

**SPANISH SECURITY  
MARKETS COMMISSION**

Markets Division  
Edison, 4  
28006 Madrid

Madrid, 26 May 2021

Dear Sirs:

In accordance with the provisions of article 227 of the consolidated text of the Spanish Securities Market Act, we are sending you the following **OTHER RELEVANT INFORMATION** in relation to Red Eléctrica Corporación, S.A.:

**I. CALL NOTICE FOR THE ANNUAL GENERAL SHAREHOLDERS' MEETING**

The Board of Directors of Red Eléctrica Corporación, S.A. (the “company”), at a meeting held on 25 May 2021, resolved to call the Annual General Shareholder's Meeting, to be held on first call in 28 June 2020, at **10.00 a.m.**, and, as the case may be, on second call **on 29 June 2021**, at the same time and venue, for the purposes of deliberating and resolving on the matters contained in the Agenda.

**The General Meeting will be held exclusively by telematic means, i.e. without the physical presence of the shareholders and their representatives**, in accordance with the provisions of Royal Decree-Law 34/2020, of November 17, on urgent measures to support corporate solvency and the energy sector, and tax matters, as amended by Royal Decree-Law 5/2021, of March 12, on extraordinary measures to support business solvency in response to the COVID-19 pandemic, being understood to be held for legal purposes at the company's registered offices, located at Paseo del Conde de los Gaitanes, 177, Alcobendas, Madrid.

**AGENDA**

**I. MATTERS FOR APPROVAL**

**First.** Examination and approval, if applicable, of the annual accounts (statement of financial position, income statement, statement of changes in equity, statement of recognised income and expense, statement of cash flows and notes to the financial statements) and management report of Red Eléctrica Corporación, S.A. for the year ended 31 December 2020.

**Second.** Examination and approval, if applicable, of the consolidated annual accounts (consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements) and consolidated management report of the Consolidated Group of Red Eléctrica Corporación, S.A. and subsidiaries for the year ended 31 December 2020.

**Third.** Examination and approval, if applicable, of the proposed allocation of the profit of Red Eléctrica Corporación, S.A. for the year ended 31 December 2020.

**Fourth.** Examination and approval, if applicable, of the report on non-financial information for the Consolidated Group of Red Eléctrica Corporación, S.A. for the 2020 financial year, in accordance with the terms of Act 11/2018 of 28 December 2018 amending the Commercial Code, the restated text of the Spanish Companies Act, approved by Legislative Royal Decree 1/2010 of 2 July 2010, and Act 22/2015, of 20 July 2015, on the Auditing of Accounts, on matters of non-financial information and diversity.

**Fifth.** Examination and approval, if applicable, of the management performance of the Board of Directors of Red Eléctrica Corporación, S.A. during the 2020 financial year.

**Sixth.** Appointment of directors of the company.

- 6.1 Appointment as an independent director of Mr. Marcos Vaquer Caballería.
- 6.2 Appointment as an independent director of Ms. Elisenda Malaret García.
- 6.3 Appointment as an independent director of Mr. José María Abad Hernández.
- 6.4 Ratification and appointment as a proprietary director of Mr. Ricardo García Herrera.

**Seventh.** Amendment of the Bylaws to adapt them to Law 5/2021, of April 12, amending the Consolidated Text of the Capital Companies Law, approved by Royal Legislative Decree 1/2010, of July 2, and other financial regulations, with respect to the promotion of long-term shareholder involvement in listed companies, and to the partial amendment of the Good Governance Code approved by the CNMV on June 26, 2020, as well as to introduce certain technical and drafting clarifications.

- 7.1 Amendments relating to Title I ("Name, purpose, registered office and term of the Company") of the Bylaws (articles 2 "Corporate purpose" and 3 "Nationality and registered office").
- 7.2 Amendments relating to Title II ("Capital stock and shares") of the Bylaws (articles 5 "Capital stock" and 9 "Shareholders' preemptive rights").
- 7.3 Amendments relating to Section One ("General Shareholders' Meeting") of Title III ("Company Bodies") of the Bylaws (articles 11 "General Shareholders' Meeting", 12 "Types of Meetings", 14 "Quorum", 15 "Right to information", 17 "Presiding Board, mode of deliberation" and 17 bis "Voting by remote means of communication prior to the Meeting").
- 7.4 Addition of a new article 15 bis ("Rights of attendance and representation").
- 7.5 Amendments relating to Section Two ("Managing Body") of Title III ("Company Bodies") of the Bylaws (articles 20 "Board of Directors", 23 "Audit Committee", 24 "Appointments and Remuneration Committee" and new 24 bis "Sustainability Committee").
- 7.6 Amendments relating to Title IV ("Financial Year, Accounting Documents and Distribution of Profits") of the Bylaws (articles 28 "Formulation of Accounts" and 29 "Auditing of accounts").

**Eighth.** Amendment of the Regulations of the General Shareholders' Meeting to adapt them to Law 5/2021, of April 12, amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010, of July 2, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies, and to the partial amendment of the Code of Good Governance approved by the CNMV on June 26, 2020, as well as to introduce certain technical and drafting clarifications.

- 8.1** Amendments to the articles relating to the Regulations of the General Shareholders' Meeting (articles 1 "Purpose and entry into force of the Regulations" and 19 "Publication of the Regulations of the Meeting").
- 8.2** Amendment of article 2 ("Company Website").
- 8.3** Amendments to the articles relating to the types of Meetings and their powers (articles 3 "Competences of the Meeting" and 4 "Types of Meetings").
- 8.4** Amendments to the articles relating to shareholders' rights (articles 6 "Shareholders' rights", 7 "Shareholders' right of participation", 8 "Shareholders' right of information", 9 "Right of attendance", new 9 bis "Remote attendance by electronic or telematic means" and 10 "Proxies").
- 8.5** Amendments to the articles relating to the conduct of the General Meeting (articles 11 "Quorum", 12 "Chair of the General Meeting", 15 "Constitution, deliberation and adoption of resolutions" and 17 "Publicity").

**Ninth.** Remuneration of the company's Board of Directors.

- 9.1** Approval of the Annual Report on Remuneration of the Directors of Red Eléctrica Corporación, S.A.
- 9.2** Approval of the remuneration of the Board of Directors of Red Eléctrica Corporación, S.A. for the 2021 financial year.
- 9.3** Approval of the remuneration through the delivery of shares of the company provided for in the new Long-Term Incentive Plan for the Promotion of the Energy Transition, Reduction of the Digital Divide and Diversification.
- 9.4** Approval of the Remuneration Policy for the Directors of Red Eléctrica Corporación, S.A. 2022-2024.

**Tenth.** Reappointment of the statutory auditor of the parent company and of the Consolidated Group.

**Eleventh.** Delegation for full implementation of resolutions adopted at the General Shareholders' Meeting.

## **II. MATTERS REPORTED**

**Twelfth.** Report to the General Shareholders' Meeting on the Annual Corporate Governance Report of Red Eléctrica Corporación, S.A. for the 2020 financial year.

**Thirteenth.** Report to the General Shareholders' Meeting on the amendment of the Board of Directors Regulations of Red Eléctrica Corporación, S.A.

### **SUPPLEMENT TO CALL NOTICE FOR THE GENERAL SHAREHOLDERS' MEETING AND PRESENTATION OF PROPOSED RESOLUTIONS**

In accordance with the provisions of article 519 of the Spanish Companies Act, shareholders representing at least three percent of the share capital are informed that they may request the publication of a supplement to the call notice for the Annual General Shareholders' Meeting, including one or more items on the Agenda, provided that the new items are accompanied by a justification or, as the case may be, a justified proposed resolution. This right must be exercised by serving duly authenticated notice on the company which must be received at the registered office (Paseo del Conde de los Gaitanes, 177, 28109 Alcobendas, Madrid), within five days after the publication of the call notice. The supplement to the call notice must be published at least fifteen days prior to the date set for holding the General Shareholders' Meeting.

Shareholders representing at least three percent of the share capital may submit reasoned proposals for resolutions on items already included or to be included in the Agenda for the General Shareholders' Meeting called. Moreover, they may make suggestions regarding those activities and interests of the company that they believe should be discussed at the General Meeting. In both cases they will be entitled to make these proposals and suggestions by serving duly authenticated notice on the company which must be received at the registered office, (Paseo del Conde de los Gaitanes, 117, 28109 Alcobendas, Madrid), within five days as of the publication of this call.

### **RIGHT TO INFORMATION**

In compliance with the provisions of the Spanish Companies Act, the company's Bylaws and the Regulations of the General Shareholders' Meeting, shareholders who so wish may examine and obtain free of charge and immediately, as from the publication of this notice, at the company's registered offices (Paseo del Conde de los Gaitanes, 177, 28109 Alcobendas, Madrid), on the company's website ([www.ree.es](http://www.ree.es)) in the Shareholders and Investors section or in the Corporate Governance section, as well as at the Shareholders' Office, whose details appear in the subsequent section "General Information" of this announcement, and request the delivery or sending, also free of charge and immediately, of: the Annual Financial Statements and Management Reports, both individual and consolidated, which will be submitted for the approval of the General Shareholders' Meeting under items One and Two of the Agenda, respectively, together with the respective Auditors' Reports; the full text of the report on the non-financial information corresponding to fiscal year 2020, which will be submitted to the approval of the General Shareholders' Meeting under item Four of the Agenda, together with the corresponding verification report issued by Ernst & Young, S.L. The full text of the notice of meeting and of all the proposed resolutions and reports that the Board of Directors has already adopted, without prejudice in the latter case that they may be amended up to the date of the General Meeting, when legally possible, as well as the proposed resolutions presented by the shareholders, if any, as they are received; and, in particular, to request, also free of charge and immediately, the delivery or sending of: the

professional profiles, including the identity, curriculum vitae and category of the Board Members whose ratification or appointment is proposed to the General Shareholders' Meeting under item Six of the Agenda and the mandatory proposals and reports of the Appointments and Remuneration Committee and the Board of Directors on the ratification or appointment of said Board Members; the full text of the proposed resolutions to amend the company's Bylaws, which will be submitted for approval under sections 1, 2, 3, 4, 5 and 6 of item Seven of the Agenda, the General Shareholders' Meeting, which will be submitted for approval in sections 1, 2, 3, 4 and 5 of item Eight of the Agenda, as well as the respective reports of the directors on the aforementioned proposed resolutions to amend the company's Bylaws and the Regulations of the General Shareholders' Meeting; the Annual Report on Remuneration of the company's Directors regulated in Article 541 of the Spanish Companies Act, the proposed remuneration of the company's Board of Directors for the 2021 financial year, the proposed remuneration through the delivery of shares of the company provided for in the new Long-Term Incentive Plan to Promote the Energy Transition, Reduction of the Digital Divide and Diversification and the full text of the proposed Remuneration Policy for the company's Directors 2022-2024, the reasoned proposal of the Board of Directors and the mandatory report of the Appointments and Remuneration Committee, proposals that will be submitted to the approval of the General Shareholders' Meeting in sections 1, 2, 3 and 4, respectively, of item Nine of the Agenda; the full text of the proposed resolution relating to item Ten of the Agenda on the re-election of the auditor of the parent company and of the Consolidated Group; the full text of the Annual Corporate Governance Report of the company corresponding to fiscal year 2020, regulated in Article 540 of the Spanish Companies Act, and the Report of the Board of Directors in relation to the amendment of its Regulations, as well as the full text of the Regulations of the Board of Directors amended by the Board of Directors at the meeting held on 25 May 2021, which will be submitted for information to the General Shareholders' Meeting under the Twelfth and Thirteenth items, respectively, of the Agenda of the same.

Pursuant to the provisions of Articles 197 and 520 of the Spanish Companies Act, shareholders may submit to the directors, in writing, up to the fifth day prior to the date scheduled for the General Meeting, any questions or requests for information or clarifications that refer to matters included in the Agenda. In addition, the shareholders may request from the directors, in writing and within the same period, the clarifications they deem necessary regarding the information accessible to the public that has been provided by the company to the National Securities Market Commission since 14 May 2020, the date of the last General Meeting, and regarding the auditor's report. Valid requests for information, clarifications or questions made in writing and the answers provided in writing by the directors will be included on the company's website ([www.ree.es](http://www.ree.es)). Shareholders may submit their queries through the Shareholder Service Office, after providing proof of their identity as shareholders, subject to due verification.

Any other additional information regarding the General Meeting that is not expressly included in this announcement may be consulted on the company's website ([www.ree.es](http://www.ree.es)).

## **RIGHT TO ATTEND, RIGHT TO VOTE AND RIGHT OF REPRESENTATION**

According to the Bylaws, the Regulations of the General Shareholders' Meeting and the Spanish Companies Act, shareholders may attend the General Shareholders' Meeting if they prove their share ownership by means of a certificate issued in their name on the accounting record of book entries five days before the date on which the General Shareholders' Meeting is to be held. Shareholders may request, through any of the member institutions (banks, savings banks, financial institutions, in general) of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.,

Unipersonal (Iberclear), the appropriate certificate of entitlement or equivalent document from the accounting record of book entries of the company's securities in order to obtain, as the case may be, the relevant attendance card.

Shareholders who are entitled to attend may cast their vote by attending the Meeting in person by telematic means or by casting their vote prior to the General Shareholders' Meeting and casting their vote in person by delivery or postal correspondence and electronic means, provided that the identity of the individual exercising his right to vote and the security of the electronic communications are duly guaranteed, in accordance with the provisions of this notice, the applicable legislation, as well as of the Bylaws, the Regulations of the General Shareholders' Meeting and all such supplementary rules and rules implementing the aforementioned Regulations as may be approved by the Board of Directors and published in the web page of the company ([www.ree.es](http://www.ree.es)).

In accordance with the provisions of the Electricity Sector Act and article 5 of the Bylaws, no shareholder may exercise voting rights exceeding three percent of the share capital. Parties that engage in activities in the electricity industry, and individuals or legal entities that directly or indirectly hold more than five percent of the capital of such parties, may not exercise voting rights exceeding one percent of the share capital. The above limits will not apply to Sociedad Estatal de Participaciones Industriales (SEPI), according to the Electricity Sector Act.

Shareholders who are entitled to attend may be represented at the General Shareholders' Meeting by another person, even where such person is not a shareholder. Where instructions are issued by the represented shareholder, the proxy-holder shall cast his vote in accordance with such instructions and shall be obliged to keep the instructions for a period of one year as from the date of the General Meeting.

Representation will be conferred in writing and the proxy clause on the attendance cards issued specifically for this General Shareholders' Meeting by the Iberclear participant entities or by the company, if applicable, may be used.

The appointment and revocation of the proxy-holder may also be made by means of postal or electronic correspondence, provided that the identity of the individual granting the proxy and the security of the electronic communications is duly guaranteed, pursuant to the provisions of this notice and the applicable legislation and subject, if appropriate, to the provisions of article 17 bis of the Bylaws and article 15.8 of the Regulations of the General Shareholders' Meeting on the casting of votes by the aforesaid means, insofar as this is not incompatible with the nature of the proxy granted.

The same means as provided in the preceding paragraph may be used to notify the company of the appointment of the proxy-holder and of the revocation of the appointment.

The possibility of granting the proxy to the Chairwoman of the General Meeting by remote means of communication is recalled.

Personal attendance by telematic means at the General Shareholders' Meeting by the shareholder represented shall revoke any vote or proxy cast or granted beforehand, both inclusive.

Proxy-holders may hold the proxies of more than one shareholder with no limit on the number of shareholders they may represent. Where a proxy-holder holds several proxies, he may cast votes in different directions, in accordance with the instructions received from each shareholder. Prior to his appointment, the proxy-holder must provide

detailed information to the shareholder on whether he has any conflict of interest, in accordance with the provisions of article 523 of the Spanish Companies Act. If the conflict arises after his appointment and the proxy-holder has not warned the represented shareholder of its potential existence, he must inform the shareholder immediately. In both cases, if no new specific voting instructions have been received for each of the items on which the proxy-holder is to vote in the name of the shareholder, the proxy-holder must refrain from casting the vote.

Where a public proxy solicitation is made, the director obtaining it may not exercise the right to vote attaching to the shares represented on those items on the Agenda in respect of which he has a conflict of interest unless he has received specific voting instructions from the represented shareholder for each item.

The proxy may include items which, while not included on the Agenda, may be addressed as permitted by Law, and the provisions on conflict of interests contained in the preceding paragraphs will also apply in these cases.

In accordance with the provisions of article 524 of the Spanish Companies Act, intermediary entities that hold shareholder status by virtue of the share accounting register, but which act behalf of several ultimate beneficial owners, may in any case fraction their vote and cast their vote in a different direction, further to different voting instructions, if received as such. Said financial intermediaries may delegate the vote to each of the ultimate beneficiaries or third party designated by the same, without there being any limit on the number of proxies granted.

No person may accumulate proxies in the name of the same shareholder which confer on him voting rights in the name of that shareholder that exceed the limits established in article 5 of the Bylaws and pursuant to the Electricity Sector Act.

## **PROCEDURE FOR PROXY VOTING, VOTING AND INFORMATION BY MEANS OF REMOTE COMMUNICATION PRIOR TO THE MEETING**

### **1. PROXIES AND VOTING BY REMOTE MEANS OF COMMUNICATION**

#### **1.1. Proxies by remote means of communication**

The remote means of communication valid for granting proxies for the General Shareholders' Meeting are: (i) electronic and (ii) delivery or postal correspondence.

##### **1.1.1. Electronic means**

Shareholders wishing to grant their representation by electronic means must be in possession of an electronic national identity document or electronic user certificate issued by the Spanish National Mint (*Fábrica Nacional de Moneda y Timbre*, or "FNMT-RCM"), as provided for in the applicable legislation in force, in its capacity as Certification Services Provider.

The user certificate will be obtained by the shareholder, without any charge to the company, and must be current at the time of granting the proxy.

A shareholder having the corresponding electronic national identity document or user certificate showing its identity, may, by way of the remote proxy, voting and information service available in the section established for that purpose on the website of the company [www.ree.es](http://www.ree.es), grant the proxy, by completing the "proxy form" in accordance



with the instructions set forth in that form, and any others that may be specified on each of the corresponding screens of the computer application, being required to make use of the electronic signature by using the corresponding electronic national identity document or user certificate.

In order to be valid and effective, the electronic proxy must be granted **after zero (00:00) hours on 13 June 2021** and must be received by the company **before twenty-four (24:00) hours on the day immediately prior to the date set for the holding of the General Shareholders' Meeting on first call, that is, before twenty-four (24:00) hours on 27 June 2021**. Proxies received outside the indicated time limits will be taken not to have been granted.

For these purposes the company will implement a system of electronic time stamping, through a third party, based on an objective source of time, to evidence the time of receipt of the electronic proxy and, if applicable, the acceptance or rejection thereof.

The purpose of the establishment of the aforesaid term is to allow the company to verify the shareholder status of the person granting the electronic proxy, and that the number of shares corresponding to the proxy that is granted is correct. For that purpose, the company will compare the information provided by each shareholder with the information provided by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (IBERCLEAR), in its capacity as the entity responsible for book entry of the shares of the company.

In addition, in order for the electronic proxies to be valid and effective, they must be accepted by each proxy holder, to which end they must be signed and sent to the company through the Shareholder Attention Office by the proxy holder appointed in each case, **before twenty-four (24:00) hours on the day immediately prior to the date set for the holding of the General Shareholders' Meeting on first call, that is, before twenty-four (24:00) hours on 27 June 2021**, with the exception of those that are granted in favour of the Chair of the General Shareholders' Meeting or in favour of any director, which will be understood to be accepted at the time they are received by the company.

Electronic proxies will only be considered to be valid if they satisfy all of the conditions established in this procedure and are granted and received by the company within the term established for that purpose, once status as a shareholder of the one granting the proxy is verified.

The person to whom the vote is delegated may only exercise it by personally attending the General Shareholders' Meeting through the mechanisms for telematic assistance of the representative, in the terms foreseen in the section "Telematic Attendance to the General Shareholders' Meeting" of this notice and published by the company on its website [www.ree.es](http://www.ree.es).

### **1.1.2. Delivery or postal correspondence**

Shareholders wishing to use this form of proxy must complete and sign the "proxy" subsection of the attendance, proxy and voting card issued by the corresponding depositaries of their shares, or by the company using the mechanism established for that purpose on its website, in the subsection on remote proxies, voting and information.

In addition, in order for proxies to be valid and effective, they must be accepted by each representative, for which purpose the relevant card, duly completed and signed, must be



sent by post to the company's registered office (Paseo Conde de los Gaitanes, 117, Alcobendas, Madrid) or through the Shareholder Attention Office, **before twenty-four (24:00) hours on the day immediately prior to the date set for the holding of the General Shareholders' Meeting on first call, this is, before twenty-four (24:00) hours on 27 June 2021**, with the exception of those made in favour of the Chair of the General Shareholders' Meeting or in favour of any director, which will be understood to be accepted at the time they are received by the company.

The person to whom the vote is delegated may only exercise it by personally attending the Shareholders' Meeting through the mechanisms for telematic assistance by proxy, in accordance with the terms set out in the "Telematic Attendance to the General Shareholders Meeting" section of this announcement and published by the company on its website [www.ree.es](http://www.ree.es).

### **1.1.3. Revocation**

Revocation of a proxy and notice thereof to the company may be accomplished using the same means as indicated above for granting the proxy.

## **1.2. Voting by remote means of communication prior to the Meeting**

The shareholders may use the following means of remote voting prior to the General Shareholders Meeting: (i) electronic and (ii) delivery or postal correspondence.

Shareholders who cast their votes by these means shall be deemed to be present for the purposes of the constitution of the General Shareholders' Meeting.

### **1.2.1. Electronic means**

Shareholders wishing to cast their vote by electronic means must be in possession of an electronic national identity document or electronic user certificate issued by the Spanish National Mint (*Fábrica Nacional de Moneda y Timbre*, or "FNMT-RCM"), as provided for in the applicable legislation in force, in its capacity as Certification Services Provider.

The user certificate will be obtained by the shareholder, without charge to the company, and must be current at the time of casting the vote.

A shareholder having the corresponding electronic national identity document or user certificate showing its identity may, by way of the electronic voting service available in the section established for that purpose on the website of the company [www.ree.es](http://www.ree.es), cast its vote, by completing the "voting form" in accordance with the instructions set forth in that form, and any others that may be specified on each of the corresponding screens of the computer application, being required to make use of the electronic signature by using the corresponding electronic national identity document or user certificate.

In order to be valid and effective, votes cast electronically must be cast after **zero (00:00) hours on 13 June 2021** and must be received by the company **before twenty-four (24:00) hours on the day immediately prior to the date set for the holding of the General Shareholders' Meeting on first call, that is, before twenty-four (24:00) hours on 27 June 2021**. Votes received outside the indicated time limits will be taken not to have been cast.

As in the case of electronic proxies, and for the same purpose, a system of electronic time stamping will be implemented, to evidence the time of receipt of the electronic vote and, if applicable, the acceptance or rejection thereof.

Votes cast electronically will only be considered to be valid if they satisfy the conditions established in this procedure and are received by the company within the term established for that purpose, once the status as a shareholder of the one voting is verified.

### **1.2.2. Delivery or postal correspondence**

To cast a remote vote by delivery or postal correspondence, shareholders must complete and sign the "remote voting" subsection of the hard-copy attendance, proxy and voting card issued either by the corresponding depositaries, or by the company by way of the mechanism established for that purpose on its website [www.ree.es](http://www.ree.es), in the subsection on remote proxies, voting and information.

The duly completed and signed card must be delivered or sent to the company, either at its registered office (Paseo del Conde de los Gaitanes, 177, 28109 Alcobendas, Madrid) or through the Shareholder Attention Office.

In order to be valid and effective, votes cast by postal correspondence must be received by the company **by the time the meeting is scheduled to commence, on first or second call, as the case may be**. Votes received outside the indicated time limits will be taken not to have been cast.

### **1.2.3 Revocation**

Remote voting by electronic means or by postal correspondence will be revocable by those means.

### **1.3. Issuance of duplicates of the attendance, proxy and voting card**

Shareholders not having the corresponding hard-copy attendance, proxy and voting card, may obtain a duplicate thereof by way of the section established for that purpose on the website of the company [www.ree.es](http://www.ree.es) in the subsection regarding remote proxies, voting and information.

In order to guarantee the security of the system used and the identity of the shareholder wishing to use this option, the issue of duplicates of cards will require that the shareholder has an electronic national identity document or the corresponding user certificate issued by the Spanish National Mint (FNMT-RCM), on the same terms as set forth in this procedure for the use of electronic proxies and voting.

## **2. ELECTRONIC REQUEST FOR INFORMATION**

Without prejudice to the usual channels of communication and information which the company makes available to its shareholders by way of ordinary email and the shareholder services offices, they may exercise their right of information electronically using the special mechanism established by the company on its website [www.ree.es](http://www.ree.es), in the corresponding subsection on remote proxies, voting and information related to the General Shareholders' Meeting.

Shareholders wishing to use this procedure must have an electronic national identity document or the corresponding user certificate issued by the Spanish National Mint (FNMT-RCM), as referred to in the preceding subsections, for the same purpose of guaranteeing the authenticity and identification of each shareholder.

The company may honour the request for information by sending a response to the email address specified by the requesting shareholder, or by delivery or postal correspondence to the address specified by the shareholder.

### **3. AVAILABILITY OF SERVICE**

The company reserves the right to modify, suspend, cancel or restrict remote proxy, voting and information request procedure when technical or security reasons prevent assurance of the guarantees indicated herein, and that circumstance is publicised in due form, sufficiently in advance, by any means the company deems to be appropriate.

The company will not be liable for such damages as may be caused to the shareholder by breakdowns, overloaded lines, dropped lines, connection failures or any other equivalent or similar occurrences, beyond the control of the company, that prevent use of the procedure for remote proxies, voting and information requests.

### **4. PROTECTION OF PERSONAL DATA**

The personal data provided will be processed by RED ELÉCTRICA CORPORACIÓN, S.A. (hereinafter, REC), with tax ID number (CIF) A-78003662 and registered office at Paseo Conde de los Gaitanes nº 177, La Moraleja, 28109 Alcobendas (Madrid), for the following purposes:

- To permit proper pursuit of the procedure for remote proxies, voting and requests for information, which includes, amongst other matters, actions to control, verify and validate the remote proxies and votes, the issuance of duplicate cards and the requests for information made electronically by the shareholders in said General Shareholders' Meeting, all in accordance with the request and subject to the remote proxy and voting obligations set out in Legislative Royal Decree 1/2010 of 2 July 2010 approving the Recast Text of the Spanish Companies Act.
- To perform statistical studies on the composition of the REC shareholder base pursuant to the legitimate interests of the company.

The data will be processed for the time period strictly required for proper pursuit of the purposes specified above, and on the basis of the consent given by filling in the registration form for access to the remote delegation, voting and information request platform.

Shareholders may exercise their rights of access, correction, objection, erasure, portability and limitation of the processing on the terms set out in the applicable laws by e-mailing a request to such effect to [juntaaccionistas@ree.es](mailto:juntaaccionistas@ree.es) or [digame@ree.es](mailto:digame@ree.es) indicating in the matter "Data protection" or by filing a claim with the competent control authority (in Spain, the AEPD). Furthermore, shareholders may also file their complaint through the Data Protection Officer ([dpd@ree.es](mailto:dpd@ree.es)).

## **TELEMATIC ATTENDANCE TO THE GENERAL SHAREHOLDERS' MEETING**

Notwithstanding the possibility to opt for the procedure for remote delegation, voting and information prior to the holding of the Ordinary General Meeting, shareholders and their proxies may **attend the General Meeting by telematic means** and cast their vote through this mechanism, under the terms approved by the Board of Directors and in accordance with the norms and instructions for the development of their operations as foreseen in this announcement and published in the Company website ([www.ree.es](http://www.ree.es)), under the following terms:

### **1. Registry, access and attendance**

#### **1.1. Previous registry**

Shareholders wishing to attend by this mean or their proxies must register from 00:00 hours on 13 June 2021 and no later than 24:00 hours on 27 June 2021 on the Telematic Attendance Platform, made available on the corporate website ([www.ree.es](http://www.ree.es)), accrediting its identity by one of the following means:

- i. The Electronic National Identity Card.
- ii. A recognised, valid and current electronic user certificate, in accordance with the provisions of the applicable legislation in force, issued by the Spanish Public Certification Authority (CERES) under the National Mint and Stamp Factory Spanish Mint (*Fábrica Nacional de Moneda y Timbre*).
- iii. The "username and password" credentials that the shareholder or its representative will receive at its e-mail address, after verification of its identity and status as shareholder or representative, through a special registration form available in the section destined for this purpose in the *Corporate Governance* section, under the heading *General Meeting of Meeting* of the corporate website.

Likewise, in order for the proxy to be registered in accordance with this section, the proxy must have been granted by the shareholder under the terms set forth in the "Proxy by remote means of communication" section of this notice and in the rules published for this purpose on the Company's website ([www.ree.es](http://www.ree.es)).

#### **1.2. Connexion and attendance**

Shareholders or their proxies that have registered previously in accordance to section 1.1 above to attend the General Meeting telematically must log in on the Telematic Assistance Platform enabled for this purpose on the corporate website ([www.ree.es](http://www.ree.es)) on the day in which the General Shareholders' Meeting is held, 28 June 2021 or, as the case may be, 29 June 2021, depending on whether it is held on first or second call, respectively, between 8:45 a.m. and 9:45 a.m., and identify themselves as indicated in the corresponding instructions.

Attendees will not be allowed to connect outside this time slot. The Company reserves the right to ask shareholders or their representatives for any additional means of identification it deems necessary to verify their status as shareholders and to guarantee their authenticity.

### **2. Interventions, information and proposal**

Pursuant to the provisions of the Spanish Companies Act, those who are to attend by telematic means and, in the exercise of their rights, intend to make an intervention at the

General Meeting and, when applicable, request information or clarifications regarding the points in the Agenda, the publicly available information that the Company provided the National Securities and Market Commission in relation to the prior General Meeting, or regarding the auditor report, or carrying out the proposals permitted by the Law, shall direct their intervention question or proposal to the Company through the Telematic Attendance Platform made available on the corporate website, in writing, and in any case, in the form and on the terms and conditions established on the aforesaid website of the Company, from their connection as a telematic attendee on the day the General Shareholders' Meeting is held, in accordance to section 1.2 above, and until 10:30 a.m. on the day the General Shareholders' Meeting is held, that is, on the 28 June 2021 or, as the case may be, on the 29 June 2021, depending on whether the General Meeting will be held on first or second call, respectively, or by such later time as may be indicated by the Chairwoman of the Ordinary General Shareholders' Meeting.

In the event that the shareholder or its representative wishes to have its presentation appear literally in the minutes of the meeting, it must expressly so state on the aforesaid form, attaching the aforesaid presentation, as the case may be.

Requests for information or clarifications from shareholders or their representatives attending telematically shall be answered verbally during the General Meeting or in writing, within seven days following the Meeting.

### **3. Voting**

Shareholders or their duly registered representatives attending telematically may cast their vote on proposals relating to items included in the Agenda, through the corresponding voting form made available in the Telematic Attendance Platform of the Company website and in accordance to the operating rules foreseen in such platform, as of the moment of their connection as a telematic attendee, in accordance to section 2.1 above.

Likewise, with respect to the proposed resolutions on those matters which, in accordance with the law, do not appear on the Agenda, those attending by telematic means may cast their votes from the moment when the Secretary of the General Meeting reads the said proposals and they have been made available on the Telematic Attendance Platform of the corporate website in order to proceed to vote on them.

The voting process by telematic means in respect of all the proposals submitted to the General Meeting shall end when the Chairwoman declares the conclusion of the voting period for the proposed resolutions during the General Meeting, which will be duly communicated during the course of the General Meeting.

### **4. Exit**

Those attending by telematic means and wishing to state their exit from the General Meeting, shall do so by sending an electronic communication by means of the Telematic Attendance Platform made available on the corporate website. Once their express will to exit the meeting has been communicated, the actions carried out thereafter shall be deemed not to have taken place.

### **5. Other matters**

The Company reserves the right to adopt the necessary measures in relation to the mechanisms for telematic attendance at the General Meeting when required or forced to do so for technical or security reasons. The Company shall not be liable of the damages which may be incurred by shareholders or their representatives derived from

breakdowns, overloads, connection failures, or any other event of a similar nature, beyond the Company's control, that may temporarily prevent the use of mechanisms for telematic attendance to the General Meeting or the temporary unavailability of the Company website, notwithstanding the adoption of measures as required by each situation, including, the occasional temporary suspension or extension of the Ordinary General Shareholders' Meeting, if it were necessary to guarantee the full exercise of the rights of shareholders and their representatives.

For the appropriate purposes, the telematic attendance of the shareholder shall be equivalent to in-person attendance at the Ordinary General Shareholders' Meeting.

The telematic attendance of the shareholder shall render ineffective the vote or proxy previously granted by any other procedure established by the Company.

As previously indicated, the Ordinary General Shareholders' Meeting of the Company in 2021 will be held exclusively by telematic means, that is, without the physical attendance of the shareholders or their representatives and, in general, of any other person except those who are absolutely indispensable for its organization.

Likewise, if deemed necessary, the Chairwoman and the Secretary of the General Meeting, the notary required to draw up the minutes of the General Meeting, as well as the Chief Executive Officer (*Consejero Delegado*) and the rest of the members of the Board of Directors may physically attend the General Meeting. If necessary, and provided the correct development and holding of the General Meeting is guaranteed, these persons may also attend by audio or videoconference or by any other means of remote communication in real time that adequately guarantees the fulfilment of their functions.

## **SHAREHOLDER'S ELECTRONIC FORUM**

Pursuant to article 539.2 of the Spanish Companies Act as well as article 8.4 of the Regulations of the General Shareholders' Meeting, the company has set up on its website ([www.ree.es](http://www.ree.es)) a Shareholder's Electronic Forum on the occasion of holding its General Meetings, the Operating Rules for which were approved by the Board of Directors at its meeting held on 25 May 2021.

The forum will be activated on the company's website from the day the General Shareholders' Meeting is called until the day on which the General Shareholders' Meeting is held, both included.

The forum is not a mechanism for on-line conversations between shareholders, nor a place for virtual debate. Nor does the forum constitute a channel for communication between the company and its shareholders.

The forum is provided for the purpose of facilitating communication among the shareholders of the company related to the holding of the General Meetings of Shareholders. In this sense, shareholders may send, for posting on the Forum, communications which, in accordance with the Law, consist of posting proposals that are intended to be submitted as a supplement to the Agenda announced in the call notice, requests for seconding such proposals, initiatives for achieving a sufficient percentage to exercise a minority right provided for in the Law, or offers or solicitations for voluntary proxies.

The personal data provided will be processed by RED ELÉCTRICA CORPORACIÓN, S.A. (hereinafter, REC), with tax ID number (CIF) A-78003662 and registered office at Paseo Conde de los Gaitanes nº 177, La Moraleja, 28109 Alcobendas (Madrid), for the following purposes:

- To manage and supervise the functioning of the Shareholder E-Forum, for which the data subject may voluntarily sign up and register and submit proposals regarding the questions described in the Purpose of the operating rules of the forum for consultation by the rest of the shareholders.
- To perform statistical studies on the composition of the REC shareholder base pursuant to the legitimate interests of the company.

The data will be processed for the time period strictly required for proper pursuit of the purposes specified above, and on the basis of the consent given by filling in the registration form for access to the e-forum platform.

Shareholders may exercise their rights of access, correction, objection, erasure, portability and limitation of the processing on the terms set out in the applicable laws by e-mailing a request to such effect to [juntaaccionistas@ree.es](mailto:juntaaccionistas@ree.es) or [digame@ree.es](mailto:digame@ree.es), indicating in the matter "Data Protection" or by filing a claim with the competent control authority (in Spain, the AEPD). Furthermore, shareholders may also file a complaint before our Data Protection Officer ([dpd@ree.es](mailto:dpd@ree.es)). If in the exercise of said rights the data communicated by a shareholder to the company are corrected or erased at the request of said shareholder, RED ELÉCTRICA CORPORACIÓN, S.A. will proceed to correct or erase such communications as they have been posted in the forum at the request of the shareholder.

For more information on accessing and using the Shareholders' Electronic Forum, the Operating Rules can be consulted on the company website ([www.ree.es](http://www.ree.es)) in the section called *Shareholders' Electronic Forum*.

## **LIVE BROADCASTING OF THE GENERAL MEETING**

It is foreseen that the General Shareholders' Meeting will be broadcast live (streaming).

In order to facilitate the live monitoring of the General Shareholders' Meeting, the channels and systems set up for this purpose will be announced on the company's website ([www.ree.es](http://www.ree.es)) sufficiently in advance of the day of the meeting.

## **INTERVENTION OF A NOTARY PUBLIC AT THE GENERAL MEETING**

The Board of Directors has agreed to require the presence of a Notary Public to take the Minutes of the General Meeting.

## **GENERAL INFORMATION**

For any aspects relating to the General Shareholders' Meeting not covered in this announcement, shareholders may consult the Bylaws and the Regulations of the General Shareholders' Meeting, which are available on the company's website ([www.ree.es](http://www.ree.es)).

Likewise, as of the date of publication of this announcement, a Shareholders' Attention Office will be set up at telephone number **900 100 182** and, if applicable, at the telephone



numbers that the company sets up for this purpose and communicates on its web page [www.ree.es](http://www.ree.es), with the following opening hours: Monday to Friday from 8:00 to 18:00 hours, or at the e-mail addresses [juntaaccionistas@ree.es](mailto:juntaaccionistas@ree.es) or [accionistas@ree.es](mailto:accionistas@ree.es).

For further information: [www.ree.es](http://www.ree.es)

## **EXPECTED DATE OF THE GENERAL SHAREHOLDERS' MEETING**

Shareholders are informed that, in light of previous years' experience, the General Shareholders' Meeting is expected to be held on **SECOND CALL** on **29 June 2021** at the time and venue stipulated above, and exclusively by telematic means.

Alcobendas (Madrid), 26 May 2021.  
The General Secretary and Secretary of the Board of Directors  
Carlos Méndez-Trelles García

## **I. PROPOSED RESOLUTIONS SUBMITTED BY THE BOARD OF DIRECTORS TO THE ANNUAL SHAREHOLDERS' MEETING**

The resolutions proposed by the Board of Directors in the above-mentioned meeting held on May 25, 2021, to be submitted to the Annual Shareholders' meeting, are the following:

### **I. MATTERS FOR APPROVAL**

#### **PROPOSED RESOLUTION REGARDING ITEM FIRST ON THE AGENDA:**

**EXAMINATION AND APPROVAL, IF APPLICABLE, OF THE ANNUAL ACCOUNTS (STATEMENT OF FINANCIAL POSITION, INCOME STATEMENT, STATEMENT OF CHANGES IN EQUITY, STATEMENT OF RECOGNISED INCOME AND EXPENSE, STATEMENT OF CASH FLOWS AND NOTES TO THE FINANCIAL STATEMENTS) AND MANAGEMENT REPORT OF RED ELÉCTRICA CORPORACIÓN, S.A. FOR THE YEAR ENDED 31 DECEMBER 2020.**

To approve the Annual Accounts (Statement of Financial Position, Income Statement, Statement of Changes in Equity, Statement of Recognised Income and Expense, Statement of Cash Flows and Notes to the Financial Statements) and Management Report of Red Eléctrica Corporación, S.A. for the 2020 financial year.

The Annual Accounts and Management Report of Red Eléctrica Corporación, S.A. submitted for approval hereby are those that were authorised for issue by the Board of Directors at its meeting held on 23 February 2021 and have been duly audited by KPMG Auditores, S.L.

**PROPOSED RESOLUTION REGARDING ITEM SECOND ON THE AGENDA:**

**EXAMINATION AND APPROVAL, IF APPLICABLE, OF THE CONSOLIDATED ANNUAL ACCOUNTS (CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONSOLIDATED INCOME STATEMENT, CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONSOLIDATED STATEMENT OF CASH FLOWS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS) AND CONSOLIDATED MANAGEMENT REPORT OF THE CONSOLIDATED GROUP OF RED ELÉCTRICA CORPORACIÓN, S.A. AND SUBSIDIARIES FOR THE YEAR ENDED 31 DECEMBER 2020.**

To approve the Consolidated Annual Accounts (Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statements) and Consolidated Management Report of the Consolidated Group of Red Eléctrica Corporación, S.A. and subsidiaries for the 2020 financial year.

The Annual Accounts and Management Report of the Consolidated Group of Red Eléctrica Corporación, S.A. submitted for approval hereby are those that were authorised for issue by the Board of Directors at its meeting held on 23 February 2021 and have been duly audited by KPMG Auditores, S.L.

**PROPOSED RESOLUTION REGARDING ITEM THIRD ON THE AGENDA:**

**EXAMINATION AND APPROVAL, IF APPLICABLE, OF THE PROPOSED ALLOCATION OF THE PROFIT OF RED ELÉCTRICA CORPORACIÓN, S.A. FOR THE YEAR ENDED 31 DECEMBER 2020.**

To approve the proposed allocation of profits adopted by the Board of Directors at its meeting held on 23 February 2021 and consequently allocate the profits for the 2020 financial year, amounting to 730,263,196.87 euros, as follows:

Distribution of income	Amount in euros
To voluntary reserves	181,591,815.98
A final dividend (calculated on the total number of shares)	393,527,484.00
Interim dividend	146,984,010.40
To capitalization reserve	8,159,886.49
Total	730,263,196.87

It is expressly resolved to pay to the shares having a par value of fifty cents on the euro (€0.50) with a dividend right the gross amount of 1 euro per share. The dividend will be paid to the banks and financial institutions that will be announced in due course, deducting from the gross amount of 0.2727 euros per share, paid on account of the dividend on 7 January 2021, by virtue of the resolution of the Board of Directors dated 27 October 2020.

In accordance with the resolution of the Board of Directors approved at the meeting held on May 25, 2021, the dividend will be paid on 2 July 2021.

**PROPOSED RESOLUTION REGARDING ITEM FOURTH ON THE AGENDA:**

**EXAMINATION AND APPROVAL, IF APPLICABLE, OF THE REPORT ON NON-FINANCIAL INFORMATION FOR THE CONSOLIDATED GROUP OF RED ELÉCTRICA CORPORACIÓN, S.A. FOR THE 2020 FINANCIAL YEAR, IN ACCORDANCE WITH THE TERMS OF ACT 11/2018 OF 28 DECEMBER 2018 AMENDING THE COMMERCIAL CODE, THE RESTATED TEXT OF THE SPANISH COMPANIES' ACT, APPROVED BY LEGISLATIVE ROYAL DECREE 1/2010 OF 2 JULY 2010, AND ACT 22/2015 OF 20 JULY 2015 ON THE AUDITING OF ACCOUNTS, ON MATTERS OF NON-FINANCIAL INFORMATION AND DIVERSITY.**

To approve the report on non-financial information for the Consolidated Group of Red Eléctrica Corporación, S.A. for the 2020 financial year, in accordance with the terms of Act 11/2018 of 28 December 2018 amending the Commercial Code, the restated text of the Spanish Companies Act, approved by Legislative Royal Decree 1/2010 of 2 July 2010, and Act 22/2015 of 20 July 2015 on the auditing of accounts, on matters of non-financial information and diversity.

The report on non-financial information for the Consolidated Group of Red Eléctrica Corporación, S.A., the approval of which is proposed in this act, mirrors the information contained in point 11 of the Directors' Report of the Consolidated Group of Red Eléctrica Corporación, S.A. for the year ended 31 December 2020, that was authorised for its issuance by the Board of Directors at its meeting of 23 February 2021.

The statement of non-financial information contained in that report has been examined by Ernst & Young, S.L. and may be consulted on the company's corporate website, in the section on the General Shareholders' Meeting.

**PROPOSED RESOLUTION REGARDING ITEM FIFTH ON THE AGENDA:**

**EXAMINATION AND APPROVAL, IF APPLICABLE, OF THE MANAGEMENT PERFORMANCE OF THE BOARD OF DIRECTORS OF RED ELÉCTRICA CORPORACIÓN, S.A. DURING THE 2020 FINANCIAL YEAR.**

To approve the management performance of the Board of Directors of Red Eléctrica Corporación, S.A. during the 2020 financial year.

## **PROPOSED RESOLUTIONS REGARDING ITEM SIXTH ON THE AGENDA:**

### **APPOINTMENT OF DIRECTORS OF THE COMPANY**

#### **First. - Appointment as an independent director of Mr. Marcos Vaquer Caballería.**

To appoint Mr. Marcos Vaquer Caballería independent director of Red Eléctrica Corporación, S.A., for the four-year term stipulated by the Bylaws, for the replacement of Ms. María José García Beato as independent director, according to the proposal of the Appointments and Remuneration Committee, in accordance with Article 529 decies of the Spanish Companies Act.

#### **Second. - Appointment as an independent director of Ms. Elisenda Malaret García.**

To appoint Ms. Elisenda Malaret García independent director of Red Eléctrica Corporación, S.A., for the four-year term stipulated by the Bylaws, for the replacement of Mr. Alberto Francisco Carbajo as independent director, according to the proposal of the Appointments and Remuneration Committee, in accordance with Article 529 decies of the Spanish Companies Act.

#### **Third. - Appointment as an independent director of Mr. José María Abad Hernández.**

To appoint Mr. José María Abad Hernández independent director of Red Eléctrica Corporación, S.A., for the four-year term stipulated by the Bylaws, for the replacement of Mr. Arsenio Fernández de Mesa y Díaz del Río as independent director, according to the proposal of the Appointments and Remuneration Committee, in accordance with Article 529 decies of the Spanish Companies Act.

#### **Fourth. - Ratification and appointment as a proprietary director of Mr. Ricardo García Herrera.**

To ratify the appointment of Mr. Ricardo García Herrera as proprietary director of Red Eléctrica Corporación, S.A., resolved by the Board of Directors at its meeting of 22 December 2020 and accordingly appoint him as a proprietary director representing the Spanish State's Industrial Holding Company (Sociedad Estatal de Participaciones Industriales; SEPI) for the four-year term stipulated by the Bylaws, in accordance with Article 529 decies of the Spanish Companies Act.

**PROPOSED RESOLUTION REGARDING ITEM SEVENTH ON THE AGENDA:**

**AMENDMENT OF THE BYLAWS TO ADAPT THEM TO LAW 5/2021, OF APRIL 12, AMENDING THE REVISED TEXT OF THE SPANISH COMPANIES ACT, APPROVED BY ROYAL LEGISLATIVE DECREE 1/2010, OF JULY 2, AND OTHER FINANCIAL REGULATIONS, WITH RESPECT TO THE PROMOTION OF LONG-TERM SHAREHOLDER INVOLVEMENT IN LISTED COMPANIES, AND TO THE PARTIAL AMENDMENT OF THE CODE OF GOOD GOVERNANCE APPROVED BY THE CNMV ON 26 JUNE 2020, AS WELL AS TO INTRODUCE CERTAIN TECHNICAL AND DRAFTING CLARIFICATIONS.**

**First. - Amendments relating to Title I ("Name, purpose, registered office and term of the Company") of the Bylaws (articles 2 "Corporate purpose" and 3 "Nationality and registered office").**

To amend Articles 2 ("Corporate Purpose") and 3 ("Nationality and registered office") of Title I ("Name, purpose, domicile and duration of the Company") of the Company's Bylaws, which shall be worded as follows:

**“Article 2. Corporate Purpose**

*The Company's corporate purpose shall be:*

- 1. To hold, pursuant to the legislation in force from time to time, the capital stock of the company to which the functions of system operator and electricity transmission network manager and electricity transmitter correspond, pursuant to the provisions of Law 54/1997 of 27 November, on the Electricity Industry (the "Electricity Industry Law") and in Electricity Industry Act 24/2013 of 26 December 2013.*
- 2. The management of its business group, constituting the holdings in the capital stock of the companies comprising it.*
- 3. The research, study and plan investment and corporate organization projects, as well as to promote, create and develop industrial, commercial or services enterprises; to research, develop and operate communications, information technologies and other new technologies in all respects; to provide assistance or support services to investees, for which purpose it may provide to those companies such guarantees and deposits as may be appropriate.*
- 4. The design, development, implementation and operation of services relating to the corporate information, management and organization specific to its activity.*
- 5. This corporate purpose includes all activities which are necessary for or enable its fulfillment, provided that they comply with the law."*

**“Article 3. Nationality and Registered Office**

*The Company is Spanish by nationality and its registered office is located at Paseo del Conde de los Gaitanes, 177, Alcobendas (Madrid). The Board of Directors may resolve to relocate its registered office within the national territory, as well as to open, close or relocate such branches, agencies or offices as may*



*be necessary or appropriate for the pursuit of the corporate activity, both in Spain and abroad."*

**Second. - Amendments relating to Title II ("Capital stock and shares") of the Bylaws (articles 5 "Capital stock" and 9 "Shareholders' preemptive rights").**

To amend Articles 5 ("Capital Stock") and 9 ("Shareholders' Preemptive Rights") of Title II ("Capital Stock and Shares") of the Company's Bylaws, which shall read as follows:

***"Article 5. Capital Stock***

1. *The share capital of the Company is two hundred seventy million five hundred forty thousand euros (EUR 270,540,000), represented by five hundred forty-one million eighty thousand shares (541,080,000), of a single class and series, with par value of fifty cents on the euro (EUR 0.50) each, fully subscribed and paid up, represented by book entries.*
2. *Pursuant to the provisions of the Electricity Industry Law:*
  - 1) *The total direct or indirect holding owned by any individual or legal entity in the capital stock of the Company can at no time be greater than five percent (5%) of the capital stock of the Company, unless otherwise authorized by the Law. These shares cannot be syndicated for any purpose. No shareholder may exercise more than three percent (3%) of non-economic rights. Parties pursuing activities in the Electricity Industry and individuals or legal entities which directly or indirectly own holdings in the capital thereof equal to more than five percent (5%) may not exercise more than one percent (1%) of non-economic rights.*
  - 2) *In order to calculate the holding of each shareholder, an individual or legal entity shall be deemed to own, in addition to the shares and other securities owned or acquired by the entities belonging to its group, as defined in Article 5 of the consolidated text of the Securities Market Act, approved by Royal Legislative Decree 4/2015 of 23 October 2015, those which are owned by:*
    - a) *persons acting in their own name but for the account of the aforesaid shareholder, on a specific basis or forming a decision-making unit, the members of a legal entity's Board of Directors being deemed, unless proven otherwise, to act for the account of or on a concerted basis with such entity.*
    - b) *the shareholders with whom the aforesaid shareholder exercises the control of a dependent company.*

*In any case, regard shall be had both to the nominee ownership of the shares and other securities and to the voting rights held under any title.*
3. *Notwithstanding the provisions of Article 6.2 of these Bylaws, the infringement of the limits indicated in Article 5.2 or of those imposed at any time by the legislation in force shall entail the legal consequences*

*determined therein, including, if appropriate, the imposition of the relevant penalties and that which is provided for in these Bylaws.*

*The non-economic rights relating to shares or other securities which, pursuant to the provisions of the legislation force at any given time, exceed the limit stipulated in this Article, shall be held in abeyance until they are brought into line with that limit.*

4. *As an exception to the general rule and by reason of the singular regime conferred by the Electricity Industry Law on the State Industrial Holding Company (Sociedad Estatal de Participaciones Industriales), the holding and the voting rights of this Company shall be governed by the provisions of these Bylaws, except where provision is made in the Sole Additional Provision of same."*

***"Article 9. Shareholders' Preemptive right***

*Where capital is increased with the issue of new ordinary or preferred shares with a charge to monetary contributions, existing shareholders may exercise, within the time period granted to them for such purpose by the Company's Board of Directors, which shall not be less than fourteen (14) days from the date of publication of the notice of public offering published in the Official Gazette of the Mercantile Registry, the right to subscribe a number of shares proportional to the par value of the shares that they own.*

*Preemptive subscription rights shall be transferable on the same terms as the shares to which they relate. In the event of an increase with a charge to reserves, the same rule shall apply to the rights to allocation of the new shares for no consideration.*

*Where any shareholder does not exercise or transfer his preemptive subscription right in the manner stipulated in these Bylaws, the Board of Directors may offer the subscription of the corresponding shares to such third parties as it deems appropriate or declare the capital increase to be incomplete, in which case the capital shall only be increased by the amount actually subscribed."*

**Third. - Amendments relating to Section One ("General Shareholders' Meeting") of Title III ("Company Bodies") of the Bylaws (articles 11 "General Shareholders' Meeting", 12 "Types of Meetings", 14 "Quorum", 15 "Right to information", 17 " Presiding Board, mode of deliberation" and 17 bis "Voting by remote means of communication prior to the Meeting").**

To amend Articles 11 ("General Shareholders' Meeting"), 12 ("Types of Meetings"), 14 ("Quorum"), 15 ("Right to information"), 17 ("Constitution of the Presiding Board, method of deliberation") and 17 bis ("Remote Voting") of Section One ("General Meeting") of Title III ("Corporate Bodies") of the Company's Bylaws, which shall be worded as follows:

**“Article 11. General Shareholders' Meeting**

*Shareholders, met together in a General shareholders' Meeting which has been duly called, shall decide by majority on the matters within the powers of the General shareholders' Meeting or on those which are submitted by the Board of Directors, notwithstanding the fact that the General shareholders' Meeting cannot usurp or assume powers which are under the exclusive jurisdiction of the Board of Directors.*

*In accordance with the Spanish Companies Act, the General shareholders' Meeting has power to deliberate and resolve on the following matters:*

- a) The approval of the financial statements, the distribution of income or allocation of loss, and approval of the conduct of management of the Company.*
- b) Approval of the statement of non-financial information.*
- c) The appointment and removal of Directors, liquidators and, as the case may be, auditors, as well as the filing of a corporate action for liability against any of them.*
- d) The amendment of the Company's Bylaws and the Regulations of the General shareholders' Meeting.*
- e) Capital increases and reductions.*
- f) The removal or limitation of the preemptive right of subscription or assumption.*
- g) Ordering the acquisition, disposal or contribution to another company of essential assets. An asset will be presumed essential whenever the transaction amount exceeds twenty-five percent of the “Assets” item reflected in the latest approved balance sheet.*
- h) An alteration of legal form, merger, spin-off or transfer of block of assets and liabilities, and transfer abroad of the registered office.*
- i) The winding up of the Company.*
- j) The approval of the final liquidation balance sheet.*
- k) To approve a transfer to dependent entities of essential activities executed until then by the Company, even if the latter continues to fully own the former.*
- l) Approval of the remuneration policy for Directors, in the terms established in the Spanish Companies Act.*
- m) The approval of related-party transactions the approval of which corresponds to the General shareholders' Meeting under the terms set forth in the Act.*
- n) Any other matters determined by the law or the Bylaws.*

*In particular, the General shareholders' Meeting shall have the power to approve transactions the effect of which is equivalent to that of the modification of the corporate purpose or to the liquidation of the Company.*

*All shareholders, including dissenting and absent shareholders, shall be subject to the resolutions of the General shareholders' Meeting notwithstanding the statutory rights and remedies acknowledged to them.*

*The General shareholders' Meeting shall be governed by the applicable legislation, by these Bylaws and by its Regulations.*

*The Company guarantees at all times the equal treatment of all shareholders in the same position as regards information, participation and exercise of the right to vote at the General shareholders' Meeting.*

*In particular, it shall cover the accessibility requirements of persons with disabilities and the elderly to guarantee their right to have prior information and the necessary support to exercise their vote."*

**“Article 12. Types of Meeting**

*General shareholders' Meetings may be Ordinary or Extraordinary and must be called by the Company's Board of Directors.*

*The Ordinary Shareholders Meeting must be held, following the relevant call, within the first six months of each fiscal year, with a view to, if appropriate, approving the conduct of management of the Company, the financial statements and the management report for the previous fiscal year and resolving on the distribution of income or allocation of loss, without prejudice to other legally required matters.*

*Any other matter reserved by law or in the Bylaws to the authority of the General shareholders' Meeting may be decided at an Ordinary or Extraordinary Meeting.*

*The Ordinary Shareholders Meeting shall be valid even where called or held late.*

*An Extraordinary Shareholders Meeting shall be held whenever so resolved by the Board of Directors or when requested by a number of shareholders representing at least three percent of the capital stock, stating in their request the business to be transacted at the Meeting. In such case, the General shareholders' Meeting must be called to be held within the two months following the date on which the Board of Directors was asked, by way of a notary, to call the Meeting, and the business requested must be included in the Meeting Agenda."*

**“Article 14. Quorum**

*Ordinary and Extraordinary Shareholders Meetings shall be called and validly convened pursuant to the Law.*

*In order for an Ordinary and Extraordinary Shareholders Meeting to be able to validly adopt a resolution for a capital increase or reduction or any other amendment of the Bylaws, the issue of debentures, the removal or limitation of the preemptive right of acquisition of new shares, or an alteration of legal form, merger, spin-off or transfer of block of assets and liabilities, or the transfer abroad of the registered office, shareholders holding at least 50*

*percent of the subscribed voting capital stock must attend in person or by proxy on first call. On second call, the attendance of 25 percent of said subscribed voting capital stock shall be sufficient.*

*Non-voting shares and those whose holders are not up to date in the payment of calls on unpaid capital shall not be counted as present or represented at any General shareholders' Meeting.*

*Shares or other securities the non-economic rights of which exceed the limits recognized in Article 5 shall not be taken into account when calculating the quorum required to convene the relevant General shareholders' Meeting.*

*Meetings or when calculating the majorities for adoption of resolutions."*

#### **“Article 15. Right to Information**

*Shareholders may request such information or explanations as they deem necessary concerning the items of interest to them, in the manner stipulated by the applicable laws, and shall receive information via the Company website as stipulated by the law, these Bylaws and the rules on corporate governance.*

*From the date of publication of the call notice for the General shareholders' Meeting until the fifth day prior to the date set for holding the Meeting on first call, shareholders may request in writing such information or clarifications as they deem necessary or pose in writing such questions as they deem relevant concerning the items on the Agenda. During the same prior period and in the same manner, or orally during the Meeting, shareholders may request information, clarifications or pose questions concerning publicly available information furnished by the Company to the National Securities Market Commission since the last General shareholders' Meeting was held and concerning the auditor's report.*

*All valid requests for information, clarifications or questions, made in writing, and the replies provided in writing by the directors, will be uploaded on the Company's website.*

*If prior to the formulation of a specific question, the requested information is clearly, directly and expressly available to all shareholders on the Company website in a question and answer format, Directors may merely reply by referring to the information provided in this form. Directors must furnish the information in writing up to the date of holding the General shareholders' Meeting.*

*During the holding of the General shareholders' Meeting, the shareholders of the Company may orally request the information or clarifications they deem fit with regard to the matters on the Agenda, with regard to any information accessible to the public that may have been provided by the Company to the National Securities Market Commission since the last General shareholders' Meeting was held and with regard to the auditors' report and, if the shareholders' right cannot be satisfied at that time, the directors will be obliged to provide that information in writing within seven days after the General shareholders' Meeting has ended.*

*Directors must provide the information requested pursuant to the foregoing paragraphs except in cases in which this information is unnecessary to protect shareholders' rights, or objective reasons exist to consider that it may be used for non-corporate purposes or that its disclosure could damage the Company or its related companies. Information may not be refused where the request is supported by shareholders who represent at least twenty-five (25) percent of the capital stock."*

**“Article 17. Presiding Board, mode of deliberation**

*The General shareholders' Meeting shall be chaired by the Chairman of the Board of Directors and, in his absence, if there are Deputy Chairmen, by the relevant Deputy Chairman according to rank or to seniority in the office, if no rank has been established, and, in their absence, by the person designated by the Board of Directors and, in the absence of such designation, by such Director or shareholder as is freely designated by the shareholders in attendance, for each General shareholders' Meeting.*

*The Secretary or Deputy Secretary, if any, of the Board of Directors shall act as Secretary of the General shareholders' Meeting. In the absence of both, the person designated by the Board of Directors and, if no such designation exists, such Director or shareholder as is freely designated by the shareholders in attendance, for each General shareholders' Meeting, shall act as General shareholders' Meeting Secretary.*

*The Chairman is responsible for directing and establishing the order of deliberations and speeches; for deciding on the form of voting on resolutions; for resolving any doubts, clarifications or complaints which are raised in relation to the Agenda, the list of attendees, ownership of shares, delegations of authority or proxies, the requirements for the valid convening of, and adoption of resolutions by, the General shareholders' Meeting, or regarding the Bylaws limit on the right to vote; and for granting the floor to any shareholders requesting it, withdrawing it or refusing it and ending debates when he considers the matter being debated to have been sufficiently discussed.*

*Each share confers the right to one vote. Resolutions shall be adopted by a majority of the votes, a simple majority of the votes of the shareholders present or represented at the Meeting; a resolution will be deemed adopted whenever it obtains more votes in favor than against, of the capital stock present or represented. In order to adopt the resolutions foreseen in Article 14 of the Bylaws, which require a greater quorum, if the capital stock present or represented exceeds fifty (50) percent, it will suffice for the resolution to be adopted by an absolute majority. However, the favorable vote of two thirds of the capital stock present or represented at the Meeting will be required if, at second call, shareholders attending represent twenty-five percent or more of the voting capital subscribed, without reaching fifty (50) percent. The foregoing will not apply in those cases where, unless the law requires a greater majority.*

*No person, by virtue of his own right or of a proxy, may exercise voting rights which exceed the shareholding limits stipulated in Article 5 of these Bylaws,*

*with the exception of the provisions on public proxy solicitations set forth in the last paragraph of Article 15 above.*

*The statutory limit on shareholding in the Company shall also apply to the maximum number of votes that may be cast, collectively or separately, by two or more shareholders, one of whom owns indirect holdings in the capital stock of the Company (as defined in Article 5).*

*The limitations on voting rights stipulated by the law and in these Bylaws shall operate with respect to all matters submitted to a vote at a General shareholders' Meeting, including the right to proportional representation referred to in Article 243 of the Spanish Companies Act, but shall not prevent the shares to which said right applies from being counted as voting capital stock in attendance for the purpose of calculating the necessary quorums for convening General shareholders' Meetings.*

*For each resolution submitted to a vote the General shareholders' Meeting must determine, at minimum, the number of shares with respect to which valid votes have been cast, the proportion of the capital stock represented by such votes, the total number of valid votes, the number of votes for and against each resolution and, as the case may be, the number of abstentions.*

*The resolutions approved and the result of the voting shall be published in full on the Company website within the five days following the end of the General shareholders' Meeting."*

***“Article 17 BIS. Voting by remote means of communication prior to the Meeting***

*Shareholders entitled to attend and vote may cast their vote on the proposals relating to items included on the Agenda, prior to the holding of the General Shareholders' Meeting, by postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual exercising his right to vote and the security of the electronic communications are duly guaranteed, in accordance with the provisions of the applicable legislation, as well as of the Regulations of the General shareholders' Meeting and all such supplementary rules and rules implementing the aforementioned Regulations as may be approved by the Board of Directors.*

*Shareholders entitled to attend and vote who cast their votes remotely , as provided for in this article, must be counted as present for the purposes of convening the General shareholders' Meeting.*

*The Board of Directors, having regard to the technical and legal bases making it possible and duly guaranteeing the identity of the individual exercising his right to vote, is authorized to implement the foregoing provisions by establishing the appropriate rules, means and procedures according to the state of the art with a view to instrumenting the casting of votes and the grant of proxies by electronic means, in compliance with any legislation which may be enacted for this purpose.*

*Any implementing provisions adopted by the Board of Directors under the provisions of this Article, as well as the means, procedures and forms*



*established for granting a proxy and exercising the right to vote absentee shall be posted on the Company's website.*

*Personal attendance at the General shareholders' Meeting by the shareholder or by his proxy-holder shall constitute the revocation of a vote cast by postal or electronic correspondence or by any other means of remote communication."*

**Fourth. - Addition of a new article 15 bis ("Rights of attendance and representation")**

To incorporate a new article 15 bis ("Rights of attendance and representation") in Section One ("General Shareholders' Meeting") of Title III ("Corporate Bodies") of the Company's Bylaws, which shall read as follows:

***"Article 15 BIS. Rights of attendance and representation***

*Shareholders may attend the General shareholders' Meeting if they are up to date in the payment of calls on unpaid capital and evidence their ownership by way of certification of the registration of their name in the accounting record of book entries at least five days before the date on which the Meeting is to be held. Shareholders shall ask the Entity in charge of the accounting record to issue the appropriate certificate of entitlement or equivalent document from the accounting record of book entries of the Company's securities, in order to obtain, where necessary, the appropriate attendance card from the Company.*

*When the Board of Directors so resolves and it is so provided in the notice of call, the shareholders entitled to attend the General shareholders' Meeting and their representatives may attend remotely, by telematic and simultaneous means, in a manner that allows their recognition and identification, and proceed to cast the electronic vote remotely during the Meeting and subject to the requirements set forth in the Regulations of the General shareholders' Meeting and the procedure resolved by the Board of Directors for such purpose.*

*Additionally, the Board of Directors shall be authorised to call the Meeting to be held exclusively by telematic means, provided that the identity and entitlement of the shareholders and their representatives is duly guaranteed and that all attendees can effectively participate in the meeting by means of appropriate remote communication media, such as audio or video, complemented by the possibility of written messages during the course of the Meeting, to exercise in real time their rights of speech, information, proposal and vote, as well as to follow the interventions of the other attendees by the means indicated above, the Shareholders being entitled to delegate or vote in advance on proposals on items included on the Agenda by any of the means provided for in current legislation, the Company Bylaws and the Regulations of the General shareholders' Meeting, provided that the minutes of the meeting are drawn up by a notary. The exclusively telematic Meeting shall be deemed to be held at the registered office regardless of where the Chairman of the Meeting is located.*

*For all purposes, the telematic attendance of the shareholder and the proxy shall be equivalent to physical attendance at the General shareholders' Meeting.*

*The Directors must attend General shareholders' Meetings.*

*Also, in order to facilitate its dissemination, it will be possible to broadcast the meeting live and record it in audiovisual form.*

*Shareholders who are entitled to attend may be represented at the General shareholders' Meeting by another person, in the manner established by articles 184 through 187 and 521, 522, 523 and 524 of the Spanish Companies Act, in relation, in any case, to the provisions of these Bylaws. The proxy must be granted in writing and specifically for each Meeting.*

*Proxies may be also granted by means of postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual granting the proxy and the security of the electronic communications is duly guaranteed, pursuant to the provisions of the applicable legislation and subject, if appropriate, to the provisions of article 17 bis of these Bylaws on the casting of votes by the aforesaid means, insofar as this is not incompatible with the nature of the proxy granted.*

*The provisions of the preceding two paragraphs shall also apply to the notification to the Company of the appointment of the proxy-holder and to the revocation of the appointment. The Company shall establish the system for electronic notification of the appointment, with the formal, necessary and proportionate requirements in order to guarantee the identity of the shareholder and of the proxy-holder(s) appointed thereby.*

*Where instructions are issued by the represented shareholder, the proxy-holder shall cast the vote in accordance with such instructions and shall be obliged to keep the instructions for a period of one year as from the date of the relevant Meeting.*

*Proxy-holders may hold the proxies of more than one shareholder with no limit on the number of shareholders they may represent. A proxy representing multiple shareholders may cast conflicting votes based on the instructions given by each shareholder. In any event, the number of represented shares will be used in the calculation of a quorum for the Meeting.*

*Prior to his appointment, a proxy-holder must provide detailed information to the shareholder on whether it has any conflict of interest, in accordance with the provisions of article 523 of the Spanish Companies Act. If the conflict arises after his appointment and the proxy-holder has not warned the represented shareholder of its potential existence, it must inform the shareholder immediately. In both cases, if no new specific voting instructions have been received for each of the items on which the proxy-holder is to vote in the name of the shareholder, the proxy-holder must refrain from casting the vote.*

*Where the Directors of the Company, or another acting for the account or in the interests of any of them, have made a public proxy solicitation, the Director obtaining it may not exercise the right to vote attaching to the shares*

*represented on those items on the Agenda in respect of which he has a conflict of interest unless he has received specific voting instructions from the represented shareholder for each item, as provided in this article, in accordance with article 526 of the Spanish Companies Act.*

*Any intermediary entities registered as entitled shareholders according to the share accounting register, albeit acting on behalf of other ultimate beneficiaries persons may in any case split their vote and vote against the proposal, further to different voting instructions, if such are received. These intermediary entities may grant a proxy to each of the ultimate beneficiaries indirect holders or to third parties designated by the latter, without limitation on the number of proxies granted.*

*Personal attendance of the General shareholders' Meeting, either physically or telematically, by the shareholder represented shall be deemed to revoke the proxy granted.*

*No person may accumulate proxies in the name of the same shareholder which confer on it voting rights in the name of that shareholder that exceed the limits established in article 5 of these Bylaws."*

**Fifth. - Amendments relating to Section Two ("Managing Body") of Title III ("Company Bodies") of the Bylaws (articles 20 "Board of Directors", 23 "Audit Committee", 24 "Appointments and Remuneration Committee" and new 24 bis "Sustainability Committee").**

To amend Articles 20 ("Board of Directors"), 23 ("Audit Committee") and 24 ("Appointments and Remuneration Committee"), as well as to incorporate a new Article 24 bis ("Sustainability Committee") in Section Two ("Administrative Body") of Title III ("Corporate Bodies") of the Company's Bylaws, which shall read as follows:

***“Article 20. Board of Directors***

*The Board of Directors shall be formed by at least nine (9) and not more than thirteen (13) members.*

*Directors will be designated by the General shareholders' Meeting or, if a vacancy arises in advance, the Board will designate it by cooptation. The General shareholders' Meeting shall set the final number of Directors within the aforesaid maximum and minimum limits.*

*When selecting the Directors, regard shall be had to the company's capital composition and structure. It shall be sought to have non-executive Directors (independent, proprietary and other external directors) represent a broad majority. In any case, the Board shall be composed in such a way as to ensure that the capital stock is most suitably represented.*

*The Directors appointed shall hold office for four years and may be reappointed indefinitely, notwithstanding the power of the General shareholders' Meeting to remove them at any time.*

*Directors need not be Company shareholders of members. Natural persons as well as legal entities belonging to the public sector may be appointed to the*

*Board of Directors in representation of a part of the capital stock. Directors shall be elected in observance of Articles 243, 244 and 529 decies of the Spanish Companies Act and of other supplemental provisions.*

*The Appointments and Remuneration Committee will propose the appointment or reelection of independent Directors. The Board will be in charge of proposing the appointment of all other Directors, subject to a prior opinion from the Appointments and Remuneration Committee. In any case, a proposed appointment or reelection of any Director will include an explanatory report from the Board, appraising the competence, experience and merits of the candidate, which will be attached to the minutes of the General shareholders' Meeting or Board Meeting.*

*The provisions of this article will also apply to any individuals designated as representatives of a legal entity appointed as a Director. Any proposed representative for a legal entity must be examined by the Appointments and Remuneration Committee.*

*The position of Director of the company cannot be held by persons who are in a conflict of interest according to the Law.*

*The remuneration of the members of the Board of Directors as such (for their non-executive functions) shall consist of: a fixed annual allotment; compensation for attending Board of Directors meetings; and a sum for membership in Board of Directors committees. In addition, the Chairman of the Board, the Chairs of Board committees and the Lead Independent Director shall be assigned supplementary remuneration for those functions. The maximum overall annual compensation for the entire Board and for all the foregoing items shall be approved by the General shareholders' Meeting and may in no case exceed an amount equal to 1.5% of the company's net income, approved by the General shareholders' Meeting; this figure will remain in force insofar as a change is not approved. The foregoing compensation is, in all cases, a maximum figure and the Board itself shall be in charge of allocating its amount among the aforesaid items and among the Directors in such manner, at such time and in such proportion as the Board determines, based on the tasks and responsibilities assigned to each Director, any membership of Board committees and other objective circumstances deemed relevant.*

*Directors who perform executive functions shall be entitled to receive, in addition, compensation for those functions that will consist of: (i) fixed compensation; (ii) short and long-term variable remuneration, which may include the award of shares, or of stock options or compensation linked to the share value, subject to the requirements set out in the applicable laws prevailing from time to time; (iii) a welfare component, which will include the appropriate providential arrangements and insurance, and social security; (iv) company benefits; (v) compensation for post-contractual non-competition; and an indemnity in the case of removal from their position not due to failure to perform their functions. All of the above items for which said Directors may obtain remuneration for performance of executive functions must be set out in a contract to be entered into with the company, which shall be previously approved by the Board of Directors with the favorable vote of two-thirds of the*

*Board members, with the Director concerned abstaining from attending the deliberations and from taking part in the vote.*

*The company may contract civil liability insurance for Directors.*

*Compensation consisting of the award of shares or stock options or compensation linked to the share value shall require a resolution of the General shareholders' Meeting. This resolution will include the maximum number of shares that may be allotted during each financial year to this remuneration system, the price for exercising the options or the system for calculating the price for exercising the stock options, the share value taken as a reference, where such is the case, and the term of this compensation system.*

*Directors shall be paid or reimbursed for the reasonable and duly justified expenses they incur for attending meetings and other tasks directly related to the performance of their functions, such as travel, lodging, meals and any other expense they may incur.*

*All remuneration paid to Directors as such and any received for the performance of executive tasks will conform to the Directors' remuneration policy, to be approved by the General shareholders' Meeting , as a separate point of the Agenda to be applied for a maximum period of three fiscal years, in the terms foreseen in the Spanish Companies Act.*

*Directors' remuneration will in any case be reasonably proportional to the company's importance, its economic situation from time to time and the market standards of comparable companies. The remuneration system established will aim at encouraging the company's profitability and long-term sustainability, including the necessary precautions to avoid undertaking excessive risks and rewarding unfavorable results.*

*The members of the Board of Directors shall discharge their office and perform their functions with the diligence of an organized businessman and with the loyalty of a loyal representative, acting in good faith and in the company's best interests, pursuant to the law and to the Bylaws."*

#### **"Article 23. Audit Committee**

- 1. The Company shall have an Audit Committee composed of a number of members to be determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5), from among non-executive Directors and with a majority of Independent Directors, all of whom are to be appointed taking into account their knowledge of and experience in accounting and/or audit from among its members. The Chairman shall be an Independent Director designated from among its members. The Secretary of the Board of Directors shall act as Secretary of the Audit Committee.*

*As a whole, the members of the Committee shall have the relevant technical knowledge in relation to the sector of activity to which the Company belongs.*

*The Committee shall support the Board of Directors in supervising economic and financial processes and the independence of the External Auditor, and in the internal control of the Company.*

2. *The Audit Committee shall have at least the following powers:*
- (i) To report to the General shareholders' Meetings on questions posed in respect of matters within the competence of the Committee, in particular regarding the results of the audit, explaining how it has contributed to the integrity of the financial information and the role played by the Committee in this process.*
  - (ii) To supervise the efficacy of the Company's internal control, any internal audit, and systems for management of risks, financial and non-financial, as well as discuss with the external auditors any significant weaknesses of the internal control system detected in the course of the audit, all without compromising its independence. For such purposes, it if applicable may submit recommendations or proposals to the Board of Directors and the corresponding term for their monitoring.*
  - (iii) Monitoring and evaluating the process of preparation and presentation of the required financial and non-financial information and presenting recommendations or proposals to the Board of Directors, aimed at safeguarding its integrity.*
  - (iv) To present to the Board of Directors any proposals for selection, appointment, reelection and replacement of external auditors, as well as the terms of their contract, taking responsibility for the selection process, in accordance with current legislation, and to regularly collect from the auditors information on the auditing plan and its performance, as well as to preserve their impartiality during the exercise of their tasks.*
  - (v) To duly engage with the external auditors in order to receive information on any issues that may constitute a threat to their independence, for their examination by the Committee, and any other issues relating to the audit process, as well as other communications provided for in audit legislation and audit standards; as well as to authorise, as it deems appropriate, services of the External Auditors other than those prohibited, under the terms contemplated in the applicable legislation on audit of accounts. In any case, they must receive each year from the external auditors a statement of their independence in relation to the Company or entities related to the Company directly or indirectly, as well as detailed and individualised information on additional services of any kind provided to such entities, and any professional fees paid by these entities, by those external auditors or by persons or entities related to those auditors in accordance with the provisions of auditing legislation in force.*
  - (vi) Annually, prior to the issue of the audit report, issuing a report stating an opinion as to whether the independence of the External Auditors or audit companies has been compromised. This report*

*must, in any case, contain a reasoned appraisal of the provision of each and every one of the additional services referred to in the preceding letter, considered both individually and overall, other than legal auditing services and in relation to the independence requirement or auditing regulations.*

*(vii) Report on related-party transactions to be approved by the General shareholders' Meeting or the Board of Directors and supervise the internal procedure established by the Company for those the approval of which has been delegated.*

*(viii) To previously inform the Board of Directors about any matters foreseen in the Law, Bylaws and Board Regulations, to particularly include:*

- 1. Any financial information that the Company needs to periodically publish.*
- 2. The creation or acquisition of participations in special purpose vehicles or entities domiciled in countries or territories that are considered tax havens.*

*(ix) Any other power attributed to the Board, either in general in its Regulations or entrusted to it in particular.*

*The provisions established in iv), v) and v) above will apply without prejudice to applicable auditing regulations.*

- 3. Any member of the management team or Company personnel who is required for such purpose shall be obliged to attend Committee meetings and must provide assistance and allow access to the information available to him. In order to discharge its functions, the Committee shall have access to the means necessary for its functioning.*
- 4. The Board of Directors shall expand on the powers and the rules of operation of the Audit Committee either in specific regulations or in special provisions of the Board Regulations, and will strive to encourage the Committee's independence in the exercise of its tasks."*

#### ***"Article 24. Appointments and Remuneration Committee***

- 1. The Company shall have an Appointments and Remuneration Committee, which shall be formed by a number of Directors to be determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) from amongst the non-executive Directors, and with the majority of its members being Independent Directors.*

*The Committee Chairman shall be an Independent Director elected by its members and the Secretary shall be the Secretary of the Board of Directors.*

- 2. Without prejudice to any other tasks entrusted by Law, these Bylaws or, in line with the same, the Board of Directors Regulations, the Appointments and Remuneration Committee will at least hold the following powers:*

*a) To evaluate the competences, knowledge and experience required for the Board of Directors. To this effect, it will define the duties and*

*skills expected of any candidates for each vacancy and will evaluate the necessary time and dedication to enable them to effectively execute their task.*

- b) To establish a representation goal for the least represented gender on the Board of Directors and provide guidelines on how to obtain this goal.*
  - c) To present the Board of Directors for any proposed appointments of independent Directors, for their designation by cooptation or to be decided upon by the General shareholders' Meeting, as well as any proposals to reelect or remove these Directors by the General shareholders' Meeting.*
  - d) To forward any proposed appointments of the other Directors, for their designation by cooptation or to be decided upon by the General shareholders' Meeting, as well as any proposals to reelect or remove these Directors by the General shareholders' Meeting.*
  - e) To forward any proposals to appoint and remove senior executive and the basic terms of their contracts.*
  - f) To examine and arrange the succession process of the Chairman of the Board of Directors and CEO of the Company and, if necessary, to make proposals to the Board of Directors in order for this succession to take place in an orderly and planned manner.*
  - g) To propose to the Board of Directors the remuneration policy for Directors and general managers, or those performing senior management duties and directly reporting to the Board, Executive Committees or Managing Directors, as well as their individual remuneration and other contractual conditions of executive Directors, ensuring that these are observed.*
  - h) To propose to the Board the appointment of the Lead Independent Director.*
  - i) To assume such reporting, supervising and proposing functions in the area of corporate governance, as may be determined by the Board of Directors.*
- 3. The Board of Directors will establish the number of members of the Appointments and Remuneration Committee and will develop its competences and operating rules, either in specific Regulations or in special provisions of the Board Regulations, striving to encourage the Committee's independence when exercising its duties."*

***"Article 24 BIS. Sustainability Committee***

- 1. La Company shall have a Sustainability Committee, which shall be formed by a number of Directors to be determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) from amongst the non-executive Directors, and with the majority of its members being Independent Directors.  
The Committee Chairman shall be an Independent Director elected by its members and the Secretary shall be the Secretary of the Board of Directors.*
- 2. Without prejudice to any other tasks entrusted by these Bylaws or, in line*



*with the same, the Board of Directors Regulations, the Sustainability Committee will at least hold the following powers:*

- a) Supervise and periodically review the content of and compliance with the Group's sustainability policy, as well as the sustainability aspects of other corporate policies with a relevant impact in this area.*
  - b) Supervise that the Company's environmental and social practices are in line with the Group's sustainability strategy and policy.*
  - c) Supervise and review sustainability information in accordance with international reference standards, reporting thereon to the Board of Directors.*
  - d) To perform duties of reporting, supervision and proposal in sustainability matters, as determined by the Board of Directors.*
- 3. The Board of Directors will establish the number of members of the Sustainability Committee and will develop its competences and operating rules, either in specific Regulations or in special provisions of the Board Regulations, striving to encourage the Committee's independence when exercising its."*

**Sixth. - Amendments relating to Title IV ("Financial Year, Accounting Documents and Distribution of Profits") of the Bylaws (articles 28 "Formulation of Accounts" and 29 "Auditing of accounts").**

To amend Articles 28 ("Formulation of Accounts") and 29 ("Audit of accounts") of Title IV ("Financial Year, Accounting Documents and Distribution of Income") of the Company's Bylaws, which shall read as follows:

***"Article 28. Formulation of accounts***

*"The Board of Directors, within not more than the first three months of each financial year or, as the case may be, such period as may be determined by law, shall prepare the financial statements, the management report, which shall include the statement of non-financial information, and the proposal for the distribution of income or allocation of loss, as well as the consolidated financial statements and management report, if any."*

***"Article 29. Audit of accounts***

*The auditors shall have at least one month from the time they are given the signed financial statements to present their report.*

*The Financial Statements and the Management Report which shall include the statement of non-financial information, as well as, if applicable, the consolidated Financial Statements and Management Report must be submitted, as the case may be, to the examination and information of the auditors referred to in Articles 263 et. seq. of the Spanish Companies Act."*

**PROPOSED RESOLUTION RELATING TO ITEM EIGHT ON THE AGENDA:**

**AMENDMENT OF THE REGULATIONS OF THE GENERAL SHAREHOLDERS' MEETING TO ADAPT THEM TO LAW 5/2021, OF APRIL 12, AMENDING THE REVISED TEXT OF THE CAPITAL COMPANIES LAW, APPROVED BY ROYAL LEGISLATIVE DECREE 1/2010, OF JULY 2, AND OTHER FINANCIAL REGULATIONS, WITH REGARD TO THE PROMOTION OF LONG-TERM SHAREHOLDER INVOLVEMENT IN LISTED COMPANIES, AND TO THE PARTIAL AMENDMENT OF THE CODE OF GOOD GOVERNANCE APPROVED BY THE CNMV ON 26 JUNE 2020, AS WELL AS TO INTRODUCE CERTAIN TECHNICAL AND DRAFTING CLARIFICATIONS.**

**First. - Amendments to the articles relating to the Regulations of the General Shareholders' Meeting (articles 1 "Purpose and entry into force of the Regulations" and 19 "Publication of the Regulations of the Meeting").**

To amend Article 1 ("Purpose and Entry into Force of the Regulations") and Article 19 ("Publication of the Regulations of the Meeting") of the Regulations of the General Shareholders' Meeting, which shall read as follows:

***"Article 1. Purpose and Entry into Force of the Regulations***

*These Regulations regulate the General Shareholders' Meeting of Red Eléctrica Corporación, S.A., establishing the principles of its organization and operation and the rules which govern its legal and bylaw activity. They must be disseminated by the Board of Directors among the shareholders and the investing public and published on the Company website. They shall apply as from the first General Meeting held following their approval or modification.*

*They may be amended by the General Meeting at the proposal of the Board of Directors, which shall attach a report justifying the amendment. The amendment of the Regulations shall require a majority of votes in accordance with the provisions of article 17 of the Bylaws and 159 of the Spanish Companies Act."*

***"Article 19. Publication of the Regulations of the Meeting***

*Following their approval, these Regulations of the General Meeting may be accessed on the Company's website and that of the National Securities Market Commission, the legal framework in which General Meetings are to be conducted thus being made public for the information of shareholders and investors, notwithstanding the provisions of the Bylaws and the legislation in force.*

*Data of Amendment of the Regulations of the General Shareholders' Meeting:*

*Registered at the Madrid Commercial Registry on May 20, 2015, in Volume 33.501, Sheet 5, Section 8, Page M-59083, Entry 561."*

**Second. – Amendment of article 2 ("Company Website").**

To amend Article 2 ("Company Website") of the Regulations of the General Shareholders' Meeting, which shall read as follows:

**“Article 2. Company Website**

*As an instrument to ensure the transparency of corporate actions and at the same time to allow greater efficacy in the exercise by the shareholders of their rights, as well as to facilitate relations between the shareholders and the Company, the latter shall maintain a website, incorporating the latest technologies, which shall be regulated in accordance with the provisions of the law and the Bylaws and with these Regulations. The following, inter alia, shall be included on this website, in accordance with the applicable provisions:*

1. *The Bylaws.*
2. *The Regulations of the Meeting and of the Board of Directors, the Internal Code of Conduct and other provisions on corporate governance.*
3. *Quarterly, and half-yearly reports, and annual reports for the current year and at least the last three closed fiscal years , together with the external auditors' reports.*
4. *The Annual Corporate Governance Report prepared by the Board.*
5. *Annual Report on Remuneration of Directors.*
6. *Composition of the Board and its Committees (Comisiones).*
7. *Shareholders identified with stable holdings, direct and indirect, and their representation on the Board, as well as all side agreements between shareholders which have in any way been disclosed to the Company and to the market.*
8. *The shareholdings of each Board member.*
9. *The information contained in presentations made to the different market operators and to analysts, intermediaries and significant shareholders.*
10. *Communications of Inside Information and Other Relevant Information to the National Securities Market Commission.*
11. *Resolutions adopted at the most recent General Meetings held, indicating in detail their composition and the result of voting.*
12. *The current call for the next General Meeting.*
13. *Information that must be made available to the shareholders with the call notice for the General Meeting, as well as any relevant information that the shareholders may require to cast their vote.*
14. *Responses to information or clarifications requested by shareholders.*
15. *Communication channels between the Company and the shareholders and the pertinent explanations regarding the exercise of the right to information, indicating the postal and electronic mail addresses to which shareholders may send their questions;*
16. *The means and procedures for granting proxies for Shareholders' Meetings, as well as the means and procedures for casting votes remotely, with the ballots approved for doing so.*
17. *The Shareholders' Electronic Forum, as provided in article 8.4 of these*

### *Regulations.*

*Directors shall be responsible for keeping the information on the Company website updated and for coordinating its content with that of the public Registries in accordance with the provisions of the applicable law.*

### **Third. - Amendments to the articles relating to the types of Meetings and their powers (articles 3 "Competences of the Meeting" and 4 "Types of Meetings").**

To amend Articles 3 ("Competences of the Meeting") and 4 ("Types of Meetings") of the Regulations of the General Shareholders' Meeting, which shall read as follows:

#### ***"Article 3. Competences of the Meeting***

*The General Meeting, duly called and legally convened, represents all the shareholders and exercises the powers and discharges the duties corresponding to it at the Company. Its resolutions, adopted in accordance with these Regulations and the Bylaws, shall be binding on all shareholders, notwithstanding the statutory right of withdrawal. The General Meeting shall have the power to adopt all resolutions specific to its status as the Company's sovereign body. In particular, and without limitation, it is responsible for:*

- a) Approving the financial statements of Red Eléctrica Corporación, S.A. and the consolidated financial statements of Red Eléctrica Corporación, S.A. and its subsidiaries, the conduct of management by the Board of Directors and the proposed distribution of income or allocation of loss.*
- b) Approving the statement of non-financial information.*
- c) Appointing and removing Directors (including ratification or revocation of appointments by co-optation), liquidators and auditors, as well as filing a corporate action for liability against any of them.*
- d) Resolving on the amendment of the Bylaws and these Regulations.*
- e) Resolving on capital increases and reductions.*
- f) Resolving on the removal or limitation of the preemptive right of subscription.*
- g) Resolving on the acquisition, disposal or contribution to another company of essential assets. An asset will be presumed essential whenever the transaction amount exceeds twenty-five per cent of the «Assets» item reflected in the latest approved balance sheet.*
- h) Resolving on an alteration of legal form, merger, spin-off or transfer en bloc of assets and liabilities, and transfer abroad of the registered office.*
- i) Resolving on the dissolution of the Company.*
- j) Approving on the final liquidation balance sheet.*
- k) Approving transfer of dependent entities of essential activities executed until then by the Company, even if the latter continues to fully own the former.*
- l) Approval of the remuneration policy for Directors, in the terms established in the Spanish Companies Act.*
- m) Resolving on any other matters determined by the law, the Bylaws or these Regulations, in particular:*
  - i. Resolving on programs or authorizing transactions relating to treasury stock;*
  - ii. Approving the establishment of Directors' compensation systems linked to share value;*
  - iii. Resolving on the issue of debentures;*

- iv. *Authorizing the Board of Directors to increase capital stock and establish its conditions in all matters not provided for by the Meeting, in accordance with the provisions of the Spanish Companies Act.*
  - v. *Approving transactions the effect of which is equivalent to the modification of the corporate purpose or the liquidation of the Company.*
- n) *Approving related-party transactions, the approval of which corresponds to the General Meeting under the terms provided by the law.*

*Without prejudice to the fact that the Meeting may also decide on those matters submitted to it by the Board of Directors, it shall not interfere in the powers and functions of the Board of Directors.*

**“Article 4. Types of Meetings**

*General Meetings shall be Ordinary or Extraordinary.*

**4.1. General Shareholders' Meeting**

*The Ordinary General Meeting shall meet, following a call by the Board of Directors, within the first six months of each year, to, if appropriate, approve the corporate management, the annual accounts and the management report for the previous year and decide on the distribution of income or allocation of loss, without prejudice to other legally required matters.*

*Nonetheless, the General Meeting, even where called as an Ordinary Meeting, may also deliberate and decide on any matter within its powers which is submitted to its consideration, provided that such matter has been included in the call notice and all statutory requirements have been met.*

*The Ordinary General Meeting shall be valid even where called or held after the aforesaid deadline.*

**4.2 Extraordinary General Meeting**

*All General Meetings other than the foregoing shall be regarded as an Extraordinary General Meetings.”*

**Fourth. - Amendments to the articles relating to shareholders' rights (articles 6 "Shareholders' rights", 7 "Shareholders' right of participation", 8 "Shareholders' right of information", 9 "Right of attendance", new 9 bis "Remote attendance by electronic or telematic means" and 10 "Proxies").**

To amend articles 6 ("Shareholders' rights"), 7 ("Shareholders' right of participation"), 8 ("Shareholders' Right of Information"), 9 ("Right of attendance") and 10 ("Proxies"), as well as to incorporate the new article 9 bis ("Remote attendance by electronic or telematic means") of the Regulations of the General Shareholders' Meeting, which will be worded as follows:

**“Article 6. Shareholders' rights**

**6.1. List**

*The shareholders of Red Eléctrica Corporación, S.A. have, inter alia, the following rights:*

- a) *The right to a share in the distribution of the company's profits and in the surplus assets resulting on liquidation.*
- b) *A pre-emptive right to subscribe new shares or convertible debentures, unless such right has been duly excluded;*
- c) *The right to attend and vote at General Meetings.*
- d) *The right to object to corporate resolutions and to seek, if appropriate, directors' liability.*
- e) *The right to information.*

f) *The right to participate in corporate affairs.*

*The Company must afford equal treatment to shareholders who are on an identical footing.*

*Furthermore, the Company guarantees at all times the equal treatment of all shareholders in the same position as regards information, participation and exercise of the right to vote at the General Meeting.*

*In particular, it shall cover the accessibility requirements of persons with disabilities and the elderly to guarantee their right to have prior information and the necessary support to exercise their vote.*

#### **6.2 Manner of Exercise**

*Shareholders shall exercise their rights in the manner stipulated by the Law, in the Bylaws and in these Regulations.*

#### **6.3 Limitations**

*Shareholders' rights are subject to the limitations stipulated in current law, to particularly include Additional Provision No. 23 of Act 54/1997, of 27 November ("Act 54/1997") and in article 30 of Act 24/2013, of 26 December, of the Electricity Industry, (the "Electricity Industry Act"), and contained in the current Bylaws."*

### **"Article 7. Shareholders' Right of Participation**

#### **7.1. Request for Inclusion of Items in the Agenda**

*Without prejudice to the provisions of article 5 above, shareholders holding three percent (3%) of the capital stock may ask the Board, prior to the call, to include an item on the Agenda of the next Shareholders Meeting. The Board must include the items requested in the manner which best suits the corporate interest, provided that they relate to matters which are within the powers of the General Meeting.*

#### **7.2. Shareholders' Proposals and Suggestions**

*Without prejudice to the provisions of article 5 above, shareholders may draw up proposals in relation to the items included on the Agenda. They may also make suggestions regarding the activities and interests of the Company which, in their opinion, should be debated at the General Meeting.*

*In both cases they may make these proposals and suggestions through the Shareholder Service Office, after furnishing proof of their identity as shareholders, subject to due verification."*

### **"Article 8. Shareholders' Right of Information**

#### **8.1. Supply of Information to Shareholders**

*From the publication of the call notice and until the holding of the General Meeting, the Company must publish, on an uninterrupted basis, on its website and shall make available at the Shareholder Information Office at least the following information:*

- a) *The notice of call.*
- b) *The total number of shares and voting rights at the date of the call, broken down by share class, if any.*
- c) *The documents to be submitted to the General Meeting and, in particular, reports from directors, auditors and independent experts.*
- d) *The full text of the proposed resolutions on each and every one of the points in the Agenda or, in relation to points of a merely informative nature if none, a report by the competent bodies on each of said points the items on the Agenda. Proposed resolutions submitted by shareholders shall also be included when they are received.*
- e) *For the appointment, ratification or re-election of members of the Board of Directors, the identity, c.v. and category to which each one belongs, as well as the proposal and reports referred to in article 529.decies of*

*the Spanish Companies Act. For legal entities, the information will include details of the individual appointed to permanently perform the tasks inherent to this post.*

- f) Annual Sustainability Report, if any.*
- g) Any other report the inclusion of which is obligatory or is determined by the Board of Directors.*
- h) The forms to be used for voting by proxy and remote voting, except when they are sent directly by the Company to each shareholder. Where they cannot be published on the website for technical reasons, the Company must indicate on the website how to obtain the forms on paper and must send them to any shareholder who so requests.*
- i) If applicable, the rules for attendance by telematic means.*

#### **8.2. Requests for Information by Shareholders**

*Shareholders may also request in writing, in the terms established in the law and the Company's Bylaws, prior to the General Meeting or orally during the Meeting, such documentation, reports or clarifications as they deem relevant to the items on the Agenda.*

*Shareholders may also request information, clarifications or pose questions in writing, or orally while the Meeting is being held, concerning publicly available information furnished by the Company to the National Securities Market Commission since the last General Meeting was held and concerning the auditors' report.*

*If prior to their formulation of a specific question, the requested information is clearly, and directly and expressly available to all shareholders on the Company website in a question and answer format, Directors may merely reply by referring to the information provided in this form.*

*The Board of Directors must furnish the shareholders with the documentation information requested unless this information is unnecessary to protect shareholders' rights, or objective reasons exist to consider that it may be used for non-corporate purposes or that its disclosure could damage the Company or its related companies. This exception shall not apply where the request is supported by shareholders who represent at least twenty-five (25) per cent of the capital stock.*

*All valid requests for information, clarifications or questions made in writing, and the replies provided in writing by the Directors, will be uploaded on the Company's website.*

#### **8.3. Shareholders' Inquiries**

*Shareholders may pose questions in writing concerning publicly available information or information which has been disclosed to the relevant authorities.*

*Shareholders may make their inquiries through the Shareholder Information Office, after furnishing proof of their identity as shareholders, subject to due verification. The Company shall disseminate such replies as it may decide on the website, individually or collectively, and if the Board of Directors deems it appropriate the matters shall be addressed at the General Shareholders' Meeting.*

*The Board of Directors shall be obliged to provide the appropriate response to these questions unless public disclosure of the information is unnecessary to protect shareholders' rights, or there are objective reasons to believe that it may be used for non-corporate purposes or that its disclosure could harm the Company or its related companies. Information may not be refused when the request is supported by shareholders who represent at least twenty-five percent of the capital stock.*

#### **8.4. Shareholders' Electronic Forum**

*While provided for in the legislation in force, and pursuant to the development of such legislation technically and legally, a Shareholders' Electronic Forum shall be set up on the Company website, and may be accessed with due safeguards by individual shareholders and by any voluntary associations that may be formed, with a view to facilitating their communication prior to the holding of General Meetings. Proposals that are intended to be submitted as a supplement to the Agenda announced in the call notice, requests for seconding such proposals, initiatives for achieving a sufficient percentage to exercise a minority right provided for in the law, or offers or solicitations for voluntary proxies, may be posted on the Forum. The Board of Directors of the Company shall determine the rules which are to govern, from time to time, the operation of the Forum set up for the General Meeting, and which shall be publicly disclosed on the Company ' website."*

***“Article 9. Right of Attendance***

*Shareholders may attend the General Meeting if they are up to date in the payment of calls on unpaid capital and prove their ownership, by means of a certificate issued in their name on the accounting record of book entries five days before the date on which the Meeting is to be held.*

*Shareholders shall ask the Entity in charge of the accounting record to issue the appropriate certificate of entitlement or equivalent document from the accounting record of book entries of the Company's securities, in order to obtain, where necessary, the appropriate attendance card from the Company.*

*Attendance cards must be issued bearing the holder's name to shareholders who prove that their shares were entered on the accounting record at least five days prior to the first call. The Entity in charge of the accounting record must send Red Eléctrica Corporación, S.A., before the date set for holding the General Meeting, the list of cards it has issued at the request of its respective clients. The registration of attendance cards, in cases of physical attendance, shall commence two hours prior to the time set for holding the Meeting.*

*Company Directors and executives must attend General Meetings.*

*In general, in order to promote the widest dissemination of proceedings and the resolutions adopted, the media shall be allowed access to General Meetings. Likewise, and also to facilitate its dissemination, it will be possible to broadcast the Meeting live and record it in audio-visual form."*

***“Article 9 BIS. Remote attendance by electronic or telematic means***

- 1. Pursuant to the provisions of article 15 bis of the Bylaws and independently of the shareholders' right to vote remotely prior to the General Meeting in the manner provided for in article 17 bis of the Bylaws and article 15.9 of these Regulations, shareholders entitled to attend the General Meeting held at the place indicated in the notice of meeting may exercise this right by using electronic or telematic means of remote communication when so resolved by the Board of Directors, taking into account the state of the art and having verified the appropriate security conditions and guarantees of identity of the attendees. The Board of Directors shall indicate in the notice of the meeting the means that may be used for these purposes to meet the required security conditions that allow the shareholders to be recognized and identified, the correct exercise of their rights and the proper conduct of the meeting.*
- 2. In the event that the Board of Directors resolves to allow remote attendance at the General shareholders' Meeting, the notice of the meeting shall describe the deadlines, forms and modes of exercising the shareholders'*



*rights provided by the Board of Directors to allow for the proper conduct of the General shareholders' Meeting.*

3. *Remote attendance of shareholders and their representatives at the General Meeting by electronic or telematic means shall be subject to the following provisions, which may be developed and completed by the Board of Directors:*

- a. *The connection to the system for monitoring the General Meeting must be made as far in advance as indicated in the notice of the meeting in relation to the time scheduled for the start of the meeting. After the time limit set for this purpose, a shareholder or representative who initiates the connection later shall not be considered an attendee.*
- b. *A shareholder or its representative wishing to attend the General Meeting and exercise its rights must identify itself by recognized digital signature or some other form of identification, as determined by the Board of Directors in a resolution adopted to such end, providing adequate assurances of authenticity and the identity of the shareholder or representative in question. Voting and information rights must be exercised through the electronic means of remote communication deemed appropriate in accordance with the provisions of these Regulations.*
- c. *The Board of Directors may stipulate in the call that the addresses and proposals of resolutions that, in accordance with law, are formulated by the shareholders that attend using telematic means must be submitted to the Company before the General Meeting is held. The replies to those shareholders or representatives who attend the General Meeting in this manner and who exercise their right to information during the course of the meeting shall be produced during the meeting itself or in writing within seven days following the holding of the General Meeting, when appropriate and as determined by the Board of Directors.*
- d. *The inclusion of shareholders or representatives of shareholders attending remotely in the list of attendees shall be in accordance with the provisions of these Regulations.*
- e. *The interruption of the communication, due to technical circumstances or for security reasons arising from supervening circumstances, may not be invoked as an illegitimate deprivation of the shareholder's rights, nor as a cause for challenging the resolutions adopted by the General Meeting.*

4. *The Board of Directors may resolve to convene the Meeting to be held exclusively by telematic means, complying with the requirements established in the legislation in force and in the statutory authorization granted, implementing the necessary measures in accordance with the state of the art and the circumstances of the Company, especially the number of shareholders.*

*In this case, the notice of call shall inform of the formalities and procedures to be followed for the registration and formation of the list of attendees, for the exercise of their rights and for the proper reflection in the minutes of the proceedings of the Meeting. In no case shall attendance be conditional upon registration being completed more than one hour before the scheduled start of the Meeting.*

*The exclusively telematic Meeting shall be deemed to be held at the registered office regardless of where the Chairman of the Meeting is located.*

*The provisions on attendance and telematic means contained in this article shall be applicable, provided that they do not contradict the provisions of this paragraph.*

5. *The Board of Directors may establish and update the media and procedures appropriate to the state of the technology to handle the remote attendance and casting of electronic votes from a distance during the holding of the General Meeting, adapting, if appropriate, to the rules and regulations for this system and to the provisions of the Bylaws and these Regulations. Such means and procedures will be published on the Company's corporate website."*

#### **"Article 10. Proxies**

*Shareholders who are entitled to attend may be represented at the General Meeting by another person, in the manner established by law and in the Bylaws. The proxy must be granted in writing and specifically for each Meeting.*

*No person may accumulate proxies in the name of the same shareholder which confer on him voting rights in the name of such shareholder that exceed the limits established in article 5 of the Bylaws.*

*Proxies may also be granted by means of postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual granting the proxy and the security of the electronic communications are duly guaranteed, pursuant to the provisions of the applicable legislation and subject, if appropriate, to the provisions of articles 15 and 17 bis of these Bylaws and 15.9 of these Regulations on the casting of votes by the aforesaid means, insofar as this is not incompatible with the nature of the proxy granted.*

*The provisions of the preceding two paragraphs shall also apply to the notification to the Company of the appointment of the proxy-holder and to the revocation of the appointment. The Company shall establish the system for electronic notification of the appointment, with the formal, necessary and proportionate requirements in order to guarantee the identity of the shareholder and of the proxy-holder(s) appointed by him.*

*Where instructions are issued by the represented shareholder, the proxy-holder shall cast his vote in accordance with such instructions and shall be obliged to keep the instructions for a period of one year as from the date of the relevant Meeting.*

*Proxy-holders may hold the proxies of more than one shareholder with no limit on the number of shareholders they may represent. Where a proxy-holder holds several proxies, he may cast votes in different directions, in accordance with the instructions received from each shareholder. In all cases, the number of shares represented shall be calculated for the valid constitution of the Meeting.*

*Prior to his appointment, a proxy-holder must provide detailed information to the shareholder on whether he has any conflict of interest, in accordance with the provisions of article 523 of the Spanish Companies Act. If the conflict arises after his appointment and the proxy-holder has not warned the represented shareholder of its potential existence, he must inform the shareholder immediately. In both cases, if no new specific voting instructions have been received for each of the items on which the proxy-holder is to vote in the name of the shareholder, the proxy-holder must refrain from casting the vote.*

*Where the Directors of the Company, or another acting for the account or in the interests of any of them, have made a public proxy solicitation, the Director obtaining it may not exercise the right to vote attaching to the shares represented on those items on the Agenda in respect of which he has a conflict of interest unless he has received specific voting instructions from the*

*represented shareholder for each item, as provided in this article, in accordance with article 526 of the Spanish Companies Act.*

*Any intermediary entities registered as entitled shareholders according to the share accounting register, albeit acting on behalf of other ultimate beneficiaries, may in any case fraction their vote and vote against the proposal, further to different voting instructions, if such are received. These intermediary entities may grant a proxy to each ultimate beneficiary or to third parties designated by the latter, without limitation on the number of proxies granted.*

*Personal attendance of the General Meeting, either physically or telematically, by the shareholder represented shall be deemed to revoke the proxy granted.*

*The shareholder's proxy-holder may appoint a substitute to cast the vote where there is a conflict of interests."*

**Fifth. - Amendments to the articles relating to the conduct of the General Meeting (articles 11 "Quorum", 12 "Chair of the General Meeting", 15 "Constitution, deliberation and adoption of resolutions" and 17 "Publicity").**

To amend Articles 11 ("Quorum"), 12 ("Chair of the General Shareholders' Meeting"), 15 ("Constitution, deliberation and adoption of resolutions") and 17 ("Publicity") of the Regulations of the General Shareholders' Meeting, which shall be worded as follows:

***"Article 11. Quorum***

*The General Meeting shall be validly convened on first call when the shareholders, attending in person or by proxy, hold at least twenty-five per- cent of the subscribed voting capital stock.*

*On second call the General Meeting shall be validly convened regard- less of the capital stock attending thereat.*

*In order for an Annual or Special General Meeting to be able to validly adopt a resolution for a capital increase or reduction or any other amendment of the Bylaws, the issue of debentures, the removal or limitation of the preemptive right of acquisition of new shares, or an alteration of legal form, merger, spin-off or transfer en bloc of assets and liabilities, or the transfer abroad of the registered office, shareholders holding at least 50 percent (50%) of the subscribed voting capital stock must attend in person or by proxy on first call. On second call, the attendance of 25 percent (25%) of said capital stock shall be sufficient.*

*Non-voting shares and those whose holders are not up to date in the payment of calls on unpaid capital, shall not be counted as present or represented at any General Meeting."*

***"Article 12. Chair of the General Meeting***

*The General Meeting shall be chaired by the Chairman of the Board of Directors and, in his absence, by the relevant Deputy Chairman, according to rank or to seniority in the office, and, in their absence, by the person designated by the Board of Directors and, in the absence of such designation, by such Director or shareholder as is freely designated by the shareholders attending each Meeting.*

*The Secretary or Deputy Secretary of the Board of Directors shall act as Secretary of the General Meeting. In the absence of both, the person designated by the Board of Directors and, if no such designation exists, such Director or shareholder as is freely designated by the shareholders attending each General Meeting shall act as Meeting Secretary.*

*The Chairman is responsible for directing and establishing the order of deliberations and speeches; for deciding on the form taken by the vote on resolutions; for resolving any doubts, making clarifications or handling complaints which are raised in relation to the Agenda, the list of attendees, ownership of shares, delegation of authority or proxies, the requirements for valid constitution and adoption of resolutions by the Meeting, regarding the Bylaws' limit on the right to vote or regarding the interpretation of these Regulations; and for granting the floor to any shareholders requesting it, withdrawing it or refusing it and ending debates when he considers the matter being debated to have been sufficiently discussed; and, in general, exercising all such powers, including those of order and discipline, as may be necessary for the best conduct of the meeting."*

**“Article 15. Constitution, deliberation and adoption of resolutions**

**15.1. Attendance list**

*Before discussing the first item on the Agenda, the list of attendees shall be drawn up, indicating the nature or representation of each one and the number of shares, of their own or of others, with which they attend.*

*At the end of the list the number of shareholders attending in person or by proxy shall be determined, as well as the amount of capital stock they own, specifying that belonging to shareholders with voting rights, by way of summary, verified by the Secretary's Office.*

*The list of attendees may also be drawn up by means of a file or included on a computerized medium. In such cases the means used shall be recorded in the minutes and the appropriate identification note, signed by the Secretary and countersigned by the Chairman, shall be affixed to the sealed cover of the file or of the medium.*

**15.2. Calling the meeting to order**

*After the meeting is called to order, the Secretary shall read the information concerning the call and attendance on the basis of the list of attendees. In light of the list of attendees the Chairman shall, if appropriate, declare the General Meeting to be validly convened. If a notary asked by the Company to draw up the minutes of the General Meeting is present, he shall ask the attendees whether there are any reservations or protests regarding the information concerning the attendance of shareholders and capital stock stated by the Chairman.*

*Any shareholder who physically attends the Meeting and, if applicable, expresses reservations must display his attendance card to the personnel assisting the Presiding Panel and, if appropriate, the attending notary.*

*Before opening the debate on the Agenda, the Chairman shall ask shareholders physically attending the Meeting who wish to address the General Meeting to approach the personnel assisting the Presiding Panel, displaying their attendance card, with a view to establishing the order in which they may take the floor. Those attending by telematic means will be able to intervene in accordance with the terms set forth in the notice of meeting.*

**15.3. Presentations**

*At the Ordinary General Meeting, the Chairman shall inform the General Meeting of the most significant aspects of the fiscal year and of the Board's proposals, and his presentation may be completed by persons authorized by him. The Chairman of the Audit Committee shall be at the disposal of the General Meeting to answer such questions as may be raised thereat by the shareholders on the matters within its jurisdiction.*

**15.4. Request for information**

*While the General Meeting is being held, shareholders physically attending it may orally request such reports or explanations as they deem appropriate*

concerning the items on the Agenda or about the information that is publicly available and which the Company has provided to the National Securities Market Commission since the last General Meeting was held, and about the auditor's report. If this right cannot be satisfied at that time, the Board of Directors must provide the information in writing within seven days after the holding of the Meeting. Shareholders attending by telematic means may request such information or clarifications as they deem appropriate regarding these matters under the terms set forth in the notice of call.

If prior to their formulation of a specific question, the requested information is clearly, and directly and expressly available to all shareholders on the Company website in a question and answer format, Directors may merely reply by referring to the information provided in this form.

Directors must provide the shareholders with the information requested unless this information is unnecessary to protect shareholders' rights, or objective reasons exist to consider that it may be used for non-corporate purposes or that its publicity could damage the Company or its related companies. This exception shall not apply where the request is supported by shareholders who represent at least twenty-five per cent of the capital stock.

#### 15.5. Deliberation

When the appropriate presentations have been concluded, the Chairman shall grant the floor to shareholders who have so requested, directing and coordinating the debate, and seeking to follow the established Agenda, except as provided for in articles 223.1 and 238 of the Spanish Companies Act.

The Chairman shall organize the manner in which replies are to be given to shareholders who have made any request or clarification in their speech. In particular, he may decide that a joint reply be given to the speeches of shareholders at the end of their turn to speak.

The Chairman shall bring the debate to a close when the matter has, in his opinion, been sufficiently debated, whereupon the Chairman shall submit the proposed resolutions to a vote and they shall be read by the Secretary.

The reading of proposals may be summarized by decision of the Chairman, provided that the shareholders representing the majority of the subscribed voting capital stock present at the Meeting do not object to it.

In exercising his powers to organize the proceedings of the Meeting, and notwithstanding other actions, the Chairman may, whenever he deems it appropriate and having regard to the existing circumstances:

- i. redistribute the time assigned to each shareholder;
- ii. ask speakers to clarify or expand on the issues they have set forth;
- iii. call shareholders addressing the Meeting to order so that they limit their speech to matters specific to the Meeting and refrain from making inappropriate comments;
- iv. withdraw the use of the floor from speakers who abuse their right or have used up the time assigned;
- v. expel from the premises those who are disorderly and disrupt the normal proceedings of the General Meeting, with the necessary ancillary measures.

#### 15.6. Temporary adjournment

- (i) Exceptionally, if disturbances occur which substantially disrupt the orderly progress of the meeting, or any other extraordinary circumstance arises which temporarily prevents the normal proceedings of the Meeting, the Chairman of the Meeting may resolve the adjournment of the session for such period of time as he deems adequate, under no circumstances exceeding two hours, in order to seek to reestablish the conditions necessary for its continuation. The Chairman of the General Meeting shall take such additional measures as he deems appropriate to guarantee the

safety of those present and to avoid the repetition of circumstances which could again disrupt the orderly progress of the meeting.

- (ii) If, after the meeting is resumed, the situation which gave rise to the adjournment persists, the Chairman may, after consulting the Presiding Panel of the Meeting, resolve an extension for the following day. If the resolution regarding the extension is, for any reason, not adopted by the Presiding Panel, the Chairman shall immediately bring the session to a close.

#### 15.7 Extension

- (i) At the proposal of the Chairman, after consulting the Presiding Panel, or at the request of shareholders who represent at least one fourth of the capital stock present at the General Meeting, those attending may decide to extend its sessions for one or more consecutive days.
- (ii) After the holding of the General Meeting has been extended, it shall not be necessary at successive sessions to repeat compliance with the requirements stipulated by the law or in the Bylaws in order for it to be validly convened. If any shareholder included on the list of attendees drawn up at the beginning of the Meeting subsequently fails to attend successive sessions, the majorities necessary for the adoption of resolutions shall continue to be those determined at the sessions having regard to information derived from that list.

#### 15.8 Voting

Each share confers the right to one vote pursuant to the Bylaws, subject to the limitations contained therein in accordance with the mandate of article 30 of the Electricity Industry Act and under Additional Provision No. 23 of Act 54/1997/17/2007.

The Chairman shall put to a separate vote those matters which are substantially independent, so that the shareholders can express their voting preferences separately. In particular, the following shall be put to a separate vote:

- (i) the appointment, ratification, re-election or removal of each Director.
- (ii) in the event of an amendment of the Bylaws, each article or group of articles with individual autonomy.
- (iii) any matters for which this is foreseen in the Bylaws.

The Chairman shall decide on the most appropriate method for voting in each case, which he shall announce publicly at the General Meeting sufficiently in advance of the vote.

However, the following deductive methods may be adopted to expedite voting:

- i. In voting on the Board's proposals relating to items included on the agenda, to treat as votes for those of all shares present or represented, except for votes against, blank votes and any abstentions which were expressly declared by notification to the Secretary of the General Meeting, or, if appropriate, to the notary present at the Meeting, in such manner as may be decided by the Chairman.
- ii. In voting on proposed resolutions relating to items not included on the Agenda or alternative proposals to those of the Board, to treat as votes against those of all shares present or represented, except for votes for, blank votes and any abstentions which were expressly declared by notification to the Secretary of the General Meeting, or, if appropriate, to the notary present at the Meeting, in such manner as may be decided by the Chairman.

In the two preceding cases, the declaration or casting of votes by notification to the Secretary or, if appropriate, to the notary, may be done individually in relation to each of the items on the agenda, or collectively for some or all of them. The Secretary shall furnish the Chairman with the list of the scrutineers drawn up together with the notary, if the latter was involved, with the result of

*the vote on each proposal. The list of votes counted must record all votes, indicating the voter's identity, the capacity in which he cast the vote (shareholder or proxy-holder) and whether he voted for or against or, if appropriate, his abstention. The notary, if any, shall record this in the minutes in the same way.*

#### *15.9 Casting of votes by remote means of communication prior to the holding of the Meeting*

*Shareholders entitled to attend and vote may cast their vote on the proposals relating to items included on the Agenda, prior to the holding of the Meeting, by postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual exercising his right to vote and the security of the electronic communications are duly guaranteed, in accordance with the provisions of the applicable legislation, as well as of the Bylaws, these Regulations and such supplemental rules and rules implementing them as may be approved by the Board of Directors.*

*Votes by postal correspondence shall be cast by sending the Company a document in which the vote is recorded, accompanied by the attendance card issued by the entity or entities in charge of keeping the record of book entries or, if appropriate, by the Company.*

*Votes by electronic communication shall be cast using a recognized electronic signature or such other kind of safeguard as the Board of Directors considers suitable to ensure the authenticity and the identity of the shareholder exercising the right to vote.*

*A vote cast by electronic communication must be received by the Company before midnight (24:00) on the day immediately prior to that set for holding the General Meeting on first call. Otherwise, the vote shall be deemed not to have been cast.*

*The Board of Directors, having regard to the technical and legal bases making it possible and duly guaranteeing the identity of the individual exercising his right to vote, is authorized to implement the foregoing provisions by establishing the appropriate rules, means and procedures according to the state of the art with a view to instrumenting the casting of votes and the grant of proxies by electronic means, in compliance with any legislation which may be made for this purpose.*

*In particular, the Board of Directors may regulate the use of alternative safeguards to the electronic signature for the casting of an electronic vote and reduce the advance period for the Company's receipt of votes cast by postal or electronic correspondence or by any other means of remote communication, in accordance with the provisions of the previous paragraphs.*

*In any event the Board of Directors shall take the necessary measures to avoid duplications and to ensure that the person who cast the vote was duly entitled to do so in accordance with the provisions of article 15 of the Bylaws.*

*Any implementing provisions adopted by the Board of Directors under the provisions of this article, as well as the means, procedures and forms established for granting a proxy and exercising the right to vote remotely shall be posted on the Company website.*

*Shareholders entitled to attend and vote who cast their votes remotely in the manner contemplated in this article, must be counted as present for the purposes of convening the General Meeting.*

*Personal attendance at the General Meeting, either physically or telematically, by the shareholder or by his proxy-holder shall constitute the revocation of the vote cast by postal or electronic correspondence or by any other means of remote communication.*

#### *15.10 Adoption of resolutions*

*Resolutions shall be adopted by a simple majority of the votes of the shareholders present or represented at the Meeting; a resolution will be deemed*



*adopted whenever it obtains more votes in favor than against, of the capital stock present or represented. In order to adopt the resolutions foreseen in article 194 of the Spanish Companies Act and article 14 of the Company Bylaws, if the capital stock present or represented exceeds fifty (50) per cent, it will suffice for the resolution to be adopted by an absolute majority. However, the favorable vote of two thirds of the capital stock present or represented at the Meeting will be necessary if, at second call, shareholders attend that represent twenty-five (25) per cent or more of the voting capital subscribed, without reaching fifty (50) per cent. The foregoing will not apply in those cases where the Law requires a greater majority.*

*For each resolution submitted to a vote the General Meeting must determine, at minimum, the number of shares with respect to which valid votes have been cast, the proportion of the capital stock represented by such votes, the total number of valid votes, the number of votes for and against each resolution and, as the case may be, the number of abstentions.*

#### *15.11 Confirmation of votes*

*When the shareholder has cast its vote by electronic means, the Company shall send it an electronic confirmation of the receipt of its vote.*

*Within one month from the date of the General Meeting, the shareholder or its representative and the ultimate beneficial owner may request confirmation that the votes corresponding to the shares have been correctly recorded and counted by the Company, unless they already have this information. The Company must send this confirmation within the term established in the applicable regulations.*

#### *15.12 Closing of the session*

*Once all the items on the Agenda have been debated and any relevant voting held, the Chairman shall bring the Meeting to a close.*

#### *15.13 Publication of resolutions on the website*

*The resolutions approved and the result of the voting shall be published in full on the Company website within the five days following the end of the General Meeting.”*

### **“Article 17. Publicity**

*Notwithstanding the registration at the Mercantile Registry of all resolutions capable of being registered and the applicable statutory provisions governing the publication of corporate resolutions, on the same day on which the General Meeting is held or on the next business day the Company shall send the wording of the approved resolutions to the National Securities Market Commission, in the appropriate notice of other relevant information. The wording of the resolution may also be accessed on the Company’s website. Furthermore, at the request of any shareholder or of whoever represented him at the General Meeting, the Secretary shall issue a certificate of the resolutions or of the Minutes of the General Meeting.”*



## **PROPOSED RESOLUTIONS REGARDING ITEM NINTH ON THE AGENDA:**

### **REMUNERATION OF THE COMPANY'S BOARD OF DIRECTORS:**

#### **First.- Approval of the Annual Report on Remuneration of the Directors of Red Eléctrica Corporación, S.A.**

To approve the Annual Report on Remuneration of the Directors of the company, in accordance with the proposal of the Board of Directors approved at its meeting of 23 February 2021.

(The full report is available on the company's website ([www.ree.es](http://www.ree.es)), in the section relating to the 2021 *General Shareholders' Meeting*, in the sub-section *Agreements and other documentation of the Meeting*).

#### **Second.- Approval of the remuneration of the Board of Directors of Red Eléctrica Corporación, S.A. for the 2021 financial year.**

To approve the remuneration of the Board of Directors of Red Eléctrica Corporación, S.A. for the 2021 financial year that was approved by the Board of Directors at the meeting of 23 February 2021, in accordance with the provisions of the Bylaws, of the new Policy on Remuneration of the Directors, and of the Annual Report on Remuneration of the Directors, at the proposal of the Appointments and Remuneration Committee, on the following terms:

### **REMUNERATION OF THE BOARD OF DIRECTORS, IN RESPECT OF ALL ITEMS, FOR THEIR NON-EXECUTIVE FUNCTIONS, FOR THE 2021 FINANCIAL YEAR**

Next, it is proposed that the remuneration of the directors "as such", i.e. for their non-executive functions as members of the Board of Directors and its Committees, during the financial year 2021, be maintained, in all its components and amounts, as in the financial year 2020, as follows:

#### **1. Chairperson (non-executive) of the Board of Directors**

- a) Fixed Remuneration (as chairperson of the Board).

The same amount as in 2020 is maintained, at 399,170.00 euros per year, which shall be paid in monthly instalments before the fifth (5<sup>th</sup>) day of the following month.

- b) The chairperson of the Board of Directors also maintains the annual remuneration established below for all directors, as members of the Board of Directors, under the heading of "Fixed remuneration" and "Remuneration for attendance at Board meetings".

#### **2. Fixed Remuneration**

The Fixed Remuneration for the year 2021 is set as follows:

130,742.00 euros per year per director, to be paid monthly before the 5th day of the following month.

### **3. Remuneration for attending meetings of the Board of Directors**

The remuneration for attending meetings of the Board of Directors and its Committees during the 2021 financial year will be as follows:

1,500.00 euros for attendance in person by directors at each of the eleven ordinary meetings included in the schedule for 2021 approved by the Board of Directors. Proxies may be granted without losing the entitlement to receive the remuneration, provided the proxy appointment is for just cause and occurs no more than twice during the year. This amount will be paid within fifteen days of the given meeting being held.

The holding of extraordinary meetings of the Board of Directors, in person or electronically, will not be remunerated by this remuneration for attending Board meetings.

### **4. Service on Board of Directors Committees**

The remuneration for service on the committees of the Board of Directors, during the 2021 financial year, is established as follows:

- a) 27,900.00 euros per annum to each member of a Board committee, to be paid monthly before the 5<sup>th</sup> day of the following month.

The foregoing amount is an annual amount, regardless of the number of committee meetings held during 2021.

- b) An additional 15,000.00 euros per annum to each chairperson of a Board Committee, to be paid monthly before the 5<sup>th</sup> day of the following month.

The foregoing amount is an annual amount, regardless of the number of committee meetings held during 2021.

### **5. Independent Lead Director**

Additional remuneration of 15,000.00 euros per annum is assigned to the position of lead independent director, to be paid monthly before the 5<sup>th</sup> day of the following month.

In accordance with article 20 of the Bylaws, directors who perform executive functions (in this case, the Chief Executive Officer) shall be entitled to receive additional remuneration for the performance of such functions; such remuneration has been established in the corresponding contract approved by the Board of Directors on 27 May 2019, in accordance with articles 249 and 529.octodecies of the Spanish Companies Act, and with the current Policy on Directors' Remuneration, which is detailed in the Annual Report on Directors' Remuneration submitted for approval under item nine, section one of the Agenda of this General Shareholders' Meeting.

In the event of an increase in the number of directors in the 2021 financial year, in application of the provisions of article 20 of the company's Bylaws, the total amount of the annual remuneration of the Board of Directors will be increased by the amounts and individual items per director contemplated in this proposed resolution.

**Third.- Approval of the remuneration through the delivery of shares of the company provided for in the new Long-Term Incentive Plan for the Promotion of Energy Transition, Reduction of the Digital Divide and Diversification.**

To approve, in accordance with the provisions of articles 219 of the Spanish Companies Act and 20 of the Bylaws of RED ELÉCTRICA CORPORACIÓN, S.A. (the "Company"), the remuneration through the delivery of shares of the Company provided for in the new Long-Term Incentive Plan for executive directors and members of management of the Company and companies belonging to the Red Eléctrica Group. (the "Plan"), in accordance with the terms and conditions set forth below:

**1. Description**

The Plan is instrumented through the grant of a total incentive (the "Incentive") which is the sum of a cash incentive and a certain number of shares, once the Plan has expired and the Appointments and Remuneration Committee has verified compliance with all the established conditions.

**2. Beneficiaries**

The Plan is aimed at executive directors and members of the management team of the Company and of the companies belonging to the Red Eléctrica Group who, due to their position or responsibility, are considered to contribute decisively to the creation of value and are included in the Plan during its term.

**3. Duration, evaluation and settlement**

The Plan will have a total duration of six (6) years, which is the period for measuring the objectives to which it is linked and will end on 31 December 2025.

The quantification of the Incentive derived from the Plan will take place in the first quarter following the date of completion of the Plan, by resolution of the Appointments and Remuneration Committee, once it approves the level of achievement of each of the objectives and compliance with the Plan as a whole, and its settlement will take place within a maximum period of two months from the date of the aforesaid resolution regarding the level of compliance with the Plan.

**4. Maximum number and reference value of the shares**

The total Incentive allocated is the sum of the incentive allocated in cash and the incentive allocated in shares, which will be communicated individually to each Beneficiary.

The incentive allocated in shares is a number of shares for each Beneficiary resulting from dividing the amount in euros corresponding to the portion of the total Incentive represented by the incentive allocated in shares, by the weighted average price of the Company's shares during the 30 trading days immediately prior to 1 January 2020 (17.54 euros per share), without including the aforesaid day in the calculation.

The allocated incentive may be exceeded in the event of overachievement of the objectives, with a limit of 110%.

The maximum number of shares to be delivered to an executive director will be 17,000 shares equivalent to 0.003% of the Company's capital stock.

## 5. Requirements and conditions for settlement of the Incentive

The amount of the cash incentive and the number of shares to be delivered to each Beneficiary at the end of the Plan will depend on whether the Beneficiary maintains its relationship with the Red Eléctrica Group and the degree of achievement of the established objectives.

The achievement of the objectives, linked to the new 2021-2025 Strategic Plan, will be measured using identified and quantifiable criteria and parameters.

In setting the aforesaid objectives linked to the Incentive Plan, 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 the Red Eléctrica Group's Commitment to Sustainability, its Sustainability Policy and the United Nations 2030 Agenda for Sustainable Development, compliance with which is periodically supervised by the Company's Sustainability Committee.

Specifically, the incentive to be delivered to each Beneficiary will depend on the following objectives and metrics, with the weightings indicated:

Weighting	Objectives	Metrics
45%	<b>Making the Energy Transition a reality in Spain</b>	<ul style="list-style-type: none"> <li>• Volume of regulatory asset base (RAB) placed in service (25%)</li> <li>• Average interruption time (AIT) of electric power demand (7.5%)</li> <li>• Electricity system operator: penetration of renewables (7.5%)</li> <li>• Investments in operation of the electricity system (5%)</li> </ul>
15%	<b>Boosting Connectivity</b>	<ul style="list-style-type: none"> <li>• EBITDA of the Telecommunications business</li> </ul>
10%	<b>Consolidating International Business</b>	<ul style="list-style-type: none"> <li>• EBITDA of the international business</li> </ul>
5%	<b>Innovation Technology and</b>	<ul style="list-style-type: none"> <li>• Compliance with the Innovation Plan</li> </ul>

5%	<b>Persons</b>	<ul style="list-style-type: none"> <li>• Accident severity rate</li> </ul>
10%	<b>Efficiency</b>	<ul style="list-style-type: none"> <li>• Average annual ROIC (weighted by EBITDA) (5%)</li> <li>• Compliance with CNMC ratios (5%)</li> </ul>
10%	<b>Sustainability</b>	<ul style="list-style-type: none"> <li>• Compliance with the Sustainability Plan</li> </ul>

The Appointments and Remuneration Committee will monitor the objectives on an annual basis and, once the Plan's measurement period has ended, in the first quarter of the fiscal year following its expiration it will evaluate achievement of each of the objectives and 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 Department, responsible for the management control function of the Red Eléctrica Group, which provides information on the audited results of the Company and the Red Eléctrica Group. 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 the Group that, if applicable, are considered for the calculation of the corresponding objectives.

In any case, it has been established that the weighted average achievement of all the objectives must reach at least 70%. If not, no right to receipt of incentive will arise, regardless of individual achievement of each objective. Similarly, the maximum level of achievement of the overall objectives of the plan will be 110%, although weighted-average achievement of the objectives may be greater.

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.

## **6. Cancellation or refund**

The Appointments and Remuneration Committee shall have the authority to propose to the Board the cancellation or repayment of an executive director's long-term variable remuneration in certain circumstances, in accordance with the provisions of the directors' remuneration Policy.

## **7. Source of the shares to be delivered**

The shares to be delivered to the Beneficiaries may, subject to compliance with the legal requirements established for such purpose, be: (a) shares of the Company in treasury stock acquired or to be acquired by the Company or any company of its Group; (b) newly issued shares of the Company; or (c) shares of the Company from third parties with which agreements have been entered into to ensure fulfilment of the commitments assumed.

## **8. Delegation of authority**

Likewise, it is proposed to the General Meeting of Shareholders to empower the Board of Directors, in the broadest terms, to implement this resolution and to delegate (with the power to subdelegate when appropriate) all the delegable powers referred to in this resolution to the Appointments and Remuneration Committee and, in general, including the adoption of such resolutions and the performance of such actions as may be necessary or merely convenient for the full execution and successful completion of this resolution for the implementation, execution and settlement of the remuneration by delivery of shares provided for in the Plan.

The resolutions of the Board of Directors regarding the remuneration by means of delivery of shares of the Company provided for in the Plan shall be adopted, as appropriate, upon proposal or after a report from the Appointments and Remuneration Committee.

All of the foregoing is understood to be without prejudice to the exercise by the companies belonging to the Red Eléctrica Group, as appropriate in each case, of their powers to implement, if applicable, the remuneration through the delivery of shares of the Company provided for in the Plan with respect to their executive directors and executives.

### **Fourth.- Approval of the Remuneration Policy for the Directors of Red Eléctrica Corporación, S.A. 2022-2024.**

Approve the Remuneration Policy for the Directors of Red Eléctrica Corporación, S.A., in accordance with the proposal of the Board of Directors approved at the meeting held on 25 May 2021.

(The full text of the proposal of the Remuneration Policy for Directors of Red Eléctrica Corporación, S.A. 2022-2024, drawn up by the Board of Directors, and of the mandatory report of the Appointments and Remuneration Committee, are available on the company's website ([www.ree.es](http://www.ree.es)), in the section relating to the 2021 *General Shareholders' Meeting*, in the sub-section headed *Agreements and other documentation of the Meeting*).

## **PROPOSED RESOLUTION REGARDING ITEM TENTH ON THE AGENDA:**

### **REAPPOINTMENT OF THE STATUTORY AUDITOR OF THE PARENT COMPANY AND OF THE CONSOLIDATED GROUP.**

The firm of KPMG Auditores, S.L. ("KPMG Auditores") has audited the individual and consolidated annual financial statements of Red Eléctrica Corporación and of the Group's subsidiaries since 2013, as well as the requisite Comfort Letters that were issued to renew the Group's debt securities and bond issuance programmes.

The General Shareholders' Meeting of Red Eléctrica Corporación, S.A. ("REC") held on 18 April 2013, in accordance with the provisions of article 264 of the Spanish Companies Act, resolved to name KPMG Auditores as statutory auditors of the company and of its Consolidated Group in order to audit the individual annual financial statements of the company and those of its Consolidated Group for the 2013, 2014 and 2015 financial years.

Similarly, after the initial term envisaged in the Spanish Accounting Audit Act (*Ley de Auditoría de Cuentas*) expired, the General Shareholders' Meeting of REC held on 15 April 2016 resolved to reappoint KPMG Auditores as statutory auditors of the company and of its Consolidated Group in order to audit the individual annual financial statements of the company and those of its Consolidated Group for the 2016, 2017 and 2018 financial years and the Ordinary General Shareholders' Meeting of REC held on 22 March 2019 resolved to reappoint KPMG Auditores as auditors of the accounts of the company and its consolidated group for the 2019 financial year, and the Ordinary General Shareholders' Meeting of REC, held on 14 May 2020, resolved to re-elect KPMG Auditores as auditors of the company and its consolidated Group for the fiscal year 2020.

Law 22/2015, of 20 July on Auditing of Accounts, establishes in Article 40 that, in relation to the duration of the audit contract, the provisions of Article 17 of Regulation (EU) No. 537/2014, of 16 April, shall apply and that, in the case of public interest entities, the contracting period may not exceed, including extensions, the maximum duration of ten years established in Article 17 of the aforementioned Regulation.

Based on the above, and given that KPMG Auditores' first audit year was 2013, the years for which the audit could be contracted to KPMG Auditores would be the years 2021 and 2022 at the most.

Furthermore, the selection of the new auditor for the 2023 financial year must be made sufficiently in advance to ensure that the new auditing firm does not have any problems of legal incompatibilities in providing services to the Group in the year prior to the first financial year to be audited. Likewise, it is considered advisable that the new auditor for the 2023 fiscal year be appointed by the General Shareholders' Meeting the year before the beginning of the fiscal year for which the external auditor is appointed -i.e., that he/she be appointed in 2022-, mainly to facilitate the replacement of the outgoing external auditor sufficiently in advance.

Consequently, on the expiry of this latest term of one year of KPMG Auditores' appointment as auditor of the company and of the Group, in accordance with the terms of article 529 quaterdecies, paragraph 4.d) of the Spanish Companies Act and article 16.3.a) of the Regulations of the Board of Directors, the following resolution is submitted at the proposal of the Audit Committee:

To reappoint KPMG Auditores, S.L., con NIF B-78510153, with tax identification number B-78510153, and registered office at Paseo de la Castellana, 259 C, C.P. 28046 Madrid, registered in the Mercantile Registry of Madrid (volume 11,961, folio 90, section 8, page number M188.007, entry 9) and in the Official Register of Statutory Auditors (*Registro Oficial de Auditores de Cuentas — ROAC*) under number S0702, as auditors of the accounts of the parent company, Red Eléctrica Corporación, S.A. and of its Consolidated Group, for a term of two (2) years, covering the 2021 and 2022 financial years, in accordance with the terms of article 264 of the current Spanish Companies Act.



**PROPOSED RESOLUTION REGARDING ITEM ELEVENTH OF THE AGENDA:**

**DELEGATION FOR FULL IMPLEMENTATION OF RESOLUTIONS ADOPTED AT THE GENERAL SHAREHOLDERS' MEETING.**

For implementation of those of the foregoing resolutions that are adopted by the General Shareholders' Meeting, the following resolution is proposed to the Board of Directors for submission to the General Meeting:

Without prejudice to the authorisations expressly given by the shareholders at the General Meeting to the Board of Directors, the Chairperson and each of the members of the company's Board of Directors, and the secretary of the Board and vice secretary thereof, are granted the broadest authority, to be exercised jointly or separately, to implement, perform and register each and every one of the resolutions adopted by this General Shareholders' Meeting, including signing the relevant agreements and documents, with the clauses and conditions they deem to be appropriate, and interpreting, correcting and completing the aforesaid resolutions and recording them as public documents, based on their effectiveness and the comments of any agency or authority, in particular the verbal or written comments of the Mercantile Registrar, taking such actions as may be necessary or appropriate to successfully implement the same, in particular to achieve registration with the Mercantile Registry of those resolutions that are susceptible of registration.

## II. MATTERS REPORTED

### **MATTER RELATED TO ITEM TWELFTH ON THE AGENDA:**

#### **REPORT TO THE GENERAL SHAREHOLDERS' MEETING ON THE ANNUAL CORPORATE GOVERNANCE REPORT OF RED ELÉCTRICA CORPORACIÓN, S.A. FOR THE 2020 FINANCIAL YEAR.**

The General Shareholders' Meeting is advised that, in accordance with the provisions of article 540 of the LSC and other applicable regulations, the Board of Directors, at a meeting held on 23 February 2021, unanimously approved the Annual Corporate Governance Report (*Informe Anual de Gobierno Corporativo, or "IAGC"*) of Red Eléctrica Corporación S.A. for the 2020 financial year. That report was notified to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) as a material disclosure.

The 2020 IAGC applies the same structure and criteria as the 2019 report, and was prepared after comparative analysis of international best practices of comparable undertakings, seeking elimination of repetition, introducing summaries, graphics and hyperlinks to the corporate website to facilitate its reading, with direct access to related documents that may be of interest.

The Annual Corporate Governance Report for the 2020 financial year consists of a main body of seven sections, which refer to the regulatory framework and corporate governance policy as an expression of the strategy in this regard (Section 1), the commitment to dialogue and the participation of shareholders and other stakeholders (Section 2), the Board of Directors as the control and supervision body (Section 3), the balance of authority on the Board of Directors (Section 4), the remuneration policy and evaluation (Section 5), the application of the system for comprehensive risk control, management and compliance (Section 6) and future prospects (Section 7).

New to the 2019 report is the inclusion of an introductory section of a statistical nature entitled "At a glance: corporate governance model in 2020", with the aim of concentrating on two sides as an executive summary of the main indicators relating to the ownership structure, the General Shareholders' Meeting and the Board of Directors, including the Board Committees. The indicators contained herein are those most frequently requested by analysts, proxy advisors and institutional investors in their analyses and evaluations of the company.

Likewise, the format of the entire document has evolved in order to modernize it, make it more visual and easier to read, eliminating repetitions, complementing and introducing new highlighted sections, improving existing graphics and texts and introducing new ones.

In addition, as was done in prior years, the most relevant aspects of the process of annual self-evaluation of the Board of Directors have been reported (Section 5) together with the roadmap for Corporate Governance established by Red Eléctrica for coming years, which is explained in Section 7, called *Future Prospects*.

Finally, as is customary, an Official Annex is attached in the Form of Annex I to the Circular 2/2018 of 12 June 2018 of the National Securities Market Commission.

The Annual Corporate Governance Report is available, in Spanish and English, since 24 February 2021 in the Corporate Governance section of the company's website ([www.ree.es](http://www.ree.es)), and in the documentation made available to shareholders for this General Shareholders' Meeting.

**MATTER RELATED TO ITEM THIRTEENTH ON THE AGENDA:**

**REPORT TO THE GENERAL SHAREHOLDERS' MEETING ON THE AMENDMENTS OF THE REGULATIONS OF THE BOARD OF DIRECTORS OF RED ELÉCTRICA CORPORACIÓN, S.A.**

The Board of Directors of Red Eléctrica Corporación, S.A., at its meeting held on 25 May 2021, agreed to amend the Board Regulations to adapt them to the reform of the Capital Companies Act by Law 5/2021 of April 12, 2021, which amends the revised text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of July 2, and other financial regulations, with regard to the promotion of the long-term involvement of shareholders in listed companies in matters relating, fundamentally, to the regime of related-party transactions, directors' remuneration, directors' duty of diligence and the content of the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration.

Likewise, the aforementioned amendment has served to adapt the Regulations of the Board of Directors to the literal wording of certain Recommendations of the Good Governance Code of Listed Companies, as amended in June 2020.

Finally, the aforementioned amendment has served to introduce some nuances and complements and to incorporate certain technical clarifications and some other improvements of a formal or stylistic nature.

Yours sincerely,

Signed: Carlos Méndez-Trelles García  
Secretary-General and Secretary of the Board of Directors