3%	93.3%
	5. People	15%	Up to 153.3% Assessment by the ARC ⁽¹⁾	132.5%	132.5%
	6. Efficiency	20%	Up to 125% Assessment by the ARC ⁽¹⁾	121%	121%
	7. Sustainability	12%	Up to 100% Assessment by the ARC ⁽¹⁾	70%	70%
SUBTOTAL		100%		114.7%	114.7%
TOTAL BUSINESS AND MANAGERIAL OBJECTIVES (before the application of the global maximum limit)		100%		111.2%	111.2%
TOTAL BUSINESS AND MANAGERIAL OBJECTIVES (once the global maximum limit has been applied)		100%			110%

(1) ARC = Appointments and Remuneration Committee. In said assessment, as for the rest of the objectives, the Committee will consider the degree of achievement and the weighting of each of the objectives and the internal rules and procedures for evaluating objectives, established by the Company for its executives, will be applied.

To determine the level of achievement and the amount of the annual variable remuneration, the Appointments and Remuneration Committee has considered the following factors:

1. The Return on Invested Capital (ROIC) for Redeia (Group), measured as the net operating profit compared with the capital employed in the financial year 2022, has reached 7.6%, which entails a degree of achievement of 100% of target.
2. The book figure gives a consolidated Net Profit for Redeia (Group) in the financial year 2022 of EUR 664.7 million, which implies a degree of achievement of 163.1% of target.

3. The Total Investment of Redeia (Group) has reached EUR 706.7 million, which entails a degree of achievement of 76.7%.

The sum of payout percentage for the *business objectives* is 115.1%; notwithstanding, in accordance with the current procedure, **the maximum percentage of payment of the said objectives is limited to 110%.**

The Company's Audit Committee, with the support of the Economic-Finance Corporate Management, responsible for Redeia's (Group) management control function, has verified in advance the audited Redeia's (Group) results, which are considered for the calculation of the corresponding objectives.

As a result, after evaluating the level of achievement of the previous objectives, the Appointments and Remuneration Committee has considered a global level of payment for the *business objectives* of 110%.

Regarding the degree of achievement and the amount of the incentive applicable to the financial year 2022 in connection to the *managerial operating objectives linked to Redeia's business activities*, the Appointments and Remuneration Committee took into account the following factors:

1. "Making the Energy Transition a reality in Spain": the Appointments and Remuneration Committee, after evaluating the progress made with regards to the activities related to the development, profitability and quality of the TSO, has considered that the weighted degree of achievement of this objective is 111.1%.
2. "Boost Connectivity": the Appointments and Remuneration Committee, after evaluating the results achieved by Reintel, Hispasat and by Restel (5G) within Redeia (Group), has considered that the weighted degree of achievement of this objective is 110%.
3. "Consolidate the International Business": the Appointments and Remuneration Committee, after evaluating the results generated by Redeia's (Group) international activity, has considered that the weighted degree of achievement of this objective is 200%.
4. "Innovation and Technology": the Appointments and Remuneration Committee, after evaluating the degree of progress of initiatives of technology development and internal innovation in 2022, has considered that the weighted degree of achievement of this objective is 93.3%.

5. “People”: the Appointments and Remuneration Committee, after evaluating the results of the global severity index in Redeia (Group), related to accidents occurred therein in 2022 and to the efficiency in personnel management under the terms of the current Strategic Plan, has considered that the weighted degree of achievement of this objective is 132.5%.
6. “Efficiency”: the Appointments and Remuneration Committee, after evaluating the improvement in the efficiency in Redeia through the EBITDA margin on Revenue, achievement of the CNMC ratios, and the cost reduction of the contracts awarded by Redeia (Group), has considered that the weighted degree of achievement of this objective is 121%.
7. “Sustainability”: the Appointments and Remuneration Committee has evaluated the degree of progress reached in 2022 in relation to the Redeia’s 2020-2022 Sustainability Plan, in each of the 4 priorities of the Commitment to Sustainability 2030: (i) Decarbonization of the economy, (ii) Responsible value chain, (iii) Contribution to the development of the environment and (iv) Anticipation and action for change; likewise, it has also evaluated the permanence of the Company in the most relevant indices in the field of sustainability, in particular, in the Dow Jones indices (DJSI World y Europe) and Vigeo/Eiris; and, finally, it has evaluated the degree of progress in relation to the compliance with the new scope 1 emission reduction targets (reduction of SF6 emissions compared to 2015) and scope 1+2 (reduction of emissions compared to 2019). After this evaluation, the Committee has considered that the weighted degree of achievement of this objective is 70%.

After assessing the degree of achievement of the previous objectives, the Appointments and Remuneration Committee has considered a weighted payout level for the *managerial operating objectives linked to Redeia’s business activities* of 114.7%.

Based on the foregoing, the Appointments and Remuneration Committee has considered an overall weighted payout level for all the objectives – both, the *business and managerial operating objectives linked to Redeia’s business activities* – of 111.2%. However, given that the maximum overall payout level for the Chief Executive Officer’s total objectives is of 110%, the Committee has finally considered an overall payout level of the said objectives, of 110%.

Therefore, the Annual Variable Remuneration for the Chief Executive Officer in 2022 amounts to EUR 288,750, equivalent to 82.5% of the Annual Fixed Remuneration in this period.

75% of the gross Annual Variable Remuneration, EUR 216,562, will be settled in cash and the remaining 25%, EUR 72,188, will be delivered in Company shares. In addition, the Chief Executive Officer has undertaken the commitment with the Entity, while he holds such position, to maintain the ownership of the shares he receives for at least five years. The aforementioned amount to be paid in shares of the Entity would be equivalent to 4,070 shares, considering an estimate of the share price of 17.735 EUR/share – according to the last communication made by the Company to the CNMV regarding the share-based remuneration systems of the Chief Executive Officer– information that must be updated when the real purchase share price is known in accordance with its quotation on the Stock Exchange on the day of effective delivery of these shares to the Chief Executive Officer, foreseeably in the last quarter of the year 2023, in accordance with the annual program of shares for employees.

As at 31 December 2022, the Chief Executive Officer holds 14,788 Company shares, equivalent to 0.00273% of the share capital.

Multi-year Variable Remuneration

On 24 November 2020 the Board of Directors approved the structure of the new Long-Term Incentive Plan for the Promotion of Energy Transition, Reduction of the Digital Divide and Diversification. The objectives are linked to those included in the new Strategic Plan of Redeia and are adjusted to the guidelines set in the directors' Remuneration Policy in force in 2022. Section "Remuneration Policy for the executive director (Chief Executive Officer) in 2023" in this Report contains the Plan's main terms and elements. We refer to this section to avoid reiterations.

Ex-post control of the Annual and Multi-year Variable Remuneration

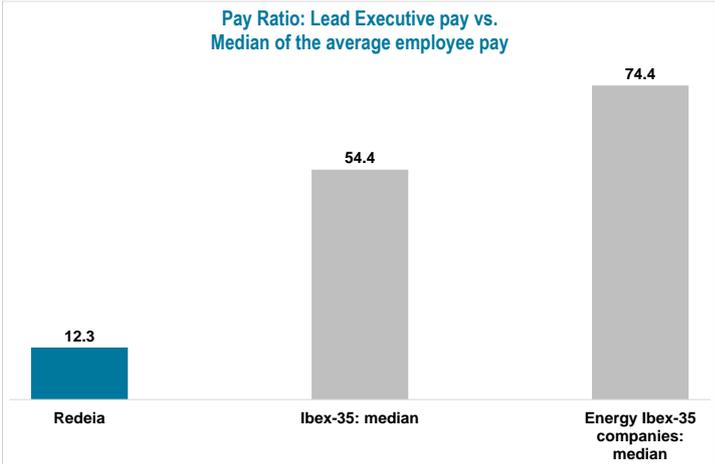
In 2022 no circumstances have occurred that justify the Appointments and Remuneration Committee to consider the application of the reduction, cancellation or reimbursement clauses for the variable remuneration.

Contractual terms

During 2022 there have been no modifications in the Chief Executive Officer's contract.

Ratio between the total remuneration accrued by the Chief Executive Officer and the average remuneration of the staff

The following graph shows the relation between the total remuneration accrued by the Chief Executive Officer and the average remuneration of the staff. This ratio is specified for Redeia, for the median of Ibex-35 (excluding Redeia) and for the median of the energy companies listed on the Ibex-35 (excluding Redeia).



Redeia's data for 2021 shows the ratio between the Chief Executive Officer's total remuneration accrued and the average total annual remuneration for all employees. This data is the same included in the table of section C.2. of Annex III Statistic of the Annual Report on Director's Remuneration 2021 for listed companies (Circular 3/2021, of September 28, of the CNMV).

The market data considers the total remuneration accrued by the lead executive in 2021 and the average total annual remuneration for all employees in 2021, in line with the data included by each company in the table of section C.2 of Annex III Statistic of the Annual Report on Director's Remuneration 2021.

4.2. Implementation of the remuneration Policy for Non-executive Directors (in their condition as members of the Board of Directors) in 2022^(*)

^(*) This is also applicable to the Chief Executive Officer, for his duties as director.

Below is a chart with the remuneration of the Board of Directors, expressed as a percentage of the Group's net income of each year, in the last 10 years:

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Remuneration/ % Redeia's (Group) net income	0.30%	0.25%	0.32 %	0.37%	0.37%	0.35%	0.35%	0.40%	0.37%	0.37%

In the financial year 2022, the amount of overall remuneration of the Board of Directors was EUR 2,485 thousand (EUR 2,502 thousand in 2021).

The decrease in remuneration in comparison to the previous financial year in the “Remuneration of the Board of Directors for all the items” is due to the fact that during a period in 2022 the position of a director was vacant.

The Board of Directors, at the proposal of the Appointments and Remuneration Committee, agreed, for the financial year 2022, to maintain the same amounts and remuneration items as those established for 2021 for the members of the Board of Directors (agreement which was subsequently approved by the Ordinary General Shareholders’ Meeting held in June 2022), as follows:

Fixed Remuneration

- EUR 130,742 per annum per director.

Remuneration for attending meetings of the Board of Directors

- EUR 1,500 for personal attendance of each director at each of the eleven (11) ordinary meetings contemplated and held in 2022, in the calendar approved by the Board of Directors, the total amounting to EUR 16,500 per director. Although one (1) extraordinary meeting was held in 2022, no remuneration was perceived in this regard.

Non-executive Chairwoman of the Board of Directors

- EUR 399,170 per annum.

Additionally, the Chairwoman of the Board of Directors will maintain the annual remuneration established for all directors, as members of the Board of Directors, as “Fixed Remuneration” and “Remuneration for attending meetings of the Board of Directors”.

Additionally, for the financial year 2022, the Board of Directors agreed to maintain unchanged the following elements and amounts with regard to the Board remuneration:

Assignment to the Board of Directors’ Committees

- EUR 27,900 per annum for each member of the Board’s Committees.
- EUR 15,000 per annum for each of the chairmen of the Board’s Committees.

Both are annual amounts, regardless of the number of meetings held by the Committees during the financial year 2022.

Lead Independent Director

- EUR 15,000 per annum.

In 2022, the Company had underwritten civil liability insurance policies to cover third-party claims for possible damages caused by acts or omissions in the exercise of their duties of Board Members.

In addition to the foregoing remuneration, in accordance with the Directors' Remuneration Policy, the directors of Red Eléctrica Corporación could receive remuneration, if applicable, coming from other entities of Redeia for the membership of the Board of Directors of said entities. These remunerations will be subject to the corresponding legal and statutory requirements applicable to each of these entities, and full disclosed information on the perceptions by the directors will be provided in the corresponding Annual Report on Remuneration of Directors of Red Eléctrica Corporación. In this sense, it should be noted that the table included in Annex III Statistic, according to model established in the Circular 3/2021, of September 28, of CNMV, at the end of this report, in section C).1. b) named "Remuneration of the Company directors for seats on the boards of other group companies", includes the remuneration assigned in 2022 to the Company directors for seats on the Board of Directors of Hispasat, S.A. (as directors or as individuals on behalf of legal persons), with the exception of Redeia's Chief Executive Officer, who did not receive remuneration in this regard.

There is no supplementary remuneration accrued by the directors as consideration for the services provided other than those inherent to their position.

5. Remuneration of senior executives

The purpose of the remuneration Policy applicable to this group is to act as an instrument for the achievement of the strategic objectives of value creation at the Company to appropriately recognise the best professionals in the market. The remuneration of the senior executives is aligned with the principles and criteria contained in the Remuneration Policy applicable to executive directors (Chief Executive Officer) described in this document.

Set forth below are the categories of the remuneration policy applied by the Company to such executives:

Annual Fixed Remuneration

Base salary is determined on the basis of the executive's level of responsibility and leadership within the organisation, in line with the going rate at comparable companies. This fixed component must represent a sufficient portion of total remuneration to maintain a suitable and balanced remuneration mix.

Annual Variable Remuneration

Annual variable remuneration is linked to quantifiable and measurable objectives set by the Appointments and Remuneration Committee at the start of the year and monitored on a quarterly basis throughout the year. Said Committee is also responsible, when the period has ended, for evaluating the level of achievement of the objectives previously established. These objectives are related to the strategies and criteria contemplated in the Strategic Plan approved by the Board of Directors.

Multi-year Variable Remuneration

The senior executives participate in the Long-Term Incentive Plan for Promotion of Energy Transition, Reduction of the Digital Divide and Diversification, as does the Chief Executive Officer. The structure of this Plan was approved by the Board of Directors on 24 November 2020, upon favourable report from the Appointments and Remuneration Committee, issued at the meeting held on 17 November 2020.

The main features for this Plan have been previously explained in the sections of this report applicable to the Chief Executive Officer. We refer to those sections to avoid reiterations.

It should be noted that, in order to reinforce the System Operator's commitment to independence, specific objectives have been established for the executives of the System Operation General Division of Red Eléctrica de España, which exclude those features that are not related to the activity of the electrical System Operator.

Flexible remuneration pool

All or a part of a remuneration pool may be used for various alternative in-kind products. Such pool includes those products which at the time have a tax benefit.

Contractual terms

There are no guarantee or golden parachute clauses for dismissals in favour of the senior executives currently servicing within the Group. In the case of termination of the employment relation, the indemnity to which they would be entitled would be calculated in accordance with the applicable labour rules.

In 2015 Redeia implemented a Structural Management Plan which applies to part of the senior executives. Participation in the Plan is subject to the satisfaction of certain conditions and may be amended or revoked in certain cases.

6. Alignment of the Remuneration Policy and its application with the Company's strategy, interests and long-term sustainability and reduction of risk exposure

The remuneration systems of the directors in their condition as members of the Board of Directors (due to their non-executive functions) do not include measurement elements that encourage excessive risk taking by the Entity, given that they are limited to fixed remuneration components for belonging and attendance to the Board of Directors and its Committees.

The design of the Remuneration Policy for the Chief Executive Officer is consistent with the Company's strategy and is oriented to pursue the Company's sustainable performance, objectives, values and long-term interests:

- The total remuneration is composed of different remuneration elements which mainly consist of:

- i. Fixed elements, whose purpose is to reward according to the level of responsibility of the position in the organization, the professional career and the national and international market practice of comparable companies.
 - ii. Annual Variable Remuneration, whose purpose is to encourage the achievement of specific objectives for each financial year, aligned with Redeia (Group) Strategic Plan.
 - iii. Multi-year variable remuneration, whose purpose is to reward compliance with the strategic priorities of Redeia (Group) in the long term, the sustainability of the results of Redeia (Group) and the shareholders' value creation.
- The design of the remuneration scheme presents a balanced and efficient relationship between the fixed and the variable components. The proportion of the Chief Executive Officer's fixed remuneration is considered sufficient and not excessive, allowing the proportions of variable remuneration as Chief Executive Officer to be below 50% of his total remuneration (Fixed Remuneration + Maximum Annual Variable Remuneration + Maximum annualised Multi-year Variable Remuneration + Long Term Savings System + Social Benefits and other remuneration), approximately.
 - Variable remunerations are linked to achieving the objectives set out in the 2021-2025 Strategic Plan of Redeia. When setting and calibrating these objectives the following aspects are considered, among others: the transversal sustainability strategy contemplated in Redeia's 2021-2025 Strategic Plan, compliance with the Sustainability Policy and its multi-year Sustainability Plan, the Group's alignment with its Commitment to 2030 Sustainability, as well as the 2030 Sustainability Goals approved by the Board on 30 April 2019, which are also aligned with the United Nations 2030 Agenda for Sustainable Development, commitments whose compliance is regularly supervised by the Company's Sustainability Committee.
 - Long-term incentives are part of a multi-year framework, to ensure that the evaluation process is based on long-term results and that they take into account the underlying economic cycle of the Company.

On the other hand, the Remuneration Policy has the following features that allow reducing exposure to excessive risks, as well as avoiding conflicts of interest:

- The variable remuneration components have sufficient flexibility to allow for their modulation and in a scenario where the minimum level of achievement of the objectives related to variable remuneration is not reached, the executive director would only receive fixed remuneration. Specifically, both in relation to the annual and multi-year variable remuneration, in the Remuneration Policy it has been established that the weighted average achievement of all the objectives must reach at least 70%, otherwise no right will be generated to receive the incentive, regardless of the individual achievement of each objective.
- Part of the annual variable remuneration is delivered in shares. The Chief Executive Officer assumes the commitment with the Company, while holding such condition, to maintain ownership of the shares received, net of applicable taxes, for at least five years. It should also be noted that a part of the long-term incentive is granted and delivered in shares. Delivering in shares a relevant part of his variable remuneration enables to align the Chief Executive Officer's experience and interests with the interest of the Company's shareholders.
- There are no guaranteed variable remunerations.
- The Appointments and Remuneration Committee is responsible for the examination and analysis of compliance with the remuneration Policy of the Board and of senior executives. Specifically, the Regulation of the Board of Directors (www.ree.es) establishes, among the functions of this Committee, the proposal to the Board of the remuneration Policy of the Board of Directors and the senior executives, as well as ensuring compliance and, where appropriate, updating of the approved remuneration Policy approved for the Board of Directors, for the executive directors and for the senior executives of the Entity. These groups include professionals whose activities may have a material impact on the risk profile of the entity.
- Likewise, the Company's Audit Committee participates in the decision-making process related to the annual variable remuneration of the executive director, by verifying the economic-financial data that may be part of the objectives established in such remuneration, since this Committee must first verify the audited economic results of Redeia (Group), which, if applicable, are used for the calculation of the corresponding objectives.

- In accordance with the provisions of the current Directors' Remuneration Policy 2022-2024, the Appointments and Remuneration Committee has the authority to propose to the Board the cancellation or refund of the short-term and long-term variable remuneration of the beneficiary(s) or the corresponding responsible party(s) when facing unforeseen circumstances that justify that the variable remuneration has been accrued or paid in response to inaccurate or erroneous information or data; or that there have been breaches of the internal corporate regulations or the applicable legislation, which are subsequently proven.

In addition, the Appointments and Remuneration Committee will assess whether, in exceptional circumstances of this type, it could even be proposed to the Board of Directors the termination of the contractual relationship with the corresponding beneficiary(s) or responsible party(s).

- The Appointments and Remuneration Committee may propose to the Board adjustments on the variable remuneration under exceptional circumstances, due to internal or external factors. The detail regarding such adjustments will be disclosed, as the case may be, in the corresponding Annual Report on Remuneration of Directors.

In relation to the necessary measures to avoid conflicts of interest on the part of the directors, in line with the provisions of the Capital Companies Law, the Regulation of the Board of Directors of Red Eléctrica Corporación includes in its articles 30 (section 2.h), 31 (sections c and e), 32 and 35 (section 3), a set of obligations derived from their duties of diligence and loyalty, the duty to avoid situations of conflict of interest and their duty of information.

7. Appointments and Remuneration Committee

Members as at 31 December 2022

Socorro Fernández Larrea
(Chairwoman, independent)

Ricardo García Herrera
(proprietary)

Marcos Vaquer Caballería
(independent)

In 2022, the composition of the Appointments and Remuneration Committee has not undergone any modifications. Therefore, as at 31 December 2022, the Appointments and Remuneration Committee was composed of three (3) members, two (2) of which were

independent directors and one (1) was a proprietary director, being the Chairwoman, an independent director. In the meeting held on 18 March 2022, Ms. Fernández Larrea was re-elected as Chairwoman of the Committee for a four-year term, due to the end of her tenure in the position on 26 March.

Member	Position	Type	Experience and Skills (C-V)	Meeting attendance
Socorro Fernández Larrea	Chairwoman	Independent	Socorro Fernández Larrea Redeia	100%
Ricardo García Herrera	Member	Proprietary	Ricardo García Herrera Redeia	100%
Marcos Vaquer Caballería	Member	Independent	Marcos Vaquer Caballería Redeia	100%

During the financial year 2022, the Appointments and Remuneration Committee has held twelve (12) meetings, being one (1) of them extraordinary. The Board is informed of the meetings of the Committee, and upon conclusion of the meeting, the documentation discussed during the same is made available to the Board, through the director's portal; and the minutes of meetings held are drawn up and, once approved, are made available to all directors.

According to the calendar scheduled for the financial year 2023, the Appointments and Remuneration Committee is intended to hold eleven (11) ordinary meetings during said financial year, without prejudice to the possibility of holding extraordinary meetings, if deemed appropriate.

Most significant activities, related to remunerations, performed by the Committee in 2022 and 2023 (as of the date of this Report)

Activities	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Evaluation of the achievement of the objectives linked to the Annual Variable Remuneration of the Chief Executive Officer for the financial year 2021					
Evaluation of the achievement of the Business and Managerial objectives of the Management Committee and of the General Manager System Operation, linked to the senior executives' annual variable remuneration for the financial year 2021					
Approval of the objectives linked to the Annual Variable Remuneration of the Chief Executive Officer and the senior executives for 2022					
Monitoring of the objectives linked to the Annual Variable Remuneration of the Chief Executive Officer and senior executives for 2022					
Monitoring the objectives for the new Long-term Incentive Plan to Promote the Energy Transition, Reduction of the Digital Divide and Diversification					
Evaluation of the achievement of the objectives linked to the Annual Variable Remuneration of the Chief Executive Officer for 2022					
Evaluation of the achievement of the Business and Managerial objectives of the Management Committee and of the General Manager System Operation, linked to the senior executives' annual variable remuneration for the financial year 2022					
Approval of the objectives linked to the Annual Variable Remuneration of the Chief Executive Officer and senior executives for the financial year 2023					
Analyses and reports on the proposals for the remuneration of the Board of Directors related to 2022 and 2023 and analysis of the Annual Report on Remuneration of directors for 2021 and 2022, for its submission to the Board					

8. Individual remuneration tables

8.1. Remuneration of the executive director (Chief Executive Officer), for all items, for the financial year 2022

Below, there is a summary of the total gross remuneration accrued and payable, in euros, for the Chief Executive Officer, during the financial year 2022:

Director	Position	Fixed remuneration	Annual Variable Remuneration	Remuneration for his functions as director	Other remuneration	Total
D. Roberto García Merino	Chief Executive Officer	350,000	262,500 ⁽¹⁾	147,242 ⁽²⁾	130,000 ⁽³⁾	889,742

(1) This amount, recorded in the Annual Accounts for the financial year 2022, is estimated by assuming the accrual of the annual variable remuneration with a degree of achievement of objectives of 100%. The Appointments and Remuneration Committee, held on 20 February 2023, once assessed the overall level of achievement of objectives for the financial year 2022, has approved a level of achievement of 110%, which means an "effective" variable remuneration of

EUR 288,750 in favour of the Chief Executive Officer. The total remuneration of the Chief Executive Officer, considering this effective variable remuneration, amounts to EUR 915,992.

(2) This includes the fixed remuneration (EUR 130,742) and remuneration for attendance and time dedicated to the Board for the 11 ordinary meetings (EUR 16,500) of the Board held in 2022. No remuneration corresponds for attending the only extraordinary meeting held in 2022.

(3) This includes the contribution made to the long-term savings scheme in 2022 for the amount of EUR 70,000, and the cash allowance in lieu of social benefits equivalent to EUR 60,000.

8.2. Remuneration for Directors in their condition as members of the Board (“in their condition as such” according to the LSC, for their non-executive duties), for all items, for the financial year 2022

The total remuneration of the Board of Directors for the financial year 2022, excluding the remuneration of the Chief Executive Officer due to his contractual relation (executive duties) with the entity, entails for all items 0.37%¹ of the net income of Redeia allocated to the holding company, for the financial year 2022.

The remuneration accrued by the members of Board of Directors of the entity in the year 2022, in thousand euros, broken down by director, as disclosed in the Annual Accounts for the financial year 2022, are the following:

Thousands of Euros	Fixed remuneration	Variable remuneration	Allowances for attending board meetings	Committee work	Chair of committee/board	Coordinating independent director	Other remuneration ⁽⁵⁾	Total 2022	Total 2021
Ms. Beatriz Corredor Sierra	530	-	16	-	-	-	-	546	546
Mr. Roberto García Merino	481	263	16	-	-	-	130	890	890
Ms. Mercedes Real Rodríguez ⁽¹⁾	131	-	16	28	-	-	-	175	175
Mr. Ricardo García Herrera	131	-	16	28	-	-	-	175	174
Ms. Esther María Rituerto Martínez ⁽²⁾	86	-	11	16	-	-	-	113	-
Ms. Carmen Gómez de Barreda Tous de Monsalve	131	-	16	28	15	15	-	205	205
Ms. Socorro Fernández Larrea	131	-	16	28	15	-	-	190	190
Mr. Antonio Gómez Ciria	131	-	16	28	15	-	-	190	176
Mr. José Juan Ruiz Gómez	131	-	16	28	-	-	-	175	189
Mr. Marcos Vaquer Caballería	131	-	16	28	-	-	-	175	89
Ms. Elisenda Malaret García	131	-	16	28	-	-	-	175	89
Mr. José María Abad Hernández	131	-	16	28	-	-	-	175	89
Ms. María Teresa Costa Campi ⁽³⁾	32	-	5	7	-	-	-	44	175
Other board members ⁽⁴⁾	-	-	-	-	-	-	-	-	258
Total remuneration accrued	2,308	263	192	275	45	15	130	3,228	3,245

⁽¹⁾ Amounts received by Sociedad Estatal de Participaciones Industriales (SEPI).

⁽²⁾ New director since the board meeting held on 5 May 2022.

⁽³⁾ Stepped down from the board of directors after the board meeting held on 29 March 2022.

⁽⁴⁾ Board members who stepped down in 2021.

⁽⁵⁾ Includes the employee benefits that form part of the CEO's remuneration.

¹The net profit of Redeia (Group) allocated to the holding company in the financial year 2022 amounted to EUR 664,731 thousand (EUR 680,627 thousand in the financial year 2021).

The decrease, in comparison to the previous financial year in the “Remuneration of the Board of Directors for all the items”, is mainly due to the fact that during a period in 2022 one position in the Board was vacant.

8.3. Remuneration of senior executives, for all items, for the financial year 2022

The senior executives that during 2022 have rendered their services in Redeia (Group) and the position held at the end of the financial year 2022 are detailed below:

Name	Position
Dña. Concepción Sánchez Pérez ⁽¹⁾	General Manager System Operation
D. Angel Mahou Fernández	General Manager of Transmission
D. Juan Majada Tortosa ⁽²⁾	General Manager of International Business
D. Mariano Aparicio Bueno	General Manager of Telecommunications
D. Emilio Cerezo Díez	Chief Financial Officer
D. José Antonio Vernia Peris	Corporate Manager of Transformation and Resources
Dña. Miryam Aguilar Muñoz	Corporate Manager of External Relations, Communication and Territory
Dña. Eva Pagán Díaz ^{(2) and (3)}	Corporate Manager of Sustainability and Research
Dña. Laura de Rivera García de Leániz	Manager of Regulation and Legal Services
Dña. Silvia Bruno de la Cruz	Manager of Innovation and Technology
D. Carlos Puente Pérez	Manager of Corporate Development
Dña. Eva Rodicio González	Manager of Internal Audit and of Risk Control

⁽¹⁾ From 29 June 2022, Ms. Concepción Sánchez Pérez has started to hold the position of General Manager System Operation, substituting Mr. Miguel Duvison García.

⁽²⁾ From 1 December 2022, Mr. Juan Majada Tortosa has started to hold the position of General Manager of International Business, substituting Ms. Eva Pagán Díaz.

⁽³⁾ From 1 December 2022, Ms. Eva Pagán Díaz has started to hold the position of Corporate Manager of Sustainability and Research, substituting Ms. Fátima Rojas Cimadevila.

In the financial year 2022, the total remuneration accrued by the senior executives has amounted to EUR 3,174 thousand and is recorded as Personnel expenses in the Profit and Loss Consolidated Accounts. These amounts include the accrual of annual variable remuneration based on the achievement of the targets set for each year. Once achievement of the aforesaid targets has been evaluated, the variable remuneration is paid in the first months of the following year, and it is adjusted to the actual achievement.

Of the total remuneration accrued by these executives in 2022, contributions to life insurances and pension plans amounted to EUR 13 thousand.

As at 31 December 2022 there are no advances or loans granted to these executives. As at 31 December 2022 Redeia (Group) has liabilities funded through life insurance policies for the said executives. The annual cost of the premiums for those insurance policies amount to approximately EUR 23 thousand.

At the end of 2020, the Board of Directors began the process of updating the 2018-2022 Strategic Plan, in force at that time, which made it possible to approve, in November 2020, the structure of the new Long-Term Incentive Plan for the Promotion of the Energy Transition, Reduction of the Digital Divide and Diversification, which includes senior executives, whose objectives are linked to those contemplated in the new Strategic Plan of Redeia and are in line with the lines set out in the Directors' Remuneration Policy. The most outstanding aspects of said Plan have been previously explained in the sections of this Report applicable to the Chief Executive Officer, so we refer to them to avoid repetition.

9. Tables of voting results

The following table sets forth the voting percentages obtained at the Annual General Shareholders' Meetings of the Company held since 2019, in connection with the Annual Report on Remuneration of Directors:

Annual report on remuneration of directors: votes (%)			
Meeting date	For	Against	Abstention
07/06/2022	59.761%	7.032%	33.207% ⁽¹⁾
29/06/2021	65.827%	0.646%	33.527% ⁽²⁾
14/05/2020	63.042%	4.243%	32.715% ⁽³⁾
22/03/2019	66.426%	0.862%	32.712% ⁽⁴⁾

- (1) Of the aforementioned percentage, 32.99% corresponds to the votes of Sociedad Estatal de Participaciones Industriales (SEPI), as reported to the Company, due to the position of the Sociedad Estatal de Participaciones Industriales (SEPI) in the listed companies with minority participation.
- (2) Of the aforementioned percentage, 32.45% corresponds to the votes of Sociedad Estatal de Participaciones Industriales (SEPI), as reported to the Company, due to the position of the Sociedad Estatal de Participaciones Industriales (SEPI) in the listed companies with minority participation.
- (3) Of the aforementioned percentage, 32.66% corresponds to the votes of Sociedad Estatal de Participaciones Industriales (SEPI), as reported to the Company, due to the position of the Sociedad Estatal de Participaciones Industriales (SEPI) in the listed companies with minority participation.
- (4) Of the aforementioned percentage, 31.79% corresponds to the votes of Sociedad Estatal de Participaciones Industriales (SEPI), as reported to the Company, due to the position of the Sociedad Estatal de Participaciones Industriales (SEPI) in the listed companies with minority participation.

As indicated in section 1 "Presentation of the Report by the Chairwoman of the Appointments and Remuneration Committee", and in section 3 "Directors' Remuneration Policy in 2023" of the present Report, in 2022, an analysis has been conducted on the voting results over the Directors' Annual Remuneration Report, approved by the Ordinary General Shareholders' Meeting held on 7 June 2022, to which we refer to avoid repetitions.

10. Complementary information on the tables of the Annex III Statistic of the Annual Report on Remuneration of Directors for listed companies (Circular 3/2021, of September 28, of the CNMV), corresponding to Red Eléctrica Corporación S.A. which appears as an appendix to this Report

The following notes are explanatory to the tables of the aforementioned Annex III Statistic:

1. With regard to **sections C.1.a) i) and C.1.c)**, it should be noted that the amounts included for Ms. Mercedes Real Rodríguez have been received by Sociedad Estatal de Participaciones Industriales (SEPI).
2. In relation to section **C.1.a) i)**, it should be noted that, in the information contained in the Entity's Annual Accounts for the financial year 2022, with regard to the remuneration accrued in the year 2021, there is an additional item called "Other Board members", which refers to the Board members who cease as directors during the year 2021 (therefore, they are not included in the list of directors of the Company in 2022 included in Annex III Statistic of this report) and whose overall remuneration amounts to EUR 258 thousand. The information for the year 2021 relating to said members of the Board was presented on an individual basis in the Company's Annual Report on Remuneration of Directors for the year 2021, which was communicated to the CNMV and is available on the Entity's corporate website.
3. In relation to section **C.1.a) i)**, in relation to "Remuneration for membership in a board committee" referring to Ms. Carmen Gómez de Barreda Tous de Monsalve, it should be noted that the amount included, EUR 58 thousand, also includes, the remuneration for the position as Lead Independent Director of the Company.

4. In relation to the Annual Variable Remuneration accrued by the Chief Executive Officer in the financial year 2022, which amounts to EUR 288,750, it should be noted that the table in **section C.1.a) i)**, which includes the remunerations accrued in cash, reflects the 75% of the total amount accrued (EUR 216,562), paid in cash. The remaining 25% (EUR 72,188) will be delivered in Company shares on the effective date of delivery of shares for all employees of the entity, usually in the last quarter of the year (2023), in accordance with the annual program of shares for employees. On that date the purchase price and the number of shares actually delivered will be known, according to their quotation on the Stock Exchange. The number of shares held by the Chief Executive Officer and the equivalent percentage of the social capital at the end of the financial year is detailed in the corresponding Annual Report on Remuneration of Directors.

Given that on the date of approval of this Report said price is not known, in table of **section C.1.a).ii)**, a number of shares has been included considering an estimate of the share price of 17.735 EUR/share - according to the last communication made by the Company to the CNMV in relation to the remuneration systems in shares of the Chief Executive Officer. The estimate of the number of shares in the table (4,058 shares) has been calculated considering the amount rounded in thousands of euros (EUR 72 thousand), and also, rounded up, the share price to EUR 17.74/share as required by CNMV system to complete the aforementioned table.

5. The **table in section C.2.**, set forth below, gathers the evolution of the following concepts in the past 5 years:
- The amount and percentage variation of the remuneration accrued by each of the Company's directors, who have been at any time during the last closed financial year, in accordance with the amounts included in the Annual Reports on Remuneration of Directors corresponding to the years 2018 to 2022.
 - The Company's consolidated results, defined as profit before taxes, included in the consolidated Annual Accounts of Red Eléctrica Corporación, S.A. corresponding to the years 2018 to 2022.
 - The average remuneration on a full-time equivalent basis of the Group's employees. The ratio has been calculated as the quotient between: a) the sum of the concepts "Salaries, wages and other remuneration", "Contributions to pension funds and similar obligations" and "Other items and employee benefits", included in the Personnel Expenses item in the consolidated annual accounts corresponding to the years 2018

to 2022 (discounting Social Security expenses and the directors' remuneration); and b) the average number of Redeia (Group) employees in the years 2018-2022, as published in the consolidated Annual Accounts for said years (discounting the number of executive directors).

6. Below, for ease of understanding, the table in the **forementioned section C.2 is reproduced in its entirety**, followed by all the "Observations" on the significant annual variation data indicated therein (as established in Circular 3/2021, of September 28). In "Observations", variations greater than 15% are explained. All figures are expressed in thousands of euros:

	Year 2022	% variation 2022/2021	Year 2021	% variation 2021/2020	Year 2020	% variation 2020/2019	Year 2019	% variation 2019/2018	Year 2018
Executive Directors									
D. Roberto García Merino	916	0.55%	911	6.05%	859	58.20%	543	--	0
External Directors									
Doña Beatriz Corredor Sierra	546	0.00%	546	17.67%	464	--	0	--	0
Doña Carmen Gómez de Barreda Tous de Monsalve	227	0.00%	227	0.00%	227	7.58%	211	9.90%	192
Doña Socorro Fernández Larrea	190	0.00%	190	0.00%	190	1.60%	187	6.86%	175
Don José Juan Ruiz Gómez	175	-7.41%	189	7.39%	176	28.47%	137	--	0
Doña Mercedes Real Rodrigálvarez	175	0.00%	175	0.00%	175	0.00%	175	0.00%	175
Don Antonio Gómez Ciria	212	7.07%	198	1.02%	196	3.16%	190	0.00%	190
Don Ricardo García Herrera	175	0.57%	174	n.s	3	--	0	--	0
Don Marcos Vaquer Caballería	175	96.63%	89	--	0	--	0	--	0
Doña Elisenda Malaret García	175	96.63%	89	--	0	--	0	--	0
Don José María Abad Hernández	175	96.63%	89	--	0	--	0	--	0
Doña Esther María Rituerto Martínez	113	--	0	--	0	--	0	--	0
Doña María Teresa Costa Campi	44	-74.86%	175	0.00%	175	0.00%	175	306.98%	43
Company consolidated results (before taxes)	869,517	-2.09%	888,077	10.18%	805,991	-15.22%	950,664	1.54%	936,252
Average employee remuneration	78	5.41%	74	5.71%	70	0.00%	70	2.94%	68

Below, **2 explanatory notes** have been included in the table of **section C.2** and the following **Observations** are made on the annual percentage variation data indicated in the **table of said section C.2**, sorted in reverse chronological order:

(1) Note on the remuneration of Ms. Mercedes Real Rodrigálvarez: these are amounts received by the Sociedad Estatal de Participaciones Industriales (SEPI).

(2) Note on the Consolidated Result for the year 2019: restated figures as a result of the accounting record of the Hispasat business combination effective 3 October 2019.

Observations:

- Note on the remuneration of Mr. Marcos Vaquer Caballería between 2021 and 2022: the percentage shows the variation between the remuneration actually accrued in 2021 and 2022. These figures are not comparable since the director was appointed on 29 June 2021, and, therefore, the remuneration corresponds to the period from 29 June 2021 to 31 December 2021. However, in 2022 he was a member of the Board for the full year.
- Note on the remuneration of Ms. Elisenda Malaret García between 2021 and 2022: the percentage shows the variation between the remuneration actually accrued in 2021 and 2022. These figures are not comparable since the director was appointed on 29 June 2021, and, therefore, the remuneration corresponds to the period from 29 June 2021 to 31 December 2021. However, in 2022 she was a member of the Board for the full year.
- Note on the remuneration of Mr. José María Abad Hernández between 2021 and 2022: the percentage shows the variation between the remuneration actually accrued in 2021 and 2022. These figures are not comparable since the director was appointed on 29 June 2021, and, therefore, the remuneration corresponds to the period from 29 June 2021 to 31 December 2021. However, in 2022 he was a member of the Board for the full year.
- Note on the remuneration of Ms. María Teresa Costa Campi between 2021 and 2022: the percentage shows the variation between the remuneration actually accrued in 2021 and 2022. These figures are not comparable since the director ended her mandate on 29 March 2022, and, therefore, the remuneration corresponds to the period from 1 January 2022 to 29 March 2022. However, in 2021 she was a member of the Board for the full year.
- Note on the remuneration of Ms. Beatriz Corredor Sierra between 2020 and 2021: the percentage shows the variation between the remuneration actually accrued in 2020 and 2021. These figures are not comparable since the director was appointed on 25 February

2020, and, therefore, the remuneration corresponds to the period from 25 February 2020 to 31 December 2020. However, in 2021 she was a member of the Board for the full year.

- Note on the remuneration of Mr. Ricardo García Herrera between 2020 and 2021: the percentage shows the variation between the remuneration actually accrued in 2020 and 2021. These figures are not comparable since the director was appointed on 22 December 2020, and, therefore, the remuneration corresponds to the period from 22 December 2020 to 31 December 2020. However, in 2021 he was a member of the Board for the full year.
- Note on the remuneration of Mr. Roberto García Merino between 2019 and 2020: the percentage shows the variation between the remuneration actually accrued in 2019 and 2020. These figures are not comparable since the director was appointed on 27 May 2019, and, therefore, the remuneration corresponds to the period from 27 May 2019 to 31 December 2019. However, in 2020 he was a member of the Board for the full year.
- Note on the remuneration of Mr. José Juan Ruiz Gómez between 2019 and 2020: the percentage shows the variation between the remuneration actually accrued in 2019 and 2020. These figures are not comparable since the director was appointed on 22 March 2019, and, therefore, the remuneration corresponds to the period from 22 March 2019 to 31 December 2019. However, in 2020 he was a member of the Board for the full year.
- Note on the remuneration of Ms. María Teresa Costa Campi between 2018 and 2019: the percentage shows the variation between the remuneration actually accrued in 2018 and 2019. These figures are not comparable since the director was appointed on 25 September 2018, and, therefore, the remuneration corresponds to the period from 25 September 2018 to 31 December 2018. However, in 2019 she was a member of the Board for the full year.

Annex III Statistic of the Annual Report on Remuneration of Directors for listed companies (Circular 3/2021, of September 28, of the CNMV), corresponding to Red Eléctrica Corporación S.A.



ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

ISSUER IDENTIFICATION

Ending date of reference period: (31/12/2022)

CIF: (A-78003662)

Corporate Name:

(**RED ELÉCTRICA CORPORACIÓN, S.A.**)

Registered Office:

(PASEO DEL CONDE DE LOS GAITANES, 177 (LA MORALEJA-ALCOBENDAS) MADRID)

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED

- B.4.** Report on the result of the consultative vote at the general shareholders' meeting on remuneration in the previous year, indicating the number of votes against that may have been cast

	Number	% of total
Votes cast	328,055,379	63.38

	Number	% of cast
Votes against	23,070,423	7.03
Votes in favour	196,046,028	59.76
Blank ballots		0.00
Abstentions	108,938,928	33.21

C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in the financial year 2022
Ms. BEATRIZ CORREDOR SIERRA	Chair Other External	From 01/01/2022 to 31/12/2022
Mr. ROBERTO GARCÍA MERINO	Chief Executive Director	From 01/01/2022 to 31/12/2022
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	Independent Director	From 01/01/2022 to 31/12/2022
Ms. SOCORRO FERNÁNDEZ LARREA	Independent Director	From 01/01/2022 to 31/12/2022
Mr. ANTONIO GÓMEZ CIRIA	Independent Director	From 01/01/2022 to 31/12/2022
Ms. MERCEDES REAL RODRIGÁLVAREZ	Proprietary Director	From 01/01/2022 to 31/12/2022
Mr. JOSÉ JUAN RUIZ GÓMEZ	Independent Director	From 01/01/2022 to 31/12/2022
Mr. RICARDO GARCÍA HERRERA	Proprietary Director	From 01/01/2022 to 31/12/2022
Ms. ELISENDA MALARET GARCÍA	Independent Director	From 01/01/2022 to 31/12/2022
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ	Independent Director	From 01/01/2022 to 31/12/2022
Mr. MARCOS VAQUER CABALLERÍA	Independent Director	From 01/01/2022 to 31/12/2022
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ	Proprietary Director	From 05/05/2022 to 31/12/2022
Ms. MARÍA TERESA COSTA CAMPI	Proprietary Director	From 01/01/2022 to 29/03/2022

C.1. Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (thousands of €)

Name	Fixed Remuneration	Per diem allowances	Remuneration for membership of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance payment	Other items	Total in 2022	Total in 2021
Ms. BEATRIZ CORREDOR SIERRA	530	16							546	546
Mr. ROBERTO GARCÍA MERINO	131	16		350	217			60	774	770
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	131	16	58						205	205
Ms. SOCORRO FERNÁNDEZ LARREA	131	16	43						190	190
Mr. ANTONIO GÓMEZ CIRIA	131	16	43						190	176
Ms. MERCEDES REAL RODRIGÁLVAREZ	131	16	28						175	175
Mr. JOSÉ JUAN RUIZ GÓMEZ	131	16	28						175	189
Mr. RICARDO GARCÍA HERRERA	131	16	28						175	174
Ms. ELISENDA MALARET GARCÍA	131	16	28						175	89
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ	131	16	28						175	89
Mr. MARCOS VAQUER CABALLERÍA	131	16	28						175	89
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ	86	11	16						113	
Ms. MARÍA TERESA COSTA CAMPI	32	5	7						44	175

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments.

Name	Name of Plan	Financial instruments at start of 2022		Financial instruments granted during 2022		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/ consolidated	Price of the consolidated shares	Gross profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
Ms. BEATRIZ CORREDOR SIERRA	Plan							0.00				
Mr. ROBERTO GARCÍA MERINO	2022 Annual Variable Remuneration			4,058	4,058	4,058	4,058	17.74	72			
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	Plan							0.00				
Ms. SOCORRO FERNÁNDEZ LARREA	Plan							0.00				
Mr. ANTONIO GÓMEZ CIRIA	Plan							0.00				
Ms. MERCEDES REAL RODRIGÁLVAREZ	Plan							0.00				
Mr. JOSÉ JUAN RUIZ GÓMEZ	Plan							0.00				
Mr. RICARDO GARCÍA HERRERA	Plan							0.00				
Ms. ELISENDA MALARET GARCÍA	Plan							0.00				
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ	Plan							0.00				

Name	Name of Plan	Financial instruments at start of 2022		Financial instruments granted during 2022		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/ consolidated	Price of the consolidated shares	Gross profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. MARCOS VAQUER CABALLERÍA	Plan							0.00				
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ	Plan							0.00				
Ms. MARÍA TERESA COSTA CAMPI	Plan							0.00				

iii) Long-term saving systems

Name	Remuneration from consolidation of rights to savings system
Ms. BEATRIZ CORREDOR SIERRA	
Mr. ROBERTO GARCÍA MERINO	70
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	
Ms. SOCORRO FERNÁNDEZ LARREA	
Mr. ANTONIO GÓMEZ CIRIA	
Ms. MERCEDES REAL RODRIGÁLVAREZ	
Mr. JOSÉ JUAN RUIZ GÓMEZ	
Mr. RICARDO GARCÍA HERRERA	
Ms. ELISENDA MALARET GARCÍA	

Name	Remuneration from consolidation of rights to savings system
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ	
Mr. MARCOS VAQUER CABALLERÍA	
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ	
Ms. MARÍA TERESA COSTA CAMPI	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021
Ms. BEATRIZ CORREDOR SIERRA								
Mr. ROBERTO GARCÍA MERINO	70	70			252	182		
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE								
Ms. SOCORRO FERNÁNDEZ LARREA								
Mr. ANTONIO GÓMEZ CIRIA								
Ms. MERCEDES REAL RODRIGÁLVAREZ								
Mr. JOSÉ JUAN RUIZ GÓMEZ								

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021
Mr. RICARDO GARCÍA HERRERA								
Ms. ELISENDA MALARET GARCÍA								
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ								
Mr. MARCOS VAQUER CABALLERÍA								
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ								
Ms. MARÍA TERESA COSTA CAMPI								

v) Details of other items

Name	Item	Remuneration amount
Ms. BEATRIZ CORREDOR SIERRA	Item	
Mr. ROBERTO GARCÍA MERINO	Item	
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	Item	
Ms. SOCORRO FERNÁNDEZ LARREA	Item	
Mr. ANTONIO GÓMEZ CIRIA	Item	

Name	Item	Remuneration amount
Ms. MERCEDES REAL RODRIGÁLVAREZ	Item	
Mr. JOSÉ JUAN RUIZ GÓMEZ	Item	
Mr. RICARDO GARCÍA HERRERA	Item	
Ms. ELISENDA MALARET GARCÍA	Item	
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ	Item	
Mr. MARCOS VAQUER CABALLERÍA	Item	
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ	Item	
Ms. MARÍA TERESA COSTA CAMPI	Item	

b) Remuneration of the company directors for seats on the boards of other group companies:

i) Remuneration in cash (thousands of €)

Name	Fixed remuneration	Per diem allowances	Remuneration for member ship of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance payment	Other items	Total in 2022	Total in 2021
Ms. BEATRIZ CORREDOR SIERRA										
Mr. ROBERTO GARCÍA MERINO										
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	22								22	22
Ms. SOCORRO FERNÁNDEZ LARREA										
Mr. ANTONIO GÓMEZ CIRIA	22								22	22
Ms. MERCEDES REAL RODRIGÁLVAREZ										
Mr. JOSÉ JUAN RUIZ GÓMEZ										

Name	Fixed remuneration	Per diem allowances	Remuneration for member ship of Board's committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance payment	Other items	Total in 2022	Total in 2021
Mr. RICARDO GARCÍA HERRERA										
Ms. ELISENDA MALARET GARCÍA										
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ										
Mr. MARCOS VAQUER CABALLERÍA										
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ										
Ms. MARÍA TERESA COSTA CAMPI										

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments

Nombre	Name of Plan	Financial instruments at start of 2022		Financial instruments granted during 2022		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/ consolidated	Price of the consolidated shares	Net profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
Ms. BEATRIZ CORREDOR SIERRA	Plan							0.00				
Mr. ROBERTO GARCÍA MERINO	Plan							0.00				

Nombre	Name of Plan	Financial instruments at start of 2022		Financial instruments granted during 2022		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/ consolidated	Price of the consolidated shares	Net profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	Plan							0.00				
Ms. SOCORRO FERNÁNDEZ LARREA	Plan							0.00				
Mr. ANTONIO GÓMEZ CIRIA	Plan							0.00				
Ms. MERCEDES REAL RODRIGÁLVAREZ	Plan							0.00				
Mr. JOSÉ JUAN RUIZ GÓMEZ	Plan							0.00				
Mr. RICARDO GARCÍA HERRERA	Plan							0.00				
Ms. ELISENDA MALARET GARCÍA	Plan							0.00				

Nombre	Name of Plan	Financial instruments at start of 2022		Financial instruments granted during 2022		Financial instruments consolidated during the year				Instruments matured but not exercised	Financial instruments at end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares/ consolidated	Price of the consolidated shares	Net profit from consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ	Plan							0.00				
Mr. MARCOS VAQUER CABALLERÍA	Plan							0.00				
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ	Plan							0.00				
Ms. MARÍA TERESA COSTA CAMPI	Plan							0.00				

iii) Long-term saving systems

Name	Remuneration from consolidation of rights to saving systems
Ms. BEATRIZ CORREDOR SIERRA	
Mr. ROBERTO GARCÍA MERINO	
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	

Name	Remuneration from consolidation of rights to saving systems
Ms. SOCORRO FERNÁNDEZ LARREA	
Mr. ANTONIO GÓMEZ CIRIA	
Ms. MERCEDES REAL RODRIGÁLVAREZ	
Mr. JOSÉ JUAN RUIZ GÓMEZ	
Mr. RICARDO GARCÍA HERRERA	
Ms. ELISENDA MALARET GARCÍA	
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ	
Mr. MARCOS VAQUER CABALLERÍA	
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ	
Ms. MARÍA TERESA COSTA CAMPI	

Name	Contribution over the year from the company (thousands of €)				Amount of accumulated funds (thousands of €)			
	Saving systems with consolidated economic rights		Saving systems with unconsolidated economic rights		Saving systems with Consolidated economic rights		Saving systems with unconsolidated economic rights	
	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021
Ms. BEATRIZ CORREDOR SIERRA								
Mr. ROBERTO GARCÍA MERINO								
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE								

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Saving systems with consolidated economic rights		Saving systems with consolidated economic rights		Saving systems with Consolidated economic rights		Saving systems with unconsolidated economic rights	
	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021
Ms. SOCORRO FERNÁNDEZ LARREA								
Mr. ANTONIO GÓMEZ CIRIA								
Ms. MERCEDES REAL RODRIGÁLVAREZ								
Mr. JOSÉ JUAN RUIZ GÓMEZ								
Mr. RICARDO GARCÍA HERRERA								
Ms. ELISENDA MALARET GARCÍA								
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ								
Mr. MARCOS VAQUER CABALLERÍA								
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ								

iv) Details of other items

Name	Item	Remuneration amount
Ms. BEATRIZ CORREDOR SIERRA	Item	
Mr. ROBERTO GARCÍA MERINO	Item	
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	Item	
Ms. SOCORRO FERNÁNDEZ LARREA	Item	
Mr. ANTONIO GÓMEZ CIRIA	Item	
Ms. MERCEDES REAL RODRIGÁLVAREZ	Item	
Mr. JOSÉ JUAN RUIZ GÓMEZ	Item	
Mr. RICARDO GARCÍA HERRERA	Item	
Ms. ELISENDA MALARET GARCÍA	Item	
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ	Item	
Mr. MARCOS VAQUER CABALLERÍA	Item	
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ	Item	
Ms. MARÍA TERESA COSTA CAMPI	Item	

c) Summary of remunerations (thousand €):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand €).

Name	Remuneration accrued in the company					Remuneration accrued in group companies					
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for long term savings systems	Remuneration for other items	Total 2022 company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for long term savings systems	Remuneration for other items	Total 2022 group	Total 2022 company + group
Ms. BEATRIZ CORREDOR SIERRA	546				546						546
Mr. ROBERTO GARCÍA MERINO	774	72	70		916						916
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	205				205	22				22	227
Ms. SOCORRO FERNÁNDEZ LARREA	190				190						190
Mr. ANTONIO GÓMEZ CIRIA	190				190	22				22	212
Ms. MERCEDES REAL RODRIGÁLVAREZ	175				175						175
Mr. JOSÉ JUAN RUIZ GÓMEZ	175				175						175
Mr. RICARDO GARCÍA HERRERA	175				175						175

Name	Remuneration accrued in the company					Remuneration accrued in group companies					Total 2022 company + group
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for long term savings systems	Remuneration for other items	Total 2022 company	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Remuneration for long term savings systems	Remuneration for other items	Total 2022 group	
Ms. ELISENDA MALARET GARCÍA	175				175						175
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ	175				175						175
Mr. MARCOS VAQUER CABALLERÍA	175				175						175
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ	113				113						113
Ms. MARÍA TERESA COSTA CAMPI	44				44						44
TOTAL	3,112	72	70		3,254	44				44	3,298

C.2 Indicate the evolution in the last 5 years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation									
	Year 2022	% Variation 2022/2021	Year 2021	% Variation 2021/2020	Year 2020	% Variation 2020/2019	Year 2019	% Variation 2019/2018	Year 2018	
Executive Directors										

	Total amounts accrued and % annual variation								
	Year 2022	% Variation 2022/2021	Year 2021	% Variation 2021/2020	Year 2020	% Variation 2020/2019	Year 2019	% Variation 2019/2018	Year 2018
Mr. ROBERTO GARCÍA MERINO	916	0.55	911	6.05	859	58.20	543	-	0
External Directors									
Ms. BEATRIZ CORREDOR SIERRA	546	0.00	546	17.67	464	-	0	-	0
Ms. CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	227	0.00	227	0.00	227	7.58	211	9.90	192
Ms. SOCORRO FERNÁNDEZ LARREA	190	0.00	190	0.00	190	1.60	187	6.86	175
Mr. JOSÉ JUAN RUIZ GÓMEZ	175	-7.41	189	7.39	176	28.47	137	--	0
Ms. MERCEDES REAL RODRIGÁLVAREZ	175	0.00	175	0.00	175	0.00	175	0.00	175
Mr. ANTONIO GÓMEZ CIRIA	212	7.07	198	1.02	196	3.16	190	0.00	190
Mr. RICARDO GARCÍA HERRERA	175	0.57	174	n.s	3	-	0	-	0
Mr. MARCOS VAQUER CABALLERÍA	175	96.63	89	-	0	-	0	-	0
Ms. ELISENDA MALARET GARCÍA	175	96.63	89	-	0	-	0	-	0
Mr. JOSÉ MARÍA ABAD HERNÁNDEZ	175	96.63	89	-	0	-	0	-	0
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ	113	-	0	-	0	-	0	-	0
Ms. MARÍA TERESA COSTA CAMPI	44	-74.86	175	0.00	175	0.00	175	306.98	43
Company consolidated results									

	Total amounts accrued and % annual variation								
	Year 2022	% Variation 2022/2021	Year 2021	% Variation 2021/2020	Year 2020	% Variation 2020/2019	Year 2019	% Variation 2019/2018	Year 2018
	869,517	-2.09	888,077	10.18	805,991	-15.22	950,664	1.54	936,252
Average employee remuneration									
	78	5.41	74	5.71	70	0.00	70	2.94	68

D. OTHER RELEVANT INFORMATION

This annual remuneration report has been approved by the Board of Directors of the company on:

(27/02/2023)

State whether any director has voted against or abstained from approving this report

() Yes

() No

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons
Ms. MERCEDES REAL RODRIGÁLVAREZ	Abstention	As informed, position of Sociedad Estatal de Participaciones Industriales (SEPI) in listed companies in which it holds a minority stake.
Mr. RICARDO GARCÍA HERRERA	Abstention	As informed, position of Sociedad Estatal de Participaciones Industriales (SEPI) in listed companies in which it holds a minority stake.
Ms. ESTHER MARÍA RITUERTO MARTÍNEZ	Abstention	As informed, position of Sociedad Estatal de Participaciones Industriales (SEPI) in listed companies in which it holds a minority stake.