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BOARD OF DIRECTORS

25 April 2023

**Explanatory report by the
Board of Directors on the
amendment to the General
Meeting Regulations under
Agenda item seven**

1 Explanatory report by the Board of Directors on the amendment to the General Meeting Regulations under Agenda item seven to change the Company's name, implement proxy procedures, and make certain technical changes and changes to the wording

1.1 Purpose of the Report

At its meeting of 25 April 2023, the Board of Red Eléctrica Corporación, S.A. (the "Company") resolved to submit to the General Meeting, under Agenda item seven, amendment of article 1 ("Purpose and validity of the Regulations"), article 3 ("Powers of the General Meeting"), article 6 ("Shareholder rights"), item 1 ("List"), article 9 ("Right of attendance"), article 10 ("Proxy"), and article 15 ("Quorum, discussion, and passage of resolutions"), items 8 ("Voting") and 9 ("Remote voting before the General Meeting"), of the General Meeting Regulations.

Pursuant to article 1 of the General Meeting Regulations, the Regulations may be amended at the proposal of the Board, which will attach an explanatory report concerning the amendment.

Pursuant to sections 518(c) and (d) Spanish Corporate Enterprises Act [Ley de Sociedades de Capital], once the General Meeting has been called, the documents to be submitted are to be posted continuously on the Company's website, in particular the directors' reports and the full texts of the proposed resolutions for each Agenda item.

The authority to amend the General Meeting Regulations lies with the General Meeting. Approval requires a meeting quorum of 25% of the subscribed voting shares at the first call to meeting and any percentage of the subscribed voting shares at the second call to meeting, in both cases with the votes in favour of a simple majority of the votes cast by the shareholders present or represented at the General Meeting.

1.2 Explanation of the changes to the General Meeting Regulations

- First, amendment of the General Meeting Regulations intended to adapt the Regulations to the proposal to amend the Articles of Association to change the Company's name also being submitted to the General Meeting by the Board under Agenda item six.

This change of name is a result of the group's new brand reported to shareholders, investors, and other stakeholders at the Ordinary General Meeting held on 7 June 2022. It is therefore appropriate for the name of the group's parent company to include this new brand.

Accordingly, changing the Company's name in the General Meeting Regulations is also proposed.

- The second purpose of the amendments to the Regulations is to implement the provisions for appointing proxies at the General Meeting in article 10. These amendments are aimed at helping shareholders exercise their rights when appointing proxies in line with customary practise by the majority of listed companies.

Specifically, where the proxy's name is not given, the Chair of the General Meeting will be understood to have been appointed as proxy, and provision is made for shareholders to appoint substitute proxy in case of an express or implicit conflict of interest.

Provision is also made for appointing substitute proxy where the Chair of the General Meeting has a conflict of interest, and the same rule applies for any other Board member who has been appointed as proxy and has a conflict of interest concerning any proposal where no specific voting instructions have been issued.

Provision is also made to authorise the Board to devise rules, means, and procedures for implementing shareholder representation.

Lastly, the references to proxies for remote voting have been shifted to article 10 and hence have been deleted from article 15.9, with the added option for shareholders voting remotely on items of business not included on the Agenda to appoint the Chair of the General Meeting as proxy subject to the rules regarding appointment of proxy.

- Lastly, these amendments to the General Meeting Regulations include proposals for certain technical changes and changes to the wording.

1.3 Proposed amendments

1.3.1 Amendments to existing article 1 ("Purpose and validity of the Regulations"):

It is proposed to amend existing article 1 ("Purpose and validity of the Regulations") to include the new Company name "Redeia Corporación S.A." in line with the Company's branding reported to shareholders, investors, and other stakeholders at the Ordinary General Meeting held on 7 June 2022 and with the proposed amendment to the Articles of Association.

The proposed amended wording of article 1 of the General Meeting Regulations is (changes to the existing wording shown in boldface):

Current wording	New proposed wording
<p><u>Article 1. Purpose and validity of the Regulations</u></p> <p>These Regulations govern the General Meeting of Red Eléctrica Corporación, S.A. They set forth the principles for the organisation and procedure of the General Meeting and the rules governing its activities under the law and the Articles of Association. These Regulations are to be circulated to shareholders and investors by the Board and posted on the Company's website. The Regulations will apply from the first General Meeting held after they have been approved or amended.</p> <p>They may be amended by the General Meeting at the proposal of the Board, which will attach an explanatory report concerning the amendment. Amending the Regulations will require a majority of votes pursuant to article 17 of the Articles of Association and section 159 Corporate Enterprises Act.</p>	<p><u>Article 1. Purpose and validity of the Regulations</u></p> <p>These Regulations govern the General Meeting of Redeia Corporación Red Eléctrica Corporación, S.A. ("Redeia Corporación" or the "Company"). They set forth the principles for the organisation and procedure of the General Meeting and the rules governing its activities under the law and the Articles of Association. These Regulations are to be circulated to shareholders and investors by the Board and posted on the Company's website. The Regulations will apply from the first General Meeting held after they have been approved or amended.</p> <p>They may be amended by the General Meeting at the proposal of the Board, which will attach an explanatory report concerning the amendment. Amending the Regulations will require a majority of votes pursuant to article 17 of the Articles of Association and section 159 Corporate Enterprises Act.</p>

1.3.2 Amendment to existing article 3 ("Powers of the General Meeting"):

It is proposed to amend existing article 3 ("Powers of the General Meeting") to include the new Company name.

The proposed amended wording of article 3 of the General Meeting Regulations is (changes to the existing wording shown in boldface):

Current wording	New proposed wording
<p><u>Article 3. Powers of the General Meeting</u></p> <p>The General Meeting, duly convened and quorate according to law, represents all the shareholders and exercises the powers and duties assigned to it within the Company. Resolutions passed by the General Meeting in accordance with these Regulations and the Articles of Association are binding on all shareholders, without prejudice to their legal right to withdraw. The General Meeting has the power to pass all resolutions inherent to its status as the Company's supreme body. The General Meeting's powers include, but are not limited to:</p> <ul style="list-style-type: none"> a) Approving the annual financial statement of Red Eléctrica Corporación, S.A. and the consolidated annual financial statement of Red Eléctrica Corporación, S.A. and its subsidiaries, the Board's management performance, and the proposed allocation of profits(losses). b) Approving the non-financial information statement. c) Appointing and removing Board members (including ratifying and revoking appointment by co-option), liquidators, and auditors, and bringing derivative actions against any of the above. d) Amending the Articles of Association and these Regulations. e) Increasing or decreasing the share capital. f) Cancelling or limiting subscription rights. g) Acquiring and selling core assets or contributing them to another company. An asset is presumed to be a core asset when the amount of the transaction exceeds 25 per cent of the value of the assets shown in the last approved balance sheet. h) Converting, merging, divesting, or assigning all assets and liabilities in toto and transferring the company's headquarters outside Spain. i) Winding up the Company. 	<p><u>Article 3. Powers of the General Meeting</u></p> <p>The General Meeting, duly convened and quorate according to law, represents all the shareholders and exercises the powers and duties assigned to it within the Company. Resolutions passed by the General Meeting in accordance with these Regulations and the Articles of Association are binding on all shareholders, without prejudice to their legal right to withdraw. The General Meeting has the power to pass all resolutions inherent to its status as the Company's supreme body. The General Meeting's powers include, but are not limited to:</p> <ul style="list-style-type: none"> a) Approving the annual financial statement of Redeia Corporación Red Eléctrica Corporación, S.A. and the consolidated annual financial statement of Redeia Corporación Red Eléctrica Corporación, S.A. and its subsidiaries, the Board's management performance, and the proposed allocation of profits(losses). b) Approving the non-financial information statement. c) Appointing and removing Board members (including ratifying and revoking appointment by co-option), liquidators, and auditors, and bringing derivative actions against any of the above. d) Amending the Articles of Association and these Regulations. e) Increasing or decreasing the share capital. f) Cancelling or limiting subscription rights. g) Acquiring and selling core assets or contributing them to another company. An asset is presumed to be a core asset when the amount of the transaction exceeds 25 per cent of the value of the assets shown in the last approved balance sheet. h) Converting, merging, divesting, or assigning all assets and liabilities in toto and transferring the company's headquarters outside Spain. i) Winding up the Company.

<p>j) Approving the final liquidation balance sheet.</p> <p>k) Transferring core activities previously performed by the Company to subsidiaries, even when the Company retains full control over those subsidiaries.</p> <p>l) Approving the directors' remuneration policy in accordance with the law.</p> <p>m) Resolving on any other matters stipulated by law, the Articles of Association, or these Regulations, in particular:</p> <ul style="list-style-type: none"> i. Approving share buyback programmes and authorising treasury share transactions. ii. Approving share value-linked remuneration schemes for Board members. iii. Approving bond issues. iv. Authorising the Board to increase the share capital and set the terms for all matters not stipulated by the General Meeting pursuant to the Corporate Enterprises Act. v. Approving transactions that have the effect of changing the corporate purpose or winding up the Company. <p>n) Approving related-party transactions that require the General Meeting's approval by law.</p> <p>The General Meeting will not interfere with the powers and duties of the Board of Directors, though it may resolve on all matters submitted to it by the Board.</p>	<p>j) Approving the final liquidation balance sheet.</p> <p>k) Transferring core activities previously performed by the Company to subsidiaries, even when the Company retains full control over those subsidiaries.</p> <p>l) Approving director remuneration policy in accordance with the Corporate Enterprises Act.</p> <p>m) Resolving on any other matters stipulated by law, the Articles of Association, or these Regulations, in particular:</p> <ul style="list-style-type: none"> i. Approving share buyback programmes and authorising treasury share transactions. ii. Approving share value-linked remuneration schemes for Board members. iii. Approving bond issues. iv. Authorising the Board to increase the share capital and set the terms for all matters not stipulated by the General Meeting pursuant to the Corporate Enterprises Act. v. Approving transactions that have the effect of changing the corporate purpose or winding up the Company. <p>n) Approving related-party transactions that require the General Meeting's approval by law.</p> <p>The General Meeting will not interfere with the powers and duties of the Board of Directors, though it may resolve on all matters submitted to it by the Board.</p>
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1.3.3 Amendments to existing article 6 ("Shareholder rights"), item 1 ("List"):

It is proposed to amend article 6 ("Shareholder rights"), item 1 ("List"), to include the new Company name.

Consequently, it is proposed to amend article 6, item 1, of the General Meeting Regulations, to be worded as follows (changes to the existing wording shown in boldface):

Current wording	New proposed wording
<p><u>Article 6. Shareholder rights</u></p> <p>6.1. List</p> <p>The rights of Red Eléctrica Corporación, S.A. shareholders include, but are not limited to:</p> <ul style="list-style-type: none"> a) A share in the distribution of the Company's profits and liquidation proceeds. b) A subscription right to new share or convertible bond issues barring excluded as provided by law. c) Attending and voting at General Meetings. d) Challenging General Meeting resolutions and where applicable holding directors liable. e) The right to information. f) Participating in the Company's affairs. <p>The Company must afford equal treatment to all shareholders who are in identical circumstances. The Company must also ensure, at all times, equal treatment of all shareholders in the same circumstances with regard to information, participation, and exercise of voting rights at General Meetings.</p> <p>In particular, it must fulfil the requirements of accessibility for people with disabilities and older people to ensure their right to prior information and to the support they need to be able to exercise their right to vote.</p>	<p><u>Article 6. Shareholder rights</u></p> <p>6.1. List</p> <p>The rights of Redeia Corporación Red Eléctrica Corporación, S.A. shareholders include, but are not limited to:</p> <ul style="list-style-type: none"> a) A share in the distribution of the Company's profits and liquidation proceeds. b) A subscription right to new share or convertible bond issues barring excluded as provided by law. c) Attending and voting at General Meetings. d) Challenging General Meeting resolutions and where applicable holding directors liable. e) The right to information. f) Participating in the Company's affairs. <p>The Company must afford equal treatment to all shareholders who are in identical circumstances. The Company must also ensure, at all times, equal treatment of all shareholders in the same circumstances with regard to information, participation, and exercise of voting rights at General Meetings.</p> <p>In particular, it must fulfil the requirements of accessibility for people with disabilities and older people to ensure their right to prior information and to the support they need to be able to exercise their right to vote.</p>

1.3.4 Amendments to existing article 9 ("Right of attendance"):

It is proposed to amend article 9 ("Right of attendance") to include the new Company name.

The proposed amended wording of article 9 of the General Meeting Regulations is (changes to the existing wording shown in boldface):

Current wording	New proposed wording
<p><u>Article 9. Right to attend</u></p> <p>Shareholders may attend General Meetings as long as they are up to date in their payment of outstanding</p>	<p><u>Article 9. Right to attend</u></p> <p>Shareholders may attend General Meetings as long as they are up to date in their payment of outstanding</p>

<p>capital calls and they prove their ownership of their shares by certification of the record in their name in the shareholders ledger five days before the scheduled meeting date.</p> <p>Shareholders must order a certificate or equivalent document attesting to the entry of their shareholding in the Company from the firm responsible for keeping the books as a prerequisite for obtaining the corresponding admission card from the Company.</p> <p>Admission cards are to be issued by name to the holders of shares who have proved that their holdings have been entered in the shareholders ledger five days before the first call to meeting. The firm responsible for keeping the books must send Red Eléctrica Corporación S.A. a list of the admission cards that have been issued to the respective shareholders before the scheduled meeting date. Registration of admission cards for shareholders who are attending in person will begin two hours before the scheduled starting time for the General Meeting.</p> <p>The Company's directors and Board members are obligated to attend General Meetings.</p> <p>Generally speaking, the mass media will be allowed entrance to General Meetings to foster broad dissemination of the content of the meetings and the resolutions passed. General Meetings may also be broadcast live and audiovisual may be made for the purpose of dissemination.</p>	<p>capital calls and they prove their ownership of their shares by certification of the record in their name in the shareholders ledger five days before the scheduled meeting date.</p> <p>Shareholders must order a certificate or equivalent document attesting to the entry of their shareholding in the Company from the firm responsible for keeping the books as a prerequisite for obtaining the corresponding admission card from the Company.</p> <p>Admission cards are to be issued by name to the holders of shares who have proved that their holdings have been entered in the shareholders ledger five days before the first call to meeting. The firm responsible for keeping the books must send Redeia Corporación Red Eléctrica Corporación S.A. a list of the admission cards that have been issued to the respective shareholders before the scheduled meeting date. Registration of admission cards for shareholders who are attending in person will begin two hours before the scheduled starting time for the General Meeting.</p> <p>The Company's directors and Board members are obligated to attend General Meetings.</p> <p>Generally speaking, the mass media will be allowed entrance to General Meetings to foster broad dissemination of the content of the meetings and the resolutions passed. General Meetings may also be broadcast live and audiovisual recordings may be made for the purpose of dissemination.</p>
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1.3.5 Amendments to existing article 10 ("Proxy"):

It is proposed to amend existing article 10 ("Proxy") to include the following amendments aimed at elaborating on the rules and procedures applicable in cases of proxy:

- (i) Deleting the stipulation that the Company is to put in place an electronic notification system for appointments in line with the proposed amendment to the last paragraph of this Regulation and to provide that the Board is authorised to devise rules, means, and procedures for implementing shareholder representation, to include the option of setting up a system of that kind;
- (ii) stipulating that where the proxy's name is not given, the Chair of the General Meeting will be understood to have been appointed proxy.
- (iii) amending the current wording to allow the shareholder represented (instead of the proxy) to appoint substitute proxy in the event of a conflict of interest;
- (iv) including rules for substitution where the Chair of the General Meeting has a conflict of interest and no specific voting instructions have been issued, making provision for passing the appointment as proxy on

to the Secretary of the General Meeting or, where the Secretary too has a conflict of interest, to the Deputy Secretary of the Board. These same arrangements will also apply where any other Board member has been appointed proxy;

- (v) making provision for appointing proxy for votes on items of business not included on the Meeting Agenda;
- (vi) including provisions for Board members who have been appointed proxy without any specific voting instructions to vote in favour of the resolutions proposed by the Board or proposals that have been accepted by the Board; and
- (vii) also making provision to authorise the Board to devise rules, means, and procedures for implementing shareholder representation and to ensure that those rules, means, and procedures are posted on the Company's website.

The proposed amended wording of article 10 of the General Meeting Regulations is (changes to the existing wording shown in boldface):

Current wording	New proposed wording
<p><u>Article 10. Proxy</u></p> <p>Shareholders entitled to attend the General Meeting may appoint another person to represent them at the meeting as their proxy as provided by law and in the Articles of Association. Proxy is to be issued specially for each General Meeting in writing.</p> <p>No-one may accept proxies on behalf of a single shareholder that cumulatively confer voting rights on behalf of that shareholder exceeding the limits set in article 5 of the Articles of Association.</p> <p>Proxies may be issued by post, email, or any other means of remote communication that afford secure electronic communications and allow the identity of the person issuing the proxy to be verified pursuant to the applicable legislation and regulations. article 15 and 17 bis of the Articles of Association and article 15.9 of these Regulations will apply for voting by the above means insofar as they are in line with the nature of the proxy that has been issued.</p> <p>The preceding two paragraphs will also apply to notifying the appointment of proxy to the Company and to revoking the appointment. The Company is to set up a system for electronic notification of the appointment with the formal requirements necessary and proportionate to ensure identification of the shareholder and the designated proxy or proxies.</p>	<p><u>Article 10. Proxy</u></p> <p>Shareholders entitled to attend the General Meeting may appoint another person to represent them at the meeting as their proxy as provided by law and in the Articles of Association. Proxy is to be issued specially for each General Meeting in writing.</p> <p>No-one may accept proxies on behalf of a single shareholder that cumulatively confer voting rights on behalf of that shareholder exceeding the limits set in article 5 of the Articles of Association.</p> <p>Proxies may be issued by post, email, or any other means of remote communication that afford secure electronic communications and allow the identity of the person issuing the proxy to be verified pursuant to the applicable legislation and regulations. articles 15 and 17 bis of the Articles of Association and article 15.9 of these Regulations will apply for voting by the above means insofar as they are in line with the nature of the proxy that has been issued.</p> <p>The preceding two paragraphs will also apply to notifying the appointment of proxy to the Company and to revoking the appointment. The Company is to set up a system for electronic notification of the appointment with the formal requirements necessary and proportionate to ensure identification of the shareholder and the designated proxy or proxies.</p> <p><u>If the name of the person appointed as proxy is not stated, proxy will be understood to have been</u></p>

If the shareholder represented has issued any instructions, the proxy will vote accordingly and must store those instructions for one year from the date of the corresponding General Meeting.

The proxy holder may represent more than one shareholder, with no restrictions as to the number of shareholders they may represent. When a proxy holder represents various shareholders, they may issue different votes based on the instructions received from each shareholder. The number of shares represented will be taken into account to calculate whether the General Meeting is quorate.

Pursuant to section 523 Corporate Enterprises Act, proxies must inform the shareholders concerned in detail of any conflicts of interest they may have prior to their being appointed. If a conflict of interest arises after their appointment or if the shareholder represented was not notified of its potential existence, the proxy holder must inform the shareholder immediately. In both cases, if no new specific voting instructions are received for each of the items on which the proxy holder must vote on behalf of the shareholder, the proxy holder must abstain from casting a vote.

Pursuant to section 526 Corporate Enterprises Act and as provided in this Regulation, where a Company's director or any other person for or on behalf of that director has made a public offer to act as proxy and has been appointed, the proxy holder may not exercise the voting rights of the shares represented on those Agenda items where the proxy holder has a conflict of interest, unless the principal has issued specific voting instructions to the proxy for each of those items.

Intermediary entities that have entitlement as shareholders according to the entries on the shareholders ledger but are acting for different ultimate beneficiaries may split their votes between yea and nay pursuant to different voting instructions they may have received. These intermediary entities may appoint each of the ultimate beneficiaries, or third parties the latter may designate, to vote as proxies without limitation as to the number of proxies issued.

Personal attendance at the General Meeting, whether physical or remote, by the shareholder represented

issued in favour of the Chair of the General Meeting.

If the shareholder represented has issued any instructions, the proxy will vote accordingly and must store those instructions for one year from the date of the corresponding General Meeting.

The proxy holder may represent more than one shareholder, with no restrictions as to the number of shareholders they may represent. When a proxy holder represents various shareholders, they may issue different votes based on the instructions received from each shareholder. The number of shares represented will be taken into account to calculate whether the General Meeting is quorate.

Pursuant to section 523 Corporate Enterprises Act, proxies must inform the shareholders concerned in detail of any conflicts of interest they may have prior to their being appointed. If a conflict of interest arises after their appointment or if the shareholder represented was not notified of its potential existence, the proxy holder must inform the shareholder immediately. In both cases, if no new specific voting instructions are received for each of the items on which the proxy holder must vote on behalf of the shareholder, the proxy holder must abstain from casting a vote.

Pursuant to section 526 Corporate Enterprises Act and as provided in this Regulation, where a Company's director or any other person for or on behalf of that director has made a public offer to act as proxy and has been appointed, the proxy holder may not exercise the voting rights of the shares represented on those Agenda items where the proxy holder has a conflict of interest, unless the principal has issued specific voting instructions to the proxy for each of those items.

Intermediary entities that have entitlement as shareholders according to the entries on the shareholders ledger but are acting for different ultimate beneficiaries may split their votes between yea and nay pursuant to different voting instructions they may have received. These intermediary entities may appoint each of the ultimate beneficiaries, or third parties the latter may designate, to vote as proxies without limitation as to the number of proxies issued.

will serve to revoke any proxies the shareholder has issued.

A shareholder's proxy may appoint a substitute to exercise the right to vote where there is a conflict of interest.

Personal attendance at the General Meeting, whether physical or remote, by the shareholder represented will serve to revoke any proxies the shareholder has issued.

The shareholder represented shareholder's proxy may appoint a substitute to exercise the right to vote where there is a conflict of interest.

If the Chair of the General Meeting has been appointed as proxy, or if proxy is understood to have been issued in favour of the Chair as stipulated above, and the Chair has a conflict of interest in respect of any proposal and no specific voting instructions have been issued, the shareholder will be understood to have appointed as proxy for those proposals first the Secretary of the General Meeting and then the Deputy Secretary of the Board of Directors, jointly and severally, should either of them also have a conflict of interest. This same rule will apply if any other Board member has been appointed as proxy where that Board member has a conflict of interest in respect of any proposal and no specific voting instructions have been issued.

The proxy issued may extend to other items of business which by law may be transacted despite not having been included on the agenda set out on the notice of meeting. The rules for conflicts of interest stipulated above will also apply in these cases.

Where specific voting instructions have not been issued and the proxy is a Board member, the proxy will vote in favour of the resolutions proposed by the Board or proposals that have been accepted by the Board and as they see fit when voting on items of business not included on the Agenda or on proposals not accepted by the Board.

This same voting rule will apply where the proxy is Secretary of the Board or Deputy Secretary of the Board and no specific voting instructions have been issued.

The Board is authorised to devise suitable rules, means, and procedures for implementing shareholder representation in accordance with the state of the art having in mind the technical and legal conditions that make this possible and ensure that the identity of the shareholder

exercising the right of representation can be properly verified in compliance with the legislation and regulations issued for that purpose at any time.

The rules for implementation put in place by the Board under this article and the means, procedures, and forms for appointing proxy are to be posted on the Company's website.

1.3.6 Amendment of article 15 ("Quorum, discussion, and passage of resolutions"), item 8 ("Voting"):

It is proposed to amend article 15 ("Quorum, discussion, and passage of resolutions"), item 8 ("Voting"), to bring its content into line with article 14 ("Scrutineers") of the General Meeting Regulations, i.e., the list of votes need not be drawn up by the scrutineers, inasmuch as under article 14 appointment of scrutineers is optional, not mandatory.

Consequently, it is proposed to amend article 15, item 8, of the General Meeting Regulations, to be worded as follows (changes to the existing wording shown in boldface):

Current wording	New proposed wording
<p><u>Article 15. Quorum, discussion, and passage of resolutions</u></p> <p>15.8 Voting</p> <p>In accordance with the Articles of Association, each share is entitled to one vote subject to the limitations stated on the shares under section 30 Spanish Electricity Sector Act [Ley del Sector Eléctrico] and Additional Provision Twenty-three of that Act.</p> <p>The Chair will put those matters that are substantially independent to a separate vote to enable shareholders to exercise their voting preferences separately. The following in particular will be voted on separately:</p> <ul style="list-style-type: none"> (i) Appointment, ratification, re-appointment, or removal of each Board member; (ii) When the Articles of Association are amended, each article or self-contained group of articles; (iii) Those matters so stipulated in the Articles of Association. 	<p><u>Article 15. Quorum, discussion, and passage of resolutions</u></p> <p>15.8 Voting</p> <p>In accordance with the Articles of Association, each share is entitled to one vote subject to the limitations stated on the shares under section 30 Spanish Electricity Sector Act and Additional Provision Twenty-three of that Act.</p> <p>The Chair will put those matters that are substantially independent to a separate vote to enable shareholders to exercise their voting preferences separately. The following in particular will be voted on separately:</p> <ul style="list-style-type: none"> (i) Appointment, ratification, re-appointment, or removal of each Board member; (ii) When the Articles of Association are amended, each article or self-contained group of articles; (iii) Those matters so stipulated in the Articles of Association.

<p>The Chair will decide on the most appropriate method of voting in each case, to be announced publicly at the General Meeting sufficiently in advance of voting.</p> <p>However, the following inferential methods may be employed to expedite voting:</p> <ul style="list-style-type: none"> (i) When voting on Board proposals on the matters included on the Agenda, all the shares present or represented may be counted as votes in favour except for votes against, blank votes, and abstentions expressly submitted to the Secretary of the General Meeting or, if applicable, to the notary present at the meeting in the manner decided by the Chair. (ii) When voting on Board proposals on items of business not included on the Agenda, or on alternative proposals to those put forward by the Board, all the shares present or represented may be counted as votes against except for votes in favour, blank votes, and abstentions expressly submitted to the Secretary of the General Meeting or, where applicable, to the notary present at the meeting in the manner decided by the Chair. <p>In the two preceding cases, votes may be submitted to the Secretary or, where applicable, to the notary individually for each Agenda item or combined for some or all of the items together. The Secretary will give the Chair the list drawn up by the scrutineers and the notary, where present, with the results of the ballot for each proposal. The list of votes must include all ballots, stating the voter's name, voting status (shareholder or proxy), and whether the vote is for, against, or an abstention. Where applicable the notary will include the results in the minutes in the same form.</p>	<p>The Chair will decide on the most appropriate method of voting in each case, to be announced publicly at the General Meeting sufficiently in advance of voting.</p> <p>However, the following inferential methods may be employed to expedite voting:</p> <ul style="list-style-type: none"> (i) When voting on Board proposals on the matters included on the Agenda, all the shares present or represented may be counted as votes in favour except for votes against, blank votes, and abstentions expressly submitted to the Secretary of the General Meeting or, if applicable, to the notary present at the meeting in the manner decided by the Chair. (ii) When voting on Board proposals on items of business not included on the Agenda, or on alternative proposals to those put forward by the Board, all the shares present or represented may be counted as votes against except for votes in favour, blank votes, and abstentions expressly submitted to the Secretary of the General Meeting or, where applicable, to the notary present at the meeting in the manner decided by the Chair. <p>In the two preceding cases, votes may be submitted to the Secretary or, where applicable, to the notary individually for each Agenda item or combined for some or all of the items together. The Secretary will, where applicable, give the Chair the list drawn up by the scrutineers and the notary, where present, with the results of the ballot for each proposal. The list of votes must include all ballots, stating the voter's name, voting status (shareholder or proxy), and whether the vote is for, against, or an abstention. Where applicable the notary will include the results in the minutes in the same form.</p>
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1.3.7 Amendment to article 15 ("Quorum, discussion, and passage of resolutions"), item 9 ("Remote voting before the General Meeting"):

It is proposed to amend article 15 ("Quorum, discussion, and passage of resolutions"), item 9 ("Remote voting before the General Meeting"), to make provision for the proxies of shareholders voting remotely on items of business not included on the Agenda to be understood to have been issued to the Chair of the General Meeting, subject to the rules regarding appointment of proxy. Furthermore, references to proxy voting by electronic means have been deleted since this has already been envisaged in the proposed amendment to article 10 of the General Meeting Regulations.

Consequently, it is proposed to amend article 15, item 9, of the General Meeting Regulations, to be worded as follows (changes to the existing wording shown in boldface):

Current wording	New proposed wording
<p data-bbox="103 203 794 271"><u>Article 15. Quorum, discussion, and passage of resolutions</u></p> <p data-bbox="103 304 727 338">15.9 Remote voting before the General Meeting</p> <p data-bbox="103 371 794 730">Shareholders entitled to attend and to vote may issue their votes on proposals included on the Agenda by post, email, or any other means of remote communication that afford secure electronic communications and allow the identity of the shareholder casting the ballot to be verified pursuant to the applicable legislation and regulations, to the Articles of Association, and any supplementary provisions of law or implementing regulations approved by the Board of Directors.</p> <p data-bbox="103 1081 794 1261">Ballots submitted by post will be cast by sending the Company a written notice recording the votes together with the admission card issued by the entity or entities responsible for keeping the books, or, where applicable, by the Company.</p> <p data-bbox="103 1294 794 1473">Electronic ballots will be cast over a recognised electronic signature or other form of assurance that the Board considers appropriate to ensure their authenticity and the identity of the shareholder exercising the right to vote.</p> <p data-bbox="103 1507 794 1686">Ballots cast electronically must be received by the Company before midnight of the day immediately preceding the day scheduled for the General Meeting at the first call to meeting. Ballots sent in later will be considered as not cast.</p> <p data-bbox="103 1720 794 1977">The Board is authorised to devise suitable rules, means, and procedures for implementing electronic voting and appointment of proxy in accordance with the state of the art having in mind the technical and legal conditions that make this possible and ensure that the identity of the party exercising the right to vote can be properly verified in compliance with the</p>	<p data-bbox="810 203 1501 271"><u>Article 15. Quorum, discussion, and passage of resolutions</u></p> <p data-bbox="810 304 1437 338">15.9 Remote voting before the General Meeting</p> <p data-bbox="810 371 1501 730">Shareholders entitled to attend and to vote may issue their votes on proposals included on the Agenda by post, email, or any other means of remote communication that afford secure electronic communications and allow the identity of the shareholder casting the ballot to be verified pursuant to the applicable legislation and regulations, to the Articles of Association, and to any supplementary rules or implementing procedures approved by the Board of Directors.</p> <p data-bbox="810 763 1501 1021"><u>The means whereby shareholders may cast their votes remotely on proposed resolutions for items of business not included on the Agenda on the notice of meeting may include appointment of proxy, in which case appointment of proxy will be subject to the rules for that purpose set forth in article 10 of these Regulations.</u></p> <p data-bbox="810 1055 1501 1234">Ballots submitted by post will be cast by sending the Company a written notice recording the votes together with the admission card issued by the entity or entities responsible for keeping the book entries, or, where applicable, by the Company.</p> <p data-bbox="810 1267 1501 1447">Electronic ballots will be cast over a recognised electronic signature or other form of assurance that the Board considers appropriate to ensure their authenticity and the identity of the shareholder exercising the right to vote.</p> <p data-bbox="810 1480 1501 1659">Ballots cast electronically must be received by the Company before midnight of the day immediately preceding the day scheduled for the General Meeting at the first call to meeting. Ballots sent in later will be considered as not cast.</p> <p data-bbox="810 1693 1501 2007">The Board is authorised to devise suitable rules, means, and procedures for implementing voting and appointment of proxy electronically in accordance with the state of the art having in mind the technical and legal conditions that make this possible and ensure that the identity of the party exercising the right to vote can be properly verified in compliance with the legislation and regulations issued for that purpose at any time.</p>

<p>legislation and regulations issued for that purpose at any time.</p> <p>In particular, the Board may make provision for using other guarantees as alternatives to an electronic signature when voting electronically and may shorten the term for the Company to receive the votes cast in advance by post, electronically, or by any other means of remote communication as provided in the preceding paragraphs.</p> <p>The Board will in any case take the necessary measures to avoid duplication and ensure that the party casting the ballot is duly authorised to do so under article 15 of the Articles of Association.</p> <p>The rules for implementation put in place by the Board under this article and the means, procedures, and forms for appointing proxy and voting remotely are to be posted on the Company's website.</p> <p>Shareholders entitled to attend and vote who cast their votes remotely as envisaged under this article are to be counted as present for purposes of verifying that the General Meeting is quorate.</p> <p>Personal attendance at the General Meeting, whether physical or remote, by the shareholder or the shareholder's proxy will serve to revoke any vote made by post, electronically, or by any other means of remote communication.</p>	<p>In particular, the Board may make provision for using other guarantees as alternatives to an electronic signature when voting electronically and may shorten the term for the Company to receive the votes cast in advance by post, electronically, or by any other means of remote communication as provided in the preceding paragraphs.</p> <p>The Board will in any case take the necessary measures to avoid duplication and ensure that the party casting the ballot is duly authorised to do so under article 15 of the Articles of Association.</p> <p>The rules for implementation put in place by the Board under this article and the means, procedures, and forms for appointing proxy and voting remotely are to be posted on the Company's website.</p> <p>Shareholders entitled to attend and vote who cast their votes remotely as envisaged under this article are to be counted as present for purposes of verifying that the General Meeting is quorate.</p> <p>Personal attendance at the General Meeting, whether physical or remote, by the shareholder or the shareholder's proxy will serve to revoke any vote made by post, electronically, or by any other means of remote communication.</p>
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1.4 Separate voting by subject

In accordance with good corporate governance practise and pursuant to section 197 bis Corporate Enterprises Act, it is proposed to submit to the General Meeting these amendments to the General Meeting Regulations grouped together by subject in separate article, namely:

- (i) Articles relating to the change of company name: article 1 ("Purpose and validity of the Regulations"), article 3 ("Powers of the General Meeting"), article 6 ("Shareholder rights"), item 1 ("List"), and article 9 ("Right of attendance").
- (ii) Articles relating to rules of proxy: Article 10 ("Proxy") and article 15 ("Quorum, discussion, and passage of resolutions"), item 9 ("Remote voting before the General Meeting"); and
- (iii) Articles including a technical change: article 15 ("Quorum, discussion, and passage of resolutions"), item 8 ("Voting").

1.5 Approval of the Report

Therefore, pursuant to article 1 of the General Meeting Regulations, the Board proposes amending the General Meeting Regulations and has issued this Report explaining the amendments subsequent to the favourable findings by the Appointments and Remuneration Committee.

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Valuing the essentials