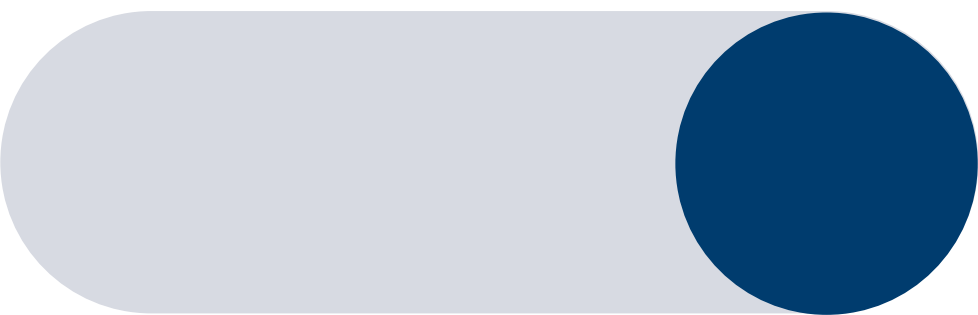




Annual Corporate Governance Report

2022¹



1. Unless another date is expressly indicated in this report, its content should be understood to refer to 31 December 2022.

2021 ECONOMIC AND
FINANCIAL REPORT

redeia

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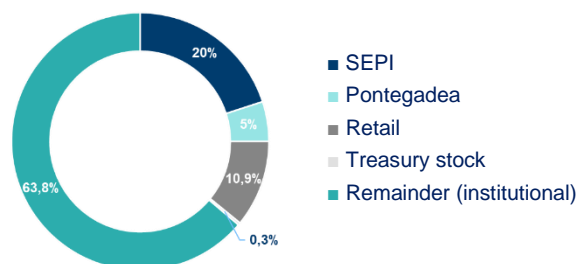
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At a glance: corporate governance model in 2022 (at 31/12/2022)

Redeia has a **solid, transparent and cutting-edge corporate governance system** that, through the adoption of best practices and international recommendations, constitutes an essential strategic element to ensure **good governance** of the Company.

Ownership structure



Source: Nasdaq shareholder identification at May 2022. Banco Santander June 2022.

General Shareholders Meeting 2022

- Share capital: 270,540,000.00
- No. of shares: 541,080,000
- No. of voting rights: 541,080,000
- Minimum no. of shares to attend the General Meeting: 1
- Attendance quorum: 64.9%
- Average percentage of votes for: 98.3%*

A reduced, balanced and efficiency Board of Directors

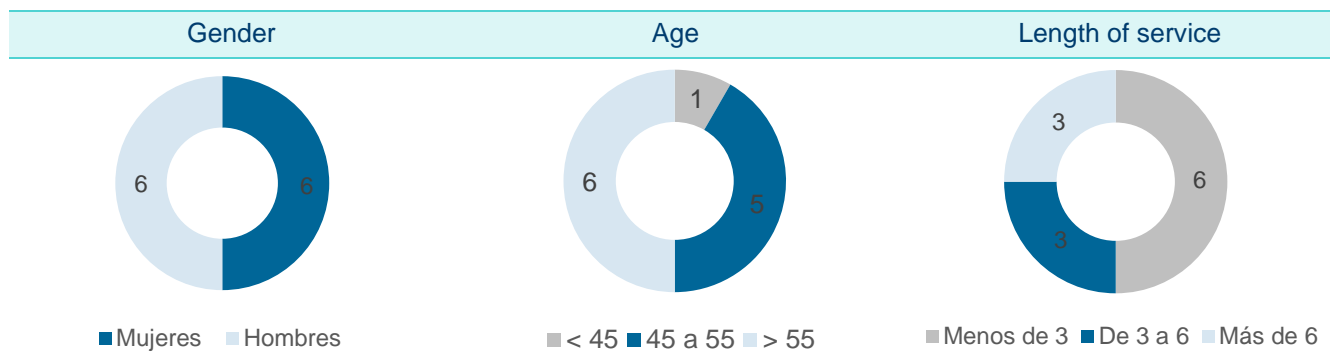
<p>Chair Beatriz Corredor Sierra</p> <p>CEO Roberto García Merino</p>	<p>Proprietary non-executive directors (SEPI) Mercedes Real Rodríguez Member of the Audit Committee</p> <p>Ricardo García Herrera Member of the Appointments and Remuneration Committee</p> <p>Esther María Rituerto Martínez as nominee director Member of the Sustainability Committee</p>	<p>Independent non-executive directors Carmen Gómez de Barreda Tous de Monsalve Chair of the Sustainability Committee and Lead Independent Director</p> <p>Socorro Fernández Larrea Chair of the Appointments and Remuneration Committee</p> <p>Antonio Gómez Ciria Chair of the Audit Committee</p> <p>José Juan Ruiz Gómez Member of the Audit Committee</p> <p>Marcos Vaquer Caballería Member of the Appointments and Remuneration Committee</p> <p>Elisenda Malaret García Member of the Sustainability Committee</p> <p>José María Abad Hernández Member of the Audit Committee</p>
<p>Secretary to the Board Carlos Méndez-Trelles García Non-director</p> <p>Deputy secretary to the Board Fernando Frías Montejo Non-director</p>		

The Board in figures (12 members)

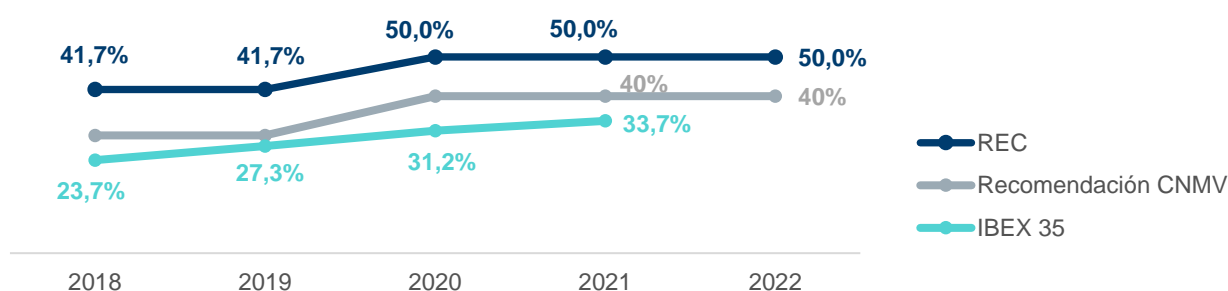
Non-executive chair 1	CEO 1	Independent directors 7 (58.3%)	Proprietary directors 3 (25%)
Gender (women on the Board)	50%	No. of meetings	12
Average age	57.4	No. of attendances in person	139
Average term of office	3.66	Attendance at meetings	97.92%
Composition of the Board renewed in the last 4 years	66.7 %	% of total voting rights	0.006%

* Excluding resolutions relating to directors' remuneration in which SEPI automatically abstains as a rule it has adopted in all listed companies in which it does not hold a controlling interest.

Diversity on the Board



Women on the Board: CORPORATE ELECTRICITY NETWORK, S.A. VS IBEX 35*



* "Gender diversity on Boards and Management Committees" report (Ibex 35). WomenCEO. 31 December 2021. At the date of approval of this report, no information relating to the IBEX 35 was published for 2022.

Board Committees in figures

Appointments and Remuneration Committee (3 members)		Audit Committee (4 members)		Sustainability Committee (3 members)	
Chair	Independent director	Chair	Independent director	Chair	Independent director
Independent directors	66.7% (2)	Independent directors	75% (3)	Independent directors	66.7% (2)
Proprietary directors	33.3% (1)	Proprietary directors	25% (1)	Proprietary directors	33.3% (1)
Gender (% women)	33.3% (1)	Gender (% women)	25% (1)	Gender (% women)	100% (3)
No. of meetings	12	No. of meetings	12	No. of meetings	11
No. of attendances in person	36	No. of attendances in person	47	No. of attendances in person	30*
Attendance at meetings	100%	Attendance at meetings	97.91%	Attendance at meetings	96.77%

* To this end, we must take into account the existence of a vacancy in two meetings of the Sustainability Committee attended by two members as a result of the resignation of María Teresa Costa Campi, effective from the end of the Board meeting held on 29 March 2022, until the date of appointment of Esther María Rituerto Martínez as a member of the Sustainability Committee on 31 May 2022.

Introduction The Red Eléctrica Group is now Redeia

The **world's first company devoted exclusively to electricity system operation and electricity transmission** was incorporated on 29 January 1985 under the name of Red Eléctrica de España, S.A. (currently Red Eléctrica Corporación, S.A.).

To strengthen transparency and the separation of the regulated activities in Spain (transmission and system operation) from the rest of the activities, Red Eléctrica became a holding company in 2008.

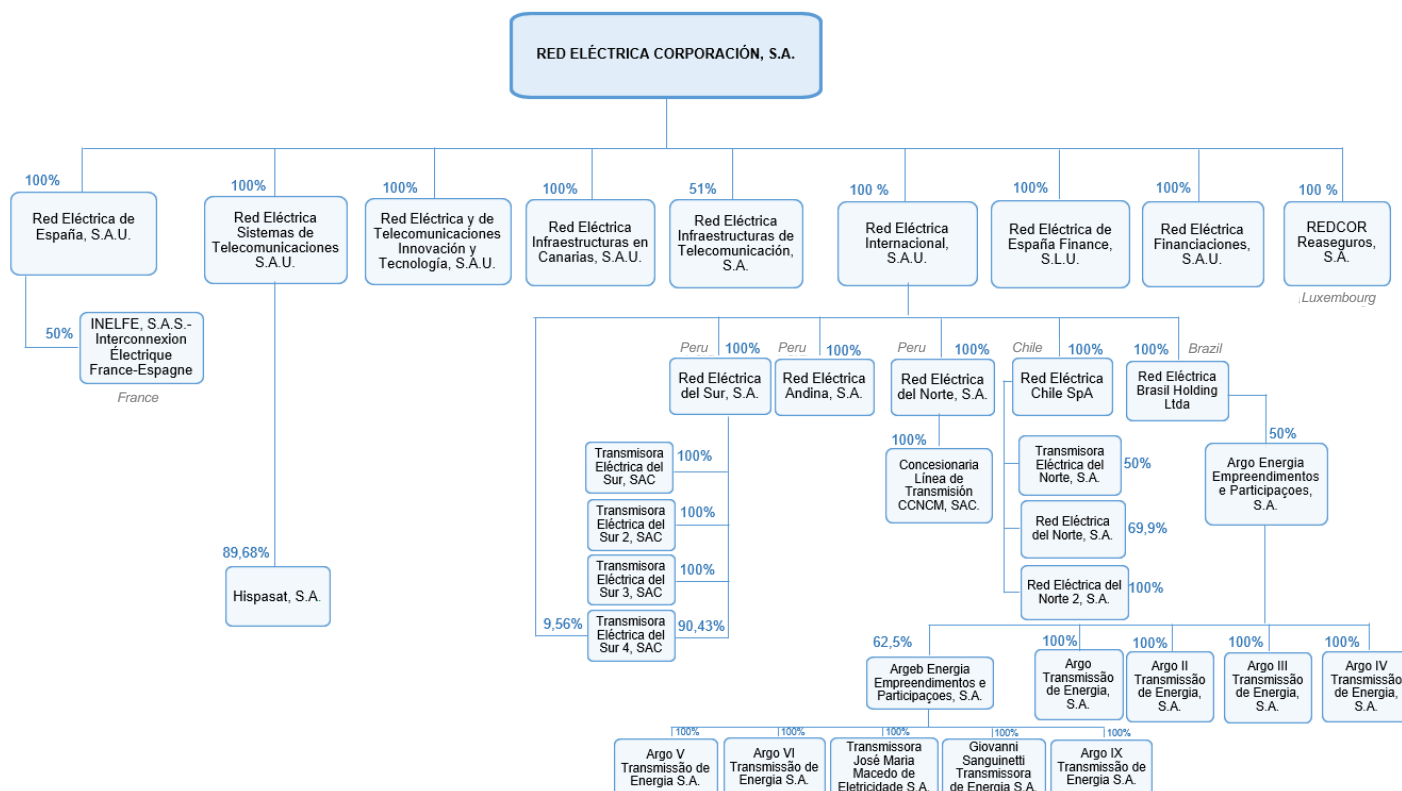
At the Annual General Meeting held on 7 June 2022, the new brand "**Redeia**" was announced to the market to replace "Red Eléctrica Group". The parent company and its subsidiaries are also defined in this document as "**Redeia**".

The **parent company** of Redeia is **RED ELÉCTRICA CORPORACIÓN, S.A.** (the "Company") which wholly owns the following subsidiaries:

- **RED ELÉCTRICA DE ESPAÑA, S.A.U.**, responsible for the transmission activities and operation of the Spanish electricity system and the management of the transmission grid. That company owns 50% of the share capital of **INTERCONEXIÓN ELÉCTRICA FRANCIA-ESPAÑA, S.A.S.**, a company formed in partnership with REE's French counterpart, RTE, for the development of interconnections with France.
- **RED ELÉCTRICA INTERNACIONAL, S.A.U.**, responsible for investment and consulting, engineering and construction activities outside the Spanish electricity system.
- **RED ELÉCTRICA DE ESPAÑA FINANCE, S.L.U.** and **RED ELÉCTRICA FINANCIACIONES, S.A.U.**, which were created as investment vehicles for Redeia's various activities.
- **REDCOR REASEGUROS, S.A.**, incorporated to reinsure the risks of the various group companies, to ensure better access to international reinsurance markets.
- **RED ELÉCTRICA INFRAESTRUCTURAS EN CANARIAS, S.A.U.**, which manages the construction of energy storage facilities and the water cycle.
- **RED ELÉCTRICA SISTEMAS DE TELECOMUNICACIONES, S.A.U.**, which manages the satellite business through **HISPASAT, S.A.** in which it has an 89.68% shareholding.
- **RED ELÉCTRICA Y DE TELECOMUNICACIONES, INNOVACIÓN Y TECNOLOGÍA, S.A.U.**, to perform activities aimed at boosting and accelerating technological innovation.

On the other hand, it should be noted that, on 29 June 2022, following the relevant approvals, a minority shareholding of 49% of **RED ELÉCTRICA INFRAESTRUCTURAS DE TELECOMUNICACIÓN, S.A.** (company responsible for managing the business in the telecommunications sector) was transferred under the agreement entered into between Red Eléctrica Corporación, S.A. and Kohlberg Kravis Roberts & Co. L.P., through its subsidiary Rudolph Bidco, S.À.R.L., on 16 December 2021. After this transaction, Redeia retained control of **RED ELÉCTRICA INFRAESTRUCTURAS DE TELECOMUNICACIÓN, S.A.U.** with a 51% stake, and, therefore, it continued to consolidate itself as a subsidiary.

On 30 November 2022, all registered ordinary shares representing 100% of the share capital of five electricity transmission concessions (Argo V Transmissão de Energia S.A., Argo VI Transmissão de Energia S.A., Transmissora José Maria Macedo de Eletricidade S.A., Giovanni Sanguinetti Transmissora de Energia S.A. and Argo IX Transmissão de Energia S.A.) of Brasil Energia FIP, an investment fund managed by Brookfield, were also acquired. This investment was performed through the joint investment of Argo Energía (62.5%) and the Grupo de Energía Bogotá (37.5%) under a co-governance model between Redeia and the Grupo de Energía Bogotá.



Redeia's activity focuses on three main segments:

- **Management and operation of national electricity infrastructure:** this includes the transmission of electricity, the operation of the system and the management of the transmission grid in the Spanish electricity system. These regulated activities are performed through Red Eléctrica de España, S.A.U.
- **Management and operation of international electricity infrastructure:** electrical energy transport activities performed outside Spain through Red Eléctrica Internacional, S.A.U. and its investees (Redinter).
- **Telecommunications** (satellites and fibre optics): Redeia also provides telecommunications services to third parties through the Hispasat, S.A. subgroup, by operating satellite infrastructure, and through Red Eléctrica Infraestructuras de Telecomunicación, S.A.U., mainly by leasing backbone dark fibre.

Redeia also performs activities aimed at boosting and accelerating technological innovation through its subsidiary Red Eléctrica y de Telecomunicaciones, Innovación y Tecnología S.A.U. (Elewit).

In addition, Redeia performs, through its subsidiaries, activities aimed at facilitating the financing of its activities and the hedging of risks by reinsuring its assets and activities. It also performs activities for the development and construction of infrastructure and electrical installations through its subsidiaries and/or investees, Red Eléctrica Infraestructuras en Canarias, S.A.U. and Interconexión Eléctrica Francia-España, S.A.S.

1. Regulatory framework and Corporate Governance Policy as an expression of the strategy in this area

The RED ELÉCTRICA CORPORACIÓN, S.A. (Red Eléctrica or the Company) Board complies with the applicable requirements under law as a listed company. The Company also has a Corporate Governance Policy, which sets out, in brief, the **catalogue of principles evidencing not only the Company's compliance with applicable laws and regulations but also its alignment with national and international corporate governance recommendations and best practices**, which the Company has adopted voluntarily since it was listed on the stock market in 1999 and that it has incorporated into its own internal regulations. These internal regulations are reviewed on an ongoing basis so as to continue incorporating the best corporate governance practices and achieve greater information transparency for shareholders and other stakeholders.

Corporate Governance Policy

The Corporate Governance Policy was initially approved by the Board on 25 November 2014 and was last updated by Board resolution of 24 November 2020, entering into force on the day of its approval. The policy was updated to bring it into line with current law on corporate governance and with the internal rules of Redeia, and to incorporate the good governance recommendations generally accepted in international markets, adapted to the needs and business reality of Redeia and the best practices applied by comparable companies, both from the Ibex35 and internationally.

This policy aims to **align the Company's interests with those of its shareholders and other stakeholders by protecting and promoting a value shared by all, a value that incorporates economic, social, environmental and good governance criteria, thereby not only contributing to the sustainability, solvency and good reputation among shareholders and other stakeholders of the Company and the group but also reinforcing trust, stability, long-term engagement, progress and the social and economic development of society at large.**

This policy also establishes that it is based on the **ethical values that govern the Company's relations with its various stakeholders and contributes to the achievement of strategies and sustained maximisation of the value of Redeia.**

These values are reflected in the principles that govern the group's Corporate Governance Policy. The principles, which are continuously updated based on future commitments, have been adopted with the aim that they become embedded in the organisation as they **constitute the corporate governance culture of Redeia.**

The Corporate Governance Policy is available on the corporate website at the following link: [Corporate Governance Policy](#)

The Corporate Governance Policy of Redeia embodies the ethical principles that reflect the corporate values governing its relations with stakeholders and the practices the Company and the group follows or has undertaken to adopt to apply those principles, which ultimately are incorporated into Redeia's internal corporate rules.

Other policies approved by the Company are the following:

- [Environmental policy](#)
- [Supply chain policy](#)
- [Compliance policy](#)
- [Economic-financial policy](#)
- [Excellence policy](#)
- [Integrated risk management policy](#)
- [Innovation policy](#)
- [Personnel policy](#)

- [Corporate reputation policy](#)
- [Integrated security policy](#)
- [Sustainability policy](#)
- [Criteria for reporting financial, non-financial and corporate information to shareholders, institutional investors, proxy advisors and other stakeholders](#)
- [Board diversity and appointment of directors policy](#)

Out of all the above policies, special emphasis is given in this report to the [Criteria for reporting financial, non-financial and corporate information to shareholders, institutional investors, proxy advisors and other stakeholders](#). They were approved by the Board at the meeting held on 25 October 2016 and were updated by the Board on 22 December 2020 to adapt them to Recommendation 4 of the Good Governance Code for Listed Companies (GGCLS), following the update of this Code in June 2020 by the Spanish National Securities Market Commission (CNMV), as a result of the Board's commitment to comply with this recommendation.

GGCLS Recommendation 4 stipulates that the Company must define and promote a policy regarding communication and contact with shareholders and investors and voting advisors, and a general policy regarding the communication of economic and financial, non-financial and corporate information that contributes to maximising the dissemination and quality of information available to the market, investors and other stakeholders. It sets out the **principles and guidelines for communication with these stakeholders, which guarantee the proper exercise of their rights and interests and favour commitment to shareholders through open, transparent and continuous dialogue.**

The criteria for reporting financial, non-financial and corporate information to shareholders, institutional investors, proxy advisors and other stakeholders put into effect the ***principle of consolidating, developing and promoting symmetric mechanisms for dialogue and engagement with shareholders, investors and leading stakeholders, guaranteeing transparency, active listening and equal treatment, to improve relations, strengthen commitment and reinforce their trust***, as stated in the Corporate Governance Policy.

Finally, it should be highlighted that, on 29 November 2022, to consolidate in one document the guidelines that guarantee diversity in a broad sense in the Board together with the process of selecting and appointing directors, the Board approved the [Board Diversity and Appointment of Directors Policy](#). The purpose of this Policy is to **ensure that proposals for the appointment or re-election of directors are based on a prior analysis of the skills required by the Board**, collecting the catalogue of principles on which the selection procedures for the Board members must be based, and **based on criteria of capacity and objective merits.**

The Policy also aims to **promote diversity in a broad sense in the composition of the Board**, among other aspects, in terms of knowledge, training, experience, age, capacity and gender. The requirements for the selection of Board members must be **aimed at achieving a diverse and balanced composition of the Board as a whole and, equally, as regards its committees**, so that it enriches the analysis and debate, provides views and pluralistic positions, promotes decision-making based on the nature and complexity of the business, and the social and environmental context, and allows directors to enjoy due independence in exercising the functions attributed to them by law, the Articles of Association and the other corporate governance rules of the Company.

External regulatory framework

The main external regulations applicable in matters of corporate governance are the following:

External regulatory framework

1. Consolidated text of the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*).
2. Circular 3/2021, of 28 October, of the Spanish National Securities Market Commission.
3. Code of Good Governance for Listed Companies.

1. Consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July

This Act establishes the legal regime applicable to corporations and, specifically, to listed companies, which are the subject of Title XIV (sections 495 to 541). Its provisions may be overruled or modified by the Articles of Association, except for those that are mandatory.

The minimum content of the Annual Corporate Governance Report (ACGR) is established in section 540.4 of the Corporate Enterprises Act. That section was amended under Royal Decree Law 18/2017, of 24 November, the content of which was amended again under Spanish Law 11/2018, of 28 December, establishing the obligation to include a description of the diversity policy applied in relation to the Board, the Management Team and to the specialised committees that are set up within it, as regards issues such as age, gender, disability or the training and professional experience of its members; including their objectives, the measures adopted, the way in which they have been applied and, in particular, the procedures implemented to seek to include on the board of directors a number of women that allows a balanced presence of women and men to be achieved and the results in the period of presentation of the reports, and the measures that, if appropriate, the Appointments and Remuneration Committee had agreed on regarding these matters.

Companies must also disclose whether information was provided to shareholders on diversity criteria and objectives when electing or renewing board members, management and the specialised board committees. If a policy of this type is not applied, a clear and motivated explanation should be offered. Law 11/2018, of 28 December, also incorporated other developments as regards non-financial information that must be included in the directors' report, and that must be submitted for approval in a separate Agenda item of the General Meeting.

2. Circular 3/2021, of 28 October, of the Spanish National Securities Market Commission.

This Circular amends Circular 5/2013, of 12 June, which establishes the standard forms for the annual corporate governance report of listed companies, savings banks and other entities that issue securities admitted to trading on official securities markets; and Circular 4/2013, of 12 June, which establishes the standard forms for the annual directors' remuneration report of listed companies and the board members and control committee of savings banks that issue securities admitted to trading on official securities markets.

The Official Annex to this ACGR has been prepared based on the standard form of Annex I included in Schedule II of this Circular.

The full document can be consulted through the following link:

[CNMV Circular 3/2021, of 28 September](#)

3. Code of Good Governance for Listed Companies approved by resolution of the CNMV Board on 18 February 2015 and revised in June 2020

In February 2015, after incorporating many of the recommendations contained in the Unified Code of Good Governance for Listed Companies of 2006 into the Corporate Enterprises Act, the CNMV Board, based on the contributions of a Committee of Experts created for such purpose, approved the current Code of Good Governance for Listed Companies.

Since then, this Code has supplemented the provisions of the Act with good governance recommendations that serve as a reference for Spanish listed companies, and the degree to which they are followed must be reported in the Annual Corporate Governance Report. However, after more than five years with the Code of Good Governance in force, in 2020 the CNMV decided that some of its recommendations should be amended to bring them into line with legal changes that have occurred since 2015 or to make them more specific or clearer. The reform also considered relevant developments in areas such as diversity on boards of directors, non-financial information and risks, attention to environmental, social and corporate governance matters, and remuneration.

This Code responds to the objectives of ensuring the proper functioning of the governing and managing bodies of Spanish companies to lead them to the highest levels of competitiveness; generating confidence and transparency for shareholders and national and foreign investors; and improving the internal control and sustainability of companies. The Code consists of 64 recommendations divided into three large blocks, corresponding to general aspects (recommendations 1 to 5), the General Meeting (recommendations 6 to 11) and the Board (recommendations 12 to 64), respectively.

Following the Code's recommendations is voluntary. However, in accordance with the “comply or explain” principle, listed public companies are required to explain in their ACGR the reason why they do not follow certain GGCLS recommendations. In Section G of the Official Annex to this Annual Corporate Governance Report, the Company reports on its degree of compliance with the recommendations of the Code of Good Governance for Listed Companies.

Red Eléctrica complies with 61 recommendations, partially complies with 1 and does not comply and therefore explains only 2 recommendations.

The Code of Good Governance is available at the following link: [Code of Good Governance for Listed Companies](#)

External initiatives

The most noteworthy voluntary external initiatives regarding corporate governance include the Company's accession to the **United Nations Global Compact** in 2002 and its participation in the following initiatives in relation to Principle 10 on anti-corruption:

- Participation, as a premium member of the **Integrity Forum of the non-governmental organisation Transparency International Spain**. The forum is a platform for reflection, provided by Transparency International Spain to improve compliance and ethical management in Spanish companies. It is organised into different working groups and holds regular thematic sessions on business ethics.
- Participation in the International **Corporate Governance Network** (ICGN). This body promotes effective standards for corporate governance and investor management to advance efficient markets and sustainable economies throughout the world, pursuant to the Global Governance Principles and to the Global Responsibility Principles of the ICGN.
- Participation in the **Transparency, Good Governance and Integrity Cluster of Forética**. This is a platform of companies coordinated by the Spanish association for promoting a culture of ethical and socially responsible management, Forética, with the aim of serving as a business meeting point for leadership, knowledge, exchange and dialogue on this subject.

Internal regulatory framework

The guiding principles on which the corporate governance strategy of the Company and the group are based are set out in a body of corporate rules and procedures, listed below. As a voluntary legal regime, following the principles of the Corporate Governance Policy and in line with best practice, these regulations and procedures go beyond the applicable regulatory requirements.

On 31 December 2022, these internal corporate rules consisted of:

Internal regulatory framework

1. Code of Ethics and Conduct.

Articles of Association.

Deputy secretary to the Board

Internal Code of Conduct in the Securities Market.

General Meeting Regulations.

Procedure on proxies, remote voting and information before the Annual General Meeting (referring to the Annual General Meeting held in 2022).

Rules of Operation for the Shareholder E-Forum (for the 2022 Annual General Meeting).

1. Code of Ethics and Conduct

The Code of Ethics and Conduct formalises Redeia's commitment to ethics and the commitments undertaken with the business environment and with the various stakeholders affected by the group's

activities, providing an ethical guide to know and facilitate commitment to the ethical values, principles and guidelines for conduct that should govern professional activity within the organisation.

Many of these values and commitments have accompanied Red Eléctrica since it published its first system of shared values in 1987, under the title “Basic principles of action”.

In 2018, the Company began the process of reviewing and updating the Code of Ethics with the aim of bringing it into line with best practices in compliance management, and the changes in the demands of stakeholders and changes in the structure of Redeia.

This project was developed by a specific multidisciplinary working group, formed by the areas of compliance, corporate governance, sustainability, human resources and procurement, and with the participation of the other areas of the organisation, and employees through an assessment survey prepared for this purpose, before the final approval of the new Code.

In addition, Transparency International, a benchmark entity in the field of integrity, participated in the external review of Redeia's current Code.

The above process culminated in the approval by the Board at its meeting held on 26 May 2020 of the current Code of Ethics and Conduct (the fourth since the Company's incorporation), which can be consulted on the Company's website, at the following link: [Code of Ethics and Conduct](#)

The Code of Ethics and Conduct serves as a basis and foundation for the Corporate Governance Policy, which proclaims the ***principle of establishing the necessary mechanisms and instruments to ensure that the group identifies, analyses and adopts best practices, principles and recommendations in good corporate governance matters***, following the principle of excellence in its actions adopted by Redeia and the ***principle of fostering a knowledge of the principles and values that inspire the Corporate Governance Policy, both internally within Redeia and externally among all stakeholders***.

2. Articles of Association

They govern the Company's internal life and regulate, among other aspects, the functioning of the General Meeting, the Board and its Committees.

They are constantly being adapted to bring them into line not only with applicable law but also with best practices and principles regarding corporate governance and, therefore, they have been subsequently amended by the Company at its Annual General Meeting.

The latest amendments to the Articles of Association were approved (i) in 2015 to adapt them to the legislative reforms introduced by Spanish Law 31/2014, of 3 December, amending the Corporate Enterprises Act to improve corporate governance (*Ley 31/2014, de 3 de diciembre, por la que se modificó la Ley de Sociedades de Capital para la mejora del gobierno corporativo*) and other changes in style or order to clarify the text of the Articles of Association; (ii) in 2016 as a result of the splitting of the number of shares of the Company by reducing their par value from two euros to fifty cents per share; (iii) in 2019 when updating the regulation of the remuneration of Board members, eliminating possible remuneration systems that have not been used in the past and providing greater detail of both the remuneration items for directors in their capacity as such (due to their non-executive functions) and those of executive directors, and to expressly provide for the payment or reimbursement of expenses incurred in the performance of their positions, in addition to other terminological specifications or clarifications; and (iv) in 2021 to adapt them to Spanish Law 5/2021, of 12 April, amending the consolidated text of the Corporate Enterprises Act (*Ley 5/2021, de 12 de abril, por la que se modifica el Texto Refundido de la Ley de Sociedades de Capital*), enacted by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, as regards promoting long-term shareholder engagement in listed companies (essentially in relation to the possibility of holding the General Meeting electronically; competences of the General Meeting, the Board and the Audit Committee regarding related-party transactions; and directors' remuneration, among other points), and to introduce technical and drafting clarifications.

The Articles of Association is available on the corporate website at the following link: [Articles of Association](#)

3. Board Regulations

They establish the basic rules for the organisation and functioning of the Board and its committees, the rules of conduct of its members and the supervisory and control regime of the Board and its committees, to obtain the most professional and efficient performance of its members. This is achieved by encouraging the active participation of its directors, placing the interests of the Company and of its shareholders above their own interests, in accordance with the law, the Articles of Association and corporate governance principles.

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

The above review improved the governance of Redeia, strengthening the role of the Board of Red Eléctrica Corporación, S.A. in relation to the group, and the governance resolutions (the appointment, renewal and removal of directors of the group companies, the appointment and removal of executives of Red Eléctrica Corporación, S.A. and Red Eléctrica de España, S.A.U. falling directly to the Chair of the Board or the CEO and the strategic executives of the group as established by the Board, and the establishment of the basic terms of their contracts, including their remuneration) passed by the Board in September 2019 were incorporated and reinforced. The Regulations also expressly include the concept of corporate reputation as one of the principles inspiring the actions of the Board, which must also look after the interests of the Company as a whole.

In particular, the functions of the position of Chair of the Board relating to institutional representation, supervision of the policies and strategies of the Company and the group, and the need to ensure the independence of Red Eléctrica de España, S.A.U. as TSO are included.

Furthermore, this revision strengthened the principle of the TSO's independence —separation of regulated and non-regulated activities— and included the amendment envisaged in the draft law amending the consolidated text of the Corporate Enterprises Act (and other financial regulations to bring them into line with Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement) regarding the elimination of the figure of the director that is a legal entity in listed companies. Finally, it introduced some other improvements in terms of form or style.

The latest amendment to the Regulations was approved by the Board in a meeting held on 25 May 2021 to adapt them to the reform of the Corporate Enterprises Act by Law 5/2021, of 12 April, amending the consolidated text of the Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, as regards promoting the long-term engagement of shareholders in listed companies in matters relating mainly to the related-party transactions regime, directors' remuneration, directors' duty of care and the content of the Annual Corporate Governance Report and the Annual Directors' Remuneration Report.

The amendment to the Board Regulations was proposed by the Appointments and Remuneration Committee, which issued a favourable report, in accordance with section 3 of the Board Regulations. The Committee also prepared the corresponding proposal along with the supporting report envisaged in that section.

The Board Regulations are available on the Company's website at the following link: [Board Regulations](#)

4. Internal Code of Conduct in the Securities Market

The Company approved its first Internal Code of Conduct in the Securities Market on 7 February 1994. This Code has been updated on several occasions, the most recent being that approved by the Board of Directors on 26 November 2019 to adapt it to the regulatory changes to the Securities Market Act under Royal Decree Law 19/2018, of 23 November, on payment services and other urgent financial measures, to the Criminal Code (*Código Penal*) and to the sanction regime regarding the use or transfer of inside information, and current regulations on personal data protection.

In addition, internal procedures were included in the Code after the introduction of an online tool, the "Internal Code of Conduct Platform", to facilitate compliance with the obligations established in this Code,

and, in addition, after confirming the complexity of the functions attributed to the Oversight Body by the Code, it was considered appropriate that it be a collegiate body, changing its composition and operating criteria.

You can consult the Code in full on the corporate website at the following link: [Internal Code of Conduct in the Securities Market](#)

Through the Articles of Association, Board Regulations and the Internal Code of Conduct in the Securities Market, the ***principle of exercising the necessary control and oversight in the areas most critical and relevant to the group is applied through the direct assumption of responsibilities by the Board, establishing them as non-delegable powers in its internal regulations***, a principle that is included in the Corporate Governance Policy.

5. General Meeting Regulations

The General Meeting Regulations represent the shareholders' legal status rules in line with best practices regarding corporate governance, and they include all the means of shareholder protection and participation, with a view to recognising, promoting and strengthening shareholder rights in the Company to the greatest extent possible.

The amendment to these Regulations was approved at the Annual General Meeting held in 2015 to bring them into line with the legislative reforms introduced by Law 31/2014 of 3 December, which amended the Corporate Enterprises Act to improve corporate governance, and other amendments of style or order designed to give greater clarity to the text of these Regulations.

The last amendment to these Regulations was approved at the Annual General Meeting held on 29 June 2021 to also bring them into line with Spanish Law 5/2021, of 12 April, amending the Consolidated Text of the Corporate Enterprises Act (*Ley 5/2021, de 12 de abril, por la que se modifica el Texto Refundido de la Ley de Sociedades de Capital*), enacted by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, as regards promoting the long-term engagement of shareholders in listed companies (mainly as regards the possibility of holding an electronic General Meeting; the powers of the General Meeting, the Board and the Audit Committee regarding fractioned voting of intermediary entities and confirmation of the votes issued at the General Meeting, among others), and to introduce technical and drafting clarifications.

The General Meeting Regulations are available on the Company's website at the following link: [General Meeting Regulations](#)

6. Procedure for proxies, remote voting and information before the Annual General Meeting

It regulates the different means available to shareholders to assign proxies to vote and vote remotely, and the electronic request for information and priority rules.

At its meeting held on 5 May 2022, the Board approved the procedure for proxies, remote voting and information before the Annual General Meeting, for the Annual General Meeting held on 7 June 2022.

This Procedure can be consulted in full on the Company's website at the following link: [Procedure for proxies, remote voting and information at the General Meeting](#)

7. Rules of Operation for the Shareholder E-Forum

They aim to facilitate communication between the Company's shareholders (individual, natural or legal persons, and voluntary associations that may be established) at the Company's General Meetings.

They were approved by the Board at the meeting held on 5 May 2022 for the Annual General Meeting held on 7 June 2022, on the same terms as those approved by the Board at the General Meetings held in previous years.

The Rules of Operation for the Shareholder E-Forum are available on the Company's website at the following link: [Rules of Operation for the Shareholder E-Forum](#)

The General Meeting Regulations, the Procedure for proxies, remote voting and information at the General Meeting and the Rules of Operation of the Shareholder E-Forum apply the ***principle of promoting the informed participation of its shareholders in the General Meetings in relation to the principle of ensuring the adequate exercise of shareholders' rights at the General Meetings***, both included in the Corporate Governance Policy.

External recognitions

As a result of its compliance with external and internal regulations and its application of best practices, the Company has received a number of external recognitions. The **main external recognitions** related to corporate governance awarded to the Company in 2022 are listed below, although some of them were obtained as part of a sustainability award, corporate governance aspects were a very important consideration in those awards:

<p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p>	<p>Continued inclusion in the DJSI World index.</p>	<p>EFQM Leading Excellence</p>	<p>Obtainment of international recognition of EFQM + 700 Seal for Excellence, Innovation and Sustainability</p>
<p>FTSE4Good</p>	<p>Continued inclusion in the FTSE4Good index.</p>	<p>STOXX ESG Leaders Indices</p>	<p>Continued inclusion in the STOXX Global ESG Leaders indices.</p>
<p>MSCI</p>	<p>Continued inclusion in the MSCI ESG index with a maximum rating of "AAA".</p>	<p>NYSE Euronext Vigeo</p>	<p>Continued inclusion in the Euronext-Vigeo (Eurozone 120, Europe 120 and Global 120).</p>
<p>Ethibel</p>	<p>Continued inclusion in the Ethibel Sustainability Index Excellence Europe.</p>	<p>Corporate Responsibility Prime rated by oekom</p>	<p>The Company obtained Prime status granted by Oekom to leading companies in the sector.</p>
<p>Bloomberg Gender Equality Index</p>	<p>Continued inclusion in the Bloomberg Gender Equality Index.</p>	<p>CDP DISCLOSURE INSIGHT ACTION</p>	<p>Inclusion in CDP list A for its commitment to combating climate change.</p>
<p>BME a SIX company</p>	<p>The company was included in the IBEX Gender Equality Index.</p>	<p>haz FUNDACIÓN</p>	<p>Obtainment of the "t for transparency" seal ***-</p>
<p>Sustainability Award Silver Class 2022 S&P Global</p>	<p>Silver Class recognition in 'The Sustainability Yearbook 2022 of S&P Global'.</p>		

2. Commitment to dialogue with and engagement of shareholders and other stakeholders

Over the last few years, Redeia has made significant progress in transparency and good governance matters. Good governance ensures stakeholders have **regular and timely access to relevant, sufficient and reliable information, both in relation to the rules and governance within the Company and the group, and regarding the results achieved.**

Best practices in 2022 focused on dialogue and engagement with shareholders

Update and continuous improvement of the corporate governance information contained on the corporate website to meet international standards.

- Participation in national and international corporate governance forums, working groups and initiatives (International Corporate Governance Network, Institute of Directors, Spanish Issuers Association, etc.).
- Road shows with foreign shareholders and proxy advisors on business and corporate governance.
- International external advice in corporate governance matters.
- Board assessment with the support of an international external consultant.

It should be noted that in 2013 the Company became a member of the International Corporate Governance Network (ICGN), a worldwide corporate governance body that brings together international institutional investors, large corporations, regulators, academics, proxy advisors and other corporate governance specialists, participation in which is considered to be very positive for the Company.

The Company conducts its relations with shareholders and institutional investors at a generic level, not individually or specifically with any one of them. Under no circumstances does the Company provide institutional shareholders with information that is liable to place them in a privileged or advantageous position with respect to other shareholders; the Company merely provides information that is already public in a rational and ordered manner.

The Company usually organises road shows, presented by the Company's top executives, in the most relevant financial markets in Spain and abroad in which there is a larger presence of institutional investors, to provide information on Redeia's activities and business development, trying to approach this specific group of investors in this way.

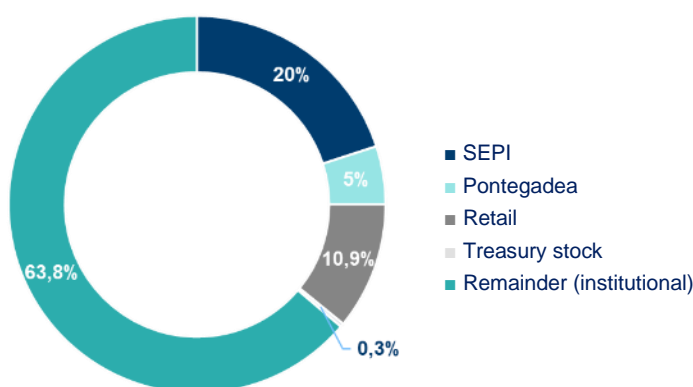
In view of the high percentage of foreign institutional shareholders, around 60%, in January 2022 and in January 2023, in both cases before the call notice of the General Meeting, and as in previous years, the Company launched a **programme of contact with and visits to investors and proxy advisors** (both online and in person, depending on the circumstances in each case) to **gather relevant and updated information** from these shareholders and to **directly explain the practices and actions of the Company and the group regarding corporate governance matters**. The aim of this initiative is to consolidate adequate mechanisms for regular, symmetric exchange of information with national and foreign institutional investors and the most prominent proxy advisors, **for the purpose of adjusting to the latest international standards in corporate governance**.

The Criteria for reporting financial, non-financial and corporate information to shareholders, institutional investors, proxy advisors and other stakeholders, updated by the Board on 22 December 2020, contained the policy for communicating with the above stakeholders and included the principles and guidelines for communicating with them, which guarantee the proper exercise of their rights and interests and promote commitment to shareholders through an open, transparent and ongoing dialogue.

2.1. Ownership structure

The Company's shareholding is made up of 20% owned by Sociedad Estatal de Participaciones Industriales (SEPI), 5% owned by Pontegadea Inversiones, S.L., 63.8% corresponding to Spanish and foreign institutional investors, 10.9% corresponding to retail and 0.3% treasury stock.

Within the *free float*, there is a high percentage of foreign ownership, in particular of institutional investors, which, with the latest information available, stood above 63% of the share capital in 2022 (of which approximately 40% is located in the US and the UK, countries that are particularly demanding as regards good corporate governance), which explains the relevance that the Board attaches to the international corporate governance practices and recommendations required by its shareholders.



2022

- Share capital: **€270,540,000**
- No. of shares: **541,080,000**
- No. of voting rights: **541,080,000**
- Capitalisation (09/09/2022): **€9.782 billion**
- Spanish and foreign institutional: **63.8%**
- Retail: **10.9%**
- Treasury stock: **0.3%**

Source: Nasdaq shareholder identification at May 2022. Banco Santander June 2022.

2.2. Competences of the General Meeting

The General Meeting, duly called and legally convened, **represents all the shareholders and exercises the functions assigned to it within the Company.**

Its resolutions are passed in accordance with the General Meeting Regulations and the Articles of Association and are binding on all shareholders, without prejudice to their legal right of withdrawal. The General Meeting has **the power to pass all resolutions specific to its status as the Company's sovereign body.**

Some competences of the General Meeting

The General Meeting is responsible, among other things, for:

- Approving the Company's individual and consolidated financial statements, the management of the Board and the proposed application of profit or loss.
- Appointing and removing directors, ratifying, as necessary, their appointment by co-option, and appointing and reappointing the auditors.
- Approving the withdrawal or limitation of pre-emption rights.
- Approving the directors' remuneration policy in accordance with the law.
- Approving the acquisition, disposal or contribution of core assets to another company. An asset is presumed to be a core asset when the amount of the transaction exceeds 25 per cent of the value of the assets shown in the last approved balance sheet.
- Resolving on capital increases or reductions, transformations, mergers, spin-offs, en bloc transfer of assets and liabilities and transfers of the registered office abroad.
- Approving the winding-up of the Company and the final liquidation balance sheet, and transactions whose effect is equivalent to the liquidation of the Company.

- Transferring core activities to subsidiaries that were previously performed by the Company itself, even when the Company retains full control over them.

The General Meeting may also give instructions to the managing body or submit the decisions or resolutions on certain management issues for approval by this body, in accordance with the Corporate Enterprises Act.

The General Meeting rules of organisation and operation are included in the Articles of Association (Articles 11 to 18, both inclusive) and in the General Meeting Regulations. These rules are available on the corporate website at the following links:

[Articles of Association](#)

[General Meeting Regulations](#)

The powers of the shareholders at the Annual General Meeting include the power to appoint the Board members. The following resolutions were passed at the Annual General Meeting held on 07 June 2022:

- To re-appoint Ms Fernández Larrea as independent director of Red Eléctrica Corporación, S.A. for the term of four years set in the Articles of Association on nomination by the Appointments and Remuneration Committee in accordance with section 529 decies Corporate Enterprises Act.
- To re-appoint Mr Antonio Gómez Ciria as independent director of Red Eléctrica Corporación, S.A. for the term of four years set in the Articles of Association on nomination by the Appointments and Remuneration Committee in accordance with section 529 decies Corporate Enterprises Act.
- To re-appoint Ms Mercedes Real Rodrigálvarez as nominee director representing Sociedad Estatal de Participaciones Industriales (SEPI) for the term of four years set in the Articles of Association, in accordance with section 529 decies Corporate Enterprises Act.
- To ratify the appointment of Ms Esther María Rituerto Martínez as nominee director on Red Eléctrica Corporación, S.A.'s Board as resolved by the Board at its meeting of 5 May 2022 and consequently to appoint her to be nominee director representing Sociedad Estatal de Participaciones Industriales (SEPI) for the four-year term stipulated in the Articles of Association in accordance with section 529 decies Corporate Enterprises Act.

The resolutions passed by the Annual General Meeting held on 7 June 2022 were communicated to the CNMV as "Other relevant information" under registration number 16645 and have been published on the Company's website since the day the General Meeting was held, in both English and Spanish.

These resolutions are available on the CNMV's website and on the Company's website at the following links:

[Other relevant information filed with the CNMV on resolutions passed at the 2022 Annual General Meeting](#)

[Full text of the resolutions passed at the 2022 Annual General Meeting](#)

2.3. Right to information

For several years now proposed resolutions have been published in full, in Spanish and in English, together with the call notice for the General Meeting, with all relevant information for shareholders being posted on the Company website, which is designed to make it easier for shareholders to exercise their right to information. The Company's website is a suitable mechanism for communicating with shareholders and investors, as it is the means to publish, among other things, the following information:

- The quorum requirement, the result of the votes taken on each of the resolutions approved by the shareholders at previous General Meetings, and the rest of the related documents.
- Information relating to the right to attend and procedures for granting proxies for General Meetings, in accordance with the Articles of Association and the General Meeting Regulations.
- Information regarding electronic voting and proxies.
- Information regarding issuances of outstanding securities.
- Information regarding the rating given to the Company by credit rating agencies.

- Increased information about the Company's shareholders, with greater detail on significant holdings, treasury shares and shareholder agreements.

Background:

Spanish Law 25/2011, of 1 August, introduced some changes as regards the content of the website of public limited companies, in particular as regards the information that must be published on the website when calling the General Meeting. Although this information was already mostly provided on the Company's website, the Annual General Meeting held on 19 April 2012 approved the amendment of the General Meeting Regulations to include the specific content envisaged in the Law in the corresponding sections.

The above General Meeting held on 19 April 2012 ratified the creation of the Company's corporate website "*www.ree.es*", as required under section 11 bis of the Consolidated Text of the Corporate Enterprises Act.

Ministerial Order ECC/461/2013, of 20 March (currently in force, as it was not repealed with the approval of the latest amendments to the Corporate Enterprises Act), which determines the content and structure of the annual corporate governance report, the annual remuneration report and other reporting instruments of listed companies, describes the relevant information to be included on the websites of listed companies; however, the current corporate website not only contains all the information specified in that Order but also information expanded and improved in following years.

In 2013, with the voluntary creation of the "Corporate Governance" section located at a primary level of the main page menu, the quality of the information available to shareholders was improved.

In 2015, the corporate website was adapted to the requirements established in CNMV Circular 3/2015, of 23 June, on technical and legal specifications and information to be included on the websites of listed companies and savings banks that issue securities admitted to trading on official secondary securities markets.

2016 was a particularly important year as regards disclosure and information transparency through the corporate website in relation to the Company's corporate governance. The most noteworthy improvements to the information contained on the corporate website were the following:

- Publication of a highly visual, user-friendly and interactive section for exploring the history of the Company's corporate governance since it went public in 1999.
- Publication of the criteria for reporting financial, non-financial and corporate information to shareholders, institutional investors, proxy advisors and other stakeholders, which sets out the principles and guidelines for the Company's communication with these stakeholders.

In 2017, this process of continuous improvement of the corporate website was continued and the most notable milestone was the review of the Ethics and transparency section. That section was renamed "Ethics and compliance", including information on the Company's innovative regulatory compliance system, the assessment methodology for the risks of non-compliance and the importance of awareness-raising and training as key factors for developing a culture of compliance within the organisation.

In 2018, the Committees section was restructured with the approval of the new Sustainability Committee.

Two new information spaces were published in 2019 within the Ethics and compliance section. One is to provide information on the Data Protection and Compliance System, and the other is to make public the Company's commitment to preventing corruption. As part of this commitment, together with the Spanish Network of the United Nations Global Compact, an anti-corruption training programme was launched for our suppliers to train companies in this area, based on principle 10 of the United Nations Global Compact, which stipulates that "businesses should work against corruption in all its forms, including extortion and bribery."

In 2020, a year marked by COVID-19, the first significant change consisted of adapting the Shareholder Meeting section to hold it exclusively by electronic means. The special measures adopted in response to the health situation created by the pandemic include the creation of a new remote attendance channel so that shareholders, in addition to having the possibility of using the ordinary procedure for proxies, remote voting and information, could participate in and cast their vote for the General Meeting from their homes by remote means.

The Company also took a step further in transparency in 2020 with the revision and updating of the Corporate Governance Policy and the criteria for reporting financial, non-financial and corporate information to shareholders, institutional investors, proxy advisors and other stakeholders.

The COVID-19 pandemic continued to affect the corporate landscape in 2021 and, therefore, the General Meeting section had the same meeting mechanisms as the previous year: use of the electronic attendance channel and regular procedure on delegation, voting and remote information. On the other hand, 2021 was characterised by the renewal of the Ethical Channel and Compliance section to promote the application of the new [Code of Ethics and Conduct](#) approved in 2020. A new management platform was included in this section, available to all members of the group and its stakeholders.

At the Annual General Meeting held on 7 June 2022, the new Redeia commercial brand was announced to the market to replace Red Eléctrica Group. At the meeting held on 28 June 2022, the Board of Directors resolved to change the corporate website of Red Eléctrica Corporación, S.A., which became “www.redeia.com”, in accordance with section 11 bis of the Corporate Enterprises Act.

The following actions taken by the Company on the website to make it easier for shareholders to exercise their right to information at the General Meeting should be noted:

- Call notices are always posted more than one month in advance.
- All documentation submitted for approval at the General Meeting and especially the financial statements and the Annual Corporate Governance Report, are made available to all shareholders via the corporate website and at the Shareholder Information Office.
- The annual activities reports of the Audit Committee, the Appointments and Remuneration Committee and the Sustainability Committee are made available to all shareholders through a link in the Annual Corporate Governance Report.
- A Shareholder Bulletin is published quarterly and contains the main news regarding the Company.
- Separate voting on matters is established, including through remote voting, so that, as they are individually voted on, each shareholder has full freedom and independence of decision in relation to each matter submitted to vote.
- The Shareholder Information Office specifically deals with requests made by the Company's shareholders. Shareholders may also submit questions in writing about the information available to the public or reported to the competent authorities and make inquiries through the Shareholder Information Office.
- Before the Annual General Meeting, in addition to the annual sustainability report, the report on the independence of the auditor and the reports on the functioning of the Board committees are published on the corporate website, all in accordance with Recommendation no. 6 of the Code of Good Governance.
- For several years now, an independent consultant has conducted an audit of the processes for managing the Annual General Meeting, with a view to improving the protection of shareholder rights at General Meetings. The auditor's reports are published on the website on the same day the General Meeting is held. Since the 2014 Annual General Meeting, shareholders have been offered the possibility of requesting a certificate confirming their vote, verified by the external auditor of the General Meeting.
- Shareholders have the “Red al día” service available to them, from which, after signing up, they can receive email alerts on relevant information from the Company.

Accordingly, besides making timely disclosures to the market through regular publication of information about its financial results and through relations with institutional investors, Redeia includes all the relevant information and notices on its corporate website, which is the basic tool used by the Company to communicate with its shareholders.

In addition to the legal and regulatory requirements on the corporate website, it should be noted that it is important for Redeia to continuously adapt and develop its corporate governance framework, which it makes sure to outline on its website, keeping it constantly updated, as a living instrument for communication, dialogue and engagement with shareholders, in application of its Corporate Governance Policy. That is why this priority is maintained every year, as described in Section 7 (Future outlook of Red Eléctrica in corporate governance matters) of this Report.

2.4. Right to attend

The **shareholding limits on interests in the Company's share capital are established in additional provision twenty-three of Law 54/1997, of 27 November, which remain in force as expressly established**

by the sole derogating provision of Spanish Electric Sector Act (*Ley 24/2013, de 26 de diciembre, del Sector Eléctrico*). These shareholder limits are as follows:

- Any natural person or legal entity may hold shares in the Company, provided the sum of their direct and indirect holdings of the Company's shares does not exceed 5% of the share capital and they do not hold more than 3% of the voting rights. These shares may not be pooled together under any circumstances.
- Parties that engage in activities in the electricity sector, and any natural persons or legal entities that directly or indirectly hold more than 5% of the share capital of such parties, may not exercise more than 1% of the voting rights in the parent company.
- The special regime for SEPI is maintained, whereby SEPI must always hold at least ten per cent (10%) of the Company's share capital.

The provisions on limitations in the general and special shareholder regime are included in articles 5 and 14 and the sole additional provision of the Articles of Association, and in section 6.3 of the General Meeting Regulations.

Shareholders may attend the General Meeting as long as they are up to date in the payment of capital calls and provide evidence of their share ownership in the form of a certificate made out in their name in the accounting register of book entries five days before the meeting is to be held.

For this purpose, article 15 bis of the Articles of Association and section 10 of the Board Regulations establish that shareholders with the right to attend may be represented at the General Meeting by any other person, in the manner established in the Corporate Enterprises Act. The condition that the proxy must be another Company shareholder has been withdrawn, following the approval of the adaptation of its content to Law 25/2011, of 1 August, at the Annual General Meeting held on 19 April 2012.

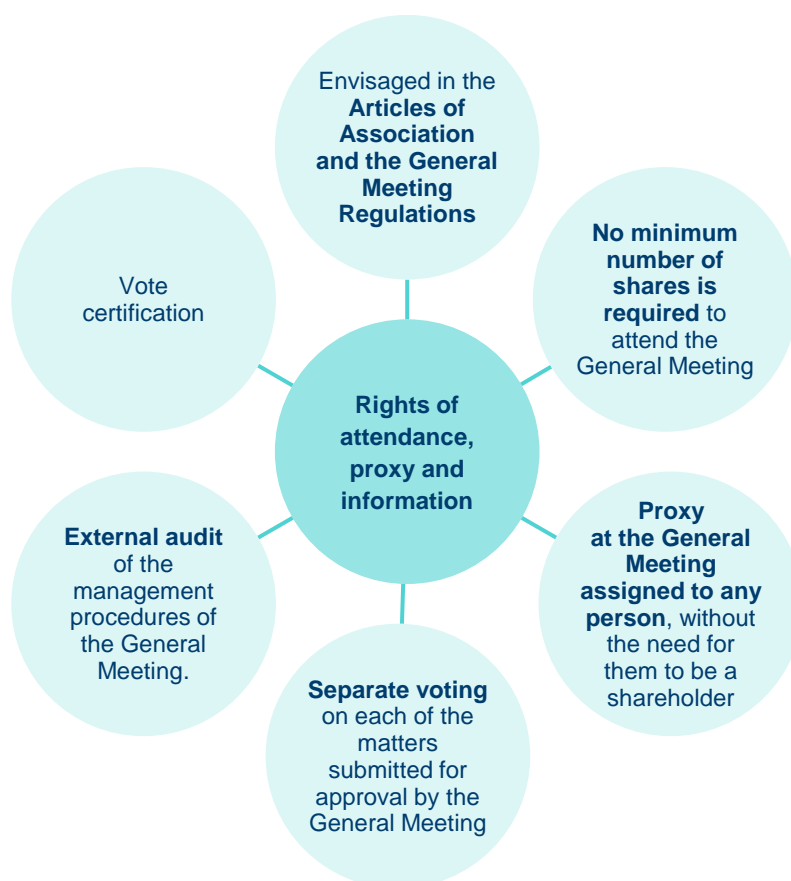
There is no restriction in the Articles of Association that requires a minimum number of shares to attend the General Meeting (the principle of “one share one vote” applies).

The directors have the duty to attend the General Meetings.

As a general rule and in order for the meeting proceedings and resolutions passed to reach the widest possible audience, General Meetings are open to the media and the proceedings are broadcast in audio and video format, with a simultaneous interpreter in English and in sign language to promote inclusive communication.

It should be pointed out that at the 2022 General meeting, the Board offered the shareholders the possibility of participating by attending remotely, granting a proxy and voting remotely of communication before the meeting, and attending the meeting in person.

Therefore, at that General Meeting held on 7 June 2022, in addition to the possibility of using the ordinary procedure for proxies, remote voting and information, shareholders were allowed to participate in the General Meeting by attending remotely, with the possibility of speaking and proposing resolutions or requesting information or clarifications, and casting their vote through this channel, in accordance with the Procedure for proxies, remote voting and information before the Annual General Meeting approved by the Board on 5 May 2022.



2.5. Right to participate

Red Eléctrica pays special attention to the right to information and to facilitating the greatest possible shareholder participation in General Meetings.

Key mechanisms for fostering the right to participate

- Implementation of **electronic voting system** at the General Meeting since 2005.
- **Corporate website section** with full information on the General Meeting.
- Live webcasts of the General Meetings, with simultaneous translation into English and sign language in Spanish.
- Shareholder E-Forum.
- **Remote attendance**, in view of the situation caused by the COVID-19 pandemic.
- Information in **social media**.
- **Shareholder and investor information office**.

As a result of these mechanisms, a total of 2,441 shareholders voted (309 in person and 2,132 by proxy) at the 2022 Annual General Meeting. The average percentage of votes in favour of the proposed resolutions submitted at the 2022 AGM was 92.8%. This percentage includes all the resolutions, including those relating to directors' remuneration in which SEPI abstains as it has done for many years following a rule it has adopted in all listed companies in which it does not hold a controlling interest. If the resolutions on directors' remuneration are excluded as mentioned above, the average percentage of votes in favour would be 98.3%.

2.6. Relations with other stakeholders

The objective of **management model for Redeia stakeholders** (meaning groups that are affected by the activities or services of Redeia and that, through their decisions and opinions, can influence economic results, strategic objectives or reputation of Redeia), it is to secure a relationship with its stakeholders based on confidence and a focus on creating shared value.

In designing the management model, the indications of the main reference standards in stakeholder management were considered, such as AA1000, ISO 26.000, IQNet SR10 or Global Reporting Initiative, to ensure that the Company analyses the main impacts on its stakeholders arising from its activities, and the influence that these stakeholders have, or may have, on Redeia. This makes it possible to focus the relationship on creating shared value, enhancing positive impacts and rapidly identifying negative impacts that could affect the relationship, so that they can be minimised.

The phases of the management model are the identification, segmentation and prioritisation of stakeholders, the definition of the relationship framework and, finally, the assessment of the management and the model as a whole.

The Company performs annual opinion surveys aimed at assessing the satisfaction of stakeholders with Redeia's performance and identifying their requirements and expectations. In addition to serving as a tool for engagement and dialogue with its stakeholders, these surveys are an important tool to ensure the group's continuous improvement.

In 2022, progress was made on the initiative aimed at conducting a comprehensive review of the stakeholder management model, initiated in 2020, the ultimate objective of which is to have an updated and prioritised inventory for each Redeia company, which will serve as a starting point for defining new frameworks for relationships with stakeholders, specific for each company, and updated to the reality of each company.

The categories of stakeholders identified for Red Eléctrica are as follows: regulatory bodies and public administration, economic and financial ecosystem, suppliers, customers, business ecosystem, social ecosystem, and people.

In 2023, progress will continue in the next phases of the project, consolidating the new stakeholder management model through its progressive implementation in different companies.

More information on: [Redeia stakeholders](#)

3. The Board is the body responsible for risk control and oversight

The Board **administers, governs and represents the Company**, without prejudice to the powers assigned to the General Meeting, and it performs its activity **in accordance with the rules on organisation and functioning contained in the Articles of Association and Board Regulations**.

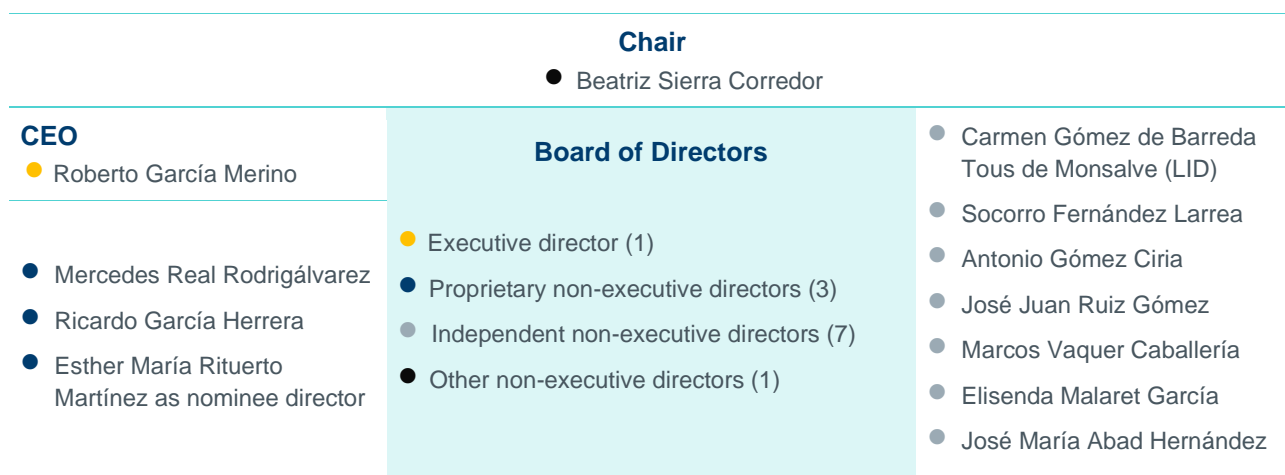
3.1. Composition

In relation to the **qualitative composition** of the Board, section 7 of the Board Regulations indicates that the Board, in exercising its powers of proposal to the General Meeting and co-option to fill vacancies, will ensure that in the composition of the body:

- a) Non-executive directors represent an ample majority of the Board.
- b) The number of executive directors is the minimum necessary, taking into account the complexity of the corporate group.
- c) Within the non-executive directors, the relationship between the number of proprietary and independent directors reflects the ratio between the Company's capital represented by the proprietary directors and the rest of the capital; this criterion of strict proportionality may be mitigated so that the weight of the proprietary directors is greater than that corresponding to the total percentage of capital it represents.
- d) The number of independent directors is at least half of the total number of directors. When the Chair of the Board is also the Company's chief executive officer, independent directors should be a majority of the total number of directors.

Furthermore, as regards the **quantitative composition** of the Board, article 20 of the Articles of Association indicates that the Board will consist of at least nine (9) and at most thirteen (13) members, and the General Meeting will set the effective number of directors within the minimum and maximum limits indicated.

At 31 December 2022, in accordance with the number set by the Extraordinary General Meeting held on 17 July 2015, the Company's Board was composed of twelve (12) directors, as shown in the following graphic:



The Company also has a **Lead Independent Director (LID)**, approved by the General Meeting and regulated in the corporate rules, even after the separation of the positions of Chair of the Board and chief executive (CEO) of the Company has taken place and been consolidated, in accordance with the most advanced international standards on corporate governance. Both issues are discussed in more detail in section 4 (Balance of powers in the Board) of this Report. It should also be noted that the Board, in a meeting held on 29 March 2022, re-elected a woman as Lead Independent Director of the Company for a new term of three years.

Functions of the Lead Independent Director

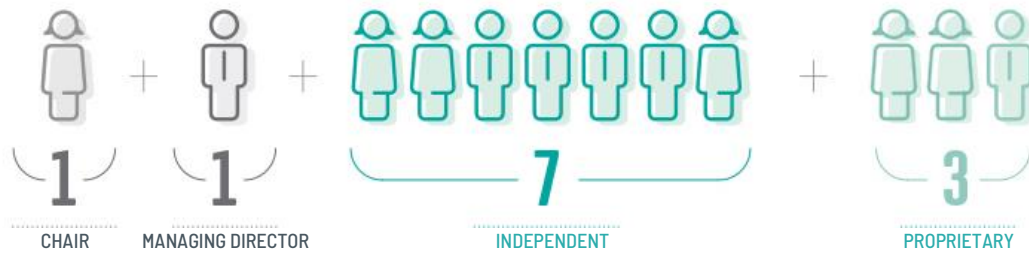
- Organise possible common positions of non-executive directors and, in particular, those of independent directors.
- Request the call notice of a Board meeting.
- Chair Board meetings in the absence of the chair.
- Coordinate the preparation of Contingency Plans for the succession of the chair and the CEO.
- Take part in the Board self-assessment and, in particular, lead the assessment of the Chair of the Board.
- Maintain contacts with shareholders and investors.

(Article 10 of the [Board Regulations](#))

Board members ¹	Position on the Board	Type of director	First appointment	Last appointment	Age
Beatriz Corredor Sierra	Chair	Other non-executive	25/02/2020	14/05/2020	54
Roberto García Merino	CEO	Executive	27/05/2019	14/05/2020	49
Mercedes Real Rodrigálvarez	Member	Proprietary non-executive (SEPI)	31/10/2017	07/06/2022	54
Ricardo García Herrera	Member	Proprietary non-executive (SEPI)	22/12/2020	29/06/2021	64
Esther María Rituerto Martínez as nominee director	Member	Proprietary non-executive (SEPI)	05/05/2022	07/06/2022	68
Carmen Gómez de Barreda Tous de Monsalve	Member	Independent non-executive	19/04/2012	14/05/2020	54
Socorro Fernández Larrea	Member	Independent non-executive	09/05/2014	07/06/2022	57
Antonio Gómez Ciria	Member	Independent non-executive	09/05/2014	07/06/2022	65
José Juan Ruiz Gómez	Member	Independent non-executive	22/03/2019	22/03/2019	65
Marcos Vaquer Caballería	Member	Independent non-executive	29/06/2021	29/06/2021	55
Elisenda Malaret García	Member	Independent non-executive	29/06/2021	29/06/2021	64
José María Abad Hernández	Member	Independent non-executive	29/06/2021	29/06/2021	40

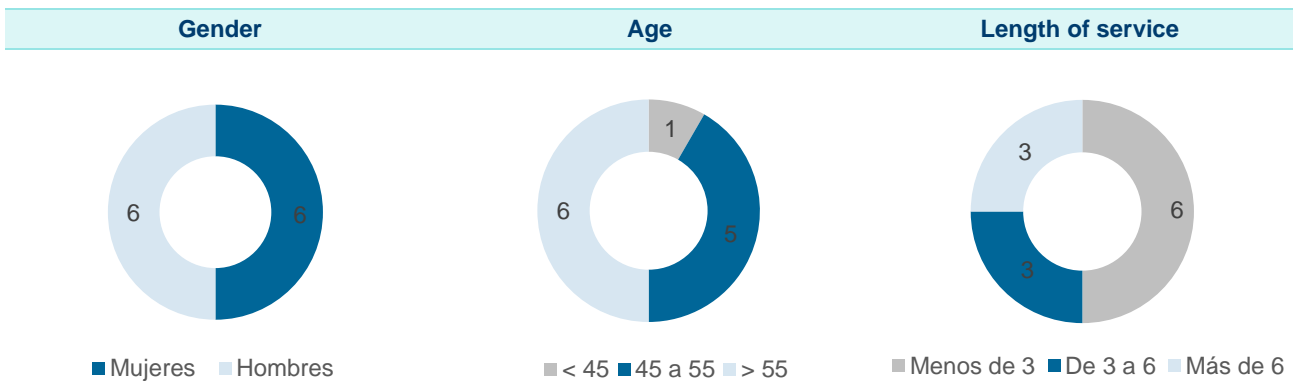
¹ At 31/12/2022.

Diversity in the composition of the Board



- **6 women**, representing **50% of the total number of directors on the Board** and **42.9% of the independent directors**.
- **58.3% independent directors**.
- **3.66 years average term of office of directors**.
- **57.4 years old on average**.
- **Diversity of knowledge and professional experience:** professionals with very diverse education backgrounds (Law, Economics and Business Studies, Civil Engineering, Industrial Engineering, Mathematics, Physics, etc.), and significant professional experience in the public and private sectors, both in Spain and abroad.

The Company ranks among the top IBEX 35 companies with the **highest presence of women on the Board**, surpassing the target of 40% set for 2022 in **Recommendation 15** of the Spanish Code of Good Governance of Listed Companies.



Section 4.2 of this report on the Diversity Policy includes information on the skills matrix of the Board, initially approved by the Board in 2018 and constantly updated.

The **PROFESSIONAL PROFILES** of the Board members at 31 December 2022 are described below. They show that all the directors are professionals of recognised prestige, with extensive professional experience, and therefore bring the necessary experience and knowledge to the task of supervising corporate management, so as to assist the Company and Redeia in the performance of their activities.



Beatriz Corredor Sierra

CHAIR OF REDEIA
AND THE BOARD
OF RED ELÉCTRICA CORPORACIÓN, S.A.

First appointment	25/02/2020
Last appointment	14/05/2020
Procedure for election	General Meeting
Position on the Board	Chair of Redeia and the Board of Red Eléctrica Corporación, S.A.
Type of director	Other non-executive
Membership on Board committees/position	No
Presence on boards of other listed companies	No

Born on 1 July 1968.

B.A. in Law from Universidad Autónoma de Madrid (1991). Admitted by competitive examination as a qualified Registrar in the Property and Commercial Registries of Spain, Class of 1993. Executive Education – Senior Business Management Programme. IESE-Business School (PADE-A-2013). Executive Education - “Women on Boards” focused programme. **IESE-Business School (2015)**.

Currently she is:

- Chair of Redeia and the Board of Red Eléctrica Corporación, S.A.
- Property Registrar on leave of absence (more than 25 years' experience).
- Vice President of the Royal Board of Trustees of the Museo Nacional Centro de Arte Reina Sofia.
- Adjunct Faculty, Civil Law. Master's Degree in Access to the Legal Profession. Universidad Nebrija.
- Adjunct Faculty. Social & Affordable Housing. Master in Real Estate Development. School of Architecture & Design. IE University.

- Mentor of the Endeavour Spain Foundation (supporting high-impact entrepreneurship) (2014-present).
- Member of the Advisory Board of WAS-Women Action Sustainability.
- Member of the Advisory Board of WLW-Women in a Legal World.
- International speaker and lecturer.

Professional experience:

Member of Parliament for Madrid and Chair of the Justice Commission. Lower House of the Spanish Parliament. XIII Legislature (2019).

Secretary of Land Planning and Public Housing Policy Affairs. Federal Executive Committee. Partido Socialista Obrero Español (June 2017-February 2020).

President of the Pablo Iglesias Foundation (September 2018-February 2020).

Institutional Relations Manager of Spanish Property and Commercial Registrars' Association. Member of the Governing Board, responsible for Institutional Relations and the Press and Communications Office (October 2013-June 2017)

Secretary of State for Housing and Urban Development. Ministry of Public Works (October 2010-December 2011).

Chair of the Board of the SOE Business Company, SEPES.

Minister of Housing of the Spanish Government (April 2008-October 2010).

Madrid City Councillor (September 2007-April 2008).

Director of Empresa Municipal de Vivienda y Suelo (EMVS).

Other information of interest:

Throughout her professional career she has developed legal and technical knowledge in the fields of real estate, urban planning, civil law, commercial law, mortgages, tax law, procedural and administrative law, both in the private and public sectors. In addition, she has held various positions in the public sector, promoting regulatory measures and legislative processes, with leadership and management responsibilities in various ministerial departments and public companies.

Her experience also extends to the negotiation and formation of strategy of collegiate bodies, the management of institutional relationships at the highest level with national public authorities (ministries, autonomous regions, municipalities) and international governments (EU, USA, Latin America, Russia, Turkey, Singapore), financial institutions and property companies and companies in other industrial sectors, and professional associations, associations, NGOs. She has also performed liaison responsibilities with the media and press offices.

Among other awards, she received the Forinvest 2022 Award, the Medal of Honour of the Spanish Association of Land and Commercial Registrars of Spain (2018), the 2017 ALUMNI Award, Faculty of Law of the Universidad Autónoma de Madrid-UAM and the Grand Cross of the Royal and Distinguished Spanish Order of Carlos III. H.M. the King Juan Carlos I (2010).



Roberto García Merino

MANAGING DIRECTOR

First appointment	27/05/2019
Last appointment	14/05/2020
Procedure for election	General Meeting
Position on the Board	CEO
Type of director	Executive
Membership on Board committees/position	No
Presence on boards of other listed companies	No

Born on 20 March 1973.

B.A. in Economics and Business Studies, Universidad de Valladolid. General Management Programme (PDG) from the IESE Business School (2016). Master's in Business Administration (MBA) from IE Business School (1999).

Currently he is:

- Managing Director of Red Eléctrica Corporación, S.A.
- Member of the managing body of the following Group companies:
 - Hispasat, S.A.
 - Red Eléctrica Infraestructuras de Telecomunicación, S.A. (REINTEL)
 - Red Eléctrica Sistemas de Telecomunicaciones, S.A.U. (RESTEL)
 - Red Eléctrica Internacional, S.A.U. (REI)

Professional experience:

- Since joining Red Eléctrica in 2004, he has performed various duties linked to strategic planning and business development, especially in the international sphere and in the field of telecommunications, notably in the following executive positions:
 - Executive Manager of Telecommunications and International Affairs of the Red Eléctrica Group (since March 2019).
 - Corporate Manager of Business Diversification (2015-2019).
 - Manager of Business Development and Strategy (2012-2015).
 - Head of Strategic Planning Department (2007-2012).
- Outside Red Eléctrica:
 - Internal investment banking analyst at Banco Espírito Santo (2000-2004).



Mercedes Real Rodríguez

PROPRIETARY NON-EXECUTIVE DIRECTOR
REPRESENTING SEPI

First appointment	31/10/2017
Last appointment	07/06/2022
Procedure for election	General Meeting
Position on the Board	Member
Type of director	Proprietary non-executive (SEPI)
Membership on Board committees/position	Audit Committee / Member
Presence on boards of other listed companies	No

Born on 6 January 1968.

B.A. in Economics and Business and a B.A. in Law from Universidad Pontificia de Comillas (ICADE E-3), and completed the Executives Development Programme (PDD) at IESE Business School.

Currently she is:

- Head of Investees of Sociedad Estatal de Participaciones Industriales (SEPI).
- Board member and chair of the Audit Committee of ENRESA, S.A., S.M.E.

Professional experience:

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



Ricardo García Herrera

PROPRIETARY NON-EXECUTIVE DIRECTOR
REPRESENTING SEPI

First appointment	22/12/2020
Last appointment	29/06/2021
Procedure for election	General Meeting
Position on the Board	Member
Type of director	Proprietary non-executive (SEPI)
Membership on Board committees/position	Appointments and Remuneration Committee / Member
Presence on boards of other listed companies	No

Born on 26 April 1958.

PhD in Physical Sciences from Universidad Complutense de Madrid.

B.Sc. in Physical Sciences (specialising in Physics of the Atmosphere) from Universidad Complutense de Madrid

Degree in General Management from the IESE Business School of the University of Navarra.

Currently he is:

- Professor of Atmospheric Physics at Universidad Complutense de Madrid.
- Researcher at IGEO, Institute of Geosciences (CSIC-UCM).
- Director, Department of Earth Physics and Astrophysics at Universidad Complutense de Madrid.
- Evaluator of the Austrian Climate and Energy Fund (since 2007).

Professional experience:

- President of the Spanish Meteorology Agency (2010-2012).

- General Manager of Prevention and Health Promotion of the Community of Madrid (1991-1995).
- General Manager for Public Health of the Basque Government (1987-1991).
- Member of the Executive Committee of the World Meteorological Organisation (2010-2012).
- Board member of AENA (2010–2012).
- Deputy Chair of the Board of the European Centre for Medium-Range Weather Forecasts (2011-2012).
- Representative of Spain on the Board of EUMETSAT (2010-2012).
- Representative of Spain on the Steering Committee of the ESF-MedCLIVAR project (2006-2010).
- He has held the following positions, among others, at Universidad Complutense de Madrid:
 - Head of the General Foundation of Universidad Complutense (2015-2019).
 - Head of the Department of Astrophysics and Atmospheric Sciences (2013-2015).
 - Co-coordinator of the Master's programme in Geophysics and Meteorology (2006-2010).
 - Head Lecturer at Universidad Complutense for more than 20 years (1988-2010).

Other information of interest:

In the field of research, he has been lead researcher in numerous national and international projects. He has directed and developed studies and work on climate variability and change and has analysed the impact of climate on different socio-economic sectors.

In the field of the energy sector, among other works, he has performed studies on the modelling of the variability of wind and solar resources, both on a meteorological scale and in the long term; on the impact of extremes (heat waves and droughts) on energy demand, and on the relationship between meteorological extremes and the production of wind energy. In addition, his research projects include the impact of meteorology on air quality on a European scale, having been one of the pioneers in the analysis of the impact of climatic extremes on health.

In addition, he is the author of more than 200 articles in international journals included in the Science Citation Index (SCI), contributing author and reviewer of the 4th report of the Intergovernmental Panel on Climate Change (IPCC), co-convenor of different sessions of the European Geophysical Union and the European Meteorological Society, guest editor of different special issues of prestigious journals included in the SCI, and has been invited speaker, among others, at the Royal Meteorological Society, Oxford University, Durham University, the Bermuda Biological Station, the National Oceanic and Atmospheric Administration (NOAA) and the Biennial Meeting of the Royal Spanish Society of Physics.



**Esther María Rituerto Martínez as
nominee director**

PROPRIETARY NON-EXECUTIVE DIRECTOR
REPRESENTING SEPI

First appointment	05/05/22
Last appointment	07/06/2022
Procedure for election	General Meeting
Position on the Board	Member
Type of director	Proprietary non-executive (SEPI)
Membership on Board committees/position	Sustainability Committee / Member
Presence on boards of other listed companies	No

Born on 16 February 1954.

Master's Degree in Physics with a specialisation in Automatic Computing from the Complutense University of Madrid (1977). MBA from the Escuela de Organización Industrial [School of Industrial Organisation] (1978). Diploma in "Orchestrating Winning Performance" from the International Institute for Management Development (IMD), Switzerland (2004).

Currently she is:

- She is actively involved in a global international movement whose aim is to enable everyone to enjoy the rights set forth in the UN's Universal Declaration of Human Rights (from 2013).

- She has been involved in a cultural project by the citizens movement in Madrid, furnishing advice on economic factors and designing and monitoring planning and control data (from 2014).

Professional experience:

- General Manager of Administration and Finance of Red Eléctrica de España, S.A., Director of Internal Control sitting in permanently at Audit Committee meetings, Director in charge of monitoring the Internal Regulations for Conduct on the Securities Market(2004-2012).
- Joint director of Red Eléctrica Financiaciones, S.A.U. (2009-2012).
- Joint director of Red Eléctrica Internacional, S.A.U. (2004-2012).
- CEO of Izar Construcciones Navales, S.A. (currently Navantia) (2003-2004).
- Board member of Izar (2001-2004).
- Board member of Agencia Efe (2002-2003).
- Board member of Iberia (2000-2001).
- Member of the Patronato Fundación Empresa Pública [Board of Patrons of the Public Enterprise Foundation] (1998-2003).
- Director of Planning and Control of SEPI. Member of its Executive Committee and its Management Committee (1996-2003).
- Board member of Casa (1994-2001).
- Board member of Indra (1994-1999).
- Board member of Endesa (1997-1998).
- Director of Planning and Control of INI and Teneo S.A. Member of the Executive Committee of INI (1993-1996).
- Board member of Ensidesa (1992-1994).
- Board member of Altos Hornos de Vizcaya (1992-1994).
- Board member of Binter Canarias (1989-1994).
- Board member of Compañía Trasatlántica Española (1990-1993).
- Director of Planning and Monitoring of INI (1990-1993).
- Board member of Endiasa (1988-1991).
- Deputy Director of Planning and Monitoring of INI (1988-1990).
- Chief Risk Officer of Bankinter Madrid (1978-1988).



**Carmen Gómez de Barreda
Tous de Monsalve**

INDEPENDENT NON-EXECUTIVE DIRECTOR

- Representative of the Spanish delegation in the Standing Group on Emergency Questions and in the Standing Group on Markets of the International Energy Agency (IEA).
- Representative in various international working groups on energy regulation and security of supply issues (ARIAE and CEER).
- Board member of Grupo Ezentis, S.A.
- Professor and/or lectures in various Master's programmes (University of Barcelona, ICAI, Cesma, Spanish Energy Club).
- Speaker at the Sagardoy Business School's Course for Directors.

First appointment	19/04/2012
Last appointment	14/05/2020
Procedure for election	General Meeting
Position on the Board	Lead independent director
Type of director	Independent non-executive
Membership on Board committees/position	Sustainability Committee / Chair
Presence on boards of other listed companies	No

Born on 20 May 1968.

B.A. in Economics and Business from Universidad Pontificia de Comillas (ICADE). Master's Degree in Business Administration from IESE (Executive MBA) at the University of Navarra.

Currently she is:

- Board member of Hispasat, S.A., Chair of its Appointments and Remuneration Committee and member of its Audit Committee.
- Member of the Advisory Board of the Board of Grupo Antolin-Irausa, S.A.
- Board member of Mutua Madrileña Automovilista, Sociedad de Seguros a Prima Fija and chair of its Audit and Compliance Committee.
- Member of the Strategy Advisory Group of Sidenor Aceros Especiales.

Professional experience:

- General Manager of Corporación de Reservas Estratégicas de Productos Petrolíferos (CORES).
- Manager of Institutional Relations and Communication at BP Oil España.
- Deputy Manager of Oil Markets at the Spanish National Energy Commission (CNE).
- Head of Services Development at Unión Fenosa.
- Head of the International, Petrochemical and Marketing Departments at Repsol.
- Head of the Cogeneration Department and Business Management at Enagás.



Socorro Fernández Larrea

INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment	09/05/2014
Last appointment	07/06/2022
Procedure for election	General Meeting
Position on the Board	Member
Type of director	Independent non-executive
Membership on Board committees/position	Appointments and Remuneration Committee / Chair
Presence on boards of other listed companies	Cementos Molins Industrial, S.A.

Born on 7 April 1965.

Degree in Civil Engineering from Universidad Politécnica de Madrid and completion of the IESE Advanced Management Program (AMP).

Currently she is:

- Chair of OFG TELECOMUNICACIONES.
- Independent director of GRUPO CEMENTOS MOLINS.
- Independent director of the Spanish engineering firm SEG, S.A.
- Independent director of BANCO CAMINOS.
- Sole director of the consultancy firm JUSTNOW, S.L.
- Member of the IESE's Regional Board in Madrid.

Professional experience:

- Independent director of TEMPORE PROPERTIES Socimi, S.A.
- Independent director of the ACR Group.
- Board member of AMPER, S.A. as proprietary director, representing Emilanteos, S.L.
- General Manager of COPISA Constructora Pirenaica, S.A.
- Deputy chair of ANCI (Spanish Association of Independent Constructors).
- Member of the governing board of the Spanish Association of Civil Engineers (*Colegio de Ingenieros de Caminos, Canales y Puertos*).
- Regional Manager of the construction company SEOP, S.A.
- National representative of FERROVIAL CONSERVACIÓN, S.A.

- Representative in Castilla-La Mancha of FERROVIAL AGROMÁN, S.A.
- Representative in Castilla La Mancha of AGROMÁN Empresa Constructora, S.A.
- General Manager for Roads, Hydraulic Structures and Transport of the Department of Public Works of the Regional Government of Castilla-La Mancha.
- Executive director of the consultancy firm JUSTNOW, S.L.
- Chief Project Engineer for FERROVIAL, S.A.
- Advisor to the Board of the Mexican engineering firm CAL Y MAYOR.
- Member of the advisory board of the newspaper EXPANSION.

Other information of interest:

- Member of WCD (Women Corporate Directors) and former co-chair of the Spanish chapter.
- Member of AED (Spanish Association of Executives) and former member of its Management Board.
- Member of CEAPI (Business Council Alliance for Latin America) and member of its Management Board.
- Member of YPO (Young Presidents' Organisation), and former member of the Executive Committee of the Eurolatam and Madrid chapters.
- Member of IWF (International Women's Forum) and former member of its Management Board in Spain.
- Medal of Honour from the Spanish Association of Civil Engineers (CICCP).
- Outstanding Engineer Award 2021 for the CICCP Madrid Territory.



Antonio Gómez Ciria

INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment	09/05/2014
Last appointment	07/06/2022
Procedure for election	General Meeting
Position on the Board	Member
Type of director	Independent non-executive
Membership on Board committees/position	Audit Committee / Chair
Presence on boards of other listed companies	Mapfre, S.A.

Born on 25 March 1957.

B.A. in Economics and Business from Universidad Complutense de Madrid. B.A. in Mathematics from Universidad Complutense de Madrid. Executive MBA from IESE Business School. Chartered Certified Accountant (AECA).

Currently he is:

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

Professional experience:

- Board member of Mapfre Global Risks Compañía Internacional de Seguros y Reaseguros, S.A. and member of its Management Committee.
- General Manager of Administration and Information Technology and member of the Management Committee of the FCC Group.
- Representative of the FCC Group at the Large Companies Forum of the Ministry of Finance and Public Administrations.

- General Manager of Internal Audit and member of the Management Committee of the FCC Group.
- Internal Audit Manager of the FCC Group.
- Member of the Advisory Board of the Institute of Internal Auditors and member of the Management Committee.
- General Technical Secretary of InverCaixa, an investment management company belonging to the La Caixa Group.
- Chair of the Spanish Accounting and Audit Institute (ICAC)
- Director of Empresa Nacional de Uranio, S.A.
- Director of Empresa Nacional de Autopistas, S.A.
- Director of Tabacalera, S.A.
- Head of Market Inspection for the Madrid Stock Exchange (Sociedad Rectora de la Bolsa de Valores de Madrid).
- Deputy Manager of Budget Planning and Research for Radio Televisión Española.
- Head of the Auditing and Accounting Department of Banco de Crédito Agrícola.
- Auditor/Inspector for the Spanish State Auditing Agency.

Other information of interest:

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



José Juan Ruiz Gómez

INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment	22/03/2019
Last appointment	22/03/2019
Procedure for election	General Meeting
Position on the Board	Member
Type of director	Independent non-executive
Membership on Board committees/position	Audit Committee / Member
Presence on boards of other listed companies	No

Born on 30 July 1957.

B.A. in Economics from Universidad Autónoma de Madrid. Trade Expert of the State.

Currently he is:

- Independent consultant and advisor on macroeconomic issues and Latin American markets.
- President of the Elcano Royal Institute and a member of its Executive Committee.

Professional experience:

- Chief Economist and Head of the Research Department of the Inter-American Development Bank (2012-2018).
- Chief Economist for Latin America at Banco de Santander (1999-2012).
- Representative of Banco Santander on the Board of the Elcano Royal Institute (until 2012).
- Member of the Social Advisory Board of the University of Castilla-La Mancha (2005-2009) and Chair of the Board (2010-2012).
- Member on the boards of both public entities (INI, Aviaco, Autopistas del Atlántico, Renfe and Tabacalera) and private companies, particularly in the banking sector, holding the positions of director of Banco de Santiago (Chile), Banco Santander Colombia, Banco Santander Puerto Rico, Banco Santander Peru and Banco Venezuela between 1999 and 2012.
- Head of the Strategy and Planning Department of Banco Santander (1996-1999).
- Chief Economist of Asesores Financieros Internacionales (1996).

- Member of the Independent Committee of Experts of the Ministry of Economy and Finance responsible for developing macroeconomic scenarios for the Spanish economy (1994-1998).
- Member of the Editorial Board of the Recoletos Group (1994-1999).
- Chief Economist at Argentaria (1993).
- Member of the Editorial Board of El País and the Prisa Group.

The most relevant positions held in the government (Ministry of Economy and Finance) are:

- Undersecretary for International Economy and Competition of the Ministry of Economy and Finance (1991-1993).
- Member of the Steering Committee of the Ministry of Economy and Finance (1991-1993).
- Chief of Staff for the Secretary of State for Economy (1988-1990).
- Executive Advisor to the Secretary of State for Economy (1985-1987).
- Head of the Balance of Payments Service, Secretary of State for Trade (1984-1985).
- Economic Advisor to the Secretary of State for Trade and the Secretary General for Trade (1983).
- Technical support to the General Technical Secretariat during the negotiation of Spain's entry into the EU (1984-1985).
- President of the Spanish Delegation to the OECD for the annual meetings on macroeconomic monitoring (1990-1993).
- Chair of the Economic Policy Committee of the European Union (1992-1993).
- Member of the Economic Policy Committee of the EU (1989-1992).
- Responsible for Spanish relations with the IMF, the World Bank and the Development Banks (Africa, Asia, Latin America and Europe) (1986-1993).

Other information of interest:

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



Marcos Vaquer Caballería

INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment	29/06/2021
Last appointment	29/06/2021
Procedure for election	General Meeting
Position on the Board	Member
Type of director	Independent non-executive
Membership on Board committees/position	Appointments and Remuneration Committee / Member
Presence on boards of other listed companies	No

Born on 15 September 1967.

B.A. in Law from Universidad Pontificia de Comillas (ICADE). B.A. in Economics and Business from Universidad Pontificia de Comillas (ICADE). PhD in Law from Universidad Carlos III de Madrid (UC3M).

Currently he is:

- Professor of Administrative Law at Universidad Carlos III de Madrid (since 2011).
- Secretary General of UC3M (since 2015).
- Head of the Master's programme in Advanced Studies in Public Law at UC3M (since 2016).
- President (by delegation of the Rector) of the academic council of the Tirant-UC3M Chair of Ibero-American Legal Studies (since 2016).
- Member of the Management Committee of the Inter-University Institute for Cultural Communication, UNED-UC3M (since 2002).
- Member of the Scientific Committee of the Andrés Bello Chair of Cultural Rights, created by the Andrés Bello Agreement and the National University of Distance Education (UNED) and UC3M (since 1998).
- Member of the Pascual Madoz Institute of Territory, Urban Planning and Environment of UC3M.
- Member of the Editorial Board of the *Yearbook of Good Governance and Regulatory Quality* published by Fundación Democracia y Gobierno Local (since 2020)
- Member of the Scientific Board of the *Revista de Derecho Urbanístico y Medio Ambiente* (since 2020).
- Member of the Scientific Committee of the *Editorial La Cultivada*, promoted by the Fundación Gabeiras (since 2020).

- Member of the Scientific Committee of the *Revista General de Derecho de los Sectores Regulados* of Iustel (since 2018).
- Member of the Scientific Council of the *Journal of Local and Autonomous Administration Studies* (since 2017).
- Drafting team member of the *Práctica Urbanística* journal. *Revista de urbanismo* de la editorial La Ley (Wolters Kluwer group) (since 2015).
- Director of the digital collection *Cuadernos de Derecho de la Cultura* (since 2013).
- Member of the editorial team of the *Revista General de Derecho Administrativo* of Iustel (since 2002).
- Member of the Madrid Bar Association (since 1992).
- Lawyer at Estudio Jurídico de UC3M (since 1997).
- Member of the Spanish Association of Administrative Law Professors (since 2012).

Professional experience (among other positions):

The most relevant positions held in the academic field:

- Head of the Inter-University Institute for Cultural Communication (UNED-UC3M-UIIMP) (2012-2015).
- Deputy Director to the Vice Rector for Coordination and General Secretary of Universidad Carlos III de Madrid (2004).
- Head of Teaching and Research Staff, Assistant to the Vice Rector for Faculty and Departments (UC3M) (2003-2004).
- Secretary of the Faculty of Social and Legal Sciences (UC3M) (2000-2003).
- Head Lecturer in Administrative Law, Department of State Public Law (2001-2011).
- Acting Head Lecturer in Administrative Law, Department of State Public Law (1999-2001).
- University Assistant assigned to the area of Administrative Law, Department of Public Law and Philosophy of Law (1997-1999).
- Associate Professor of Administrative Law, Department of Public Law and Philosophy of Law (1994-1997).
- Visiting or guest professor at the Universities of Pavia and Sassari (Italy), Paris Ouest (France), Externado (Colombia) and Católica de Valparaíso (Chile); and having participated in various international technical assistance missions in European Union projects in Ecuador (2014) and Paraguay (1998, 1995).

The most relevant positions held in the public sector:

- Board member of Entidad Pública Empresarial de Suelo (SEPES), attached to the Ministry of Public Works (2010-2012).
- Undersecretary for Housing, Ministry of Housing and Chair of Entidad Pública Empresarial de Suelo (SEPES) (2008-2010).
- Board member of BILBAO Ría 2000, S.A. (2004-2010).
- Member of the Committee on Housing and Land Management of the United Nations Economic Commission for Europe, UNECE (2006-2008).
- Member of the Governing Council of the Defence Infrastructure and Equipment Management (GIED) and Member of the Higher Council of Real Estate Property (2006-2008).
- General Director of Urban Planning and Land Policy of the Ministry of Housing, Vice-President of the Board of the Public Land Business Entity (SEPES) (2004-2008)
- Member of the Governing Council of Gestor de Infraestructuras y Equipamientos de la Seguridad del Estado (GIESE) (2004-2008).
- Member of the Administrative Buildings Coordinating Board and alternate member of the Higher Council of Statistics (2004-2008).

Free practice of law:

- Altair Asesores, S.L., law firm specialised in public law and international technical assistance (1991-1994)
- Arthur Andersen, Asesores Legales y Tributarios, S.R.L., part-time, combined with university studies (1990-1991)

Other information of interest:

Author of 7 monographs and more than 80 articles and book chapters, and director or coordinator of 9 collective works on various public law topics, his main areas of specialisation being land and urban planning law, housing law, social services and services of general economic interest, better regulation and general administrative law. He has also participated in more than a hundred opinions, reports and advising for public and private entities, and in drawing up preliminary drafts for town planning legislation for various Autonomous Communities. He has been an expert witness for the State Attorney's Office of Spain in more than a dozen international investment arbitrations (ICSID and SCC), has appeared as an expert before the Constitutional Commission of the Lower House of the Spanish Parliament and has performed several international technical assistance missions in Latin America for the European Commission.

In 2011 he received the Grand Cross of the Order of Civil Merit.



Elisenda Malaret García

INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment	29/06/2021
Last appointment	29/06/2021
Procedure for election	General Meeting
Position on the Board	Member
Type of director	Independent non-executive
Membership on Board committees/position	Sustainability Committee / Member
Presence on boards of other listed companies	No

Born on 20 March 1958.

B.A. in Law from the University of Barcelona. PhD in Law from the University of Barcelona. Postdoctoral researcher at Università degli Studi di Bologna, Project on the Promotion of Industrial Reorganisation.

Currently she is:

- Professor of Administrative Law at the Faculty of Law of the University of Barcelona (since 1995).
- Head of the Master's programme in Advanced Public Procurement at the University of Barcelona.
- Joint Head of the Master's programme in Public Management at Escola d'Administració Pública de Catalunya (EAPC).
- Chair of the Law Teaching Staff Accreditation Committee of the Spanish National Agency for Quality Assessment and Accreditation (ANECA)
- Lecturer in Economic Regulation Law in the Master's programme in Advanced Legal Studies at the Faculty of Law and in the Master's programme in Regulation, Competition and Public Services of the Faculty of Economics at the University of Barcelona
- Member of the Scientific Committee of the European Federation of Energy Law Associations.
- First Vice President of the Spanish Association of Energy Law (AEDEN).
- Member of the Scientific Committee of Associazione per gli Studi e le ricerche sulla Riforma delle Istituzioni Democratiche e sull'innovazione nelle amministrazioni pubbliche (ASTRID).
- Member of the Society's Inaugural Council de la International Society of Public Law.
- Member of the European network Public Contracts in Legal Globalisation (PCLG).

- Member of the Spanish Association of Administrative Law Professors (AEPD).
- Member of the European Group of Public Law (EGPL) (since 1995).

Professional experience (among other positions):

- Director of the Catalan Audiovisual Council (2008-2014).
- Member of the Advisory Board of the Spanish Data Protection Agency (AEPD) (2005-2008).
- Guest lecturer at the following universities: Paris II Pantheon-Assas, Institut de Sciences Politiques, Paris, Paris I Panthéon-Sorbonne, Institut de Sciences Politiques, Grenoble, Roma Tre, Externado, Bogotá, Siena, Oviedo, Euskadi, Roma La Sapienza, Pisa, Florence, Cattolica de Milano, Pavia, Montpellier.
- Head of various courses on telecommunications regulation at Consorci Universitat Internacional Menéndez Pelayo de Barcelona (CUIMPB) (1997-2001).
- Head of the Department of Administrative Law and Procedural Law at the Faculty of Law of the University of Barcelona (2000-2004).
- Professor of Administrative Law at the University of Barcelona since 1986.
- Other professional responsibilities to highlight:
 - Representative of the CAC on the European Platform of Regulatory Authorities (EPRA), on the contact committee provided for in the SCA Directive between national audiovisual regulators and the European Commission, on the Réseau des Institutions de Régulation Méditerranéennes (RIRM) and on the Platform of Latin American Audiovisual Regulators (PRAI).
 - Member of the Lower House of the Spanish Parliament in the 8th and 9th legislatures (2004-2008). Rapporteur for the Antitrust Act, the Basic Statute of Public Employees Act, the Public Sector Contracts Act, the Act on Transparency in Financial Relations between Public Authorities and Public Companies, the Act on State Agencies for the Improvement of Public Services, and the Act on the Special Regime for the Municipality of Barcelona, among others (2004-2008).

Other information of interest:

Author of numerous books, book chapters, articles and research projects on the main lines of research she has developed in her career, including: Economic regulation law; energy law; infrastructure law; judicial control, administration and technique; telecommunications law; transparency, conflicts of interest and accountability - good governance and good administration; independent regulatory authorities, public procurement; public services and liberalisation in the process of European integration; etc.

In addition, in recent years she has given numerous talks at conferences and has participated in scientific journals, committees and representations, and has received awards for merit in research and teaching from the National Commission for the Evaluation of Research Activity (ANECA).



José María Abad Hernández

INDEPENDENT NON-EXECUTIVE DIRECTOR

First appointment	29/06/2021
Last appointment	29/06/2021
Procedure for election	General Meeting
Position on the Board	Member
Type of director	Independent non-executive
Membership on Board committees/position	Audit Committee / Member
Presence on boards of other listed companies	No

Born on 28 May 1982.

B.A. in Law from Universidad Pontificia de Comillas (ICADE). B.A. in Business Administration and Management, specialising in Finance, from Universidad Pontificia de Comillas (ICADE). Specialist in Quantitative Research Methods (Statistical Techniques) from Universidad Politécnica de Madrid. Advanced Studies Programme in International Economics from the Kiel Institute for the World Economy (Kiel, Germany).

Currently he is:

- Senior Advisor to the Financial Services practice of Oliver Wyman in Europe (2022).
- Consultant at the Global Macroeconomic Analysis and Markets Department of the International Finance Corporation (IFC) of the World Bank Group (Washington, DC) (2022).
- Board member, Instituto Hermes Foundation (2022).
- Associate Professor at ICADE (Madrid) (2022), where he teaches "Analysis of Economic Situation" in Executive Education programmes.
- Independent consultant and adviser on macroeconomics and banking matters.

Professional experience (among other positions):

- Winner of the "Federico Prades" Prize awarded every two years by the Spanish Banking Association (AEB) to an economist under 40 years of age, in this case for work on the usability of the banking capital buffers (April 2022).
- Financial Sector Expert and Visiting Scholar, successively, in the Financial and Capital Markets Department of the

International Monetary Fund (IMF) (Washington, DC) (2020-2022).

- Executive Manager of the European Financial Institutions Group of the Research Division and senior banking analyst responsible for coverage of listed banks in Southern Europe (Spain, Portugal, Greece) at Goldman Sachs (London) (2015-2020).
- Vice President and senior analyst at the Sovereign and Supranational Risk Group and member of the Sovereign Ratings Committee at Moody's Investors Service (London) (2015).
- Board member of AXIS Business Investments, S.G.E.I.C., S.A.S.M.E. (ICO Group) (Madrid) (2012-2015).
- Chief Economist and Head — with the rank of Deputy Manager — of the Research Department and the International Relations Department of Instituto de Crédito Oficial (ICO) under the Ministry of Economy and Competitiveness (Madrid) (2012-2015). As such:
 - Responsible for shaping ICO's macro vision, defending the "Spanish position" on key economic policy issues with other European development, national and multilateral banks, and managing the Chair's international agenda.
 - Member of ICO's Procurement, Strategy and International Relations and Monitoring Committees of Fond-ICO Global.
 - Joint Secretary of the High Level Expert Group for SME Financing of the Ministry of Economy and Competitiveness (2013).
 - ICO Representative at the Financial Institutions Shareholder Group (FISG) of the European Investment Fund (EIF) in Luxembourg.
 - ICO representative on the Board of the European Long-Term Investors Association (ELTI) in Brussels.
 - ICO Sherpa in the Long Term Investors Club (LTIC) and in the "Big Six Group", formed by the presidents and/or CEOs of the six main European development banks (Germany, France, Italy, Spain and Poland, and the EU through the EIB Group).
 - Responsible for the launch and monitoring of the "Cátedra Fundación ICO de Financiación a PYME", led by the University of Alcalá de Henares, which won the "Titanes de las Finanzas" award (granted by the ECOFIN Forum) in 2015.

- Advisor (for Spain and Portugal) to the Chief Global Economist at Unicredit Group (London) (2011-2012).
- Consultant (for Spain and Portugal) to the European Economic Analysis team at Goldman Sachs (Frankfurt) (2010-2011).
- Senior Associate in the Sovereign and Supranational Risk Group, member of the Sovereign Ratings Committee and the Economic Analysis Committee at Moody's Investors Service (Frankfurt) (2009-2010).
- Associate of the Strategy and Operations Group at KPMG (Madrid) (2006).

In terms of his academic career, the following stands out:

- Visiting Professor at ESADE (Barcelona) (2018-22) where he taught the 'Company Valuation' and 'Analysis and Valuation of Financial Institutions' courses as part of the Master's in Finance.
- Research and teaching assistant at the Institute for Economic Policy at the University of Leipzig, Germany (2011-2012).
- Research and teaching assistant at the International Centre for Financial Research (CIIF) at IESE Business School (Madrid) (2007-2008).
- Research and teaching assistant in the Department of Economics at ICADE - Universidad Pontificia Comillas (Madrid) (2005-2006).

Other information of interest:

Author of numerous monographs, articles and research projects on various topics related to financial and capital markets and economic policy.



Carlos Méndez-Trelles García

GENERAL SECRETARY AND SECRETARY TO THE BOARD (NON-DIRECTOR)

Born on 25 February 1975.

B.A. in Law from Universidad San Pablo-CEU.

Executives Development Programme (PDD), Business Administration and Management, IESE Business School.

Master's Degree in Energy Law, Spanish Energy Club Spanish Energy Institute.

Master's Degree in Information and Communications Technology Law, Universidad Pontificia Comillas.

Special course in Corporate Law, Madrid Bar Association.

Currently he is:

- Director of REDCOR REASEGUROS, S.A.
- Lawyer of the Madrid Bar Association.

Professional experience:

- Internal Audit and Risk Control Manager at Red Eléctrica de España, S.A.U.
- Head of Legal Services at Red Eléctrica de España, S.A.U.
- Lawyer for the Legal Services Department at Red Eléctrica de España, S.A.U.
- Collaborator at the Institute of Legal IT at Universidad Pontificia Comillas.



Fernando Frías Montejo

DEPUTY GENERAL SECRETARY AND DEPUTY SECRETARY TO THE BOARD (NON-DIRECTOR)

Born on 11 March 1965.

B.A. in Law and Corporate Legal Adviser from Universidad Pontificia de Comillas (ICADE-E-I). Program for Management Development for TSO Companies (PMD) IESE, Universidad de Navarra.

Currently he is:

- Non-director vice secretary to the Board of Hispasat, S.A.
- Joint director of RED ELÉCTRICA FINANCIACIONES, S.A.
- Joint director of RED ELÉCTRICA DE ESPAÑA FINANCE, S.L.
- Lawyer of the Madrid Bar Association.

Professional experience:

- Head of the Corporate Governance Department at Red Eléctrica.
- Head of the Corporate Governance and Compliance Department at Red Eléctrica.
- Secretary to the Board of Infraestructuras de Alta Tensión, S.A., Red de Alta Tensión, S.A. y de Tenedora de Acciones de Redesur, S.A.
- Lawyer in the Legal Services Department at Red Eléctrica de España, S.A.U. since 1990.

3.2. Responsibilities and activity

The Board Regulations determine the principles of action of the Board and establish the basic rules for its organisation and functioning and of the committees, the rules of conduct of its members, and the supervisory and control functions entrusted to it. This is achieved by encouraging the active participation of its directors, placing the interests of the Company and of its shareholders above their own interests, in accordance with the law, the Articles of Association and corporate governance principles.

The **RULES OF ORGANISATION AND FUNCTIONING** are included in the articles 19 to 26 of the Articles of Association (inclusive) and in sections 5 to 13 (inclusive), 19 and 2020 of the Board Regulations.

Likewise, in accordance with the Articles of Association and the Board Regulations, the criterion that governs the Board's action at all times is the corporate interest, understood as the long-term profitability and sustainability of the Company that promotes the continuity and maximisation of the value of the Company.

The Board, supported by the work of the Audit Committee, the Appointments and Remuneration Committee and the Sustainability Committee, governs and represents the Company.

Specifically, the Board is responsible for all the powers of administration and representation of the Company, in and out of court, and it will exercise them either directly or through delegation, replacement or power of attorney in accordance with the law, in the Articles of Association and in the Board Regulations.

In any case, in accordance with section 6 of the Board Regulation, the Board will perform its functions with unity of purpose and independence of judgment and, within the scope of the corporate organisation, will adopt the necessary measures to ensure:

- a) That the Company's management pursues the achievement of the Company's interest, based on the purpose, values and strategies defined by the Board, and has the appropriate means and incentives to do so and to correct any deficiencies.
- b) Management of the Company and the group companies is under the effective supervision of the Board, ensuring proper and efficient coordination between the Company and the group companies and, in particular, compliance by the latter with the policies and principles approved by the Board.
- c) No person or small group of persons holds decision-making power that is not subject to checks and balances.
- d) The same treatment is given to all shareholders who are in the same position and no shareholder receives preferential treatment over others.
- e) The functions attributed by law to Red Eléctrica de España, S.A.U. and, as applicable, to the other Group companies, are performed seeking to protect the public interest in these functions and with the legally required independence in the adoption of the relevant decisions, observing at all times the separation between regulated and non-regulated activities.
- f) In its relationship with stakeholders and in the pursuit of the corporate interest, in addition to respecting laws and regulations and conduct based on good faith, ethics and respect for the customs and best practices regarding conduct and business reputation, the Company must at all times consider the legitimate interests of its employees, its suppliers, its customers and other stakeholders that may be affected, and the impact of the Company's activities on the community as a whole and on the environment, also observing the additional principles of sustainability and good corporate governance that it has voluntarily accepted.

The following responsibilities, among others, rest with the Board:

- Approval of the general policies and strategies of the Company and the group, with special emphasis on the risk management and control policy.
- Decisions regarding **appointments and removal of executives** who report directly to the Board or to its members, **director remuneration, financial and non-financial information and strategic investments** (except for those that rest with the shareholders at the General Meeting).
- **Annual assessment of the quality and efficiency** of the Board and of the functioning of its committees.

- g) In the area of relations and transparency with stakeholders and society as a whole, the protection of the highest standards of corporate reputation and other aspects necessary for the generation of confidence in the Company and its group must be ensured.

The Board's policy is to delegate the ordinary management of the Company to the executive bodies and the management team and to concentrate on its general supervisory function, the approval of basic operating guidelines and strategies and on decisions that are highly relevant to the interests of the Company.

Non-delegable responsibilities of the Board (section 5 of Board Regulations):

- a) Approve the general policies and strategies of the Company and the group.
- b) The following decisions:
- i) Appointment and removal of the Company's executive directors, and the establishment of the terms of their contracts.
 - ii) The authorisation for the appointment and removal of the Company's executives and Red Eléctrica de España, S.A.U. that had direct dependence on the Chair of the Board or the CEO of the Company, and on the group's strategic executives as established by the Board, and the establishment of the basic terms of their contracts, including their remuneration.
 - iii) Remuneration of directors, within the framework set by the Articles of Association and the remuneration policy approved by the shareholders at the General Meeting, and, in the case of executive directors, the additional remuneration for their executive functions and any other terms that must be included in their contracts.
 - iv) The authorisation of the proposals for the appointment, renewal and removal of directors in the various Group companies, and the authorisation of the proposals for the appointment of those who must assume, where appropriate, the chairmanship of the respective boards of directors of the group companies.
 - v) Authorisation or waiver of the obligations arising from the duty of loyalty, as provided in section 230 of the Corporate Enterprises Act.
 - vi) Financial and non-financial information that, as a listed company, the Company must publish on a regular basis, or that it submits to the regulatory or market supervisory bodies for publication.
 - vii) Investments or transactions of all types of the Company and the group that, due to their high amount or special characteristics, in accordance with the criteria established by the Board, are strategic or special tax risk, unless approved by the General Meeting.
 - viii) Creation or acquisition of interests in special purpose vehicles or entities domiciled in countries or territories that are considered tax havens and any other similar transactions or operations that, due to their complexity, could adversely affect the transparency of the Company and the group.
- c) The approval, following a report from the Audit Committee, of the transactions performed by the Company or its Group companies with directors, or with holders, individually or in concert with others, of at least 10% of the voting rights or represented on the Board or with other persons considered to be related parties by law ('Related Transactions'), unless their approval relates to the General Meeting and without prejudice to the delegation power established in the Board Regulation itself.
- d) Authorisation for issue of the financial statements and presentation at the Annual General Meeting.
- e) The call for the shareholders at the General Meeting and the preparation of the agenda and proposals for agreements.
- f) Delegation of the powers delegated to the Board by the General Meeting, unless expressly authorised by the Board to sub-delegate or replace them.
- g) The preparation of any kind of report required by law from the Board provided that the transaction referred to in the report cannot be delegated.
- h) Annual assessment of:
- i) The quality and efficiency of the functioning of the Board, the diversity of its composition and competencies, the performance of its functions by the Chair of the Board and the Company's chief

executive officer and, where applicable, the performance and contribution of each director, paying special attention to the chairs of each of the various committees, all based on the report submitted to the Board by the Appointments and Remuneration Committee in coordination with the lead independent director or the chair, as the case may be.

- ii) The composition and functioning of the Board's committees and of any other delegated body that may have been created, based on the report submitted to the Board by the Appointments and Remuneration Committee in coordination with the lead independent director or the chair, as the case may be.

Law 11/2018 established a new responsibility of the Board that cannot be delegated, whereby it must include, where appropriate, the required non-financial information in the supervision of the process of preparing and presenting non-financial information.

The Board approved an annual indicative calendar of **MEETINGS**. In any case, in accordance with Article 19 of the Board Regulation, the Board will meet on a monthly basis and at least eight times a year, following the schedule of dates and, where appropriate, matters established at the beginning of the year, with each director being able to individually propose other items on the initially unplanned agenda. Furthermore, the Board may meet as many times as considered necessary by the chair for the proper functioning of the Company.

The Company has a **small, effective and efficient** Board. In **2022**, the Board met 12 times, with an attendance rate of **97.92%**.

In 2022, the Board of Directors held twelve (12) meetings, one (1) of them extraordinary, and during them there were only three inassists, in which the directors granted their representation with instructions. Also, as a result of the resignation as director of María Teresa Costa Campi's Business Company, a vacancy occurred on the Board during two sessions. Therefore, the number of attendance is 139, corresponding to 97.92%.

Attendance at Board meetings in 2022

Director	In person	By proxy	% attendance 2022
Beatriz Corredor Sierra	12	0	100
Roberto García Merino	12	0	100
Mercedes Real Rodríguez	12	0	100
María Esther Rituerto Martínez	7	0	*
Ricardo García Herrera	11	1	91.66
Carmen Gómez de Barreda Tous de Monsalve	12	0	100
Socorro Fernández Larrea	12	0	100
Antonio Gómez Ciria	12	0	100
José Juan Ruiz Gómez	11	1	91.66
Marcos Vaquer Caballería	11	1	91.66
Elisenda Malaret García	12	0	100
José María Abad Hernández	12	0	100

As regards the number of attendance indicated in the table, it should be borne in mind that a director did not hold her position throughout 2022, in particular the following:

- Ms María Esther Rituerto Martínez was appointed as the Sunday director of Red Eléctrica Corporación, S.A., representing the Spanish State Company for Industrial Investments (SEPI), until the first General Meeting was held, to cover the only vacancy on the Board as a result of the resignation presented by Ms María Teresa Costa Campi of the position of Sunday director, representing the SEPI, which was resigned at the Board meeting held on 29 March 2022, all in accordance with the proposal made by the SEPI and the report issued by the Appointments and Remuneration Committee.

It should also be noted that these outgoing directors attended in person all Board meetings held in 2022 while they were directors of the Company.

On the other hand, the Board Regulation refers to **DUTIES INHERENT TO THE POSITION OF DIRECTOR** and sections 30 to 38 of the Code develop the general duty of care, the duty of loyalty, the duty to avoid conflicts of interest, the duty to refrain from using non-public information, and the directors' reporting duties.

In any case, in accordance with Articles 5 and 6 of the Board Regulation, the role of the director is to guide and control the management of the Company in order to achieve the achievement of the social interest.

Therefore **RELATED TRANSACTIONS** referred to in section 5.5 (c) of the Board Regulations, which includes the direct and undelegable responsibilities of the Board, that relating to the approval, following a report from the Audit Committee (in accordance with section 16.6 (c) of the Board Regulations), of the transactions performed by the Company or companies of its group with directors, or with shareholders holding, individually or in concert with others, at least 10% of the voting rights or represented on the Board or with other persons considered to be related parties on the terms established in the Act ('related transactions'), unless their approval relates to the General Meeting and without prejudice to the delegation power provided for in the Board Regulation itself.

(i) the approval of the related-party transactions between companies that are part of the group that are performed in the ordinary management and on market terms; and (ii) the approval of the related-party transactions arranged under agreements whose standardised terms are applied *en masse* to a large number of customers, are performed at prices or rates established in general by the person acting as supplier of the goods or provider of the services in question, the amount of which does not exceed 0.5% of the Company's net business turnover. Related transactions performed between the Company and its fully investees, directly or indirectly, will not be considered to include those entered into with executive directors or senior executives and transactions with subsidiaries or investees provided that no other party related to the Company has any interest in them.

Article 36 of the Board Regulation also includes the related transactions regime and stipulates that the Audit Committee must issue a report before the approval, by the General Meeting or the Board, of the execution of a related transaction. In this report, the Committee will assess whether the transaction is fair and reasonable from the point of view of the Company and, where applicable, of the shareholders other than the related party, and give an account of the assumptions on which the assessment is based and the methods used. The directors members of the Committee affected by the related transaction may not participate in the preparation of the report.

The annual report of the Audit Committee on related transactions in accordance with GGCLS Recommendation 6 was first published on the Company's website in 2016.

In relation to the adoption of the related transaction approval agreement, the approval of which is the responsibility of the Board and has not been delegated, the director concerned or the one that represents or is related to the shareholder concerned must abstain from participating in the deliberation and vote in accordance with the law.

If the Board delegated approval for related transactions in accordance with Article 5.5 (c) of that Regulation, the Board itself will establish an internal reporting and regular control procedure to verify the fairness and transparency of these transactions and, where applicable, compliance with applicable legal criteria.

In relation to related transactions the approval of which corresponds to the General Meeting, the proposed approval agreement adopted by the Board must be submitted to the General Meeting indicating whether it has been approved by the Board with or without the vote against the majority of the independent directors.

Article 37 of the Board Regulation establishes the principle of transparency on related transactions and stipulates that the Board will encourage the public dissemination of the performance of related transactions performed by the Company or companies in its group, the amount of which is 5% of the total amount of asset items or 2.5% of the annual amount of revenue. Accordingly, a notice with the legally stipulated content must be published in an easily accessible place on the Company's website, which in turn must be communicated to the CNMV. The announcement must be published and communicated at the latest on the same date as the related transaction is performed and must be accompanied by the report issued, where appropriate, by the Audit Committee. In order to determine the amount of a related transaction, the transactions that have taken place with the same counterparty in the last twelve months will be taken into account in addition.

In accordance with section 31e) of the Board Regulations (BR), the director must take the necessary measures to avoid incurring situations in which their interests, whether on their own behalf or for others, may conflict with the corporate interest and their duties to the Company.

And section 32 of the Board Regulation, cited in this Report previously, performed the duty to avoid conflicts of interest referred to in section 31 (e), and specifically related to those in which the director must abstain, noting that in any case the directors must notify the Board of any direct or indirect conflict of interest that they or persons related to them may have with the Company's interest. Any conflicts of interest directors may have will be disclosed in the notes to the financial statements.

In May 2010, at the proposal of the Audit Committee, the Board approved certain agreements on the determination of related-party transactions and established objective parameters for the control of related-party transactions (relevant or not), annual recurring related-party transactions, and those that must be reported to the markets. In compliance with these agreements, the Audit Committee monitored related transactions on an annual basis and informed the Board on a timely basis.

However, as a result of the update of the Board Regulations on 20 December 2016 and the Internal Code of Conduct in the Securities Market, of 26 September 2017, based on the current legal regime on related-party transactions and taking into account the Company's corporate rules fully adapted to this regime, in January 2018, the Board resolved to terminate the above agreements and approved a new agreement under which, after a report from the Audit Committee and before its execution, any related-party transactions that the Company or companies included in its group could perform with directors or shareholders of the Company, individually or in concert with others, with a significant shareholding, including shareholders represented on the Board of the Company or companies of its group, or with persons related to them in accordance with current law, would be submitted to the Board for approval.

However, Law 5/2021, of 12 April, which transposes Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 into Spanish law, introduced important amendments to the Corporate Enterprises Act that, among other matters, have affected the rules applicable to transactions that listed companies enter into with their related parties, which are specifically regulated in sections 529 vicies to 529 tervicies of the Corporate Enterprises Act. The amendments relate to the specific definition of the related-party transactions, and their approval and disclosure, which are subject to the new regime. incorporates in section 529 vicies of the Corporate Enterprises Act the definition of related parties for the purpose of defining related-party transactions, in accordance with Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017, and with International Accounting Standards (IAS) referred to in section 529 vicies, subsection 1, of the Corporate Enterprises Act, in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002. In turn, the new regime establishes which related-party transactions must be approved by the General Meeting and those that fall within the scope of the Board's competence, while envisaging the possibility that the Board may delegate this approval as regards transactions that meet certain legally stipulated requirements, and it is necessary in relation to them that the Board itself adopt an internal procedure in which the Audit Committee must participate and through which the fairness and transparency of these transactions will be verified.

For these purposes, it should be pointed out that, at a meeting held on 25 May 2021, the Board resolved to amend the Board Regulations to adapt them to the reform of the Corporate Enterprises Act under Law 5/2021, of 12 April, amending the Consolidated Text of the Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, as regards promoting the long-term involvement of shareholders in listed companies and, in particular, among other points, the stated new regime of related-party transactions. Also, at the Annual General Meeting held on 29 June 2021, the amendments to the Articles of Association and General Meeting Regulations to adapt them to the above changes in the Corporate Enterprises Act with regard, among other matters, to the new regime for related-party transactions were approved.

In addition, at its meeting held on 30 November 2021, the Board approved a Related-Party Transactions Protocol (voiding the resolution on Related-Party Transactions passed by the Company's Board on 30 January 2018) based on the regulatory framework applicable to related-party transactions taking into account the specific features of the Company and its group, and which aims to develop, based on the provisions of the Corporate Enterprises Act and the Articles of Association, and the General Meeting Regulations and the Board Regulations, the criteria for the application of the regime for approving related-party transactions affecting the Company, and for the publication of the corresponding information on them,

also establishing the internal procedure for identifying, analysing, approving, monitoring, reporting and controlling related-party transactions.

Therefore, the above Related-Party Transactions Protocol fully includes the internal procedure for identifying, analysing, approving, monitoring, reporting and controlling these transactions, although it also envisaged the exercise of the corresponding supervisory functions by the Audit Committee as regards related-party transactions delegated by the Board.

Similarly, to provide as much flexibility as possible for the application of the new legal regime, the Protocol envisages the possibility for the Board delegating to the CEO the approval of both (i) related-party transactions between companies that form part of the group that are performed in the scope of the ordinary management and on market terms, and (ii) related-party transactions that are arranged under agreements whose standard terms are applied *en masse* to a large number of customers, are performed at prices or rates established in general by the person acting as supplier of the goods or provider of the services in question, the amount of which does not exceed 0.5 % of the Company's net business turnover, since it is understood that this will favour the better functioning of the Company and simplify its actions in relation to related-party transactions, although, in relation to transactions delegated by the Board, there is in any case an *ex post* control by the Audit Committee, which will receive the report submitted to it by the secretary of the Operational Group summarising the transactions delegated by the Board and that have been approved during the period corresponding to the Company's half-yearly financial information every six months.

Finally, it should be noted that the analysis of the related-party transactions before their approval is performed by the Operational Group, which was established by the Company for this purpose and consists of the Corporate Finance Director, the Legal Services Director, the Internal Audit and Risk Control Director and the General Secretary and secretary of the Board, who acts as secretary.

As regards **MAIN CORPORATE AGREEMENTS** on corporate governance adopted by the Board of Directors in 2022, the following were mentioned:

1. At the meeting held on 25 January 2022, it agreed to approve the update of the general powers structure of the companies wholly owned by the group in Spain, arising from the development of the new businesses in Redeia in recent years, the corporate process and the new organisational structure following the approval of the group's 2021-2025 Strategic Plan.
2. At this same meeting held on 22 February 2022, the Board approved the Corporate Governance Report of Red Eléctrica Corporación, S.A. and the Annual Report on Directors' Remuneration for 2020, and authorised for issue the financial statements of Red Eléctrica Corporación, S.A. and its Consolidated Group for 2020.
3. At the meeting held on 29 March 2022, it agreed to approve the 2021 Diversity Report and the 2021 Annual Sustainability Report.
4. At the same meeting, it agreed to approve the proposal for the Action Plan arising from the 2021 Board's self-assessment process.
5. Also, at the ordinary meeting held in March 2022, she agreed to re-elect Ms Carmen Gómez de Barreda Tous de Monsalve as Independent Coordinating Director of the Company for 3 years, in accordance with the Articles of Association and Board Regulations.
6. At its meeting held on 26 April 2022, the Board resolved to approve the update of the 2021-2025 Strategic Plan of the group.
7. At its meeting held on 5 May 2022, the Board agreed to appoint Ms Esther María Rituerto Martínez as dominical director of Red Eléctrica Corporación, S.A., in representation of Sociedad Estatal de Participaciones Industriales (SEPI), until the first General Meetings' Minutes is held, in order to fill the only vacancy existing in the Board as a result of the resignation tendered by Ms María Teresa Costa Campi from the post of dominical director, representing Sociedad Estatal de Participaciones Industriales (SEPI), to which he was appointed for four years by resolution of the Ordinary General Meetings' Minutes held on 22 March 2019, resignation which became effective at the Board meeting held on 29 March 2022, all in accordance with the proposal made by Sociedad Estatal de Participaciones Industriales (SEPI) and with the report issued by the Appointments and Remuneration Committee".

8. At the same meeting, it agreed to submit the re-election as independent directors of Ms Fernández Larrea and Mr Antonio Gómez Ciria to the 2022 Annual General Meeting, and as the lead director of Mercedes Real Rodríguez, and the ratification and appointment as lead director of Ms Esther María Rituerto Martínez.
9. At this same meeting, in addition to the proposals relating to these appointments, the Board approved all the proposed resolutions and reports to be submitted to the shareholders at the Annual General Meeting of 2021, which was then called. These proposals are as follows:
 - Approve the financial statements (balance sheet, income statement, statement of changes in total equity, statement of recognised income and expense, statement of cash flows and notes to the financial statements) and the Red Eléctrica Corporación, S.A.'s directors' report for 2021.
 - Approve the consolidated financial statements (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 the consolidated directors' report of the Consolidated Group of Red Eléctrica Corporación, S.A. and Subsidiaries for 2021.
 - Approve the distribution of profit proposed by the Board at its meeting on 22 February 2022 and, therefore, distribute the profit for 2021, which amounts to EUR 559,108,066.99 as follows:
 - Inspect and approve, if applicable, the report on non-financial information of the Consolidated Group of Red Eléctrica Corporación, S.A. for 2021
 - Approve the management of Red Eléctrica Corporación, S.A.'s Board for 2021.
 - In relation to remuneration:
 - ◆ Approve the Annual Directors' Remuneration Report of Red Eléctrica Corporación, S.A.
 - ◆ Approve the remuneration for Red Eléctrica Corporación, S.A.'s Board for 2022.
 - Appoint the auditor of the Parent and the Consolidated Group for 2023, 2024 and 2025.
 - Grant authority to implement the resolutions passed by the shareholders at the 2021 Annual General Meeting.
 - Report to the Annual General Meeting on the Annual Corporate Governance Report of Red Eléctrica Corporación, S.A. for 2021.
 - Report to the Annual General Meeting on the Annual Sustainability Report of the group for 2021.
10. At the meeting held on 31 May 2022, it agreed to appoint the Sunday director, Ms Esther María Rituerto Martínez, as a member of the Sustainability Committee of Red Eléctrica Corporación, S.A., for the 4-year term stipulated in the Board Regulations, in accordance with section 24 bis of the Articles of Association and 18 BIS of the Board Regulations.
11. At the same meeting, it agreed to approve the proposed update of the group's Sustainability Policy, and the proposed Commitment to promoting and respecting the group's Human Rights.
12. At the meeting held on 28 June 2022, it agreed to transfer the corporate website of Red Eléctrica Corporación, S.A., which became www.redeia.com, in accordance with section 11 bis of Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Corporate Enterprises Act.
13. At a meeting held on 25 October 2022, it agreed to approve the 2023-2025 Sustainability Plan for Redeia.
14. At the meeting held on 29 November 2022, it agreed to approve the diversity policy of the Board and the appointment of directors of the Company.
15. Lastly, at this same meeting, it was resolved to approve the update to the contingency plans for the succession of the Chair of the Board and CEO.

The resolutions were reported to the CNMV in 2022, and are available on the Company's website at the following link, [Shareholders and Investors - Other relevant information](#), and on the website of the Spanish National Securities Market Commission at the following link, [CNMV - Red Eléctrica Corporación - Other relevant information](#).

3.3. Committees

The Company has three Board committees, the Sustainability Committee, the Audit Committee, and the Appointments and Remuneration Committee. The three committees were formed by the Board to support its responsibilities, mainly on a technical basis, and to achieve greater efficiency and transparency.

The structure, composition, functions and responsibilities of the committees are established in articles 22 to 24 bis of the Articles of Association and developed in sections 14 to 18 ter of the Board Regulations. Both sets of corporate rules are fully in line with the latest reforms of the Corporate Enterprises Act, the Code of Good Governance and the most recent international practices and recommendations in relation to the composition of the committees and to the independence and qualifications of their members.

At the end of 2018, a process was initiated to review the Board Regulations to update the functions of the three Board Committees, which culminated in their approval at the Board meeting held on 19 February 2019.

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

3.3.1. Audit Committee

3.3.1.1. Composition

The Audit Committee is made up of four members, all of them appointed from among the non-executive directors, with the majority of them being independent directors, for four years (section 15 of the Board Regulations).

In 2022, the Audit Committee was made up exclusively of non-executive directors, with the majority independent directors.

The composition of the Company's Audit Committee at 31 December 2022 was as follows:

Audit Committee	
● Independent non-executive directors (3)	● Antonio Gómez Ciria (chair)
● Proprietary non-executive directors (1)	● José María Abad Hernández
	● José Juan Ruiz Gómez
	● Mercedes Real Rodrigálvarez

Highlights of 2022:

- 75% of its members are **independent directors**.
- There is one woman on the Audit Committee, representing 25% of the total members.
- Before the approval of CNMV Technical Guide 3/2017 for Audit Committees in Public Interest Entities of 27 June 2017, the Company was already following its recommendations in relation to diversity in the composition of the Audit Committee, given that its members have knowledge and experience in accounting or auditing, or both, and in management, economics, finance and business.

The directors comprising the Committee are particularly well qualified for their position and have extensive professional experience, having held positions of the highest responsibility outside Redeia where they performed functions related to those entrusted to the Committee. From the professional profiles of its members, they highlight their knowledge and experience in accounting, auditing or both, which have been taken into account for their appointment, in accordance with section 529 quaterdecies of the LSC and Recommendation

39 of the GGCLS, when establishing in section 15.2 of the Board Regulation that, in addition to considering the knowledge and experience in accounting and auditing, for the appointment of the members of the Audit Committee, and in particular that of its chairman, their knowledge and experience in risk management in the broad sense will be taken into account, including, therefore, financial and non-financial risks.

The chair of the Committee is chosen by its members from among its independent directors, and its secretary is the secretary to the Board.

3.3.1.2. Responsibilities and activity

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

In recent years, following outstanding corporate governance recommendations, the individual and consolidated financial statements submitted to the Audit Committee for approval by the Board have been previously certified by the Chief Executive Officer and the Corporate Finance Manager.

Following the restructuring of the Board committees, the functions of the above Committee were reviewed, within the process of reviewing the Board Regulation, and the Board meeting held on 19 February 2019 approved the update of its functions established in section 16 of the above Regulation, mainly to include certain aspects relating to the regulatory compliance system.

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

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

More detailed information on the matters dealt with by the Audit Committee in 2021, and the changes in the composition of the Committee during this year, is available on the Company's website at the following link, [Annual Activities Report of the Audit Committee for 2022](#).

3.3.2. Appointments and Remuneration Committee

3.3.2.1. Composition

The Appointments and Remuneration Committee is made up of three members, all of them appointed from among the non-executive directors, with the majority of them being independent directors, for four years (section 17 of the Board Regulations).

In 2022, the Appointments and Remuneration Committee was made up exclusively of non-executive directors, with the majority independent directors.

The composition of the Company's Appointments and Remuneration Committee at 31 December 2022 was as follows:

Appointments and Remuneration Committee

- *Independent non-executive directors* (2)
 - Socorro Fernández Larrea (chair)
 - Marcos Vaquer Caballería
- *Proprietary non-executive directors* (1)
 - Ricardo García Herrera

Highlights of 2022:

- In March **re-elected the Chair of the Committee** for four years as a result of the end of the term of office (Article 17 of the Board Regulation).
- **66.7%** of its members are **independent directors**.
- There is one woman on the Appointments and Remuneration Committee, representing 33.3% of the total members.

As regards **directors' professional profile** who are members of the Committee, are particularly qualified professionals for the performance of their duties, with long professional experience and having held senior positions outside Redeia in functions related to those entrusted to the Committee, so that all Committee members have a proven capacity to perform the functions entrusted to the Committee for their extensive experience and knowledge.

The chair of the Committee is chosen by its members from among its independent directors, and its secretary is the secretary to the Board.

3.3.2.2. Responsibilities and activity

The Committee's functions include, among others, those related to the appointment and removal of directors and senior executives who report directly to the Board, the chair or the CEO, the directors' remuneration policy, compliance with directors' duties, corporate governance rules and principles, and to employees of Group companies. It also prepares an annual report on diversity and equality, which it submits to the Board for approval. The Committee's functions regarding employees of Group companies most notably includes the responsibility to keep up-to-date at all times, pursuant to best corporate governance practices, a protocol for relations between the Board and the employees of Group companies to ensure protection of their well-being and interests. Article 18 of the above Regulation is available in full.

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

In 2022, the Audit Committee held twelve (12) meetings, one (1) of them extraordinary, reporting the same number of times to the Board on the activities performed by the Committee. The Committee meetings were held well in advance of the Board meetings.

All members attended its meetings either in person or by video-conference. There were no absences or attendance by proxy, and, therefore, there were a total of 36 attendances in person, for an attendance rate of 100%.

More detailed information on the matters dealt with by the Appointments and Remuneration Committee in 2022, is available on the Company's website at the following link, [Annual Activities Report of the Appointments and Remuneration Committee for 2022](#).

3.3.3. Sustainability Committee

3.3.3.1. Composition

The Sustainability Committee was established pursuant to sections 22 of the Articles of Association and 14 of the Board Regulations, and in accordance with Recommendation 53 GGCLS.

The Sustainability Committee was established by an agreement of the Board dated 27 November 2018, following a favourable report from the Appointments and Remuneration Committee. The existence of the Sustainability Committee responds to the strategic nature that the Board grants to sustainability in the group of companies, helping to strengthen Redeia's position on sustainability and corporate governance.

The Sustainability Committee is made up of three members, all of them appointed from among the non-executive directors, with the majority of them being independent directors, for four years (section 18 bis of the Board Regulations).

Since its creation, the Sustainability Committee has been made up exclusively of non-executive directors, with the majority independent directors.

The composition of the Company's Sustainability Committee at 31 December 2022 was as follows:

Sustainability Committee	
● Independent non-executive directors (2)	● Carmen Gómez de Barreda Tous de Monsalve (Chair)
● Proprietary non-executive directors (1)	● Elisenda Malaret García
	● Esther María Rituerto Martínez as nominee director

Highlights of 2022:

- In July **an independent director** was **appointed as member** of the Committee for four years (section 18 bis of the Board Regulations).
- **66.7%** of its members are **independent directors**.
- There are three women on the Sustainability Committee, representing 100% of the total members.

As regards **professional profile of directors** who are members of the Committee, are particularly qualified professionals for the performance of their duties, with long professional experience and having held senior positions outside Redeia in functions related to those entrusted to the Committee, so that all Committee members have a proven capacity to perform the functions entrusted to the Committee for their extensive experience and knowledge.

The chair of the Committee is chosen by its members from among its independent directors, and its secretary is the secretary to the Board.

At 31 December 2022, the chair of the Sustainability Committee is the Company's lead independent director.

3.3.3.2. Responsibilities and activity

The functions of the Sustainability Committee include, among others, those related to ethical leadership, compliance with the group's sustainability policy, sustainability actions and proposals, the 2030 Sustainability Commitment, sustainability policy and its relationship to the Strategic Plan, interaction with different stakeholders, the annual report on ethical management at the group, sustainability disclosures in accordance with international benchmarks, the review and validation of reports on specific sustainability areas and oversight of compliance with the Code of Ethics. The functions of the Sustainability Committee were

incorporated into the Board Regulation in section 18 B following the amendment of this Regulation, which was approved at the meeting held on 19 February 2019, and in section 24 bis of the Articles of Association.

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

In 2022, the Sustainability Committee held eleven (11) meetings, all of them ordinary, reporting the same number of times to the Board on the activities performed by the Committee. The meetings were attended either in person or by video-conference. Over the course of the year there was only one absence, where a director designated a proxy with instructions, and therefore there were a total of 30 attendances, for an attendance rate of 96.77%. To this end, we must take into account the existence of a vacancy in two meetings of the Sustainability Committee attended by two members as a result of the resignation of María Teresa Costa Campi, effective from the end of the Board meeting held on 29 March 2022, until the date of appointment of Esther María Rituerto Martínez as a member of the Sustainability Committee on 31 May 2022.

More detailed information on the matters dealt with by the Sustainability Committee in 2022, and the changes in the composition of the Committee during this year, is available on the Company's website at the following link, [Annual Activities Report of the Sustainability Committee for 2022](#).

3.4. Relations with management

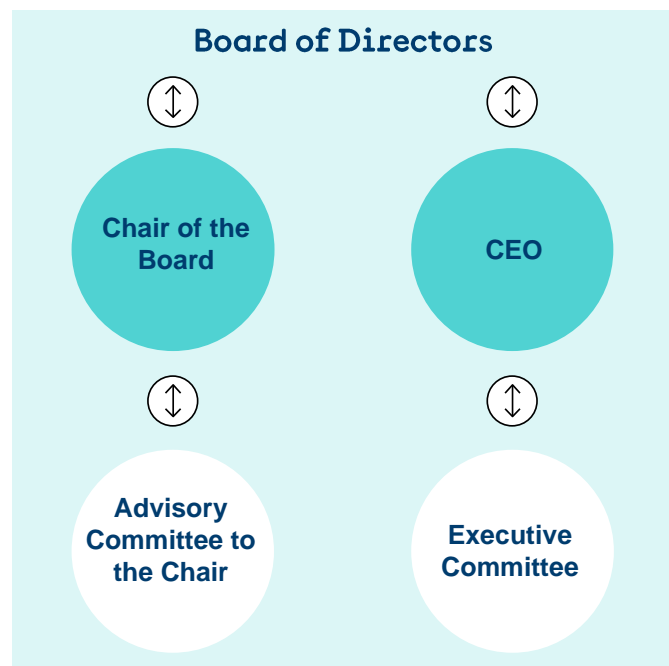
The Board's policy is to delegate the ordinary management of the Company and the group to the executive bodies and the management team and to concentrate on its general supervisory function and the approval of basic operating guidelines.

However, as a result of the separation of the positions of Chair of the Board and CEO, the Company has two clearly differentiated management bodies composed of the Company's top executives:

- Advisory Committee to the Chair, headed by the Chair of the Board.
- Executive Committee, chaired by the CEO.

The secretary to the Board serves as secretary of both committees.

The structure and functioning of both committees replicates, within the organisation, the model of separation of functions between the non-executive chair and the CEO, so that the committee chaired by the former takes care of overall supervision and strategic oversight, while the committee chaired by the latter continuously monitors the business and corporate activities on an ongoing basis.



4. Balance of powers in the Board

The Company has been taking steps and implementing new measures in its corporate governance structure since 2012, in line with an international trend in corporate governance, especially in Europe, that recommends that listed companies separate the positions of Chair of the Board and chief executive (CEO), so that each is held by a different person.

Counterbalancing measures adopted by the Company

- The Chair of the Board appointed in 2012 never became a member of the Appointments and Remuneration Committee, notwithstanding their appointment as executive chair and Chair of the Board.
- The position of lead independent director was voluntarily created, at the proposal of the Board, by the shareholders at the Annual General Meeting held in April 2013, with Carmen Gómez de Barreda Tous de Monsalve being appointed as lead independent director.
- The Board is currently composed of a significant majority of independent directors (58.3%), who act as a counterbalance and balance of powers in the composition of the Board.
- The procedure for selecting and appointing directors has been strengthened in recent years to improve diversity in its broadest sense, not only in terms of gender, but also in terms of experience, knowledge, age, nationality or length of service of the directors, among others, in the composition of the Board and its committees.
- The Board' skills and competencies matrix first approved in 2018 and permanently updated, is a tool for monitoring and improving the overall quality of the Board.
- The Board has voluntarily reserved certain non-delegable responsibilities in its Rules of Procedure that cannot be exercised either by the CEO or the Board committees.
- At each of its regular meetings, the Board also exercises immediate effective control of the ordinary, extraordinary and urgent actions of the CEO.
- The Board committees, made up of 75% of independent directors in the case of the Audit Committee, and 66.7% in the case of the Appointments and Remuneration Committee and the Sustainability Committee, have broad functions in the Board Regulations.
- For several years the Board has been conducting an annual self-assessment, with advice from independent external experts, and publishes the conclusions in the Annual Corporate Governance Reports.
- Since 2010, the Company voluntarily submitted the Annual Directors Remuneration Report, and since 2007, the annual Board remuneration, for approval by the Annual General Meeting, as separate and independent points of the General Meeting Agenda, incorporating maximum information and information on comparable companies.
- The Company has voluntarily limited the term of office of its directors to four years, when the legal maximum is six years.

All these practices, together with the need to have a Board of Directors that is fully committed, well balanced and diverse in terms of gender, experience and knowledge, among other aspects, supported by ongoing refresher programmes for technical know-how, and that acts in accordance with the principle of transparency and quality reporting to the markets, constitute sufficient counterbalancing measures that ensure a robust corporate governance system. This has helped the Board to effectively perform its general supervisory function and oversee the work of the management team and the then executive chair, until the formal and definitive separation of the two positions.

4.1. Separation of the roles of chair and CEO

In response to the commitment made by the Company at the General Meeting held in April 2012 and to best international practices in corporate governance, the Board submitted to the General Meeting held in extraordinary session in July 2015 and convened exclusively for this purpose, the separation of the positions of Chair of the Board and Chief Executive Officer of the Company, and the subsequent appointment of the executive director. Both proposals received the favourable vote of 99% of the shareholders, with a quorum of 58%. The Board appointed the new executive director as CEO of the Company in July 2015.

A transitional period was established, which ended at the Annual General Meeting held on 15 April 2016, when the separation of functions between the office of Chair of the Board and the position of CEO was completed. Since this General Meeting, the Chair of the Board has only had the responsibilities inherent to this position.

Following the replacement of the CEO in May 2019 and the appointment of the new non-executive Chair of the Board in February 2020, the model of separation of the positions of Chair of the Board and chief executive officer (CEO) of the Company approved in 2015 has been maintained and is working satisfactorily. The non-executive chair has assumed supervisory responsibilities and corporate functions that are of a strategic nature for the Company and the CEO is responsible for leading the management of the Company's business.

The Chair of the Board, Chair of the Company and Redeia

The Chair of the Board is the Chair of the Company, and she was therefore the Chair of Redeia, in accordance with article 25 of the Articles of Association.

At the meeting held on 28 January 2020, the Board took note of the resignation presented by the previous chairman as director and, therefore, as non-executive chairman of the Board and the Company. At the same meeting, the Board resolved to implement the Contingency Plan for the succession of the chair, which has proved to be a key tool for distributing the functions performed by the chair among the CEO, the lead independent director and the chair of the Audit Committee.

At a meeting held on 25 February 2020, the Board appointed **Beatriz Corredor Sierra** Director of Red Eléctrica Corporación, S.A., in the 'other external' category, at the proposal of the Appointments and Remuneration Committee, until the first General Meeting was held, to fill the existing vacancy on the Board. Her appointment was submitted for ratification at the Annual General Meeting held on 14 May 2020, with 98.48% voting in favour.

In accordance with article 21 of the Articles of Association and section 9 of the Board Regulations and following a favourable report from the Appointments and Remuneration Committee, the Board appointed Beatriz Corredor Sierra at its meeting held on 25 February 2020. **Chair of the Board and non-executive Chair of the Company.**

Since then, the Chair of the Board has discharged, among others, the following functions:

- Institutional representation of the Company and of the group.
- Promotion and oversight of the policies and strategies of the Company and the group.
- Strategic corporate functions, including, inter alia, institutional relationships, communication and territory, sustainability and studies, and internal audit and risk control.
- Leadership and promotion of the group's technological and digital transformation.
- The function of safeguarding the principle of independence of the Electricity System Operator and proper separation of regulated and unregulated activities.

The Chair of the Board is elected from among its members, following a report from the Appointments and Remuneration Committee, and she is the head of the management and effective functioning of the Board. Under the corporate rules, if the position of chair is held by an executive director, the appointment will require the vote in favour of two-thirds of the Board members.

The Board, in the Board Regulation, reserved, on an indelegable basis, the responsibilities and competencies it considers strategic, which were extended in December 2016 and reviewed in the process of updating the Board Regulation performed in 2019 and March 2020. The responsibilities that cannot be delegated may not be assumed by Chair of the Board, the CEO or the Board committees.

Section 529 sexies of the LSC, which was incorporated in the reform approved by Spanish Law 31/2014, of 3 December, which amended the Corporate Enterprises Act to improve the Corporate Governance, regulated for the first time the powers of the Chair of the Board, which indicated that he had the greatest responsibility for the effective functioning of the Board.

The Annual General Meeting held on 15 April 2015 approved the amendment of the Articles of Association to be fully adapted to the LSC, and specifically section 25 thereof, as a novelty, the powers established for the Chair of the Board were incorporated in the above section 529 sexies of the LSC.

In addition to section 25, the Articles of Association in sections 20 and 21 attributed to the Chair of the Board the functions of permanent representation of the Board, the duty to vote on Board matters once they are considered sufficiently debated and to ensure that the Board resolutions are complied with.

In addition, Recommendation no. 33 of the Spanish Code of Good Governance for Listed Companies expanded the powers of the Chair of the Board.

Section 9 of the Company's Board Regulations clearly adapted to the LSC, the GGCLS and the changes in organisation and functioning that arose from the completion of the process of separation of the positions of Chair of the Board and CEO, among other aspects, the figure of the Chair of the Board.

The General Meeting Regulations also established, for years, in section 12 thereof, the responsibility of the Chair of the Board to chair the General Meeting, anticipating the legal forecast introduced with the reform of the 2014 LSC and, in its absence, the Deputy Chair to which it relates, by rank or greater seniority in office, and, failing that, the person appointed by the Board and, in the absence of such appointment, the Director or shareholder who at their free choice appoint the shareholders to attend each meeting.

Main responsibilities of the Chair of the Board, chair of the Company and of Redeia

- Ensure that sufficient time is devoted to strategic issues.
- Call and chair Board meetings, setting the agenda and leading the discussions and deliberations.
- Prepare and submit to the Board a schedule of meeting dates and, where appropriate, the matters to be discussed.
- General Meeting Regulations.
- Ensure that directors receive sufficient information in advance to be able to discuss the items on the agenda.
- Encourage debate and active participation of all directors during the meetings, safeguarding their rights to freely adopt positions.
- Participate, in coordination with the Appointments and Remuneration Committee and the Independent Coordinating Director, in the regular assessment process of the Board, and that of the CEO.
- Review the refresher programmes for directors when advisable.

CEO

The regulation of the position and functions of the Chief Executive Officer and the delegation of powers was established in sections 22 to 25 of the Articles of Association, and their responsibilities were specified in the document 'Process of separating the positions of Chair of the Board and Chief Executive Officer (Chief Executive Officer) of the Company' and in section 11 of the Board Regulations.

The CEO of the Company is **Roberto García Merino**. At the meeting held on 27 May 2019, the Board appointed him as Chief Executive Officer of the Company after his appointment as executive director of the Company, until the first General Meeting met, to fill the only vacancy existing on the Board, which arose as a result of the resignation submitted by the person previously holding the position of executive director. His appointment was submitted for ratification at the Annual General Meeting held on 14 May 2020, with 98.98% voting in favour.

The CEO is **ultimately responsible for the day-to-day conduct and effective management of the organisation and businesses of the Company and the group.**

Without prejudice to the powers vested in the Chair of the Board, the Chief Executive Officer has the status of the Company's chief executive officer and it is responsible, under the Board's supervision and supervision, for the ordinary management and effective management of the organisation and business of the Company and the group, in accordance with the policies, strategies, decisions and criteria established by the shareholders at the General Meeting and the Board within the scope of their respective competencies.

Main responsibilities of the CEO

- Conduct, coordinate and promote the management of the organisation and business areas of the Company and the group.
- Lead, promote and guide the execution and implementation of the Strategic Plan and the Budget of the Company and the group.
- The efficient implementation of the internal control and risk management system approved by the Board at the Company and in the group and the proper monitoring of its proper functioning.
- Regular reporting and reporting to the Board on the degree of implementation and compliance with the Strategic Plan and the budget, the functioning of the risk management system implemented and the degree of progress in managing the group's business areas, which allow the Board to adequately and effectively exercise its overall supervisory and control function.

In any case, the Chief Executive Officer will report directly to the Board on the performance of their duties, without prejudice to regularly informing the Chair of the Board of the progress of the Company's and the group's businesses and other areas under their responsibility.

In accordance with the Company's corporate rules, the Board may appoint one or more directors as delegates from among its members, following a proposal from the Appointments and Remuneration Committee.

Those regulations also indicate that the CEO or directors may be directors other than the Chair of the Board and may have any powers delegated to them as is considered appropriate, although with the necessary scope for the day-to-day conduct and effective management of the Company's business lines, always specifying the content, limits and types of delegated authority.

Without prejudice to the powers corresponding to the position of Chair of the Board, the Chief Executive Officer will have the status of Chief Executive Officer of the Company and will be responsible for the ordinary management and effective management of the Redeia organisation and business, in accordance with the decisions and criteria established by the General Meeting and the Board in the areas of their respective competencies.

As indicated above, as a result of the separation of the positions of CEO and Chair of the Board, the Company's executive team has two clearly differentiated executive bodies: **the Executive Committee**, which is chaired by the CEO, and the **Advisory Committee to the Chair**, which, as indicated by its name, is responsible for advising the chair (who also chairs the committee) on the matters within their remit.

4.2. Selection and succession processes

As regards the selection processes, it should be mentioned, as already indicated in paragraph 1 of this Report, that Law 11/2018, of 28 November, which amended, among others, the consolidated text of the Corporate

Enterprises Act, on non-financial information and diversity, requires listed public companies to include, in the Annual Corporate Governance Report, a description of the diversity policy applied in relation to the board of directors and the specialised committees that form part of it, as regards issues such as age, gender, disability or the training and professional experience of its members; including its objectives, the measures taken, the manner in which they have been implemented and, in particular, the procedures to ensure that a number of women and men are included on the board to reach a balanced presence of women and men and the results achieved in the reporting period, and the measures that, where appropriate, have been agreed in relation to these matters by the appointments committee. Companies must also disclose whether information was provided to shareholders on diversity criteria and objectives when electing or renewing board members and the specialised board committees.

It should be noted that Redeia seeks to ensure the diversity understood in the broad sense, both within the Board and its committees and across the organisation, which reflects the Company's concern for diversity and equality in order to strike a balance within the Board and throughout the organisation.

The procedure for selecting and appointing directors has been strengthened in recent years to improve diversity in its broadest sense, not only in terms of gender, but also in terms of experience, knowledge, age, nationality or length of service of the directors, among others, in the composition of the Board and its committees. Similarly, comprehensive diversity in the Board one of the practices embedded within that **Corporate Governance Policy**. *The Company applies the principle of promoting diversity, in its broadest sense, not only in terms of gender but also bearing in mind the experience, knowledge, age, nationality or length of service in the post of the board directors, among other aspects, in the composition of the Board and its Committees as an essential factor to enable it to achieve its objectives with a plural and balanced vision.*

Furthermore, Redeia applies the principle contained in the Corporate Governance Policy of “ensuring the existence of appropriate procedures for the selection of directors, which guarantee a reasonable balance and comprehensive diversity within the Board in order to adequately perform the tasks entrusted to it”.

As regards **Board diversity and appointment of directors policy**, the Board, on 29 November 2022, approved the above Policy in order to consolidate in a single document the guidelines that guarantee diversity in the broad sense in the Board, together with the process of selecting and appointing directors.

Board diversity and appointment of directors policy

Target

- **The Policy also aims to promote diversity in a broad sense in the composition of the Board**, among other aspects, in terms of knowledge, training, experience, age, capacity and gender.

The requirements for the selection of Board members must be aimed at achieving a diverse and balanced composition of the Board as a whole and, equally, as regards its committees, so that it enriches the analysis and debate, provides views and pluralistic positions, promotes decision-making based on the nature and complexity of the business, and the social and environmental context, and allows directors to enjoy due independence in exercising the functions attributed to them by law, the Articles of Association and the other corporate governance rules of the Company.

- **The purpose of this Policy is to ensure that proposals for the appointment or re-election of directors are based on a prior analysis of the skills required by the Board**, collecting the catalogue of principles on which the selection procedures for the Board members must be based, and based on criteria of capacity and objective merits.

In addition, in 2018, the Appointments and Remuneration Committee and the Board performed a process to assess the competences and knowledge of Board members, culminating in the approval of a **Board competences matrix**, individualised by director. The application of the matrix of individual competencies of the directors, which reflects the competencies, experience, knowledge, professionalism, suitability, independence of judgement, qualities and capacities established in the Corporate Governance Policy that Board members must have, makes it easier to supervise overall Board diversity and facilitates informed decision making.

The matrix consists of three blocks (experience-knowledge in the sector of activities and strategic priorities of the Company, functions related to the responsibilities of the Board and diversity), which in turn comprise a total of twenty-three categories reflecting the experience and knowledge of the Board members in aspects such as: the energy and telecommunications sector, finance, capital markets, business strategy and development, infrastructure management, boards of directors of public and private entities, sustainability, risk management and compliance, digital transformation, and gender, age or length of service as a director, among others.

The Board's skills and competencies matrix is a tool of good governance that facilitates the supervision of the overall and individual balance, diversity and quality of the Board at all times and is aligned with the most advanced international practices recommendations on corporate governance.

This skills matrix is reviewed on a continuous basis so that it is always up to date and in line with the strategy of Redeia. In 2021 the skills matrix also underwent a review process with the support of an international external consultant.

In addition, before issuing its report or making a proposal to appoint a director, the Appointments and Remuneration Committee always analyses the diversity of profiles and contributions of the current Board members, so that the Board has the knowledge and experience necessary at all times to successfully meet the coming challenges and progress efficiently and proactively in fulfilment of the strategies and objectives of the Company and Redeia.

In preparing the corresponding proposal, and when considered appropriate, the Appointments and Remuneration Committee, among other proposals and suggestions, seeks the opinion of head-hunters specialised in the recruiting process of directors, who put forward various candidates and issue reports on each one of them, in which they assess the candidate's competencies and experience. These reports are carefully analysed and assessed by the Appointments and Remuneration Committee before a report and/or appointment proposal is submitted to the Board.

The proposals of directors and the associated reports the Company has posted on its website, both in Spanish and in English, which were submitted to the Annual General Meeting held on 07 June 2022, transparently reveal the commitment undertaken by both the Appointments and Remuneration Committee and the Board towards diversity in the composition of the Board. In such proposals and reports the Appointments and Remuneration Committee and the Board drew on the criteria that define the profile and the requisite traits considered appropriate for directors in order to establish the qualities, competencies and experience that the suitable candidate directors should have, and assessed and applied them in the selection processes for the directors who were submitted for the approval of the aforesaid General Meeting.

The nominations of directors and the associated reports that were submitted to the shareholders at the 2022 Annual General Meeting may be consulted on the corporate website, via the following link: [Proposals and reports on the appointment of Directors submitted at the 2022 General Meeting](#).

Article 22 of the Board Regulations establishes that the Board of Directors, within the scope of its powers, will ensure that the candidates nominated are persons of good standing, competence and experience who ensure diversity on the Board in its broadest sense, considering among other aspects: gender, experience, training, knowledge and personal characteristics. Furthermore, the Board will safeguard that the procedures for selection of its members are free from implied biases that may entail any kind of discrimination.

In this context, it is important to highlight the important role of the Appointments and Remuneration Committee in promoting diversity on the Board, since, as laid down in article 24 of the Articles of Association and in section 18 of the Board Regulations of Directors, this Committee is responsible for promoting a representation objective for the under-represented gender on the Board. It is also responsible for evaluating the competencies, skills, knowledge and experience necessary on the Board, submitting to the Board the proposals for the appointment of independent directors and reporting on proposed appointments of the other board members, among other duties.

Similarly, the Board of Red Eléctrica Corporación, S.A. (also the 'Company'), several years ago voluntarily undertook the commitment to comply with the recommendations laid down regarding diversity, pursuant to the provisions of article 18.4 I) of the Board Regulations. Said article established the obligation of the Appointments and Remuneration Committee to prepare an annual report on diversity that will be submitted to the Board for approval. That reflects the Company's concern for diversity and equality. Therefore, for years, measures have been analysed and adopted to achieve a balance of skills and competencies both within the Board and throughout the entire organisation.

The last annual diversity report was approved by the Board on 22 April 2022. This report refers to 2021 and includes data on diversity in a broad sense, not only regarding gender but also considering the experience, knowledge, age or length of service of the directors on the Board, and in the organisation, including information on a larger number of Redeia companies. That report is published on the corporate website through the following link: [Diversity Report 2021](#).

The diversity report for 2022 is scheduled for approval at the end of the first four months of 2023.

In this field, the signing of the General **Protocol on the Balanced Participation of Women on Boards** and the **General Protocol on the Balanced Participation of Women in Pre-Managerial & Directorship positions and Steering Committees**, both within the framework of the 'more women, better companies' initiative, both signed with the Ministry of the Presidency, Parliamentary Relations and Equality, is noteworthy. This highlighted the Board's commitment to diversity, taking into account that despite having 6 women on the Board, representing 50% of the total Board (above the 40% indicated in additional provision one of Spanish Law 3/2007, of 22 March), it agreed to continue making progress in this area.

The Company will therefore continue to allocate the necessary resources and means to develop mechanisms that promote the presence of qualified women both on the Board and its committees and in executive positions and positions of responsibility in the organisation, so as to put into effect and consolidate the Company's diversity management model.

Appointment and re-election of directors

The procedure is regulated in sections 21 to 23 of the Board Regulation. In accordance with the above sections, the directors will be appointed by the General Meeting or the Board of Directors by co-option. The appointments, including by co-option, or the re-election of directors will be proposed by the Appointments and Remuneration Committee, in the case of independent directors, and by the Board itself in the case of all other directors.

In all cases, the proposal must be accompanied by an explanatory report from the Board, which assesses the competence, experience and merit of the proposed candidate and will be attached to the minutes of the General Meeting or the Board meeting.

The proposal for appointment or re-election of any non-independent director must also be preceded by a report from the Appointments and Remuneration Committee.

The Board, within the scope of its powers, will ensure that the candidates selected are persons of good standing, competence and experience, ensuring diversity of gender, experience and knowledge on the Board.

To appoint external directors, the Board must follow the candidate appointment and assessment policy approved by it and may use external advisors when it deems it necessary.

Directors will serve for the term indicated in the Articles of Association.

Article 20 of the Articles of Association sets the term of office for directors at four years, and directors may be re-elected indefinitely, without prejudice to the authority of the shareholders at the General Meeting to remove directors at any time. In accordance with section 7 of the Board Regulations, independent directors may not remain as such for a continuous period of more than twelve years.

Removal of directors

Section 24.1 of the Board Regulations stipulates that directors will cease to hold their position when the period for which they were appointed has elapsed or when the General Meeting decides to remove them exercising the powers conferred by law or the Articles of Association. The Board will not propose the removal of independent directors before the end of the term stipulated in the Articles of Association for which they were appointed, unless the Board considers there is just cause to do so, subject to a report by the Appointments and Remuneration Committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them from allocating sufficient time to discharge the duties of director or are in breach of their fiduciary duties or come under one of the disqualifying grounds outlined in section 7.2 c) of the Board Regulations preventing them from being classified as independent. The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the Company's capital structure, provided the changes in Board membership ensue from the proportionality criterion set out in section 7.1 c) of those Regulations.

Likewise, the directors must relinquish their position to the Board and execute, if the Board considers it appropriate, for the corresponding resignation in the cases stipulated in section 24.2 of the Board Regulations.

Committee members will be relieved of their duties once they cease to be directors.

When a director ceases to hold office before the end of his term of office, whether due to resignation or other reason, he will explain the reasons in letter that he will send to all Board members, and, without prejudice to the fact that this termination is disclosed to the market in accordance with current law, he will recognise the reason for it in the Annual Corporate Governance Report, sending us as regards the latter to the information indicated in section C.1.2 of the Official Schedule to this report corresponding to the model in Schedule I of Circular 3/2021, of 28 September, of the Spanish National Securities Market Commission.

Review of the contingency plans for the succession of the Chair of the Board and the CEO.

The "**Contingency plan for the succession of the chair of the Board**" and the "**Contingency plan for the succession of the chief executive officer**" set out the profiles and functions of the positions of chair of the Board and CEO and lay down the actions to be taken immediately by the Company if unexpected or unforeseeable events prevent the chair of the Board and the CEO from performing their duties during their term of office. These plans must be reviewed at least once a year. Both plans set out detailed objectives, the events that trigger their activation, the responsible bodies and the actions to be taken in each phase, from the first 24 hours through the first month, assigning specific roles and responsibilities and avoiding risks of an unforeseen and disorderly succession.

One of the main responsibilities of the Board is to ensure the continuity of the Company's functioning in the face of contingencies and/or contingencies, orderly planning for the succession of the position of chairman and CEO. This is also a good practice at the international level and a recommendation of the Good Governance Code for Listed Companies (Recommendation 34), and codes of good governance of other advanced economies in relation to the professionalisation of corporate governance, as is the case with the Anglo-Saxon world.

At the meeting held on 27 October 2011, the Board of Directors approved its first Succession Plan for the Chair of the Company. The objective was to reduce the impact that the relay could have on the organisation, seeking to maintain continuity in corporate business and to reduce, as far as possible, the risks or negative effects that could arise as a result of the appointment of a new president until their full adaptation to the position.

Since 2011, the Company has undergone significant structural changes on the Board that have directly affected the primitive Plan: in May 2013 the figure of the deputy director was created and in July 2015, at the Extraordinary General Meeting, the separation of the positions of chairman of the Board and CEO was approved.

In 2022, work was performed on the update of both plans and, at the proposal of the Appointments and Remuneration Committee, the updates of both the "Contingency plan for the succession of the Chair of the Board" and the "Contingency plan for the succession of the CEO" were approved at the Board meeting held on 20 December 2022.

The **Contingency plan for the succession of the Chair of the Board** was implemented for the first time, with very satisfactory results, after the former Chair of the Board tendered his resignation at the Board meeting held on 28 January 2020. This plan proved to be a **key tool for distributing the functions of the chair among the CEO, the lead independent director and the chair of the Audit Committee**.

After this plan was triggered, the following steps were taken:

1. The Independent Coordinating Director took over the management of the Board and temporarily chaired the Board meetings, and the Chief Executive Officer, in addition to his own duties, managed the Company's representation with the public authorities. The CEO was also charged with communicating information to the media, investors and shareholders.
2. The chair of the Audit Committee temporarily took over managing internal audit and risk control functions.

3. At the same time, the Board initiated the process of selecting a new chair following the relevant call by the lead independent director and upon the favourable report of the Appointments and Remuneration Committee. This selection process concluded with the appointment of Beatriz Corredor Sierra as Chair of the Board at the meeting held on 25 February 2020.

It should furthermore be noted that the executive functions of the CEO were maintained in full, thus ensuring the normal operation of the Company and the group.

4.3. Lead independent director

It is a figure that in Spain has become mandatory in listed companies in which the chairman of the Board has the status of executive director (section 529 septies), following the reform of the LSC approved in December 2014. Its competencies and responsibilities were strengthened at the GGCLS, explicitly incorporating certain competencies such as those relating to chairing Board meetings in the absence of the chairman, maintaining contacts with shareholders and investors or coordinating the chairman's succession plan.

The Appointments and Remuneration Committee and the Board of Directors consider that the figure of the independent coordinating director, created in 2013, constitutes, with the responsibilities attributed to it, an effective corporate governance practice, as recognised by shareholders and *proxy payments*, they consider it one of the relevant counterbalances in the structure and composition of the Board for the proper balance of the various powers and responsibilities.

The Board resolved to voluntarily create the position of lead independent director at the proposal of the Appointments and Remuneration Committee at the Board meeting held on 13 March 2013. The General Meeting held on 18 April 2013 approved the amendment of the Articles of Association to, among other matters, include this figure in the same terms that had already been incorporated in the Board Regulations at the above Board meeting. The term of office is three years, and the officer may be reappointed. The appointment will be terminated when the lead director ceases to be a director or loses their independent status or when so decided by the Board at the proposal of the Appointments and Remuneration Committee.

The Board, in a meeting held on 28 May 2013, appointed Carmen Gómez de Barreda Tous de Monsalve as independent coordinator for three years. The Board also agreed at the meetings held on 31 May 2016, 26 March 2019 and 29 March 2022 to re-elect this director as a CIC for 3 years, respectively, a position that it currently holds.

The functions and responsibilities of the Independent Coordinating Director are established in section 25 bis of the Articles of Association and developed in section 10 of the Board Regulations, adapted to sections 529 sexies, apdo. 2 and 529 septies, apdo. 2 of the Corporate Enterprises Act, and Recommendation 34 of the GGCLS.

After the completion of the process of separating the positions of Chair of the Board and Chief Executive Officer of the Company, the Board considered it appropriate to maintain this figure, among other reasons, because it contributes to preserving balances and counterbalances within the Board on behalf of the independent directors and because it has received very good reception from shareholders and shareholders. *proxy payments*.

Functions and performance of the lead independent director in 2022

The functions of the Independent Director Coordinating Red Eléctrica are included in sections 25 bis of the Articles of Association and 10 of the Board Regulations.

The essential responsibility of the lead independent director, which must be taken into account in the performance of the other duties, is to **organise the possible common positions of the non-executive directors and serve as a channel for expressing or giving voice to these common positions** before the Chair of the Board, the Board itself, and the Board committees.

The main responsibilities of this office are the following:

- In relation to the Board:
 - Chair Board meetings in the event the chair is absent or has a conflict of interest, and subsequently assess, with the chair, the matters discussed.
 - Call annual or extraordinary Board meetings, when justified by good reasons, which must be stated in an attachment to the call notice, when the request for a meeting has not been met by the Chair of the Board, where appropriate.
 - Take part in preparing the annual schedule of Board meetings, in coordination with the chair, the secretary to the Board and the Appointments and Remuneration Committee.
 - Take part in the Board self-assessment and, in particular, lead the periodic assessment of its chair, in coordination with the Appointments and Remuneration Committee.
 - Voice the concerns of the non-executive directors.
 - Coordinate the preparation of the succession plan for the chair and, where applicable, the CEO.
- In relation to the independent directors:
 - Call and chair - on their own initiative or any other independent director - and at least once a year, formal or informal meetings of the independent directors, define the matters to be discussed, which may include, among other matters, the core responsibilities of the Board, with the possibility of requesting the presence of executives in them.
- In relation to shareholders:
 - Maintain contacts with investors and shareholders to know their views in order to form an opinion on their concerns regarding the corporate governance of the Company and the group, in accordance with the general guidelines established by the Appointments and Remuneration Committee or the Board, which they will keep regularly informed.

In 2022, the Independent Coordinating Director held several meetings with independent directors to discuss their approaches and organise common positions on different matters discussed in the Board.

In addition, following the resignation presented on 28 January 2020 by the previous chairman, the contingency plan for the succession of the chairman was launched and, as a result of its application, the Independent Director Coordinator assumed management of the Board and temporarily chaired the Board meetings until Beatriz Corredor Sierra was appointed as Chair of the Board at the meeting held on 25 February 2020.

The lead independent director actively participated in:

- The design, planning and promotion of the process of separating the positions of Chair of the Board and CEO.
- The Board's annual self-assessment processes.
- The road shows with proxy advisors organised by the Company since 2016.
- The process of preparing the contingency plans for the succession of the Chair of the Board and the CEO.

5. Remuneration policy and assessment

5.1. Assessment

The Board expressly reserved in section 5 of the Board Regulations, on a non-delegable basis, among others, the responsibility for the annual assessment of the quality and efficiency of the functioning of the Board, the performance of its functions by the Chair of the Board and the Company's chief executive, and the effective functioning of the Board committees, based on the report that the Appointments and Remuneration Committee, in coordination with the lead independent director or the chair, has submitted to it. The assessment of the performance of the Board, its chair, the Company's chief executive officer and the Board committees will be conducted by an outside independent expert at least every two years.

The Board must periodically review the general aspects of the assessment methodology used, the overall results of the assessment and any corrective measures adopted, as the case may be.

For several years, Red Eléctrica Corporación, S.A. has performed an annual assessment of the functioning and performance of the Board, the Chair of the Board and the Company's chief executive, and of the Board committees, with the support of independent external advisors. The process performed in 2022 was again conducted with the collaboration of an international external consultant, Ackermann International, and was performed under the direction of the Appointments and Remuneration Committee in coordination with the Lead Independent Director.

This self-assessment process was performed through individual interviews with each Board member, focusing on the contribution of both the Board and each of the committees to which the directors belong. The methodology used assessed the functioning of the Board from four pillars (Functional, Effectiveness, Decision and Capabilities), and for each pillar a series of key issues were assessed (among others, organisation and planning, management and reliability of information, professionalism in preparation, degree of independence, degree of collaboration, management of expectations, responsibilities, contribution indicators, shareholder value, types of decisions and decision-making power, decision-making process, mechanisms for interacting with management teams, risk control, strategic vision, agility in ongoing learning, capacity to adapt to change, high-performance teams, leadership model, etc.).

After the process was completed, the self-assessment report was approved by the Board at the meeting held on 31 January 2023. The assessment highlighted, among other **strengths**, the optimal contribution and commitment of the directors, and the broad diversity in the composition and professional experience of the Board, and the independence, transparency and dynamism in communication between the directors; the high sensitivity of the Board in terms of risk control and compliance with the ESG objectives (environmental, social and governance), and the leadership of the chair and the CEO, and their excellent coordination, were also highlighted. The effective functioning, coordination and contribution of the various committees were also very positively reviewed.

The Board also highlighted, among other **opportunities**, addressing the process of updating the Board competencies matrix conducted on a regular basis to align it with the medium- and long-term needs of Redeia where appropriate, consolidating and expanding the actions within the framework of the Board's employee engagement protocol, continuing to promote the social dimension (S) in the field of sustainability, continuing to hold specific sessions (case studies) that strengthen the Board's knowledge on key aspects of Redeia's business, and continuing to expand the debate on risk and strategy of Redeia in the long term.

Following the Board's approval of the self-assessment report, work is underway on an action plan to facilitate the implementation of the improvements considered most relevant to the areas assessed. In 2022, the Action Plan approved by the Board at its meeting held on 29 March 2022 was developed, at the proposal of the Appointments and Remuneration Committee, and derives from the conclusions and recommendations of the 2021 Board Self-Assessment Report, which was previously approved by the Board at the meeting held on 25 January 2022.

5.2. Remuneration

The Company applies the principle of maintaining a remuneration policy of the Board based on the principles of moderation, relationship to its effective dedication, alignment between the long-term strategies and interests of the Company and its shareholders and other stakeholders, with an incentive character but due to their amount that does not affect the independence of the director.

For several years now, comparative analyses of peer companies have been performed and constant contact is maintained with the Company's shareholders and proxy advisors. As a result of this analysis and the market research performed by the Company with the support of an international consultant, in 2014 a new remuneration structure was established replacing the variable remuneration component with a fixed component, so non-executive directors no longer receive any variable remuneration.

Only the remuneration of executive directors includes variable components tied to short and long-term performance, in line with the Company's main targets.

Since 2015, environmental, social and good corporate governance **(ESG) criteria** have been applied in calculating the **variable remuneration of the CEO and top executives**.

The Directors' Remuneration Policy applicable in 2022 was approved by the shareholders at the Annual General Meeting held on 29 June 2021 for a period of three years. Its core principles are:

GENERAL PRINCIPLES OF THE DIRECTORS' REMUNERATION POLICY	EXECUTIVE DIRECTOR (CEO)	NON-EXECUTIVE DIRECTORS
Balance and moderation	X	X
Alignment with the practices demanded by shareholders and investors	X	X
Transparency	X	X
Voluntary submission of any decision related to director remuneration to shareholder approval at the Annual General Meeting	X	X
Alignment of the remuneration policy with the Company's strategy	X	X
Alignment with the remuneration established by peer companies	X	X
Remuneration policies and practices ensure no discrimination by reason of gender, age, culture, religion and race	X	X
Effective dedication	X	X
Correlation between their responsibility and the performance of their duties as directors	X	X
Maintaining a reasonable balance between the various components of (short-term) fixed remuneration and (annual and long-term) variable remuneration, reflecting an adequate assumption of risks combined with the achievement of defined objectives, linked to the creation of sustainable value	X	

Absence of variable components of their remuneration in the interest of their total independence from the remuneration of the executive director (Chief Executive Officer) and the management team	X
Sufficient to act as an incentive, without compromising their independence	X

All the above principles are in accordance with the group's Corporate Governance Policy, last updated by the Board at the meeting held on 24 November 2020 and published on the corporate website.

Moreover, these remuneration principles comply with the general rules laid down for companies in the Corporate Enterprises Act, regarding the need for remuneration to be commensurate with a company's size and importance, economic position, comparability, profitability and sustainability; and not to encourage excessive risk taking or reward adverse results.

The Remuneration Policy for the directors of Red Eléctrica Corporación, S.A. 2022-2024 approved in 2021 was published on the corporate website through the following link: [Director Remuneration Policy 2022-2024](#)

Other noteworthy aspects of the Board's remuneration

Since 2010, Red Eléctrica voluntarily submitted the Annual Directors Remuneration Report, and since 2007, the Board's annual remuneration, for approval by the Annual General Meeting, as separate and independent points of the General Meeting Agenda. The proposals and reports on these matters are therefore submitted to the shareholders for a binding vote.

In 2022 this same line of action was continued and the Board remuneration for 2022 was submitted and the Annual Directors Remuneration Report was submitted for approval (binding vote) of shareholders, as separate and independent points of the Annual General Meeting Agenda. Red Eléctrica Corporación, S.A. therefore continued to align itself with best corporate governance practices, which seek to provide shareholders with sufficient autonomy and independence to vote individually and separately on each of the various agreements that correspond to the competence of the shareholders at the Annual General Meeting.

The proposed Board remuneration was supported by practically all of the shareholders at the Annual General Meeting held on 07 June 2022, with only 0.64% voting against. For several years now, the state holding company SEPI has abstained from voting on proposals for remuneration of the Board at the Annual General Meeting, in line with the policy it follows in all Spanish listed companies in which it holds a non-controlling interest.

At the Annual General Meeting held in 2023, the shareholders will be submitted for approval (binding vote) as separate and independent points of the Agenda, the Annual Directors Remuneration Report and Board remuneration for 2023, along the same lines as in previous years.

In addition, the Company also submitted the directors' remuneration policy for approval since 2015. The current one **Director Remuneration Policy** applicable in 2022 was **approved by the Annual General Meeting on 29 June 2021**, within three years.

It should be noted that in 2022 the remuneration system for the CEO (chief executive officer), and for top executives, includes fixed and variable components, the latter of which are of a short and long-term nature, in line with the objectives and strategies of Redeia.

In particular, the annual variable remuneration for the Chief Executive Officer is based on the fulfilment of a combination of predetermined and quantifiable business objectives measured at the group level, which weigh 75% of their total annual variable remuneration, and the fulfilment of operational management objectives linked to the business of Redeia, which weigh 25% of their total annual variable remuneration. Among the latter, the **objective linked to sustainability**, that has a weighting of 12% and that is linked to the progress of compliance with the Redeia Sustainability Plan and the Company's permanence in the most relevant indices in the field of sustainability, in particular in the Dow Jones (DJSI World and Europe) and Vigeo/Eiris indices.

Likewise, the shareholders at the Annual General Meeting held on 29 June 2021 approved the remuneration through the delivery of the Company's shares provided for in the Long-Term Incentive Plan to drive the energy transition, reduce the digital divide and promote diversification, aimed at executive directors and members of the management team of the Company and of the companies belonging to the 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.

The above proposals for agreements are available on the corporate website (www.redeia.com) at the shareholders' General Meeting section.

6. Implementation of the integrated risk management, control and compliance system

6.1. Ethics and compliance with Redeia

Ethics and compliance are fundamental pillars for Redeia for the proper functioning of its business activity. This entails acting with the highest level of integrity in the fulfilment of the obligations and commitments that the company has taken on, and the relations and collaboration with its stakeholders.

Redeia has rules on corporate conduct that lay down the values and standards of behaviour that must be embraced by all persons at the Company in the performance of their professional activities.

The Company has a compliance system that is in line with best practices, the purpose of which is to ensure that the obligations established and commitments assumed are respected based on a culture in which compliance risks are managed proactively.



6.1.1. Development of ethics and compliance culture

Awareness and training are key factors in developing an ethics and compliance culture within the organisation. The Company promotes adequate awareness and dissemination to the entire organisation on the relevance and strategic nature of the Compliance System for Redeia, within the organisation's culture of integrity.

Redeia continuously promotes a **culture based on ethics and compliance**, as a fundamental element of due diligence in the management of compliance risks.

In 2022 the year **Annual awareness and training plan on the culture of compliance**, continuing the e-learning course on ethics and compliance in Redeia performed by more than 86% of the employees. The course develops the ethical values, principles and guidelines of the Code of Ethics and Conduct and the principles of the Compliance Policy. Through this training, Redeia provided the Company's professionals with the tools to resolve possible risk situations in the performance of their duties and responsibilities, and the existing means to communicate any issues related to ethics and compliance.

The internal communication actions performed in 2022 included the regular publication of interactive information pieces addressed to Redeia employees in relation to the principles and guidelines of conduct of the Code of Ethics and Conduct for Redeia, allowing the Company's professionals to strengthen and consolidate their culture in the area of ethics and integrity.

It should also be noted that the last labor climate survey performed in Redeia included six questions related to the organisation's compliance culture, all with favourable results and online or above the target value established (75% favourable).

Redeia was a leader in the approach related to codes of conduct in the Dow Jones Sustainability Index business in 2022, obtaining the highest score in this area (100 points) for the third consecutive year.

In addition, according to the report on the Company's ESG performance prepared by MOODY'S, in 2022 Redeia obtained the highest score (87 out of 100 points) within its sector in the area of corruption prevention.

Alliances and commitments

As part of the Redeia's commitment to ethics and compliance, it also participated as a premium member in the **Integrity Forum of Transparency International Spain**.

Red Eléctrica is also a member of the **Spanish Compliance Association (ASCOM)**, the main objective of which is to professionalise the compliance function in Spain; it also joined the group of large companies that form part of the **Forética Transparency, Good Governance and Integrity Cluster**.

Due diligence in integrity with third parties

Redeia provides its members with the tools necessary to ensure that the Company's relations with third parties are governed by ethical and transparent conduct, which are key to maintaining the trust and reputation of the group companies among its stakeholders.

The Company's Compliance Policy includes among the principles of the Compliance System the establishment of the due diligence measures necessary for adequate selection and monitoring of ethics and compliance with business partners or third parties, defined as those stakeholders with which Redeia has or intends to maintain relationships of any nature.

The third-party due diligence model seeks to promote the highest ethical and compliance standards, respect for current law and regulations in the field of integrity and promote a culture of compliance based on the principle of **zero tolerance for unlawful actions**, especially those related to integrity (corruption, bribery, money laundering, terrorist financing or others of a similar nature).

In 2022 Redeia approved an action guide that establishes the criteria and measures necessary to equip the Company with an adequate mechanism for selection and monitoring of integrity and human rights over third parties, defined as those stakeholders with which it maintains or intends to maintain relationships of any nature.

The Guide also incorporated human rights requirements in accordance with the proposal for a directive of the European Parliament and of the Council on due diligence on business sustainability.

This action has enabled the consolidation in 2022 of the Global System of Due Diligence on Third-Party Integrity and Human Rights, with the RiskCenter Screening & Monitoring platform of Dow Jones as a support instrument through which consultations can be held on entities or individuals, breaches, unlawful conduct or sanctions that may affect integrity and/or human rights.

Among the actions aimed at disseminating the third-party due diligence model, a specific section in this area was launched on the corporate website of Redeia in 2022.

6.1.2. Code of Ethics and Conduct

The purpose of **Redeia's Code of Ethics and Conduct** is to formally set out the group's commitment to ethics, consolidating a responsible business model that ensures the creation of shared value, bringing the interests of the organisation into line with those of its stakeholders.

The Code responds to the ethical management requirements and recommendations established by: the United Nations (UN) mainly through the Sustainable Development Goals; the 10 principles of the Global Compact and the Universal Declaration of Human Rights and the conventions implementing it; the Organisation for Economic Cooperation and Development (OECD); the International Labor Organisation (ILO), and Transparency International, among others.

Redeia's Code of Ethics and Conduct is structured around the fifteen principles, established taking into account the criminal risks associated with the activities of Redeia. For each of these principles, a catalogue of conduct consistent with or contrary to the Code of Ethics and Conduct is established to prevent situations from arising that may favour the commission of crimes. The principles and guidelines for conduct are structured in three blocks, based on the relationship of Redeia with the environment, employees and the organisation itself.

6.1.3. Code of Conduct for Suppliers

Redeia has a specific code for its suppliers in which it highlights the prevention of corruption, respect for human rights and compliance with occupational and environmental safety requirements by its suppliers, in the

development of the products or services required by the Company, whether they have been performed directly or through other companies.

The Company also made available to suppliers the 'ethical and compliance channel' of Redeia to report possible breaches of the Code of Ethics and Conduct or the Code of Conduct for Payable to suppliers, and to consult on these standards.

6.1.4. Ethics and Compliance Channel

To promote the application of the Code of Ethics and Conduct, Redeia has an [Ethics and Compliance Channel](#) available on the corporate website, through which queries, complaints or suggestions on this matter can be submitted.

The Ethical and Compliance Channel, managed by the Ethics Manager in coordination with the Compliance area and regulated in the Channel Management Guide, is regularly audited and ensures the confidentiality of users through a computer tool that reinforces the necessary guarantees and allows better monitoring of the inquiries and complaints made.



Redeia has another channel for registering non-compliances, complaints, queries and suggestions regarding ethics through the **DÍGAME Service**, the purpose of which is to receive requests from external stakeholders that are not aware of the previously mentioned channel. This service refers inquiries to the Ethics Officer, preserving confidentiality.

In 2022 the Company performed a survey to assess the perception, knowledge and use of the Ethical and Compliance Channel by the employees of Redeia. 97% of the participating employees (40% of the total) stated that they were aware of the ethical and compliance channel.

In 2022, in addition to the various regular internal communication actions performed, the specific section of the Ethical Channel and Compliance within the corporate website was updated to facilitate access to this Channel and give visibility to it among the Redeia stakeholders.

Seven queries were made through the Ethics and Compliance Channel in 2022, with a maximum resolution time of ten days, extended by a further ten days in particularly complex cases, in accordance with the rules for managing the Ethics and Compliance Channel.

As regards compliance with the Code of Ethics and Conduct, four complaints were received during the year. None of the complaints concern violations related to the organisation's criminal risks.

More detailed information on these complaints can be found on the Company's website at the following link: Annual Executive Management Report of the Code of Ethics. Annual Executive Report on the management of the 2022 Code of Ethics and Conduct.

Ethics Officer and Stakeholder Ombudsman.

To ensure awareness, application of and compliance with the Code of Ethics and Conduct, the Company appointed Carlos Méndez-Trelles García, General Secretary and Secretary to the Board, as the Ethics Officer and stakeholder ombudsman.

The responsibilities performed by the Ethics Officer, with the collaboration of the Compliance area, are as follows:

- Resolve queries in connection with the Code.
- Investigate complaints submitted in relation to the application of the Code.
- Draw up action plans for resolving the complaints made and submit them for approval by the chair of the group.
- If the complaint relates to any member of the Executive Committee or the Board, it will be submitted to the chair of the Audit Committee or, where appropriate, the chair of the Sustainability Committee, based on the nature of the complaint.
- Draw up a periodic report reviewing the ethics management system and propose actions for improving the system.

To ensure awareness, application of and compliance with the Code of Ethics and Conduct, the Company appointed Carlos Méndez-Trelles García, General Secretary and Secretary to the Board, as the Ethics Officer and stakeholder ombudsman.

6.1.5. Tax strategy

Redeia is committed to complying with tax law and with its tax obligations, fosters a cooperative relationship with the tax authorities and considers the tax contribution in all territories where it operates as significant for the overall economic and social development.

The determination of the tax strategy, the determination of the tax risk control and management policy, and the approval of investments or transactions that, due to their high amount or special characteristics, are strategic or special tax risk, constitute non-delegable powers of the Board, which reflects the strategic role of the Board in tax matters.

La **Tax strategy** Redeia was approved by the Board on 30 June 2015 and aims to define the approximation to tax matters consistently and in line with the Group's strategy. It envisages the vision and objectives in the tax field, and is based on the three fundamental values of transparency, good governance and liability.

The vision of the tax strategy can be summarised as follows:

'Managing tax matters proactively, responsibly with all stakeholders and transparently, in order to comply with tax law and to minimise reputational risk, making it compatible with protecting the value of the shareholder.'

The scope of application of the tax strategy includes all Red Eléctrica Group companies and covers the following tax obligations:

- Fulfilment of the obligation to file tax returns and pay both input and output taxes.
- Fulfilment of the obligation to file tax returns and pay taxes collected and paid on behalf of third parties.
- Fulfilment of tax reporting obligations.

On 29 September 2015, the Board approved the aspects of **Tax risk management and control policy** Redeia and its integration into the Comprehensive Risk Management Policy. The tax risk management and control systems are described in Section 6.3 of this Report.

Within the framework of implementing good tax practices that reduce tax risks, the following actions have been taken:

- Information on the tax policies applied in the annual corporation tax return for 2021, before filing the annual tax return.
- Information on the Tax Transparency Report for 2021.
- Information on the Annual Report on Tax Transparency for 2021.
- Approval of the Country-by-Country Report for 2021.
- Approval of the tax policies applied at the end of 2022, before authorisation for issue of the financial statements for 2022.

Redeia has an Integrated Risk Management System that includes the main tax risks for the Group and the mechanisms for their mitigation, control and management.

In addition, Redeia has a System for Internal Control over Financial Reporting (ICFR) that includes tax reporting and processes and their associated controls, based on the COSO II (Committee of Sponsoring Organisations of the Treadway Commission) methodology. These processes and systems undergo systematic internal and external audits.

Redeia has various mechanisms to prevent unlawful transactions, money laundering and fraudulent concealment or disposal of assets. These notably include the Code of Ethics and Conduct, which includes specific principles and guidelines for conduct related to Tax Liability, the code of conduct for suppliers, the Compliance Policy, the Criminal Compliance and Anti-Bribery System Manual, the “Third-Party Due Diligence and Human Rights Guidelines” and the “Guidelines for the Prevention of Corruption and Fraud: Zero Tolerance”, which is available to the employees of Redeia, its suppliers and the various stakeholders through the corporate website. Redeia also performs awareness-raising actions and ongoing training in which those documents are given to employees. Redeia's Code of Ethics and Conduct and tax strategy establish a commitment not to create companies to evade taxes in countries considered tax havens.

Redeia does not have a presence or perform any operations in territories officially classified as tax havens in accordance with current regulations².

In 2015, the Board of Red Eléctrica Corporación, S.A. approved the accession of Redeia to **Good Tax Practices Code** adopted by the Spanish State Tax Administration Agency (AEAT) within the framework of the Major Business Forum. Adherence to those practices is in line with the tax principles and guidelines set out in the Group's tax strategy.

On 28 October 2016, the Big Business Forum approved the proposal to strengthen good corporate tax transparency practices, articulating a proposed report called "**Annual Tax Transparency Report for companies adhering to the Good Tax Practices Code**". In accordance with the above, Redeia has voluntarily submitted this Tax Transparency Report to the Spanish tax authorities since 2017.

Following the practice initiated in 2014, and with the aim of offering greater **transparency of tax information** on a voluntary basis for its various stakeholders, the Company publishes its total tax contribution, highlighting the relevant economic and social role of Redeia's tax contribution.

To calculate its total tax contribution, Redeia uses PwC's Total Tax Contribution methodology, which measures the total impact of a company's tax payment. This contribution is calculated in terms of the total contribution of taxes paid to the various tax authorities, both directly or indirectly, as a result of Redeia's economic activity.

Redeia's total tax contribution for 2021 is published in the 2021 Sustainability Report.

Since 2019, pursuant to its commitment to transparency in the conduct of its activities, Redeia publishes an annual tax transparency report that sets out the main tax issues and positions of Redeia. This report is available on the corporate website.

Lastly, it should be noted that for the second year in a row Redeia leads the ranking of tax transparency and responsibility for 2020, published by the Commitment and Transparency Foundation in its latest report on transparency in the management of tax responsibility of Ibex 35 companies, obtaining the highest score. The Foundation granted Redeia the tax transparency stamp in the 't transparent * * *' mode, for obtaining a 100% percentage of compliance with the indicators assessed. The study analysed the voluntary transparency of the content related to the tax obligations of IBEX 35 companies.

6.2. Compliance

Compliance system

The Redeia Corporate Compliance System is the model for the prevention, supervision and control of the Company's compliance risks, which is aligned with the ethical and compliance culture established by the Code of Ethics and Conduct, the Redeia Compliance Policy, and the other compliance rules that develop them, and best practices in this area.

² Royal Decree 1080/91, of 5 July, subsequently amended by Royal Decree 116/2003, of 31 January, European Union list of non-cooperative tax jurisdictions and the OECD list of non-cooperating tax havens.

The objective of the system is to ensure compliance with the obligations established and the commitments assumed, all based on a proactive culture of management of compliance risks.

Redeia considered the applicable law and the main international standards and standards regarding compliance in the development of the compliance system.

The Company also has a Compliance area, part of the Internal Audit and Risk Control Division, which is responsible for the design, development, implementation and monitoring of the organisation's global compliance system, with the objectives of promoting a global and proactive vision of compliance risks and ensuring their efficient control, guaranteeing the coordination and uniformity of their management at the corporate level, and improving internal control at Redeia.



Compliance Policy

Redeia had a Compliance Policy approved by the Board in July 2021, which established the principles governing the organisation's commitment to prevention, detection and response to any conduct that entails an act contrary to the legal obligations and commitments assumed voluntarily by the Company.

The Policy contains Redeia's express commitment to compliance with criminal and anti-bribery law applicable to the organisation, and the rejection of any criminal conduct, all in accordance with the values, principles and guidelines of conduct established in the Code of Ethics and Conduct for Redeia.

In accordance with UNE 19601 and ISO 37001 standards on criminal compliance and anti-bribery management systems, respectively, the specially exposed staff of the organisation (management team), in addition to its governing body, submitted a statement at reasonable intervals confirming the commitment to comply with the Criminal and anti-bribery Policy, which were incorporated in the Redeia Compliance Policy.

Regulatory areas

Transactions

Corporate governance and ethics management

• Criminal

• Due diligence in integrity and human rights of third parties

Specific

• Protection of personal data and information

• Corporate Governance

• Economic-Financial

• Work

• Industrial and intellectual property

• Prevention of corruption and conflicts of interest

• Tax system

• Occupational health and safety

• Comprehensive Securities

• Market transparency and competition defense

• Environment

• Supply costs

Model relationship with shareholders regarding ethics and compliance

In 2022, the governance model for ethics and compliance management systems was developed in companies with a non-majority ownership interest of Redeia (Transmisora Eléctrica del Norte, S.A. and Argo de), and in the preparation of the Compliance Policy for these companies, which includes the principles and commitments in this area for both companies. This work was performed jointly with the shareholders of Redeia in these companies, ENGIE and the Energy Bogotá Group (GEB), respectively.

The TEN and ARGO Compliance Policy contains the express commitment in each of the above companies to comply with the criminal and anti-bribery law applicable to each of the organisations, and the rejection of any unlawful or criminal conduct.

The compliance system is structured through the following regulatory areas:

Key actions in 2022

- Renewed certification in UNE 19601 and ISO 37001 standards on criminal compliance and anti-bribery management systems, respectively.
- Development of the Reintel Criminal Compliance and Anti-Bribery System and the Governance Model for Criminal Compliance and Anti-Bribery Systems of non-majority companies in Redeia.
- Review and update of the corruption prevention guide.
- Consolidation of the global due diligence system for integrity and human rights of third parties.

Next objectives for 2023

- Approval of the new 'Guide to preventing corruption and fraud: zero tolerance' and development of specific training actions.
- Development of a protocol for the investigation of irregularities and breaches related to the Ethics and Compliance Management System.
- Development of the Reintel competition defense compliance model.
- Development of the Compliance Forum to strengthen the coordination and reporting of the organisation's compliance areas.

Criminal compliance and anti-bribery system

Redeia has a criminal compliance and anti-bribery system aimed at identifying the rules, procedures and tools established by the group to avoid non-compliance with any regulations that carry criminal liability for the Company and its employees. This widens the due control exercised by the Company to take in the management and prevention of criminal risks that may affect its activity and business sector.

The Redeia Criminal Compliance and Anti-Bribery System in Spain is in accordance with section 31 bis of the Criminal Code and the State Attorney General's Circular 1/2016 on criminal liability of legal persons, and UNE 19601 and ISO 37001 standards on criminal compliance and anti-bribery management systems, respectively.

In July 2022, the Redeia Criminal Compliance and Anti-Bribery System Manual was reviewed and updated to reflect the Company's performance since its approval by the Board in March 2019. The changes included the revision of the Manual to be adapted to the new version of the Code of Ethics and Conduct and the Compliance

Policy, and the review of the name of the Criminal Compliance Committee as the Criminal Compliance and Anti-Bribery Committee, in order to formalise its role in supervising and controlling this area of management.

Internal and external audits were performed in 2022 to monitor the criminal compliance and anti-bribery system of the parent company of Redeia (Red Eléctrica Corporación) and Red Eléctrica de España to verify compliance in accordance with the UNE 19601 and ISO 37001 standards.

In addition, an external audit was performed by AENOR to renew the certification of these companies in these standards, verifying the conformity and effectiveness of the system.

Criminal compliance and anti-bribery system

The Board, as the body ultimately responsible for risk management at Redeia, in accordance with applicable regulations and, in particular, with that stipulated in section 31 bis of the Criminal Code, has designed the Criminal Compliance Committee as the specific body responsible for controlling the Company's criminal compliance and anti-bribery system.

The Criminal Compliance and Anti-Bribery Committee has independence and autonomy of its own, and reports to the Board through the Audit Committee on its activities, and on the suitability and effectiveness of the Criminal Compliance and Anti-Bribery System.

• • • Criminal Compliance and Anti-Bribery Committee • • •

Members	Main functions	Received a report from
<ul style="list-style-type: none"> • Ethics Officer and Stakeholder Ombudsman. • Internal Audit and Risk Control Manager. • HEAD OF REGULATION AND LEGAL SERVICES • Director of People and Culture. • Head of the Risk, Compliance and Quality Control Department. 	<ul style="list-style-type: none"> • Monitor the effectiveness of the Criminal Compliance and Anti-Bribery System. • Promote an ethical and compliance culture. • Investigate complaints within the Criminal Compliance and Anti-Bribery System. • Prepare an annual report on the monitoring and effectiveness of the Criminal Compliance and Anti-Bribery System to be submitted to the Board. 	<ul style="list-style-type: none"> • Internal Audit and Risk Control Manager. • HEAD OF REGULATION AND LEGAL SERVICES • Director of People and Culture. <ul style="list-style-type: none"> • Compliance officers in the subsidiaries of Redeia. <p>In addition, the Ethics Manager reported on the complaints received with possible significance in the criminal field, maintaining the confidentiality of all information received.</p>

In 2022, none of Redeia's companies was investigated or convicted for breaches related to the organisation's criminal risks. The Criminal Compliance Committee has been informed of the matters within its remit, has had free access to the documentation necessary to perform its task and has had the cooperation of the Company's various departments to perform its functions.

Monitoring of the criminal compliance and anti-bribery system

The monitoring plan for the criminal compliance and anti-bribery system includes the activities aimed at monitoring the proper functioning of the system and ensuring that the information regarding the levels of risk of criminal compliance and anti-bribery faced by the organisation is kept up to date, so that those responsible for making decisions regarding the system do so in an informed manner. The plan includes the activities of

verifying, overseeing and monitoring the system, the results of which are set out in a table of indicators for follow-up.

One of the control objectives included in the monitoring plan is to oversee the design and implementation of the criminal compliance and anti-bribery map, by identifying and assessing the risks and control activities that mitigate these risks, and having an independent entity verify the design and operation of the control activities.

In 2022, a new methodology for the description of the above control activities, validated by the organisational units, was updated.

Implementation of the Criminal Compliance and Anti-Bribery System ELECTRICITY NETWORK TELECOMMUNICATION INFRASTRUCTURE, S.A.U.

The evolution of the governance model of RED ELÉCTRICA INFRAESTRUCTURAS DE TELECOMUNICACIÓN, S.A.U. with the incorporation of a minority shareholder in the company's capital, lead in 2022 to the development of the specific criminal compliance and anti-bribery system for this subsidiary of Redeia, aligned with the principles and guidelines of the group's Compliance Policy, and the design and implementation of the monitoring and coordination model.

In the first half of 2022, the preparation of the Criminal Compliance and Anti-Bribery Manual for the above subsidiary was completed, which establishes the model of organisation, prevention, management and control of criminal and bribery risks implemented in this company. This Manual was approved by the Board of Directors in July 2022.

In addition, this subsidiary has developed a 2022-2023 Compliance Plan, in coordination with the Redeia Plan.

Prevention of corruption and conflicts of interest

The Code of Ethics and Conduct and the Ethics and Compliance Channel, as a system **for handling queries and complaints**, constitute an effective mechanism for detecting and handling possible cases of corruption, fraud and conflicts of interest.

Code of Ethics and Conduct

Ethics and Compliance Channel

Corruption prevention guide: zero tolerance

Guide for managing conflicts of interest

Redeia has one **Guide to corruption prevention: zero tolerance**, approved by the Board in 2015, which developed the values and patterns of behavior included in the Code of Ethics and Conduct related to the main manifestations of corruption.

In 2022, in accordance with these guidelines, which prohibit contributions to political parties and organisations, Redeia did not make any donations or provide any grants or loans to political parties. In the same vein, no complaint was registered as regards possible corruption cases, nor has any Redeia company been investigated or convicted by any court of law on breaches related to corruption cases.

Review and update of the corruption prevention guide.

In 2022, the process of reviewing and updating the Guide to the Prevention of Corruption: zero tolerance was promoted. The review process, with the support of Transparency International, took into account best business practices and international standards in this area (ISO 37001).

The proposed update of the Guide, which extends its scope to the scope of fraud (internal) and is in line with the Code of Ethics and Conduct and the Redeia Compliance Policy, has been validated by the Criminal

Compliance and Anti-Bribery Committee and the Executive Committee of Redeia, before its approval by the Board of Directors of Red Eléctrica Corporación, S.A. and its subsequent disclosure by the management bodies of the Redeia companies, scheduled for the first quarter of 2023.

Management of conflicts of interest

Redeia has one **Guide to managing conflicts of interest** since 2018, in order to implement the commitments assumed in the Code of Ethics and Conduct in this area, in order to detect and prevent potential conflicts of interest that may affect the management team. This guide, the result of Redeia's duty of care regarding conflicts of interest, includes preventive measures to minimise risks in this area.

The Company has an Advisory Body for conflicts of interest, which is responsible for the development and due implementation of the procedure for identifying, managing and resolving conflicts of interest established in this guide.

In 2022, the Advisory Body dealt with one query on conflicts of interest from one member of the organisation subject to the guide. In the first case, the Advisory Body declared that there was no real or apparent conflict of interest. At the second of the consultations, as a result of a file processed in 2021, the Advisory Body maintained the declaration of existence of a real conflict of interest agreed at the time, and the measures taken to safeguard the interests of the group.

Protection of privacy

Redeia has a **data protection compliance system**, with the aim of promoting and maintaining a responsible and proactive attitude in the protection of personal data, which guarantees the good governance of personal data and preserves the trust of our stakeholders.

The Group's data protection compliance system ensures the good governance of personal data based on current regulations

Data protection governance model

Area responsible	Functions
Data Protection Officer (DPO).	To ensure compliance with current regulations on data protection and to act as a liaison with the supervisory and control authority in this area.
Data Protection Advisory Body	To support the proper functioning of the data protection compliance system and to propose legal, technical and organisational improvements to that system. In addition to the Data Protection Officer, the Advisory Body is composed of representatives from the following areas: Compliance, Legal Services, Corporate Security, Information Technology, and People and Culture.
Network of liaison officers	To implement the data protection culture at the Company, connecting the management of the areas with compliance with the regulatory requirements in this area.

Throughout 2022, the following specific actions in data protection were performed:

- Approval of an internal rule that establishes the criteria for the preservation of personal data, and the deadlines that allow the blocking and/or deletion of personal data when there is no purpose that justifies their preservation, based on the principle of limiting the period of storage, blocking and erasure established in current law.
- Approval of a protocol for the use of geolocation devices in the workplace.

- Design and implementation of the monitoring model for the personal data protection compliance system in the various Redeia companies.
- Holding of training workshops for the group of personal data protectors (network of interlocutors in the various directions) and for specific groups of employees within the People and Culture Department.
- Verification of the control framework regarding the protection of personal data for the corresponding treatments, in accordance with established planning.

In 2022, the Data Protection Officer did not receive any complaints about breaches related to personal data protection and none of the group companies was investigated or convicted for breaches related to privacy regulations.

In addition, three requests were received to exercise rights related to personal data protection, which were answered in due time and form, and the necessary technical measures were taken to provide an effective response to the request to exercise this right, all in accordance with Redeia's protocol for handling the rights of access, rectification, erasure, objection, portability and restriction of processing and the applicable privacy regulations.

Lastly, it should be noted that 58 queries were received in 2022 by the Data Protection Advisory Body, 98% of which have been closed. The Advisory Body regularly monitors these queries to ensure that they are properly resolved.

Development of a culture of privacy

In 2022, the group continued with the plan to raise awareness, understanding and training in matters regarding privacy. Since 2019 began the course *e-learning* on privacy, more than 80% of the employees of the Redeia companies in which the data protection compliance system is deployed have training in this matter. In addition, this course forms part of the training material for new employees joining the Company.

It should also be noted that, in 2022, in accordance with the outcome of the Dow Jones Index, the scope of privacy protection in Redeia was highlighted positively (reaching 96 on 100 points).

Proactive protection of personal data

Redeia maintains a conscious, diligent and proactive attitude towards the processing of personal data.

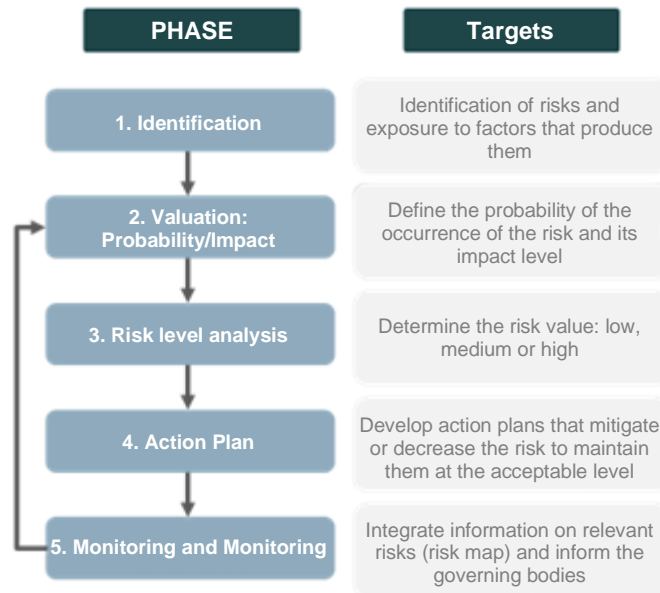
Along with the components already mentioned, the Company also has:

- One **Privacy Policy** that determines aspects such as the way in which personal data are processed, the rights of the data holders are guaranteed, and their security.
- A **specific methodology for analysing the risks involved in** processing personal data to assess these risks and establish the security measures and controls that guarantee the rights and freedoms of citizens.
- A methodology for identifying, assessing, qualifying and responding to security incidents related to compliance with data protection regulations.
- A **protocol for handling the rights of access, rectification, erasure (right to be forgotten), objection, portability and restriction of processing** of personal data.
- A **protocol for contracting** of personal data processors.
- An **internal rule** that regulates the principles of **privacy by design and by default** and that incorporates in projects, activities and initiatives an approach aimed at the principles of risk management and proactive accountability that protects the rights of personal data subjects.
- A **plan for monitoring the control framework** of the organisational and legal measures of the data protection compliance system that is completed on a three-year cycle.
- **Audits** biennial to review the degree of suitability of Redeia as regards data protection and compliance with the reference regulations, developed with the participation of external audit firms specializing in this area.

6.3. Integrated risk management and control

6.3.1. Integrated risk management system

Redeia has established a comprehensive risk management system to facilitate compliance with the Company's strategies and objectives, ensuring that the risks that may affect them are systematically identified, analysed, assessed, managed and controlled, with uniform criteria and within the acceptable risk level approved by the Board.



The management system was developed in accordance with the ISO 31000:2018 standard on principles and guidelines in the management of risk, and is of a comprehensive and ongoing nature, with management being performed by business unit, subsidiary and corporate level support area.

The integrated risk management policy

The comprehensive risk management policy is approved by the Board of Directors. This policy establishes the general principles and guidelines of the integrated risk management system, sets the acceptable level of risk for Redeia and provides guidelines for managing and mitigating the different categories of risks identified, including tax risks.

The integrated risk management and control procedure

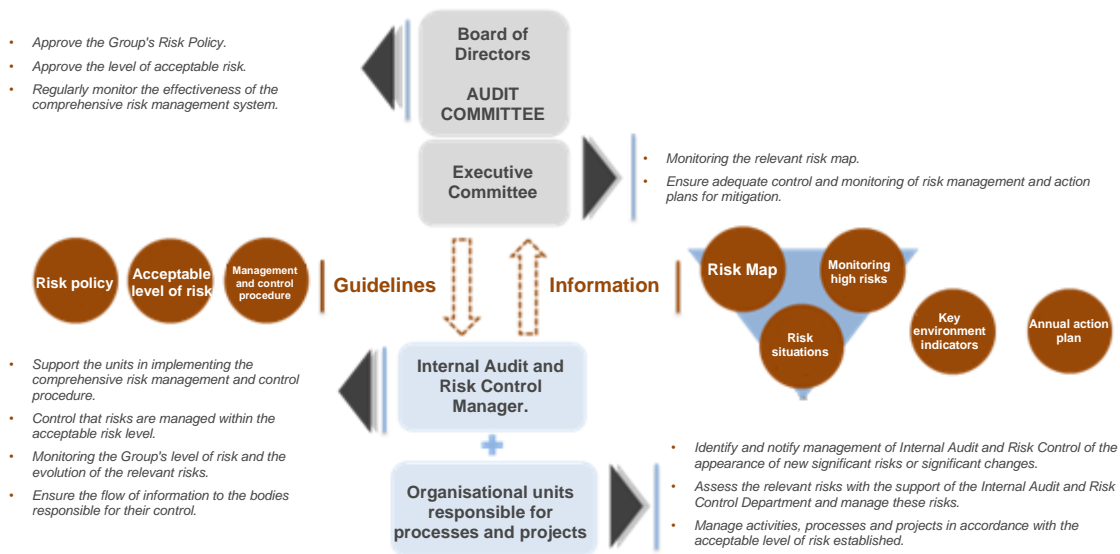
The integrated risk management and control procedure regulates the process of identifying, analysing, assessing and controlling the management of the material risks faced by Redeia.

The process is intended to ensure that managers at all levels within the Company are aware of and assess the risks that threaten the group's strategies and objectives and keep these risk within the levels of acceptable risk established.

Organisational structure of risk management and control

The integrated nature of the risk management system ensures the participation of all units of Redeia and ensures that the bodies in charge of controlling risk are adequately informed of the situation.

The Comprehensive Risk Management and Control Policy and Procedure define the different responsibilities of the governance bodies and each of the organisational units, and the information flows and activities to be developed.



Organisational scheme

The **Board Regulations** expressly recognise the Board's responsibility for approving the group's comprehensive risk management policy, which includes the defined level of acceptable risk, and the knowledge and regular monitoring of internal control, prevention and information systems.

The Board regularly reviews the risk control system and material risks, including tax risks, without prejudice to the information it receives on a regular basis from the Audit Committee as part of the ongoing monitoring process performed by the Committee.

The **Audit Committee** is responsible for periodically monitoring the effectiveness of the integrated risk management system, including tax risks, to ensure that material risks are identified, kept within the established acceptable level of risk and properly reported.

The **Executive Committee**, composed of executives from the most relevant and strategic areas of the Company, has been assigned the functions of monitoring the relevant Risk Map and ensuring adequate control and monitoring of the management of high level and other particularly relevant risks, and the critical action plans for their mitigation.

The **Internal Audit and Risk Control Division**, which reports to the chair from an organisational standpoint and to the Audit Committee from a functional standpoint, is responsible for coordinating and supporting the risk identification, analysis and assessment process and for monitoring these risks on a regular basis. This department submits the appropriate reports to the Executive Committee, Audit Committee and Board of Directors.

The **organisational units** participate on an ongoing basis, together with the Internal Audit and Risk Control Division, in the process of identifying, analysing and assessing the group's risks and in the implementation of the action plans established to mitigate these risks.

6.3.2. Main risks, acceptable level of risk, and response and monitoring plans

Main risks that may affect the achievement of the group's strategies and objectives

Redeia's core business involves transmission activities and operation of the electricity system in Spain. These are classified as regulated activities, since carrying them out is essential for the security and continuity of the electricity supply in Spain, and as the Company is exclusively responsible for these activities. This classification as a regulated activity affects both the setting of revenue and the environment and conditions in which the Company must perform its core business activities and determines the risks to which it is exposed.

The group also performs electricity transmission activities outside Spain (in Chile, Peru and Brazil) and provides telecommunications services to third parties, mainly through the lease of dark fibre backbone and the operation of satellite infrastructures.

The Company has established a risk taxonomy or classification to provide a more complete identification of these risks and to allow for a more detailed analysis. This structure allows the identified risks to be classified into three levels of aggregation:

Strategic:

- Risks related to the regulatory framework in which the group's activities are performed.
- Business risks associated with the business environment itself or with strategic decisions.
- Risks related to sustainability and good governance.

Operational:

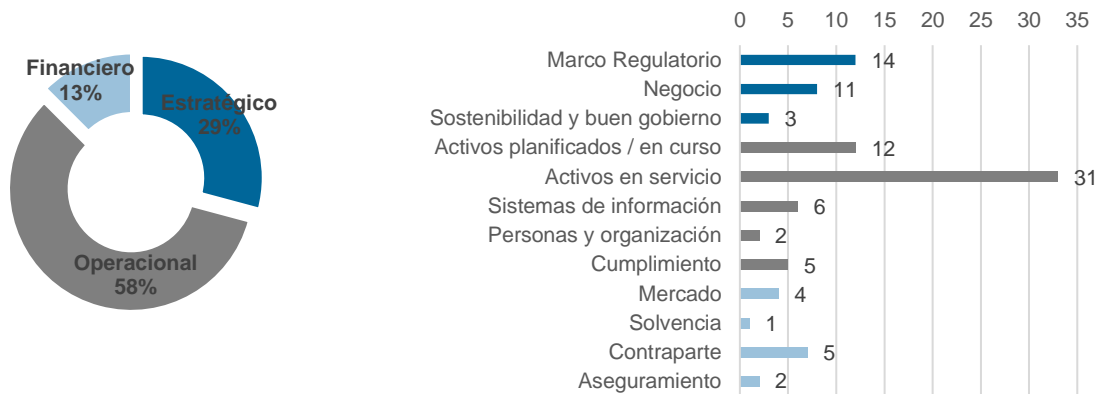
- Risks associated with assets planned and/or in progress.
- Risks associated with assets in service.
- Risks related to information systems.
- Risks related to people and their organisation.
- Compliance risks.

Financial:

- **Market** risks.
- Risks related to the Company's **solvency**.
- **Counterparty** risks.
- **Insurance** risks.

The tax matters, classified as strategic risks related to the regulatory framework, were included in the integrated risk management policy in 2015, which sets out specific guidelines for managing these risks.

In accordance with the risk analysis performed by Redeia, the most recent risk map identified 96 risks, which are shown in the following chart by risk category:



The Company's Sustainability Report contains detailed information on the group's current risks and any risks that may arise in the future. This report is available on the corporate website (www.redeia.com).

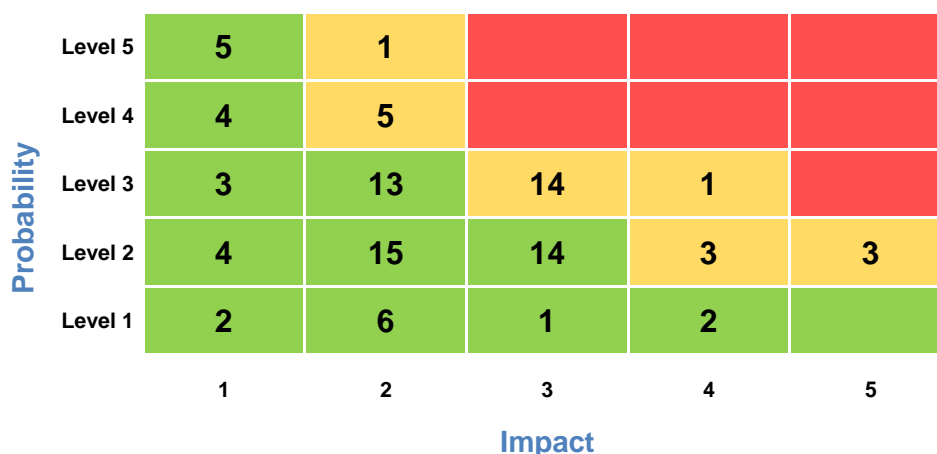
Acceptable level of risk

Redeia's risk management system establishes a methodology for determining the level of risk. Therefore, all risks identified are individually classified into three categories: **high level risks, medium level risks and low level risks.**

The level of a risk is determined by combining two variables — the probability of occurrence and the impact its occurrence would have on the Company — as regards four key elements of the business:

<p>Electricity Supply Energy not supplied (ENS) as a result of the potential event.</p>	<p>Reputation Stakeholder perceptions in the event of failure to meet their expectations and disclosure of the event in communication channels and social media.</p>
<p>Strategic Plan Degree of impact on the achievement of the group's Strategic Plan.</p>	<p>Economic Loss Impact on the income statement after corporate income tax.</p>

Depending on the probability of occurrence and the level of impact of each risk, it is placed in the probability/impact matrix, which automatically determines the level of risk. The following matrix reflects the distribution of the 96 risks identified according to their assessment.



The level of risk that Redeia is willing to accept is established both for individual risks, and for aggregate risk for each of type of impact.

The **overall acceptable risk level** that the group is prepared to assume for each of the four cornerstones included in the Comprehensive Risk Management System is approved by the Board. As a general rule, the overall level of risk must not exceed this approved acceptable level of risk.

Accordingly, at an individual level, as set out in the integrated risk management policy, any risk that does not exceed the low risk level is considered acceptable. Actions must be taken on risks that exceed the low risk level until they reach an acceptable level. Risk management must aim for consistency between the importance of the risk and the cost and resources required to reduce it. However, for activities that affect the electricity system, the impact that the risks may have on the system must also be taken into account.

Risks that arose in 2022

In relation to operational risks, it should be noted that the transmission grid installations are permanently exposed to events that may affect the continuity and security of the electricity supply. These events are caused mainly by third parties and also meteorological phenomena. If these risks were to arise, the group has the corresponding insurance policies to mitigate the potential impact that these events could have on its income statement.

In February 2022, a fault located on the 66 kV Las Salinas-Gran Tarajal line disrupted the electricity supply, affecting the 66 kV Gran Tarajal and 66 kV Matas Blancas substations and the 132 kV substations of Matas Blancas and Jares in the south of Fuerteventura, causing a 44 MW loss of demand that affected 23% of demand at the time of the incident.

The service was restored to normality on the same day, after launching the actions envisaged in the contingency plan designed to ensure security of supply on the island of Fuerteventura.

Response and monitoring plans for the group's main risks

The actions required to reduce the degree of risk to the acceptable level are established in the process of identification, analysis, assessment and control of risks.

To monitor risks, the current risk management system involves **monitoring more than 500 actions plans** aimed at reducing the level of risk, with **more than 300 indicators** to review their performance.

The Risk Control area, together with the risk management units, reviews the performance and mitigating effect of the action plans established. This review is performed on an annual basis and covers all risks in the corporate risk map. The review is performed every six months for high level risks and others that require special monitoring. In this last case, the additional review is performed because a change in their situation could convert them into high level risks in the mid to long term.

Redeia also has an Internal **Control over Financial Reporting (ICFR) system**, with the main objective of obtaining improvements in the efficiency and security of the organisation's economic and financial reporting processes, proactively adopting best international practices in this area. The ICFR specifically includes information related to Redeia's tax processes, and the controls associated with them.

Redeia also has **contingency plans** that regulate the various crisis situations that may arise in the event of an electricity incident (so as to ensure security of supply), or a non-electricity incident that may affect the environment, people, the Company's operations, the availability of its systems, its business results or any other aspect that may have an impact on the Company and its reputation.

The Company has a **Business Continuity Plan** aimed at preparing the necessary actions and planning a set of procedures to be able to respond appropriately to a disaster, crisis or emergency, from the moment it occurs until the situation returns to normal. The Business Continuity Plan allows the impact on the Company's business to be reduced to a minimum and allows decision making in disaster, crisis or emergency situations to be streamlined and automated.

In addition, the Risk Control area performs actions with other group companies to develop risk management in line with the Integrated Risk Management System.

In 2022, the crisis management protocol was strengthened with the development of a specific crisis communication management plan, the aim of which is to establish the basic strategic lines and actions

necessary to respond to the communication needs that arise in a crisis: at the institutional level, with administrations and stakeholders, and in the field of media and social media.

Notable actions in 2022

- Development of the model for analysing the actions performed to mitigate risks.
- Analysis of insurance management as a mitigating measure for the material risks of the group.
- Identification and internal analysis of the main emerging risks that may have an impact on the group.

Main actions in 2023

- Analysis of the alignment with best market practices in the field of comprehensive risk management and selection and development of the various improvement actions identified as priorities.
- Review and improvement of the model *reporting* the relevant risks of the group.

6.4. Internal audit

Internal Audit in Redeia is an independent and objective activity of assurance and consultation, designed to add value and improve the operations of an organisation. It helps an organisation meet its targets by providing a systematic and disciplined approach to assess and improve the effectiveness of risk management, control and governance processes.

The Internal Audit Department, which is part of the Internal Audit and Risk Control Department, reports organically and hierarchically to the Chair of the Board and functionally to the Audit Committee, and its mission, powers, functions and obligations are established in the 'Internal Audit Statute,' approved by the Board.

In order for this activity to contribute greater value to the organisation, an Annual Plan is drawn up each year for the audits to be performed in the following year with a focus on the key risks faced by the group, based on the Corporate Risk Map, the risk map of the Criminal Compliance and Anti-Bribery System, and the risk maps for Fraud, Information Systems and Corporate Security. The requests made by senior management and the Audit Committee are also taken into consideration when preparing the Annual Plan. The Annual Plan includes internal audits of processes managed by the various Group companies (including those related to fraud and criminal risks), information systems and cybersecurity, the system of internal control over financial reporting (ICFR), certified management systems, and other audits — not included in the above — that are required by law or by the requirements established in internal rules. Audit results are reported on a quarterly basis, as is the follow-up on aspects that require improvement, to the executive team, to the CEO, to the chair and to the Audit Committee.

Relation between internal audit and other assurance units

Internal audit (third line of defence) takes into account the level of maturity and the degree of assurance provided by other divisions and departments of the Company that also perform assurance functions (second line of defence) when drawing up the Annual Plan and determining the approach and scope of the audits for the purpose of increasing coordination and alignment and seeking out synergies and efficiency.

In relation to risk management, the Annual Plan includes audits to evaluate the design and effectiveness of the controls and actions that contribute to mitigating the most important risks inherent to the group, reporting the results to the Risk Control area.

In relation to compliance activity, the Annual Plan includes internal audits of processes associated with criminal risks of the legal person, and legal and internal compliance with the processes. These audits reviewed the design and effectiveness of the Criminal Compliance and Anti-Bribery System controls that mitigate the associated criminal risks by informing the Compliance area of their outcome.

7. Future outlook

The IAGC for this year included, as in previous years, a section devoted to the Company's future prospects for corporate governance, the interest it represents for current shareholders and potential investors, and for interested third parties in the future of Redeia.

The statements made in this section do not constitute any commitment or formal obligation for the Company, enforceable by third parties, but rather are merely possible steps and actions to be taken in 2023 and subsequent years, in accordance with Redeia's tradition to continue incorporating best corporate governance practices, in light of the progress made in shareholder requirements and its corporate governance commitment.

In 2022 the Board used, among others, the following tools to analyse best corporate governance practices for possible adoption by the Company: (i) the annual evaluation of the Board with the support of an external adviser, (ii) the development of the annual program of visits to institutional investors and *proxy payments*, (iii) the use of advisers and specialists in various areas in the field of corporate governance and (iv) the external audit of the management processes of the shareholders' General Meeting, which help to identify certain aspects that may be improved.

The Company's presence as a member of the world's leading organisation in the field of corporate governance, the International Corporate Governance Network (ICGN), has once again helped it to have first-hand knowledge of the key international trends in corporate governance, and their progress, with the possibility of conducting an early analysis and implementation.

The Corporate Governance Policy made certain commitments to good corporate governance that have been incorporated and consolidated by Redeia through the adoption of certain principles and practices that have been summarised in paragraph 1 of this Report and that will be monitored regularly in 2023, as every year, to monitor compliance.

Some significant issues are highlighted below that are being analysed, among others, or will be discussed shortly by the Board and its committees:

- Monitoring of the implementation of Redeia's Strategic Plan, which aims to make the energy transition a reality with sustainability criteria, promoting innovation, talent and technological development.
- Full Board commitment to sustainability (ESG) to carry out Group business, with the support of the Sustainability Committee and the other Board committees, within the scope of their respective responsibilities in this area.
- Review and continuous improvement of the Company's engagement with its shareholders and proxy advisors to continue maintaining a sustainable relationship that will keep the Company's interests aligned with those of its shareholders in the medium and long term, creating mutual trust.
- Monitoring diversity policies within the Board and throughout the organisation.
- Updating of the corporate rules to bring them into line with regulatory changes and adoption of best corporate governance practices.
- Development and promotion of the protocol for the relationship between the Board and the employees of the group companies, in accordance with best corporate governance practices, to contribute to the cultural transformation and the development of the talent of the group's people.
- Further progress in the supervision and monitoring by the Board of the group companies.
- Progress in the development of the Compliance System and implementation of Redeia's compliance culture awareness and dissemination plan.
- Continuing update of the Parent of Board competencies approved by the Board, to serve as a guide for defining the profiles of directors that are more appropriate to the needs and strategies of the group at all times.
- Performing a new annual self-assessment process for the Board to further improve the functioning of the Board and its committees.
- Review of the contingency plans for the succession of the Chair of the Board and the CEO.

- Impulse from the Annual Board Knowledge and Information Program, in line with the Redeia Strategic Plan.
- Continuous analysis, updating and improvement of the corporate governance information published on the corporate website to meet international standards.
- Continuous progress in the process of preparing and publishing annual corporate information for shareholders and other stakeholders, based on the principles of quality, clarity, integrity and simplicity of information.

Official Schedule: Official Annex: Standard Form of Annex I to Circular 3/2021, of 28 September, of the Spanish National Securities Market Commission (CNMV)



ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

ISSUER'S PARTICULARS

Reporting date:

31/12/2022

TAX ID NO.:

A-78003662

Corporate name:

RED ELECTRICA CORPORACION, S.A.

Registered office:

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

A. OWNERSHIP STRUCTURE

- A.1. Complete the following table on the share capital and voting rights attributed, including, where applicable, those corresponding to shares with loyalty voting rights, at the reporting date:

Indicate whether the Articles of Association contain the provision for double voting based on loyalty:

Yes
 No

Date of last change	Share capital (EUR)	Number of shares	Number of voting rights
11/07/2016	270,540,000.00	541,080,000	541,080,000

Indicate whether there are different types of shares with different associated rights:

Yes
 No

- A.2. List the direct and indirect owners of significant shareholdings at the reporting date, including directors with a significant shareholding:

Name of shareholder	% of voting rights attributed to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
PONTEGADEA INVERSIONES, S.L.	5.00	0.00	0.00	0.00	5.00
SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	20.00	0.00	0.00	0.00	20.00
BLACKROCK INC	0.00	3.04	0.00	0.10	3.14

Details of indirect holdings:

Name of indirect holder	Name of direct holder	% of voting rights attributed to the shares	% of voting rights through financial instruments	% of total voting rights
No data				

Indicate the most significant changes in the shareholder structure during the year:

- A.3.** Give details on the shareholdings, regardless of the percentage, at year-end of the board members who hold voting rights attributed to shares in the company or through financial instruments, excluding the directors identified in section A.2 above:

Name of director	% voting rights attributed to shares (including votes based on loyalty)		% of voting rights through financial instruments		% of total voting rights	Of the total% of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to shares with votes based on loyalty	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MS ELISENDA MALARET GARCÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS ESTHER MARIA RITUERTO MARTINEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR JOSÉ JUAN RUIZ GÓMEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS SOCORRO FERNÁNDEZ LARREA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS JOSÉ MARÍA ABAD HERNÁNDEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR RICARDO GARCÍA HERRERA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR ANTONIO GÓMEZ CIRIA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS MERCEDES REAL RODRIGÁLVAREZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR MARCOS VAQUER CABALLERÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR ROBERTO GARCÍA MERINO	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Name of director	% voting rights attributed to shares (including votes based on loyalty)		% of voting rights through financial instruments		% of total voting rights	Of the total% of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to shares with votes based on loyalty	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MS BEATRIZ CORREDOR SIERRA	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Give details on the total percentage of voting rights represented on the board:

% of total voting rights held by board members	0.00
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Ms Esther María Rituerto Martínez is entitled to a direct percentage of voting rights attributed to the shares of 0.004%.

Mr Roberto García Merino is entitled to a direct percentage of voting rights attributed to the shares of 0.003%.

Details of indirect holdings:

Name of director	Name of direct holder	% voting rights attributed to shares (including votes based on loyalty)	% of voting rights through financial instruments	% of total voting rights	Of the total% of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to shares with votes based on loyalty
No data					

Give details on the total percentage of voting rights represented on the board:

% of total voting rights represented on the board of directors	0.00
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- A.4.** Indicate, as appropriate, any relationships of a family, commercial, contractual or corporate nature existing between the owners of significant shareholdings, insofar as they are known to the company, unless they have scant relevance or arise from the ordinary course of business, except those reported in section A.6:

Name of related party	Type of relationship	Brief description
No data		

- A.5.** Indicate, as appropriate, any relationships of a commercial, contractual or corporate nature existing between the owners of significant shareholdings and the company and/or the group, unless they have scant relevance or arise from the ordinary course of business:

Name of related party	Type of relationship	Brief description
No data		

- A.6.** Describe the relationships, unless insignificant for the two parties, between significant shareholders or shareholders represented on the board and directors, or their representatives in the case of legal entities.

Explain, where applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or related to significant shareholders and/or companies in its group, specifying the nature of the relationships. In particular, state the identity and position of any directors or representatives of directors of the listed company who are themselves directors or representatives of directors of companies that have significant holdings in the listed company or in companies belonging to the same group as a significant shareholder:

Name or corporate name of related director or representative	Name of related significant shareholder	Name of the group company of the significant shareholder	Description of the relationship or position
MS MERCEDES REAL RODRIGÁLVAREZ	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Head of Investees of Sociedad Estatal de Participaciones Industriales (SEPI).

- A.7.** Indicate whether the company has been notified of any shareholder agreements under sections 530 and 531 of the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*). If so, provide a brief description and list the shareholders that are party to the agreement:

Yes
 No

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes

No

Expressly indicate any amendment to or termination of such agreements or concerted actions during the year:

A.8. Indicate whether any individuals or legal entities currently exercise control or could exercise control over the company under section 5 of the Spanish Securities Market Act (*Ley del Mercado de Valores*). If so, identify them:

Yes

No

A.9. Complete the following tables on the company's treasury shares.

At year end:

Number of shares held directly	Number of shares held indirectly(*)	% of total share capital
1,499,900		0.28

(*) Through:

Name of direct shareholder	Number of shares held directly
No data	

A.10. Give details of the conditions and term of the current resolution passed by shareholders authorising the board of directors to issue, buy back or transfer treasury shares:

The Corporate Enterprises Act strengthened the legal scheme applicable to treasury shares of companies as in the Spanish Structural Modifications of Commercial Companies Act (*Ley 3/2009 sobre Modificaciones Estructurales de las Sociedades Mercantiles*), without there having been any relevant changes in this scheme since then.

At the AGM held on 14 May 2020, the renewal of the authorisation granted by the AGM to the Board for the acquisition of treasury shares by the Company or by group companies, and for their direct delivery to employees, management and executive directors of the Company and the group companies (also "Redeia"), as remuneration, for the period of 5 years from the date of the above AGM was submitted for approval. Also, at the above AGM and as a separate item on the agenda, a Remuneration Plan for employees, management and executive directors of Red Eléctrica Corporación, S.A., also extending to the same groups of the companies included in its consolidated group in Spain, was established, allowing part of their annual remuneration to take the form of delivery of shares of the Company, from treasury stock, and always following the latest

recommendations of international corporate governance, as to the fact that the maximum number of shares will in no case exceed 10% of share capital for all beneficiaries of the Plan, or 5% of share capital for executive directors.

Approval of this plan required a resolution with certain legally established conditions. The shareholders at this AGM authorised the Board, under section 146 and related provisions of the Corporate Enterprises Act and other applicable rules, to engage in the derivative acquisition of treasury shares of Red Eléctrica Corporación, S.A. by the Company itself and by companies in the group, both directly or indirectly, to the extent determined by the Board to be advisable under the circumstances, provided the following conditions are met:

- (i) The maximum number of shares to be acquired will not exceed the established legal limit, provided all other applicable legal requirements can also be fulfilled.
- (ii) The acquisition may not be made at a price greater than the price of the shares on the stock exchange at the time of the acquisition, or at a price less than 50% of the stock market price at that time.
- (iii) The acquisition may take the form of a purchase or swap or any other type of transaction in exchange for valuable consideration or free of charge, depending on the circumstances.
- (iv) Under section 146.1 b) of the Corporate Enterprises Act, the acquisition, including the shares that the Company may have acquired previously and hold as treasury shares, may not result in the equity being reduced to below the amount of the share capital plus the restricted reserves as indicated by law or the Articles of Association.

The Board, in accordance with the third paragraph of section 146.1 (a) of the Corporate Enterprises Act, may allocate, in whole or in part, the treasury shares acquired under this authorisation and those already owned by the Company at the date of approval of the resolution to the execution of remuneration programmes consisting of the direct delivery of shares to employees, management and executive directors of the Company and the companies belonging to the group in Spain. The Board has therefore been authorised, in the broadest sense necessary, to request as many authorisations and to pass as many resolutions as necessary or appropriate to be legally compliant and successfully implement that resolution.

As regards the Remuneration Plan for employees, executive directors and management of the Company and the companies belonging to the group in Spain, approved at the Company's above AGM, the main characteristics are as follows:

- Beneficiaries: All employees, executive directors and members of management of the Company and the companies in the group in Spain.
- Participants may join the remuneration plan on a voluntary basis.
- The maximum amount of remuneration to be received in shares will be EUR 12,000 per participant per year. Nevertheless, for executive directors of the Company, the maximum amount of remuneration to be received in shares each year will be the amount resulting from the remuneration policy for executive directors that is applicable at any given time over the term of the remuneration plan, with a maximum limit in any event of EUR 120,000.
- The shares will be delivered within the term in the authorisation.
- Number of shares to be received by each beneficiary: This will depend on the price of the share at the close of trading on the stock exchange on the date of delivery, with the maximum limit in each case applicable to each beneficiary.
- The maximum number of shares to be delivered will depend on the value of the share at the close of trading on the stock exchange on the date of delivery, with the maximum limit in each case applicable to each beneficiary.
- The price of each share of Red Eléctrica Corporación, S.A. will be determined at the close of trading on the stock exchange on the date of delivery.
- The shares will be part of the previous or new treasury shares owned either directly by the Company or through the companies in the group.
- This retribution system will be applicable for the next 5 years.

A.11. Estimated free float:

	%
Estimated free float	71.58

A.12. Indicate whether there is any restriction (under the Articles of Association, laws or other) on the transferability of securities and/or any restriction on voting rights. In particular, the existence of any type of restrictions that may hinder taking control of the company by acquiring its shares in the market, and the authorisation or prior communication regimes that apply to it under sector regulations regarding acquisitions or transfers of financial instruments of the Company, will be reported.

- Yes
 No

Description of the restrictions

Maximum percentage of voting rights a shareholder may exercise under a special legal restriction: 3% (general) and 1% (electricity sector).
Maximum percentage of voting rights a shareholder may exercise under a restriction in the Articles of Association: 3% (general) and 1% (electricity sector). Shareholder limits are in additional provision twenty-three of Spanish Law 54/1997, of 27 November (which is still in force under the sole derogating provision of Spanish Electric Sector Act (24/2013, de 26 de diciembre, del Sector Eléctrico)), after its amendment by Royal Decree Law 13/2012, of 30 March, which incorporated certain additional restrictions as regards companies that perform generation or marketing functions. The special regime for Sociedad Estatal de Participaciones Industriales (SEPI) is maintained, whereby it must always hold at least ten per cent (10%) of the share capital.
Legal provisions on limitations in the general and special shareholder regime are included in Articles 5 and 14 and the sole additional provision of the Articles of Association, and in section 6.3 of the General Meeting Regulations, available on the corporate website: www.ree.es. The restrictions included in the Articles of Association set forth the legal limitations.

A.13. Indicate whether the shareholders at the general meeting have resolved to take measures to neutralise a takeover bid under Spanish Law 6/2007.

Yes
 No

If so, explain the measures approved and the situations in which the restrictions would be inoperative:

A.14. Indicate whether the company has issued securities not traded in a regulated market of the European Union.

Yes
 No

If so, identify the various classes of shares and, for each class of shares, the rights and obligations they confer:

B. GENERAL MEETING

B.1. Indicate whether quorums for convening the general meeting differ from the system of minimum quorums in the Corporate Enterprises Act. If so, give details.

Yes
 No

B.2. Indicate and, as applicable, describe any differences between the company's system of passing resolutions and the framework in the Corporate Enterprises Act:

Yes
 No

B.3. Indicate the rules applicable to the amendment of the Articles of Association. In particular, the majorities envisaged for the amendment of the Articles of Association will be notified, and, where appropriate, the rules established for the protection of shareholders' rights in the amendment of the Articles of Association.

The procedure for amending the Articles of Association does not differ from that in sections 285 *et seq.* of the Corporate Enterprises Act, which requires shareholder approval at the General Meeting, with the majorities in sections 194 and 201 of this Act. Spanish Law 31/2014, of 3 December, amending the Corporate Enterprises Act to improve corporate governance, introduced certain changes to the rules on majorities (section 201 of the Corporate Enterprises Act). In particular, it clarified that resolutions will be passed by a simple majority of votes, in the sense that the resolution obtains more votes in favour than against from the share capital attending in person or by proxy.

For resolutions amending the Articles of Association and similar (section 194 of the Corporate Enterprises Act), "absolute majority" is required if the quorum exceeds 50% of the capital, and two thirds of the capital present and represented when the quorum at second call does not reach 50% of the capital. An immediate consequence of the reform of the Corporate Enterprises Act was the amendment to the Articles of Association and the General Meeting Regulations at the Annual General Meeting held on 15 April 2015. The Articles of Association that were in effect and applicable when this General Meeting was held did not differ from that in sections 285 *et seq.* of the Corporate Enterprises Act, requiring shareholder approval at the General Meeting with the majorities that were in sections 194 and 201 of the Corporate Enterprises Act in effect when this General Meeting was held. Article 14 of the Articles of Association indicates that in order for an Annual or Extraordinary General Meeting to be duly called, and to validly pass a resolution to increase or reduce capital, and any other amendment to the Articles of Association, shareholders holding at least 50% of the subscribed share capital with voting rights must be present in person or by proxy on first call, and on second call the attendance of shareholders representing 25% of this share capital with voting rights will be sufficient. In addition, the Board, under section 286 of the Corporate Enterprises Act, will have to prepare the full text of the proposed amendment and a written report on its justification. Also, under section 287 of the Corporate Enterprises Act, the call notice of the General Meeting must state the matters that are to be amended with appropriate clarity, and state the right of all shareholders to examine the full text of the proposed amendment and the report on the amendment at the registered office, and request that those documents be delivered or sent free of charge. For several years now proposed resolutions have been published in full, in Spanish and in English, together with the call notice for the General Meeting, with all relevant information for shareholders being posted on the Company website, which is designed to make it easier for shareholders to exercise their right to information. The Company's website is an appropriate means of communication with shareholders and investors. In addition, the following actions to make it easier for shareholders to exercise their right to information at the General Meeting are notable:

- Call notices are always posted more than one month in advance, which is the period established by law.
- All documentation submitted for approval at the General Meeting are made available to all shareholders at the corporate headquarters, on the website and at the Shareholder Information Office.
- A Shareholder Bulletin is published quarterly and contains the main news regarding the Company.
- The items on the agenda of General Meetings are explained in as much detail as possible.
- Separate voting on matters is established, including through remote voting, so that, as they are individually voted on, each shareholder has full freedom and independence of decision in relation to each matter submitted to vote.
- The Shareholder Information Office specifically deals with requests made by the shareholders. Shareholders may also submit questions in writing about the information available to the public or reported to the competent authorities and make inquiries through the Shareholder Information Office.

The last amendment to the Articles of Association was approved by the Annual General Meeting held on 29 June 2021 to bring them into line with Spanish Law 5/2021, of 12 April, amending the Consolidated Text of the Corporate Enterprises Act (*Ley 5/2021, de 12 de abril, por la que se modifica el Texto Refundido de la Ley de Sociedades de Capital*), enacted by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, as regards promoting the long-term engagement of shareholders in listed companies (mainly as regards the possibility of holding an electronic General Meeting; the powers of the General Meeting, the Board and the Audit Committee regarding related-party transactions; the provisions regarding the pre-emptive right in capital increases; and directors' remuneration; among others). As in prior years, in 2022 an audit was conducted

of the processes for managing the General Meeting held on 7 June 2022, with a view to improving the protection of shareholder rights at General Meetings. The auditor's preliminary report was published on the website on the same day the General Meeting was held.

B.4. Indicate the data on attendance at the general meetings held in the year to which this report refers and those of the two previous years:

Date of general meeting	Attendance data				
	% attendance in person	% attendance by proxy	% remote voting		Total
			Electronic voting	Others	
31/03/2017	22.47	36.01	0.06	0.00	58.54
Of which, free float	15.60	25.01	0.04	0.00	40.65
22/03/2018	21.73	38.63	0.06	0.00	60.42
Of which, free float	15.09	26.83	0.04	0.00	41.96
22/03/2019	21.60	41.46	0.09	0.00	63.15
Of which, free float	13.72	26.33	0.06	0.00	40.11
14/05/2020	0.44	39.85	0.02	21.37	61.68
Of which, free float	0.00	39.85	0.02	1.37	41.24
29/06/2021	0.38	41.09	0.03	20.52	62.02
Of which, free float	0.00	41.08	0.03	0.52	41.63
07/06/2022	0.35	44.16	0.02	20.43	64.96
Of which, free float	0.02	39.16	0.02	0.43	39.63

For the General Meeting held on 7 June 2022, the Board offered the possibility of participating in the meeting by attending remotely, granting a proxy and voting remotely of communication before the meeting, and attending the meeting in person.

B.5. Indicate whether any item on the agenda of the general meetings held during the year was not approved by the shareholders for any reason:

Yes

No

B.6. Indicate whether there is any statutory restriction that establishes a minimum number of shares necessary to attend the general meeting, or to vote remotely:

Yes

No

B.7. Indicate whether certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of core assets or other similar corporate transactions must be subject to shareholder approval at the general meeting:

Yes
 No

B.8. Indicate the address of and method of accessing the Company's website for information on corporate governance and other information on the general meetings that must be made available to shareholders through the Company's website:

Section 2 of the General Meeting Regulations establishes the content of the Company's website, the purpose of which is to serve as a tool to ensure the transparency of corporate action and to allow shareholders to exercise their rights more effectively, facilitating their relationship with the Company. The Company has been using this form of communication since it became a publicly traded corporation in 1999. The content of the website is updated regularly and goes beyond the requirements indicated in applicable regulations. Spanish Law 25/2011, of 1 August, placed greater importance on the Company's website, as it introduced a new section 11 bis in the Corporate Enterprises Act that governs the electronic headquarters or corporate website. Therefore, at the General Meeting held on 19 April 2012, the shareholders ratified the creation of Red Eléctrica's website and it was registered with the Commercial Registry. In addition, section 516 of the Corporate Enterprises Act required listed companies to use the website to disseminate the call notice of the General Meeting, something that the Company had been doing for years before this amendment. The Company's website includes a section accessible from the homepage dedicated to corporate governance matters that contains all the information of interest to shareholders. A specific area of "Shareholders and investors" was also included, accessible from the homepage. The General Meeting section of the Corporate Governance section included an entry entitled "Right to information" that includes information on the channels of communication between the Company and its shareholders and the relevant explanations for exercising the right of information. The Ethics and Compliance section should also be highlighted, which includes information on the Company's regulatory compliance system, the assessment methodology for the risks of non-compliance and the importance of awareness-raising and training as key factors for developing a culture of compliance within the organisation. In 2018, the Committees section was restructured with the approval of the new Sustainability Committee. Two new information spaces were published in 2019 within the Ethics and Transparency section. One is to provide information on the Data Protection and Compliance System, and the other is to make public the Company's commitment to preventing corruption. In 2020, a year marked by COVID-19, the first significant change consisted of adapting the General Meeting section to hold it exclusively by electronic means. The special measures adopted in response to the health situation created by COVID-19 include the creation of a new remote attendance channel so that shareholders, in addition to having the possibility of using the ordinary procedure for proxy appointment, voting and provision of information by remote means, could participate in and cast their vote for the General Meeting from their homes by remote means. The Company also took a step further in transparency in 2020 with the revision and updating of the Corporate Governance Policy and the criteria for reporting financial, non-financial and corporate information to shareholders, institutional investors, proxy advisors and other stakeholders. The COVID-19 pandemic continued to affect the corporate landscape in 2021 and, therefore, the General Meeting section had the same meeting mechanisms as the previous year: use of the electronic attendance channel and regular procedure on delegation, voting and remote information. On the other hand, 2021 was characterised by the renewal of the Ethical Channel and Compliance section to promote the application of the new Code of Ethics and Conduct approved in 2020. A new management platform was included in this section, available to all members of the group and its stakeholders. At the Annual General Meeting held on 7 June 2022, the new brand "Redeia" was announced to the market to replace "Red Eléctrica Group". At the meeting held on 28 June 2022, the Board resolved to change the corporate website of Red Eléctrica Corporación, S.A., which became "www.redeia.com", under section 11 bis of the Corporate Enterprises Act. In terms of publicity, the following actions were highlighted in 2022, among others: the live and simultaneous broadcast, in Spanish and English, of the Annual General Meeting held on 7 June 2022 and the presentations of year-end results in 2021 and the first half of 2022, the publication in English of the call notice from the day on which it was published and of the proposed resolutions submitted for approval at the General Meeting, in addition to all related documentation, including the Annual Corporate Governance Report.

(continued in H.1)

C. MANAGEMENT STRUCTURE OF THE COMPANY

C.1. Board of directors

C.1.1 Maximum and minimum number of directors in the Articles of Association and the number set by the general meeting:

Maximum number of directors	13
Minimum number of directors	9
Number of directors set by the general meeting	12

C.1.2 Complete the following table regarding the board members:

Name of director	Representative	Category of director	Position on the board	Date of first appointment	Date of last appointment	Procedure for election
MS BEATRIZ CORREDOR SIERRA		Other non-executive	CHAIR	25/02/2020	14/05/2020	GENERAL MEETING RESOLUTION
MS CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE		Independent	INDEPENDENT LEAD DIRECTOR	19/04/2012	14/05/2020	GENERAL MEETING RESOLUTION
MR ROBERTO GARCÍA MERINO		Executive	MANAGING DIRECTOR	27/05/2019	14/05/2020	GENERAL MEETING RESOLUTION
MS MERCEDES REAL RODRIGÁLVARE	Z	Proprietary	DIRECTOR	31/10/2017	07/06/2022	GENERAL MEETING RESOLUTION
MR RICARDO GARCÍA HERRERA		Proprietary	DIRECTOR	22/12/2020	29/06/2021	GENERAL MEETING RESOLUTION
MR ANTONIO GÓMEZ CIRIA		Independent	DIRECTOR	09/05/2014	07/06/2022	GENERAL MEETING RESOLUTION
MS SOCORRO FERNÁNDEZ LARREA		Independent	DIRECTOR	09/05/2014	07/06/2022	GENERAL MEETING RESOLUTION

Name of director	Representative	Category of director	Position on the board	Date of first appointment	Date of last appointment	Procedure for election
MS ELISENDA MALARET GARCÍA		Independent	DIRECTOR	29/06/2021	29/06/2021	GENERAL MEETING RESOLUTION
MR MARCOS VAQUER CABALLERÍA		Independent	DIRECTOR	29/06/2021	29/06/2021	GENERAL MEETING RESOLUTION
MR JOSÉ MARÍA ABAD HERNÁNDEZ		Independent	DIRECTOR	29/06/2021	29/06/2021	GENERAL MEETING RESOLUTION
MR JOSÉ JUAN RUIZ GÓMEZ		Independent	DIRECTOR	22/03/2019	22/03/2019	GENERAL MEETING RESOLUTION
MS ESTHER MARIA RITUERTO MARTINEZ		Proprietary	DIRECTOR	05/05/2022	07/06/2022	GENERAL MEETING RESOLUTION

Total number of directors	12
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Indicate if any directors, whether through resignation or by resolution of the general meeting, have left the board of directors during this reporting period:

Name of director	Category of director at the time of departure	Date of last appointment	Date of departure	Specialised committees of which they were a member	Indicate whether the director left before the end of the term
MS MARÍA TERESA COSTA CAMPI	Proprietary	22/03/2019	29/03/2022	SUSTAINABILITY COMMITTEE	YES

C.1.3 Complete the following tables on board members and their respective categories.

EXECUTIVE DIRECTORS		
Name of director	Position held in the company	Profile
MR ROBERTO GARCÍA MERINO	MANAGING DIRECTOR	Born on 20 March 1973, B.A. in Economics and Business Studies, Universidad de Valladolid. General Management Programme (PDG) from the IESE Business School (2016). Master's in Business Administration (MBA) from IE Business School (1999). Currently he is: Chief Executive Officer of Red Eléctrica Corporación, S.A. Member of the management in the Group companies: Hispasat, S.A., Red Eléctrica Infraestructuras de Telecomunicación S.A.(REINTEL), Red Eléctrica Sistemas de Telecomunicaciones S.A.U. (RESTEL), Red Eléctrica Internacional S.A.U. (REI) Professional profile: Since joining Red Eléctrica in 2004, he has performed various duties linked to strategic planning and business development, especially in the international sphere and in the field of telecommunications, notably in the following executive positions: Executive Director of Telecommunications and International of the Red Eléctrica Group (2019) Corporate Director of Business Diversification (2015-2019) Director of Business Strategy and Development (2012-2015) Head of Strategic Planning Department (2007-2012) Outside Red Eléctrica: Internal investment banking analyst at Banco Espírito Santo (2000-2004).

Total number of executive directors	1
% of the total board	8.33

PROPRIETARY NON-EXECUTIVE DIRECTORS		
Name of director	Name of significant shareholder represented or proposing appointment	Profile
MS MERCEDES REAL RODRIGÁLVAREZ	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	Born on 6 January 1968. B.A. in Economics and Business and a B.A. in Law from Universidad Pontificia de Comillas (ICADE E-3), and completed the Executives Development Programme (PDD) at IESE Business School. Currently he is: Head of Investees of Sociedad Estatal de Participaciones Industriales (SEPI). Board member and chair of the Audit Committee of ENRESA, S.A., S.M.E. Professional experience: Board member of ENUSA Industrias Avanzadas, S.A., S.M.E. Chief Financial and Control Officer, Controller and Head of Human Resources at the INFOBOLSA Group (BME Group and Deutsche Börse, AG Group). Board member, Finance and Control Director at OPEN FINANCE, S.L. Head Auditor of financial sector entities at ARTHUR ANDERSEN (currently DELOITTE & TOUCHE).

PROPRIETARY NON-EXECUTIVE DIRECTORS		
Name of director	Name of significant shareholder represented or proposing appointment	Profile
MR RICARDO GARCÍA HERRERA	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	<p>Born on 26 April 1958. PhD in Physical Sciences from Universidad Complutense de Madrid. B.Sc. in Physical Sciences (specialising in Physics of the Atmosphere) from Universidad Complutense de Madrid Degree in General Management from the IESE Business School of the University of Navarra. Currently he is: Professor of Atmospheric Physics at Universidad Complutense de Madrid. Researcher at IGEO, Institute of Geosciences (CISC-UCM). Director, Department of Earth Physics and Astrophysics at Universidad Complutense de Madrid. Evaluator of the Austrian Climate and Energy Fund (since 2007). Professional experience: President of the Spanish Meteorology Agency (2010-2012). General Manager of Prevention and Health Promotion of the Community of Madrid (1991-1995). General Manager for Public Health of the Basque Government (1987-1991). Member of the Executive Committee of the World Meteorological Organization (2010-2012). Board member of AENA (2010-2012). Deputy chair of the Board of the European Centre for Medium-Range Weather Forecasts (2011-2012). Representative of Spain on the Board of EUMETSAT (2010-2012). Representative of Spain in the Steering Committee of the ESF-MedCLIVAR project (2006-2010). He has held the following positions, among others, at Universidad Complutense de Madrid: Head of the General Foundation of Universidad Complutense (2015-2019). Head of the Department of Astrophysics and Atmospheric Sciences (2013-2015). Co-coordinator of the Master's programme in Geophysics and Meteorology (2006-2010). Head Lecturer at Universidad Complutense for more than 20 years (1988-2010). Other information of interest: In the field of research, he has been lead researcher in numerous national and international projects. He has directed and developed studies and work on climate variability and change and has analysed the impact of climate on different socio-economic sectors. In the field of the energy sector, among other works, he has carried out studies on the modelling of the variability of wind and solar resources, both on a meteorological scale and in the long term; on the impact of extremes (heat waves and droughts) on energy demand, and on the relationship between meteorological extremes and the production of wind energy. In addition, his research projects include the impact of meteorology on air quality on a European scale, having been one of the pioneers in the analysis of the impact of climatic extremes on health. In addition, he is the author of more than 200 Articles in international journals included in the Science Citation Index (SCI), contributing author and reviewer of the 4th report of the Intergovernmental Panel on Climate Change (IPCC), co-convenor of different sessions of the European Geophysical Union and the European Meteorological Society, guest editor of different special issues of prestigious journals included in the SCI, and</p>

PROPRIETARY NON-EXECUTIVE DIRECTORS		
Name of director	Name of significant shareholder represented or proposing appointment	Profile
		has been invited speaker at international conferences, among others, at the Royal Meteorological Society, Oxford University, Durham University, the Bermuda Biological Station, the National Oceanic and Atmospheric Administration (NOAA) and the Biennial Meeting of the Royal Spanish Society of Physics.
MS ESTHER MARIA RITUERTO MARTINEZ	SOCIEDAD ESTATAL DE PARTICIPACIONES INDUSTRIALES (SEPI)	<p>Born on 16 February 1954. Master's Degree in Physics with a specialisation in Automatic Computing from the Complutense University of Madrid (1977). MBA from the Escuela de Organización Industrial [School of Industrial Organisation] (1978). Diploma in "Orchestrating Winning Performance" from the International Institute for Management Development (IMD), Switzerland (2004). Currently he is: She is actively involved in a global international movement whose aim is to enable everyone to enjoy the rights set forth in the UN's Universal Declaration of Human Rights (from 2013). She has been involved in a cultural project by the citizens movement in Madrid, furnishing advice on economic factors and designing and monitoring planning and control data (from 2014). Professional experience: General Manager of Administration and Finance of Red Eléctrica de España, S.A., Director of Internal Control sitting in permanently at Audit Committee meetings, Director in charge of monitoring the Internal Regulations for Conduct on the Securities Market(2004-2012). Joint director of Red Eléctrica Financiaciones, S.A.U. (2009-2012). Joint director of Red Eléctrica Internacional, S.A.U. (2004-2012). CEO of Izar Construcciones Navales, S.A. (currently Navantia) (2003-2004). Board member of Izar (2001-2004). Board member of Agencia Efe (2002-2003). Board member of Iberia (2000-2001). Member of the Patronato Fundación Empresa Pública [Board of Patrons of the Public Enterprise Foundation] (1998-2003). Director of Planning and Control of SEPI. Member of its Executive Committee and its Management Committee (1996-2003).</p> <p>Board member of Casa (1994-2001). Board member of Indra (1994-1999). Board member of Endesa (1997-1998). Director of Planning and Control of INI and Teneo S.A. Member of the Executive Committee of INI (1993-1996). Board member of Ensidesa (1992-1994). Board member of Altos Hornos de Vizcaya (1992-1994). Board member of Binter Canarias (1989-1994). Board member of Compañía Trasatlántica Española (1990-1993). Director of Planning and Monitoring of INI (1990-1993). Board member of Endiasa (1988-1991). Deputy Director of Planning and Monitoring of INI (1988-1990). Chief Risk Officer of Bankinter Madrid (1978-1988).</p>

Total number of proprietary directors	3
% of the total board	25.00

INDEPENDENT NON-EXECUTIVE DIRECTORS	
Name of director	Profile
MS CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	<p>Born on 20 May 1968. B.A. in Economics and Business from Universidad Pontificia de Comillas (ICADE). Master's Degree in Business Administration from IESE (Executive MBA) at the University of Navarra. Currently he is: Board member of Hispasat, S.A., Chair of its Appointments and Remuneration Committee and member of its Audit Committee. Member of the Advisory Board of the Board of Grupo Antolin-Irausa, S.A. Member of the Board of Mutua Madrileña Automovilista, Sociedad de Seguros a Prima Fija and chair of its Audit and Compliance Committee.</p> <p>Member of the Strategy Advisory Group of Sidenor Aceros Especiales. Professional experience: General Manager of Corporación de Reservas Estratégicas de Productos Petrolíferos (CORES). Manager of Institutional Relations and Communication at BP Oil España. Deputy Manager of Oil Markets at the Spanish National Energy Commission (CNE). Director of Services Development at Unión Fenosa. Head of the International, Petrochemical and Marketing Departments at Repsol. Head of the Cogeneration Department and Business Management at Enagás. Representative of the Spanish delegation in the Standing Group on Emergency Questions and in the Standing Group on Markets of the International Energy Agency (IEA). Representative in various international working groups on energy regulation and security of supply issues (ARIAE and CEER). Board member of Grupo Ezentis, S.A. Professor and/or lectures in various Master's programmes (University of Barcelona, ICAI, Cesma, Spanish Energy Club). Speaker at the Sagardoy Business School's Course for Directors.</p>
MR ANTONIO GÓMEZ CIRIA	<p>Born on 25 March 1957. B.A. in Economics and Business from Universidad Complutense de Madrid. B.A. in Mathematics from Universidad Complutense de Madrid. Executive MBA from IESE Business School. Chartered Certified Accountant (AECA). Currently he is: Member of the Advisory Board of Experts on Accounting and Financial Information (ECIF) of the General Council of the Association of Economists. Board member of Mapfre, S.A. and Chair of its Risk and Sustainability Committee. Board member of Mapfre España Compañía de Seguros y Reaseguros S.A. Board member of Mapfre Re Compañía de Reaseguros S.A. and member of its Executive Committee. Board member of Mapfre Vida, S.A. de Seguros y Reaseguros sobre la Vida Humana. Board member of Hispasat, S.A., member of its Audit Committee and Appointments and Remuneration Committee. Professional experience: Board member of Mapfre Global Risks Compañía Internacional de Seguros y Reaseguros, S.A. and member of its Management Committee. General Manager of Administration and Information Technology and member of the Management Committee of the FCC Group. Representative of the FCC Group at the Large Companies Forum of the Ministry of Finance and Public Administrations. General Manager of Internal Audit and member of the Management Committee of the FCC Group. Internal Audit Manager of the FCC Group. Member of the Advisory Board of the Institute of Internal Auditors and member of the Management Committee. General Technical Secretary of InverCaixa, an investment management company belonging to the La Caixa Group. Chair of the Spanish Accounting and Audit Institute (ICAC) Director of Empresa Nacional de Uranio, S.A. Director of Empresa Nacional de Autopistas, S.A. Director of Tabacalera, S.A. Market Inspection Director of Sociedad Rectora de la Bolsa de Valores de Madrid. Deputy Manager of Budget</p>

INDEPENDENT NON-EXECUTIVE DIRECTORS	
Name of director	Profile
	<p>Planning and Research for Radio Televisión Española. Head of the Auditing and Accounting Department of Banco de Crédito Agrícola. Auditor/Inspector for the Spanish State Auditing Agency. Other information of interest: Member of the Working Group of Spain's National Securities Market Commission (CNMV) that drew up the "Guidelines for management reporting by listed companies [<i>Guía para la elaboración del informe de gestión de las entidades cotizadas</i>]".</p>
MS SOCORRO FERNÁNDEZ LARREA	<p>Born on 7 April 1965. Degree in Civil Engineering from Universidad Politécnica de Madrid and completion of the IESE Advanced Management Program (AMP). Currently he is: Chair of OFG TELECOMUNICACIONES. Independent director of GRUPO CEMENTOS MOLINS. Independent director of Spanish engineering firm SEG, S.L. Independent director of BANCO CAMINOS.</p> <p>Sole director of consultancy firm JUSTNOW, S.L., Member of the IESE Territorial Board in Madrid. Professional experience: Independent director of TEMPORE PROPERTIES Socimi, S.A. Independent director of the ACR Group. Board member of AMPER, S.A. as a proprietary director, representing Emilanteos, S.L. General Manager of COPISA Constructora Pirenaica, S.A., Vice-Chair of the Association of Independent Builders (<i>ANCI, Asociación de Constructores Independientes</i>). Member of the governing board of the Spanish Association of Civil Engineers (<i>Colegio de Ingenieros de Caminos, Canales y Puertos</i>). Regional Director of the construction company SEOP, S.A. National delegate of FERROVIAL CONSERVACIÓN, S.A. Delegate in Castilla la Mancha of FERROVIAL AGROMÁN, S.A. Delegate in Castilla La Mancha of AGROMÁN Empresa Constructora, S.A. General Manager of Roads, Hydraulic Works and Transport of the Department of Public Works at the Castilla-La Mancha Regional Communities Board. Executive director of JUSTNOW, S.L. Head of works of FERROVIAL, S.A. Advisor to the Board of the Mexican engineering firm CAL Y MAYOR. Member of the advisory board of the newspaper EXPANSION.</p> <p>Other information of interest: Member of WCD (Women Corporate Directors) and former co-chair of the Spanish chapter. Member of AED (Spanish Association of Executives) and former member of its Management Board. Member of CEAPI (Business Council Alliance for Latin America) and member of its Management Board. Member of YPO (Young Presidents' Organization), and former member of the Executive Committee of the Eurolatam and Madrid chapters. Member of IWF (International Women's Forum) and former member of its Management Board in Spain. Medal of Honour from the Spanish Association of Civil Engineers (CICCP). Outstanding Engineer Award 2021 for the CICCP Madrid Territory.</p>
MS ELISENDA MALARET GARCÍA	<p>Born on 20 March 1958. B.A. in Law from the University of Barcelona. PhD in Law from the University of Barcelona. Postdoctoral researcher at Università degli Studi di Bologna, Project on the Promotion of Industrial Reorganisation. Currently she is: Professor of Administrative Law at the Faculty of Law of the University of Barcelona (since 1995). Head of the Master's programme in Advanced Public Procurement at the University of Barcelona. Joint Head of the Master's programme in Public Management at Escola d'Administració Pública de Catalunya (EAPC). Chair of the Law Teaching Staff Accreditation Committee of the Spanish National Agency for Quality Assessment and Accreditation (ANECA) Lecturer in Economic Regulation Law in the Master's programme in Advanced Legal Studies at the Faculty of Law and in the Master's programme in Regulation, Competition and Public Services of the Faculty of Economics at the University of Barcelona Member of the Scientific Committee of the European Federation of Energy Law Associations. First Vice President of the Spanish Association of Energy Law (AEDEN). Member of the Scientific Committee of the Associazione per gli Studi e le ricerche sulla Riforma delle Istituzioni Democratiche e sull'innovazione nelle amministrazioni pubbliche</p>

INDEPENDENT NON-EXECUTIVE DIRECTORS	
Name of director	Profile
	<p>(ASTRID). Member of the Society's Inaugural Council de la International Society of Public Law. Member of the Public Contracts in Legal Globalization (PCLG) European network. Member of the Spanish Association of Administrative Law Professors (AEPD). Member of the European Group of Public Law (EGPL) (since 1995). Professional experience (among other positions): Director of the Catalan Audiovisual Council (2008-2014). Member of the Advisory Board of the Spanish Data Protection Agency (AEPD) (2005-2008). Guest lecturer at the following universities: Paris II Pantheon-Assas, Institut de Sciences Politiques, Paris, Paris I Panthéon-Sorbonne, Institut de Sciences Politiques, Grenoble, Roma Tre, Externado, Bogotá, Siena, Oviedo, Euskadi, Roma La Sapienza, Pisa, Florence, Cattolica de Milano, Pavia, Montpellier. Head of various courses on telecommunications regulation at Consorci Universitat Internacional Menéndez Pelayo de Barcelona (CUIMPB) (1997-2001). Head of the Department of Administrative Law and Procedural Law at the Faculty of Law of the University of Barcelona (2000-2004). Professor of Administrative Law at the University of Barcelona since 1986.</p> <p>Other professional responsibilities to highlight: Representative of the CAC on the European Platform of Regulatory Authorities (EPRA), on the contact committee provided for in the SCA Directive between national audiovisual regulators and the European Commission, on the Réseau des Institutions de Régulation Méditerranéennes (RIRM) and on the Platform of Latin American Audiovisual Regulators (PRAI). Member of the Lower House of the Spanish Parliament in the 8th and 9th legislatures (2004-2008). Rapporteur for the Antitrust Act, the Basic Statute of Public Employees Act, the Public Sector Contracts Act, the Act on Transparency in Financial Relations between Public Authorities and Public Companies, the Act on State Agencies for the Improvement of Public Services, and the Act on the Special Regime for the Municipality of Barcelona, among others (2004-2008). Other information of interest: Author of numerous books, book chapters, Articles and research projects on the main lines of research she has developed in her career, including: Economic regulation law; Energy law; Infrastructure law; Judicial control, administration and technique; Telecommunications Law; Transparency, conflicts of interest and accountability - good governance and good administration; Independent regulatory authorities, public procurement; Public services and liberalisation in the European integration process; etc. She has given numerous presentations at conferences in recent years, and on councils of scientific journals, committees and representations, and she has received research and teaching recognitions from the National Research Activity Assessment Commission (ANECA).</p>
MR MARCOS VAQUER CABALLERÍA	<p>Born on 15 September 1967. B.A. in Law from Universidad Pontificia de Comillas (ICADE). B.A. in Economics and Business from Universidad Pontificia de Comillas (ICADE). PhD in Law from Universidad Carlos III de Madrid (UC3M). Currently he is: Professor of Administrative Law at Universidad Carlos III de Madrid (since 2011). Secretary General of UC3M (since 2015). Head of the Master's programme in Advanced Studies in Public Law at UC3M (since 2016). President (by delegation of the Rector) of the academic council of the Tirant-UC3M Chair of Ibero-American Legal Studies (since 2016). Member of the Management Committee of the Inter-University Institute for Cultural Communication, UNED-UC3M (since 2002). Member of the Scientific Committee of the Andrés Bello Chair of Cultural Rights, created by the Andrés Bello Agreement and the National University of Distance Education (UNED) and UC3M (since 1998). Member of the Pascual Madoz Institute of Territory, Urban Planning and Environment of UC3M. Member of the Editorial Board of the <i>Yearbook of Good Governance and Regulatory Quality</i> published by Fundación Democracia y Gobierno Local (since 2020) Member of the Scientific Board of the</p>

INDEPENDENT NON-EXECUTIVE DIRECTORS	
Name of director	Profile
	<p>Revista de Derecho Urbanístico y Medio Ambiente (since 2020). Member of the Scientific Committee of the Editorial La Cultivada, promoted by the Fundación Gabeiras (since 2020). Member of the Scientific Committee of the Revista General de Derecho de los Sectores Regulados of Iustel (since 2018). Member of the Scientific Council of the Journal of Local and Autonomous Administration Studies (since 2017). Drafting team member of the Práctica Urbanística journal. Revista de urbanismo de la editorial La Ley (Wolters Kluwer group) (since 2015). Director of the digital collection Cuadernos de Derecho de la Cultura (since 2013). Member of the editorial team of the Revista General de Derecho Administrativo of Iustel (since 2002). Member of the Madrid Bar Association (since 1992). Lawyer at Estudio Jurídico of UC3M (since 1997). Member of the Spanish Association of Administrative Law Professors (since 2012). Professional experience (among other positions): The most relevant positions held in the academic field: Head of the Inter-University Institute for Cultural Communication (UNED-UC3M-UIMP) (2012-2015). Deputy Director to the Vice Rector for Coordination and General Secretary of Universidad Carlos III de Madrid (2004). Head of Teaching and Research Staff, Assistant to the Vice Rector for Faculty and Departments (UC3M) (2003-2004). Secretary of the Faculty of Social and Legal Sciences (UC3M) (2000-2003). Head Lecturer in Administrative Law, Department of State Public Law (2001-2011).</p> <p>Acting Head Lecturer in Administrative Law, Department of State Public Law (1999-2001). University Assistant assigned to the area of Administrative Law, Department of Public Law and Philosophy of Law (1997-1999). Associate Professor of Administrative Law, Department of Public Law and Philosophy of Law (1994-1997). Visiting or guest professor at the Universities of Pavia and Sassari (Italy), Paris Ouest (France), Externado (Colombia) and Católica de Valparaíso (Chile); and having participated in various international technical assistance missions in European Union projects in Ecuador (2014) and Paraguay (1998, 1995). The most relevant positions held in the public sector:</p> <p>Board member of Entidad Pública Empresarial de Suelo (SEPES), attached to the Ministry of Public Works (2010-2012). Undersecretary for Housing, Ministry of Housing and Chair of Entidad Pública Empresarial de Suelo (SEPES) (2008-2010). Board member of BILBAO Ría 2000, S.A. (2004-2010). Member of the Committee on Housing and Land Management of the United Nations Economic Commission for Europe, UNECE (2006-2008).</p> <p>Member of the Governing Council of the Defence Infrastructure and Equipment Management (GIED) and Member of the Higher Council of Real Estate Property (2006-2008).</p> <p>General Director of Urban Planning and Land Policy of the Ministry of Housing, Vice-President of the Board of the Public Land Business Entity (SEPES) (2004-2008) Member of the Governing Council of Gestor de Infraestructuras y Equipamientos de la Seguridad del Estado (GIESE) (2004-2008). Member of the Administrative Buildings Coordinating Board and alternate member of the Higher Council of Statistics (2004-2008). Free practice of law: Altair Asesores, S.L., law firm specialised in public law and international technical assistance (1991-1994) Arthur Andersen, Asesores Legales y Tributarios, S.R.L., part-time, combined with university studies (1990-1991) (continued in H.1)</p>
MR JOSÉ MARÍA ABAD HERNÁNDEZ	<p>Born on 28 May 1982. B.A. in Law from Universidad Pontificia de Comillas (ICADE). B.A. in Business Administration and Management, specialising in Finance, from Universidad Pontificia de Comillas (ICADE). Specialist in Quantitative Research Methods (Statistical Techniques) from Universidad Politécnica de Madrid. Advanced Studies Program in International Economics from</p>

INDEPENDENT NON-EXECUTIVE DIRECTORS	
Name of director	Profile
	<p>the Kiel Institute for the World Economy (Germany). Currently he is: Senior Advisor to the Financial Services practice of Oliver Wyman in Europe (2022). Consultant at the Global Macroeconomic Analysis and Markets Department of the International Finance Corporation (IFC) of the World Bank Group (Washington, DC) (2022). Board member, Instituto Hermes Foundation (2022). Associate Professor at ICADE (Madrid) (2022), where he teaches "Analysis of Economic Situation" in Executive Education programmes. Independent consultant and adviser on macroeconomics and banking matters. Professional experience (among other positions): Winner of the "Federico Prades" Award that the Spanish Banking Association (AEB) awards every two years to an economist under 40, in this case for work on the usability of banking capital buffers (April 2022). Financial Sector Expert and Visiting Scholar, successively, at the Monetary and Capital Markets Department of the International Monetary Fund (IMF) (Washington, DC) (2020-2022). Executive Director of the European Financial Institutions Group of the Analysis Division and senior banking analyst responsible for the hedging of listed banks in southern Europe (Spain, Portugal, Greece) at Goldman Sachs (London) (2015-2020). Deputy chair and senior analyst of the Sovereign and Supranational Risk Group, and member of the Sovereign Ratings Committee of Moody's Investors Service (London) (2015). Board member of AXIS Business Investments, S.G.E.I.C., S.A.S.M.E. (ICO Group) (Madrid) (2012-2015). Chief Economist and Head — with the rank of Deputy Manager — of the Research Department and the International Relations Department of Instituto de Crédito Oficial (ICO) under the Ministry of Economy and Competitiveness (Madrid) (2012-2015). As such: Responsible for shaping ICO's macro vision, defending the "Spanish position" on key economic policy issues with other European development, national and multilateral banks, and managing the Chair's international agenda. Member of ICO's Procurement, Strategy and International Relations and Monitoring Committees of Fond-ICO Global. Joint Secretary of the High Level Expert Group for SME Financing of the Ministry of Economy and Competitiveness (2013). ICO Representative at the Financial Institutions Shareholder Group (FISG) of the European Investment Fund (EIF) in Luxembourg. ICO representative on the Board of the European Long-Term Investors Association (ELTI) in Brussels. ICO Sherpa in the Long Term Investors Club (LTIC) and in the "Big Six Group", formed by the presidents and/or CEOs of the six main European development banks (Germany, France, Italy, Spain and Poland, and the EU through the EIB Group). Responsible for the launch and monitoring of the "Cátedra Fundación ICO de Financiación a PYME", led by the University of Alcalá de Henares, which won the "Titanes de las Finanzas" award (granted by the ECOFIN Forum) in 2015. Advisor (for Spain and Portugal) to the Chief Global Economist at Unicredit Group (London) (2011-2012). Consultant (for Spain and Portugal) to the European Economic Analysis team at Goldman Sachs (Frankfurt) (2010-2011). Senior Associate in the Sovereign and Supranational Risk Group, member of the Sovereign Ratings Committee and the Economic Analysis Committee at Moody's Investors Service (Frankfurt) (2009-2010). Associate of the Strategy and Operations Group at KPMG (Madrid) (2006). In terms of his academic career, the following stands out: Visiting Professor at ESADE (Barcelona) (2018-22) where he taught the 'Company Valuation' and 'Analysis and Valuation of Financial Institutions' courses as part of the Master's in Finance. Research and teaching assistant at the Institute for Economic Policy at the University of Leipzig, Germany (2011-2012). Research and teaching assistant at the International Centre for Financial Research (CIIF) at IESE Business School (Madrid) (2007-2008). Research and teaching assistant in the Department of Economics at ICADE - Universidad Pontificia Comillas (Madrid) (2005-2006).</p>

INDEPENDENT NON-EXECUTIVE DIRECTORS	
Name of director	Profile
	Other information of interest: Author of numerous monographs, Articles and research projects on various topics related to financial and capital markets and economic policy.
MR JOSÉ JUAN RUIZ GÓMEZ	<p>Born on 30 July 1957. B.A. in Economics from Universidad Autónoma de Madrid. Trade Expert of the State. Currently he is: Independent consultant and advisor on macroeconomic issues and Latin American markets. President of the Elcano Royal Institute and a member of its Executive Committee. Professional experience: Chief Economist and Head of the Research Department of the Inter-American Development Bank (2012-2018).</p> <p>Chief Economist for Latin America at Banco de Santander (1999-2012). Representative of Banco Santander on the Board of the Elcano Royal Institute (until 2012).</p> <p>Member of the Social Advisory Board of the University of Castilla-La Mancha (2005-2009) and Chair of the Board (2010-2012). Member on the boards of both public entities (INI, Aviaco, Autopistas del Atlántico, Renfe and Tabacalera) and private companies, particularly in the banking sector, holding the positions of director of Banco de Santiago (Chile), Banco Santander Colombia, Banco Santander Puerto Rico, Banco Santander Peru and Banco Venezuela between 1999 and 2012. Head of the Strategy and Planning Department of Banco Santander (1996-1999). Chief Economist of Asesores Financieros Internacionales (1996). Member of the Independent Committee of Experts of the Ministry of Economy and Finance responsible for developing macroeconomic scenarios for the Spanish economy (1994-1998). Member of the Editorial Board of the Recoletos Group (1994-1999). Chief Economist at Argentaria (1993).</p> <p>Member of the Editorial Board of El País and the Prisa Group. The most relevant positions held in the government (Ministry of Economy and Finance) are: Undersecretary for International Economy and Competition of the Ministry of Economy and Finance (1991-1993). Member of the Steering Committee of the Ministry of Economy and Finance (1991-1993). Chief of Staff for the Secretary of State for Economy (1988-1990). Executive Advisor to the Secretary of State for Economy (1985-1987). Head of the Balance of Payments Service, Secretary of State for Trade (1984-1985). Economic Advisor to the Secretary of State for Trade and the Secretary General for Trade (1983). Technical support to the General Technical Secretariat during the negotiation of Spain's entry into the EU (1984-1985). President of the Spanish Delegation to the OECD for the annual meetings on macroeconomic monitoring (1990-1993). Chair of the Economic Policy Committee of the European Union (1992-1993). Member of the Economic Policy Committee of the EU (1989-1992). Responsible for Spanish relations with the IMF, the World Bank and the Development Banks (Africa, Asia, Latin America and Europe) (1986-1993). Other information of interest: In addition, he is active as a speaker at conferences with various institutions and collaborates as a lecturer in the International Master's programme at IE Business School.</p>

Total number of independent directors	7
% of the total board	58.33

Indicate whether any independent director receives from the company or its group any amount or benefit other than directors' remuneration or maintains, or has maintained over the last financial year, a business relationship with the company or any group company, either in their own name or as a

significant shareholder, director or senior executive of a company that maintains or has maintained such a relationship.

If applicable, include a statement from the board detailing the reasons why the director in question may carry on their duties as an independent director.

Name of director	Description of the relationship	Reasons
MS CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	The independent director Carmen Gómez de Barreda Tous de Monsalve earned EUR 22 thousand in 2022 as a result of her position as director at Hispasat, S.A.	The remuneration earned in 2022 as a director at Hispasat, S.A., a group (Redeia) company (Redeia) does not affect her independence as director of Red Eléctrica Corporación, S.A., either to its nature or amount.
MR ANTONIO GÓMEZ CIRIA	The independent director Antonio Gómez Ciria earned a total of EUR 22 thousand in 2022 as a result of his position as director at Hispasat, S.A.	The remuneration earned in 2022 as a director at Hispasat, S.A., a group (Redeia) company (Redeia) does not affect his independence as director of Red Eléctrica Corporación, S.A., either to its nature or amount.

OTHER NON-EXECUTIVE DIRECTORS

Identify all other non-executive directors, explain why they cannot be considered proprietary or independent directors and give details of their relationships with the company, its executives or its shareholders:

Name of director	Reasons	Company, executive or shareholder with which the relationship is maintained	Profile
MS BEATRIZ CORREDOR SIERRA	Beatriz Corredor Sierra was appointed as director in the "other external" category by the Board in its meeting held on 25 February 2020. In the report on the proposed appointment of the director prepared by the Appointments and Remuneration Committee and in the report and proposal of the Board, where the directors' category was analysed, it was concluded that in view of her personal circumstances and professional career, Ms Corredor Sierra could have been appointed as an independent director. However, it did not seem appropriate to include her in this category because, in addition to legal requirements, in compliance with the commitments	RED ELÉCTRICA CORPORACIÓN, S.A.	Born on 1 July 1968. B.A. in Law from Universidad Autónoma de Madrid (1991). Admitted by competitive examination as a qualified Registrar in the Property and Commercial Registries of Spain, Class of 1993. Executive Education – Senior Business Management Programme. IESE-Business School (PADE-A-2013). Executive Education - "Women on Boards" focused programme. IESE-Business School (2015). Currently he is: Chair of Redeia and the Board of Red Eléctrica Corporación, S.A. Property Registrar on leave of absence (more than 25 years' experience).

OTHER NON-EXECUTIVE DIRECTORS			
Identify all other non-executive directors, explain why they cannot be considered proprietary or independent directors and give details of their relationships with the company, its executives or its shareholders:			
Name of director	Reasons	Company, executive or shareholder with which the relationship is maintained	Profile
	<p>made by the Company before its shareholders</p> <p>with significant international representation at the Extraordinary General Meeting held in July 2015, which virtually unanimously approved the model for the separation of the positions of Chair of the Board and CEO, the significant strategic responsibilities and functions that Ms Corredor Sierra would perform as chair of the Board did not fully match the generally accepted profile for independent directors. Therefore, it was considered more advisable to classify Ms Corredor Sierra in the category "other external directors" in section 529 duodecies.2 of the Corporate Enterprises Act, in line with an orderly and reasonable succession in the position of the previous chair of the Board, whom she replaced, who also held this classification and was supported by almost all the shareholders. The Company's Annual General Meeting held on 14 May 2020 approved the ratification and appointment of Ms Corredor Sierra under "other external directors", obtaining 98.48% votes in favour.</p>		<p>Vice-Chair of the Royal Board of the Royal Board of Trustees of the Museo Nacional Centro de Arte Reina Sofía</p> <p>Adjunct Faculty, Civil Law.</p> <p>Master's Degree in Access to the Legal Profession. Universidad Nebrija. Adjunct Faculty. Social & Affordable Housing. Master in Real Estate Development.</p> <p>School of Architecture & Design. IE University. Mentor of the Endeavour Spain Foundation (supporting high-impact entrepreneurship) (2014-present).</p> <p>Member of the Advisory Board of WAS-Women Action Sustainability. Member of the Advisory Board of WLW-Women in a Legal World. International speaker and lecturer.</p> <p>Professional experience: Member of Parliament for Madrid and Chair of the Justice Commission. Lower House of the Spanish Parliament. XIII Legislature (2019). Secretary of Land Planning and Public Housing Policy Affairs.</p> <p>Federal Executive Committee. Partido Socialista Obrero Español (June 2017-February 2020).</p> <p>President of the Pablo Iglesias Foundation (September 2018-February 2020). Institutional Relations Manager of Spanish Property and Commercial Registrars' Association. Member of the Governing Board, responsible for Institutional</p>

OTHER NON-EXECUTIVE DIRECTORS

Identify all other non-executive directors, explain why they cannot be considered proprietary or independent directors and give details of their relationships with the company, its executives or its shareholders:

Name of director	Reasons	Company, executive or shareholder with which the relationship is maintained	Profile
			<p>Relations and the Press and Communications Office (October 2013-June 2017) Secretary of State for Housing and Urban Development. Ministry of Public Works (October 2010-December 2011).</p> <p>Chair of the Board of the SOE Business Company, SEPES. Minister of Housing of the Spanish Government (April 2008-October 2010). Madrid City Councillor (September 2007-April 2008). Director of Empresa Municipal de Vivienda y Suelo (EMVS). Other information of interest: Throughout her professional career she has developed legal and technical knowledge in the fields of real estate, urban planning, civil law, commercial law, mortgages, tax law, procedural and administrative law, both in the private and public sectors. In addition, she has held various positions in the public sector, promoting regulatory measures and legislative processes, with leadership and management responsibilities in various ministerial departments and public companies. Her experience also extends to the negotiation and formation of strategy of collegiate bodies, the management of institutional relationships at the highest level with national public authorities (ministries, autonomous regions,</p>

OTHER NON-EXECUTIVE DIRECTORS

Identify all other non-executive directors, explain why they cannot be considered proprietary or independent directors and give details of their relationships with the company, its executives or its shareholders:

Name of director	Reasons	Company, executive or shareholder with which the relationship is maintained	Profile
			municipalities) and international governments (EU, USA, Latin America, Russia, Turkey, Singapore), financial institutions and property companies and companies in other industrial sectors, and professional associations, associations, NGOs. She has also performed liaison responsibilities with the media and press offices. Among other awards, she received the Forinvest 2022 Award, the Medal of Honour of the Spanish Association of Land and Commercial Registrars of Spain (2018), the 2017 ALUMNI Award, Faculty of Law of the Universidad Autónoma de Madrid-UAM and the Grand Cross of the Royal and Distinguished Spanish Order of Carlos III. H.M. the King Juan Carlos I (2010).

Total number of other non-executive directors	1
% of the total board	8.33

Indicate any changes in the category of each director during the period:

Name of director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table with information on the number of female directors at the end of the last four years and the category to which they were assigned:

	Number of female directors				% of total directors of each category			
	2022	2021	2020	2019	2022	2021	2020	2019
Executive					0.00	0.00	0.00	0.00
Proprietary	2	2	2	2	66.67	66.67	66.67	66.67
Independent	3	3	3	3	42.86	42.86	42.86	42.86
Other non-executive	1	1	1		100.00	100.00	100.00	0.00
Total	6	6	6	5	50.00	50.00	50.00	41.67

C.1.5 Indicate whether the company has diversity policies in relation to its board of directors on matters such as age, gender, disability, or training and professional experience. Small and medium-sized enterprises, as defined in the Spanish Audit Act (*Ley de Auditoría de Cuentas*), must at least report the policy they have implemented in relation to gender diversity.

- Yes
 No
 Partial policies

If so, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results during the year. Also indicate the specific measures adopted by the board of directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why not.

Description of the policies, objectives, measures, how they have been applied, and the results obtained

On 29 November 2022, to consolidate in one document the guidelines that guarantee diversity in a broad sense in the Board together with the process of selecting and appointing directors, the Board approved the Board's Diversity and Appointment of Directors Policy (published at www.redeia.com). The purpose of this Policy is to ensure that proposals for the appointment or re-election of directors are based on a prior analysis of the skills required by the Board, collecting the catalogue of principles on which the selection procedures for the Board members must be based, and based on criteria of capacity and objective merits. The Policy also aims to promote diversity in a broad sense in the composition of the Board, among other aspects, in terms of knowledge, training, experience, age, capacity and gender. The requirements for the selection of Board members must be aimed at achieving a diverse and balanced composition of the Board as a whole and, equally, as regards its committees, so that it enriches the analysis and debate, provides views and pluralistic positions, promotes decision-making based on the nature and complexity of the business, and the social and environmental context, and allows directors to enjoy due independence in exercising the functions attributed to them by law, the Articles of Association and the other corporate governance rules of the Company. In turn, Redeia's Corporate Governance Policy (published at www.redeia.com) took into account the objective of improving gender diversity, recognising and assuming the principle of consolidating its commitment to diversity in a broad sense, not only in terms of gender but also experience, knowledge, age, nationality or seniority in the composition of the Board and its committees. Similarly, comprehensive diversity in the Board one of the practices embedded within that Corporate Governance policy. The Company applies the principle of promoting the diversity of knowledge, experience and gender in the composition of the Board and its committees, as an essential factor that allows it to achieve its objectives from a plural and balanced viewpoint. In addition, in 2018, the Appointments and Remuneration Committee and the Board carried out a process to assess the competences and knowledge of Board members, culminating in the approval of a Board competences matrix, individualised by director. The application of this matrix, which reflects the competencies, experience, knowledge, professionalism, suitability,

independence of judgement, qualities and capacities that Board members must have, makes it easier to supervise overall Board diversity and facilitates informed decision making. The matrix consists of three blocks (experience-knowledge in the sector of activities and strategic priorities of the Company, functions related to the responsibilities of the Board and diversity), which in turn comprise a total of twenty-three categories reflecting the experience and knowledge of the Board members in aspects such as: the energy and telecommunications sector, finance, capital markets, business strategy and development, infrastructure management, boards of directors of public and private entities, sustainability, risk management and compliance, digital transformation, and gender, age or length of service as a director, among others. The Board's skills and competencies matrix is a tool of good governance that facilitates the supervision of the overall and individual balance, diversity and quality of the Board at all times and is aligned with the most advanced international practices recommendations on corporate governance. This skills matrix is reviewed on a continuous basis so that it is always up to date and in line with the strategy of the group (Redeia). Furthermore, section 22 of the Board Regulations establishes that the Board, within the scope of its powers, will ensure that the candidates selected are persons of good standing, competence and experience, ensuring diversity of gender, experience and knowledge on the Board. In this context, it is important to highlight the important role of the Appointments and Remuneration Committee in promoting diversity on the Board, since, as laid down in Article 24 of the Articles of Association and in section 18 of the Board Regulations, this Committee is responsible for promoting a representation objective for the under-represented gender on the Board. It is also responsible for evaluating the competencies, skills, knowledge and experience necessary on the Board, submitting to the Board the proposals for the appointment of independent directors and reporting on proposed appointments of the other board members, among other duties. On the other hand, section 15 of the Board Regulations establishes that the process for the appointment of the members of the Audit Committee will take into account their knowledge and experience in accounting, auditing or risk management.

- C.1.6 Explain the measures taken, if applicable, by the appointments committee to ensure that the selection processes have no implicit bias that would make it difficult to select female directors, and that the company makes a conscious effort to search for female candidates who have the required profile to guarantee an even balance between men and women: Indicate as well whether these measures include the promotion of a significant number of female executives:

Explanation of the measures

The actions implemented by the Company aim to actively promote the selection of qualified women and their inclusion in the Board. The Board diversity and appointment of directors policy (published at www.redeia.com) aims to promote diversity in a broad sense in the composition of the Board, among other aspects, in terms of knowledge, training, experience, age, capacity and gender. The requirements for the selection of Board members must be aimed at achieving a diverse and balanced composition of the Board as a whole and, equally, as regards its committees, so that it enriches the analysis and debate, provides views and pluralistic positions, promotes decision-making based on the nature and complexity of the business, and the social and environmental context, and allows directors to enjoy due independence in exercising the functions attributed to them by law, the Articles of Association and the other corporate governance rules of the Company. On the other hand, in the Corporate Governance Policy of Redeia (published at www.redeia.com) establishes "the principle of consolidating its commitment to diversity in a broad sense, not only in terms of gender but also experience, knowledge, age, nationality or seniority in the position of directors, among other aspects, in the composition of the Board and its committees", and the practices incorporated in the above Corporate Governance Policy include diversity in the Board. The Company applies this principle and, the Board assumed the best recommendations regarding gender diversity. At the end of 2022, six (50%) of its members were women. The Company continues to comply with the 40% target set for 2022 in Recommendation No. 15 of the Code of Good Governance for Listed Companies. It was noteworthy that a woman held the position of chair of the Board. Furthermore, a woman has served as lead independent director since 25 May 2013 after her last re-election on 29 March 2022 for three years. As regards the Board committees, it should also be noted that the Audit Committee has 1 woman out of a total of 4 members (25%), and the Appointments and Remuneration Committee also has 1 woman out of a total of 3 members (33.3%). The Sustainability Committee has 3 women out of a total of 3 members (100%), and is therefore also chaired by a woman.

In each director selection process, the Appointments and Remuneration Committee analyses the profile of the candidate and evaluates whether it is in line with the ideal profile for holding the position of director depending on the type the position that is vacant at that time. During this selection process, the Appointments and Remuneration Committee complies with the basic responsibilities in sections 18.1(h), (i) and (k) of the Board Regulations. Candidates are assessed taking into account the competencies, training, experience, professionalism, suitability, gender, independence of judgement, knowledge, qualities, abilities and availability of the existing Board members, with the Appointments and Remuneration Committee playing an important role in this selection process. In addition, when considered appropriate the Appointments and Remuneration Committee, among other proposals and suggestions, seeks the opinion of external advisors specialised in the recruiting process of directors, who put forward various candidates and issue reports on each one of them, in which they assess the candidate's competencies and experience. These reports are carefully analysed and assessed by the Appointments and Remuneration Committee before a report and/or appointment proposal is submitted to the Board.

The Board's commitment to the inclusion of female talent in the Board itself was reflected in section 18.1 (n) of the Board Regulations, which established as one of the Appointments and Remuneration Committee's core responsibilities to ensure that gender diversity is taken into account

when filling new vacancies, establishing a representation target for the under-represented gender and developing guidelines on how to achieve this goal.

All of the above was taken into account by the Appointments and Remuneration Committee and the Board when analysing the reports and proposals to cover the vacancy existing on the Board in 2022, as can be seen on the corporate website (www.redeia.com) within the documentation that the Company made available to shareholders at the Annual General Meeting held on 7 June 2022.

(continued in H.1)

When, despite the measures taken, there are few or no female directors or female executives, explain the reasons.

Explanation of the reasons

Not applicable.

C.1.7 Explain the conclusions of the appointments committee regarding verification of compliance with the selection policy aimed at promoting an appropriate composition of the board of directors.

As already explained in sections C.1.5 and C.1.6 above (to which we refer to avoid repetitions), the Appointments and Remuneration Committee applies both the Board diversity and appointment of directors policy and Redeia's Corporate Governance Policy. It should also be mentioned that, in 2018, the Appointments and Remuneration Committee and the Board approved a Board competences matrix, individualised by director, which is a tool of good governance that facilitates the supervision of the overall and individual balance, diversity and quality of the Board at all times and is aligned with the most advanced international practices recommendations on corporate governance. This skills matrix is reviewed on a continuous basis so that it is always up to date and in line with the strategy of Redeia. When assessing candidates participating in the selection process for each vacancy that arises on the Board, the Appointments and Remuneration Committee complies with the basic responsibilities in sections 18.1(h), (i), (k) and (n) of the Board Regulations, the Board diversity and appointment of directors policy, and the Corporate Governance Policy in relation to the selection and appointment of directors, and analyses the competences, training, experience, professionalism, suitability, gender, independence of judgment, knowledge, qualities, capacities and availability of candidates. The proposals of directors and the associated reports the Company has posted on its website, which were submitted to the Annual General Shareholders' Meeting held on 7 June 2022, transparently reveal the commitment undertaken by both the Appointments and Remuneration Committee and the Board towards diversity in a broad sense in the composition of the Board. Furthermore, several years ago, the Board of the Company voluntarily undertook the commitment to comply with the recommendations laid down regarding equality and diversity, under section 18.4 j) of the Board Regulations. That section established the obligation of the Appointments and Remuneration Committee to prepare an annual report on gender diversity and equality policy to be submitted to the Board for approval. That reflects the Company's concern for diversity and equality. Therefore, for years, measures have been analysed and adopted to achieve a balance of skills and competencies both within the Board and throughout the entire organisation. The last Annual Diversity Report was approved by the Board on 22 April 2022, following a favourable report from the Appointments and Remuneration Committee, after also being analysed by the Sustainability Committee. This report includes data on diversity in a broad sense, not only regarding gender but also considering the experience, knowledge, age or length of service of the directors on the Board, and in the organisation, including information on a larger number of group companies. This report is published on the corporate website (www.redeia.com). A new Annual Diversity Report was scheduled for approval at the end of the first four months of 2023. As at 31 December 2022, the Company had six women directors (50%) and therefore meets the 40% target for 2022 set in Recommendation No. 15 of the Code of Good Governance.

In 2019 in this field, the signing of the General Protocol on the Balanced Participation of Women on Boards and the General Protocol on the Balanced Participation of Women in Pre-Managerial & Directorship positions and Steering Committees, both within the framework of the 'more women, better companies' initiative, both signed with the Ministry of the Presidency, Parliamentary Relations and Equality, is noteworthy. This highlighted the Board's commitment to diversity, taking into account that despite having 6 women on the Board, representing 50% of the total Board (above the 40% indicated in additional provision one of Spanish Law 3/2007, of 22 March), it agreed to continue making progress in this area. The Company will therefore continue to allocate the necessary resources and means to develop mechanisms that promote the presence of qualified women both on the Board and its committees and in executive positions and positions of responsibility in the organisation, so as to put into effect and consolidate the Company's diversity management model.

C.1.8 Explain the reasons for the appointment of any proprietary directors at the request of shareholders controlling less than 3% of the share capital.

Name of shareholder	Reason
No data	

Provide details of any rejections of formal requests for board representation from shareholders whose ownership interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary directors. If applicable, explain why these requests were rejected:

- Yes
 No

C.1.9 Indicate whether any powers or authorities have been delegated by the board of directors, including those related to the possibility of issuing or buying back shares, to directors or board committees:

Name of the director or committee	Brief description
MR ROBERTO GARCÍA MERINO	At a meeting held on 27 May 2019, the Board unanimously resolved: "To delegate, jointly and severally and indistinctly, to the CEO of Red Eléctrica Corporación, S.A., Roberto García Merino, under and under section 249 of the current Corporate Enterprises Act, section 149 of the Commercial Registry Regulations, Article 22 of the Articles of Association and section 5 of the Board Regulations, all powers of the Board that can be delegated under the law and the Articles of Association."

C.1.10 Identify, as appropriate, the board members who hold office as directors, representatives of directors or executives at other companies forming part of the listed company's group:

Name of director	Name of group company	Position	Do they have executive duties?
MS CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	HISPASAT, S.A.	DIRECTOR	NO
MR ROBERTO GARCÍA MERINO	HISPASAT, S.A.	REPRESENTATIVE OF RED ELÉCTRICA SISTEMAS DE TELECOMUNICACIONES, S.A.U.	NO
MR ROBERTO GARCÍA MERINO	RED ELÉCTRICA INTERNACIONAL, S.A.U.	JOINT DIRECTOR	YES
MR ROBERTO GARCÍA MERINO	RED ELÉCTRICA DE ESPAÑA, S.A.U.	REPRESENTATIVE OF THE SOLE DIRECTOR	YES
MR ROBERTO GARCÍA MERINO	RED ELÉCTRICA SISTEMAS DE TELECOMUNICACIONES, S.A.U.	JOINT DIRECTOR	YES
MR ANTONIO GÓMEZ CIRIA	HISPASAT, S.A.	DIRECTOR	NO
MR ROBERTO GARCÍA MERINO	RED ELÉCTRICA INFRAESTRUCTURAS DE TELECOMUNICACIÓN, S.A.	DIRECTOR	NO

C.1.11 Give details of any Board members, directors or executives, or their representatives, who are members of the company's board of directors in other entities, whether or not they are listed companies:

Name of director or representative	Name of listed or unlisted company	Position
MS MERCEDES REAL RODRIGÁLVAREZ	ENRESA, S.A., S.M.E.	DIRECTOR'S REPRESENTATIVE
MS CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	MUTUA MADRILEÑA AUTOMOVILÍSTICA SOCIEDAD DE SEGUROS A PRIMA FIJA	DIRECTOR
MR ANTONIO GÓMEZ CIRIA	MAPFRE, S.A.	DIRECTOR
MR ANTONIO GÓMEZ CIRIA	MAPFRE RE COMPAÑÍA DE REASEGUROS, S.A.	DIRECTOR
MR ANTONIO GÓMEZ CIRIA	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR

Name of director or representative	Name of listed or unlisted company	Position
MR ANTONIO GÓMEZ CIRIA	MAPFRE VIDA, S.A. DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR
MS SOCORRO FERNÁNDEZ LARREA	CEMENTOS MOLINS, S.A.	DIRECTOR
MS SOCORRO FERNÁNDEZ LARREA	OFG TELECOMUNICACIONES, S.L.	CHAIR
MS SOCORRO FERNÁNDEZ LARREA	BANCO CAMINOS, S.A.	DIRECTOR
MS SOCORRO FERNÁNDEZ LARREA	SEG, S.L.	DIRECTOR
MS ELISENDA MALARET GARCÍA	MIBGAS DERIVATIVES, S.A.	DIRECTOR

As regards Antonio Gómez Ciria, the positions held as director at MAPFRE, S.A., MAPFRE ESPAÑA COMPAÑÍA DE SEGUROS Y REASEGUROS S.A., MAPFRE VIDA S.A. DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA and MAPFRE RE COMPAÑÍA DE REASEGUROS S.A. are paid.

As regards Socorro Fernández Larrea, the positions of independent director at CEMENTOS MOLINS, S.A., SEG, S.L. and BANCO CAMINOS, S.A. are paid.

Elisenda Malaret García receives remuneration as a director of MIBGAS DERIVATIVES, S.A.

Carmen Gómez de Barreda Tous de Monsalve receives remuneration as a director of MUTUA MADRILEÑA AUTOMOVILISTA, SOCIEDAD DE SEGUROS A PRIMA FIJA.

Indicate, where applicable, any other paid activities carried out by the directors or their representatives, whatever their nature, other than those indicated in the above table.

Name of director or representative	Other paid activities
MS CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	Member of the Advisory Board of the Board of Grupo Antolin-Irausa, S.A. Member of the Strategy advisory group of Sidenor Aceros Especiales.
MS MERCEDES REAL RODRIGÁLVAREZ	Head of Investees of Sociedad Estatal de Participaciones Industriales (SEPI).
MR RICARDO GARCÍA HERRERA	Professor of Atmospheric Physics at Universidad Complutense de Madrid.
MR ANTONIO GÓMEZ CIRIA	Lecturer for the Master's programme in Auditing at IEB (Institute of Stock Market Studies).
MS ELISENDA MALARET GARCÍA	Professor of Administrative Law.
MR MARCOS VAQUER CABALLERÍA	Professor, General Secretary, Head of the Master's programme in Advanced Studies in Public Law, and Member of Legal Studies at Universidad Carlos III de Madrid.

Name of director or representative	Other paid activities
MR JOSÉ MARÍA ABAD HERNÁNDEZ	Consultant, International Finance Corporation, World Bank Group, Washington, D.C. Senior Advisor, Oliver Wyman, Madrid. Professor, ICADE, Madrid.
MR JOSÉ JUAN RUIZ GÓMEZ	President of the Elcano Royal Institute and a member of its Executive Committee. Independent consultant and advisor on macroeconomic issues and Latin American markets.
MS BEATRIZ CORREDOR SIERRA	Adjunct Faculty, Civil Law. Master's Degree in Access to the Legal Profession. Universidad Nebrija.

C.1.12 Indicate and, where appropriate, explain whether the company has any rules on the maximum number of boards on which its directors may sit, identifying, if applicable, where this is regulated:

[] Yes
[] No

Explanation of the rules and where are they stated

Section 18.1 (k) of the Board Regulations establishes, among the basic responsibilities of the Appointments and Remuneration Committee in relation to appointments and dismissals, the assessment of the time and dedication required for directors to effectively carry out their duties, assessing, for this purpose, their compatibility with membership of other management bodies of companies and ensuring that they have sufficient time to properly carry out their functions. The Appointments and Remuneration Committee is authorised to analyse and propose to the Board the authorisation, where appropriate, of the Board members of Red Eléctrica Corporación, S.A. to join the Board of other companies. Section 7.3 of the Board Regulations limits the maximum number of boards of other listed companies that may be joined by an independent director of the Company to two (2), unless expressly approved by the Board, at the proposal of the Appointments and Remuneration Committee. Furthermore, under section 7.2 b) of the Board Regulations, the proprietary directors may not hold the position of director in more than five (5) listed companies at the same time. Under section 7.2 (a) of the above Regulations, executive directors may only hold the position of director on one (1) Board of other companies, with the exception of the positions held on boards of subsidiaries or investees of the Company.

C.1.13 Indicate the amount of total remuneration received by the board of directors:

Remuneration earned during the year by the board of directors (thousands of euros)	3,228
Amount of funds accumulated by current directors through long-term savings schemes with vested dividend rights (thousands of euros)	
Amount of funds accumulated by current directors through long-term savings schemes without vested dividend rights (thousands of euros)	252
Amount of funds accumulated by former directors through long-term savings schemes (thousands of euros)	

C.1.14 Identify the senior executives who are not executive directors and indicate the total remuneration paid to them during the year:

Name	Position(s)
MR EMILIO CEREZO DÍEZ	CORPORATE CHIEF FINANCIAL OFFICER

Name	Position(s)
MR ÁNGEL LUIS MAHOU FERNÁNDEZ	GENERAL MANAGER OF TRANSMISSION
MS MIRYAM AGUILAR MUÑOZ	CORPORATE MANAGER OF INSTITUTIONAL RELATIONS, COMMUNICATION AND TERRITORY
MR MARIANO APARICIO BUENO	GENERAL MANAGER OF TELECOMMUNICATIONS BUSINESS
MS LAURA DE RIVERA GARCÍA DE LEÁNIZ	HEAD OF REGULATION AND LEGAL SERVICES
MR JOSÉ ANTONIO VERNIA PERIS	CORPORATE MANAGER OF TRANSFORMATION AND RESOURCES
MS EVA RODICIO GONZÁLEZ	INTERNAL AUDIT AND RISK CONTROL MANAGER
MS SILVIA MARÍA BRUNO DE LA CRUZ	DIRECTOR OF INNOVATION AND TECHNOLOGY
MR CARLOS PUENTE PÉREZ	HEAD OF CORPORATE DEVELOPMENT
MS EVA PAGÁN DÍAZ	CORPORATE MANAGER OF SUSTAINABILITY AND RESEARCH
MR JUAN MAJADA TORTOSA	GENERAL MANAGER OF INTERNATIONAL BUSINESS
MS MARÍA CONCEPCIÓN SÁNCHEZ PEREZ	CHIEF OPERATING OFFICER

Number of women in senior executive positions	6
Percentage of the total number of senior executives	50.00
Total remuneration of senior executives (thousands of euros)	3,174

On 29 June 2022, María Concepción Sánchez Pérez took over the position of Chief Operating Officer, replacing Miguel Duvisón García.
On 1 December 2022, Juan Majada Tortosa took over the position of General Manager of International Business, replacing Eva Pagán Díaz.
On 1 December 2022, Eva Pagán Díaz took over the position of Corporate Director of Sustainability and Studies, replacing Fátima Rojas Cimadevila.

C.1.15 Indicate whether any amendments were made to the board regulations during the year:

- [] Yes
[√] No

C.1.16 Indicate the procedures for the selection, appointment, re-election and removal of directors. Give details of the competent bodies, the formalities to be fulfilled and the criteria to be used in each of the procedures.

1- Selection, appointment and re-election: Section 21 of the Board Regulations stipulates that the directors will be appointed by the General Meeting or, in the event of an early vacancy, by the Board by co-option. The appointments, including by co-option, or the re-election of directors will be proposed by the Appointments and Remuneration Committee, in the case of independent directors, and by the Board itself in the case of all other directors. Within the scope of its competencies, the Board will ensure that the selected candidates are people with recognised solvency, competence and experience, who guarantee the diversity of gender and experience and knowledge within the Board, following the candidate appointments and evaluation policy approved by the Board itself, and it may even use external advisors when considered necessary, under

section 22 of the above Regulations. Under section 23 of the Regulations, directors will serve for the term indicated in the Articles of Association. Article 20 of the Articles of Association sets a term of four years for the position of director. Under section 7 of the Board Regulations, independent directors may not remain as such for a continuous period of more than twelve years. In 2011, the Board approved a succession plan for the chair. However, in line with advances in the world of good corporate governance, the Company has undergone significant structural changes since 2011. Therefore, in 2017, the Appointments and Remuneration Committee and the Lead Independent Director worked intensively on the preparation of the "Contingency plan for the succession of the chair of the Board" and the "Contingency plan for the succession of the CEO" with the support of an international external consultant. The above plans were approved by the Board at the proposal of the Appointments and Remuneration Committee on 19 December 2017, reflecting the profiles and functions of the positions of chair of the board and CEO and envisaging actions to be taken within the Company immediately in the event of unforeseen or unforeseeable events that prevent both the chair of the Board and the CEO from exercising their functions during their mandate. These plans must be reviewed at least once a year. Both plans set out detailed objectives, the events that trigger their activation, the responsible bodies and the actions to be taken in each phase, from the first 24 hours through the first month, assigning specific roles and responsibilities and avoiding risks of an unforeseen and disorderly succession. The contingency plan for the succession of the chair of the Board was implemented for the first time, with satisfactory results, after the chair of the Board tendered his resignation at the Board meeting held on 28 January 2020. In 2022, work was carried out on the update of both plans and, at the proposal of the Appointments and Remuneration Committee, the updates of both the "Contingency plan for the succession of the chair of the Board" and the "Contingency plan for the succession of the CEO" were approved at the Board meeting held on 20 December 2022.

2- Removal: Section 24.1 of the Board Regulations stipulates that directors will cease to hold their position when the period for which they were appointed has elapsed or when the General Meeting decides to remove them exercising the powers conferred by law or the Articles of Association. The Board will not propose the removal of independent directors before the end of the term in the Articles of Association for which they were appointed, unless the Board considers there is just cause to do so, subject to a report by the Appointments and Remuneration Committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them from allocating sufficient time to discharge the duties of director, or are in breach of their fiduciary duties or come under one of the disqualifying grounds outlined in section 7.2 c) of the Board Regulations preventing them from being classified as independent. The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the Company's capital structure, provided the changes in Board membership ensue from the proportionality criterion in section 7.1 c) of those Regulations. Likewise, the directors must relinquish their position to the Board and execute, if the Board considers it appropriate, for the corresponding resignation in the cases in section 24.2 of the Board Regulations. Finally, section 24.3 of the above Regulations stipulates that committee members of the committees will cease to hold their position as such when they cease to be directors.

C.1.17 Explain to what extent the annual assessment of the board has resulted in significant changes in its internal organisation and the procedures applicable to its activities:

Description of amendments

Red Eléctrica Corporación, S.A. was one of the first companies to carry out the voluntary annual assessment process of its Board, and for several years now has been receiving assistance from external advisors with the aim of giving its self-assessments a more objective and independent view, following the recommendations established by recent regulatory amendments and the best practices applicable to corporate governance.

The Company has performed the assessment of the Board's every year through a self-assessment process, the format and content of which are adapted each year to the needs and situation of the Company, the group's activities and best practices in good governance. The conclusions drawn from the above Board evaluation processes are taken into account by the Company to improve the internal functioning, deliberation and decision-making of both the full Board and the Board committees.

In 2022, the Action Plan approved by the Board at its meeting held on 29 March 2022 was developed, at the proposal of the Appointments and Remuneration Committee, and derives from the conclusions and recommendations of the 2021 Board Self-Assessment Report, which was previously approved by the Board at the meeting held on 25 January 2022.

It describes the assessment process and the areas assessed by the Board, assisted, where appropriate, by an external consultant, as regards the functioning and composition of the Board and its committees and any other area or aspect that has been assessed.

Description of the assessment process and areas evaluated

The Board expressly reserved in section 5 of the Board Regulations, on a non-delegable basis, among others, the responsibility for the annual assessment of the quality and efficiency of the functioning of the Board, the performance of its functions by the chair of the Board and the Company's chief executive, and the effective functioning of the Board committees, based on the report that the Appointments and Remuneration Committee, in coordination with the lead independent director or the chair, has submitted to it. The assessment of the performance of the Board, its chair, the Company's chief executive officer and the Board committees will be conducted by an outside independent expert at least every two years.

The Board must periodically review the general aspects of the assessment methodology used, the overall results of the assessment and any corrective measures adopted, as the case may be.

For several years, Red Eléctrica Corporación, S.A. has carried out an annual assessment of the functioning and performance of the Board, the chair of the Board and the Company's chief executive, and of the Board committees, with the support of independent external advisors. The process carried out in 2022 was again conducted with the collaboration of an international external consultant, Ackermann International, and was carried out under the direction of the Appointments and Remuneration Committee in coordination with the Lead Independent Director.

This self-assessment process was carried out through individual interviews with each Board member, focusing on the contribution of both the Board and each of the committees to which the directors belong. The methodology used assessed the functioning of the Board from four pillars (Functional, Effectiveness, Decision and Capabilities), and for each pillar a series of key issues were assessed (among others, organisation and planning, management and reliability of information, professionalism in preparation, degree of independence, degree of collaboration, management of expectations, responsibilities, contribution indicators, shareholder value, types of decisions and decision-making power, decision-making process, mechanisms for interacting with management teams, risk control, strategic vision, agility in ongoing learning, capacity to adapt to change, high-performance teams, leadership model, etc.).

After the process was completed, the self-assessment report was approved by the Board at the meeting held on 31 January 2023. The assessment highlighted, among other strengths, the optimal contribution and commitment of the directors, and the broad diversity in the composition and professional experience of the Board, and the independence, transparency and dynamism in communication between the directors; the high sensitivity of the Board in terms of risk control and compliance with the ESG objectives (environmental, social and governance), and the leadership of the chair and the CEO, and their excellent coordination, were also highlighted. The effective functioning, coordination and contribution of the various committees were also very positively reviewed.

The Board also highlighted, among other opportunities, addressing the process of updating the Board competencies matrix conducted on a regular basis to align it with the medium- and long-term needs of Redeia where appropriate, consolidating and expanding the actions within the framework of the Board's employee engagement protocol, continuing to promote the social dimension (S) in the field of sustainability, continuing to hold specific sessions (case studies) that strengthen the Board's knowledge on key aspects of Redeia's business, and continuing to expand the debate on risk and strategy of Redeia in the long term.

C.1.18 Explain, for those years in which an external consultant participated in the assessment, the business relationships that the consultant or any company in their group has with the company or any company in its group.

In relation to the assessment, the external consultant and the companies belonging to its group have not had any other business relationship with the Company or any group companies.

C.1.19 Indicate the cases in which directors must resign.

The directors must relinquish their position to the Board and execute, if the Board considers it appropriate, for the corresponding resignation in the following cases envisaged in section 24.2 of the Board Regulations:

"a) When they reach the age of 70.

b) When they become subject to any incompatibility or prohibition provided for by law.

c) When they are convicted of a criminal offence or are subject to disciplinary proceedings for a serious or very serious infringement brought by the supervisory authorities of the securities, energy and telecommunications markets.

d) When they have seriously breached their obligations as directors.

e) When they cease to hold the executive position with which their appointment as director is associated.

f) When situations affecting them arise, whether or not related to their performance in the Company itself, which may damage the credibility and reputation of the Company or its group, and when so decided by the Board by a vote of two thirds of its members. The Board, having been informed or having otherwise become aware of any of these situations, will examine the case as soon as possible and, in view of the specific circumstances, will decide, following a report from the Appointments and Remuneration Committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing their removal. This will be disclosed in the Annual Corporate Governance Report, unless there are special circumstances that justify it, which should be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, when the corresponding measures are adopted.

- g) In the case of proprietary directors, when the shareholder that they represent on the Board transfers their entire shareholding in the Company or reduces it to a level that requires the reduction of the number of its proprietary directors.
- h) At the request of the Board by a two-thirds majority of its members, when there are repeated non-attendances of Board meetings.
- i) When any circumstance occurs that prevents or significantly limits their participation in and dedication to Board meetings and the exercise of their duties and responsibilities as directors."

C.1.20 Are qualified majorities, other than those prescribed by law, required for any type of decisions?

- Yes
 No

If so, describe the differences.

Description of the differences

Any resolution.-Quorum: Half plus one of its members present or represented (section 20 of the Regulations); Type of majority: Absolute majority of the directors attending the meeting, present and represented.

Amendment of the Board Regulations under section 3.4 of the Regulations.-Quorum: Same as any resolution; Type of majority: Two thirds of the directors attending the meeting.

Removal of the director when their remaining on the Board puts the Company's interests at risk, in particular in relation to section 38.4 of the Regulations, and the Board has determined this with the vote of two thirds of its members, under section 24.2 (f) of the Regulations.- Quorum: Same as any resolution; Type of majority: Two thirds of its members.

Removal of the director at the request of the Board, when there are repeated non-attendances at Board meetings. Request by a two-thirds majority (section 24.2 h) of the Regulations). Under section 529 septies of the Corporate Enterprises Act, the Board Regulations establish that if the position of chair is held by an executive director, their appointment will require the vote in favour of two thirds of the Board members (section 9 of the Regulations).

There are no provisions for resolutions that require a qualified majority to be passed, apart from the specific resolutions indicated in the applicable law and the cases referred to above.

Except in cases where other quorums for attendance have been specifically established, the Board will be validly convened with the attendance of at least half plus one of its members attending in person or by proxy. If there is an odd number of directors, then a quorum will be present with the attendance of the whole number of directors immediately over half.

Under Article 21 of the Articles of Association, any director may delegate another director, in writing and specifically for each meeting, to represent them and vote for them at the Board meetings; it must be ensured that this proxy falls to a director of the same type as the director represented (sections 30.2 c) and 20 of the Board Regulations). (Section 529 quater Corporate Enterprises Act only allows non-executive directors to delegate another non-executive director, a provision that has been included in Article 21 of the Articles of Association and section 30.2 c) of the Regulations). The chair will organise the discussion, ensuring and encouraging the participation of all directors in the deliberations of the body, and will submit the matters to a vote once they are considered to have been sufficiently discussed. Each director attending in person or by proxy will have one vote.

Both the Articles of Association (Article 21) and section 20 of the Board Regulations determine that the resolutions will be passed by an absolute majority of the votes of the directors attending the meeting, present or represented, except in cases where the law requires that the resolutions be passed by a higher majority and with the above exceptions in the Board Regulations.

C.1.21 Indicate whether there are any specific requirements, apart from those relating to the directors, to be appointed chair of the board:

- Yes
 No

C.1.22 Indicate whether the Articles of Association or Board Regulations establish any limit on the age of directors:

- Yes

No

	Age limit
Chair	N/A
Managing director	N/A
Director	70

C.1.23 Indicate whether the Articles of Association or Board Regulations establish a limited term or other stricter requirements in addition to those legally stipulated for independent directors, other than those in the regulations:

Yes
 No

C.1.24 Indicate whether the Articles of Association or Board Regulations establish specific rules for the delegation of votes at Board meetings to other directors, how to do so and, in particular, the maximum number of delegations that a director may hold, and whether any limits have been established regarding the categories to which it is possible to delegate, beyond the limitations imposed by law. If so, briefly describe these rules.

Each director may delegate another director, in writing and specifically for each meeting, to represent them and vote for them at Board meetings. This is in Article 21 of the Articles of Association. Non-executive directors may only appoint another non-executive director as their proxy. If the director is unable to attend, on justified grounds, the meetings to which they have been called, they must instruct the director who is to represent them, ensuring that this proxy falls to a director of the same type as the director represented under section 30.2 (c) and 20 of the Board Regulations. In addition, section 529 quater Corporate Enterprises Act for non-executive directors, which has already been included in the Articles of Association and Board Regulations, must apply.

C.1.25 Indicate the number of board meetings held during the year. Where applicable, indicate how many times the board has met without the chair in attendance. The calculation of attendance will include proxies granted with specific instructions.

Number of board meetings	12
Number of board meetings held without the chair's attendance	0

Indicate the number of meetings held by the lead director with the other directors, without the attendance or representation of any executive director:

Number of meetings	1
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Indicate the number of meetings the various board committees have held during the year:

Number of meetings of the AUDIT COMMITTEE	12
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Number of meetings of the APPOINTMENTS AND REMUNERATION COMMITTEE	12
Number of meetings of the SUSTAINABILITY COMMITTEE	11

C.1.26 Indicate the number of board meetings held during the year and the attendance of its members:

Number of meetings with attendance in person of at least 80% of directors	12
Attendance in person as a % of the total votes cast during the year	97.92
Number of meetings with attendance in person, or by proxy with specific instructions, of all directors	12
Attendance in person and by proxy with specific instructions as a % of the total votes cast during the year	100.00

C.1.27 Indicate whether the separate and consolidated financial statements submitted for approval by the board are certified previously:

Yes
 No

Identify, where applicable, the person(s) who certified the company's separate and consolidated financial statements prior to their authorisation for issue by the board.

Name	Position
MR EMILIO CEREZO DÍEZ	CORPORATE CHIEF FINANCIAL OFFICER
MR ROBERTO GARCÍA MERINO	MANAGING DIRECTOR

C.1.28 Give details of any mechanisms the board of directors has established to ensure that the financial statements submitted by the board of directors at the annual general meeting are prepared in accordance with accounting regulations.

Section 5.5 d) of the Board Regulations stipulates that, in particular, the Board is responsible for preparing the financial statements and submitting them to the General Meeting, which will include monitoring the process of preparing and presenting the financial information and the directors' report and, where appropriate, the non-financial information legally required. Sections 16.1 a) and b) of the Board Regulations indicate that it is the responsibility of the Audit Committee to approve the accounting principles and criteria to be used in preparing the financial statements of the Company and its consolidated group, and to verify their accuracy, reliability and sufficiency, and supervise the process of preparing and presenting them, and the integrity of the financial information of the Company and the group, and to submit recommendations or proposals to the Board, aimed at safeguarding this integrity, ensuring that the regulatory requirements and reference international standards are taken into account, the appropriate demarcation of the scope of consolidation and the correct application of the accounting principles and criteria applicable.

Article 42 of the Board Regulations expressly states that the Board will prepare the final accounts, previously reviewed by the Audit Committee in accordance with its functions in the Regulations, ensuring that there are no qualifications on the part of the auditor. However, when the directors consider that they should stand by their opinion, they will publicly explain the content and scope of the discrepancies.

In addition, section 41 of the Regulations stipulates that the Board will adopt the necessary measures to ensure that quarterly, half-yearly, annual and any other financial information provided to the markets is prepared in accordance with the same professional principles, criteria and practices with which the financial statements are prepared and that it has the same reliability as the financial statements. Therefore, this information will be reviewed by the Audit Committee.

The Audit Committee is particularly important, as it has an ongoing role of monitoring the process of preparing the economic and financial information sent to the market supervisory bodies, ensuring the absence of qualifications in the annual audit reports.

Since it was incorporated in 1985, the Company has not had any qualifications in its auditor's reports on its financial statements, which attests to the accuracy, reliability and completeness of the financial statements of the Company and of its consolidated group throughout its corporate history, ensuring at all times the highest transparency of information.

C.1.29 Is the secretary of the board also a director?

- Yes
 No

If the secretary is not a director, complete the following table:

Name of the secretary	Representative
MR CARLOS MÉNDEZ-TRELLES GARCÍA	

C.1.30 Indicate the specific mechanisms established by the Company to preserve the independence of external auditors, and, if any, the mechanisms to preserve the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

The approval of the non-audit services contracting policy with the External Auditor is reserved to the Board on a non-delegable basis in its internal Regulations (section 5.5 a) xiv). The Annual General Meeting held on 15 April 2015 approved an amendment to the Articles of Association to adapt them to the legislative reforms introduced by Spanish Law 31/2014, of 3 December, amending the Corporate Enterprises Act to improve corporate governance, and, among others, Article 23.2 of the Articles of Association relating to the powers of the Audit Committee was amended, incorporating minimal adjustments in relation to External Auditors. The Audit Committee is the Board body responsible for the relationship with the external auditors. The Audit Committee supports the Board in monitoring the independence of the Company's external auditor. Section 16.3 (b) of the Board Regulations, in relation to the independence of external auditors, within the functions of the Audit Committee, indicates the function of establishing direct relationships with the External Auditors by regularly gathering and receiving information from them on the audit plan, the process of implementing it and its execution, and on the issues that may pose a threat to their independence, including that relating to information showing that neither the External Auditor nor any of its shareholders has not been convicted in a final judgment in criminal proceedings related to the performance of its audit functions, to be examined by the Committee, and any other matters related to the process of conducting the audit. It may also authorise, when considered appropriate, services of the external auditors other than those that are prohibited, under the terms included in applicable regulations on auditing financial statements. Furthermore, section 16.3 (h) of the above Regulations includes the function of the Audit Committee of issuing on an annual basis, prior to the issuance of the audit report, a report expressing an opinion on whether the independence of the External Auditors or audit companies is compromised. To this end, the Audit Committee must ensure that the Company (i) reports the change of auditor and, where appropriate, disagreements with the outgoing auditor as a significant fact to the CNMV and (ii) complies with current rules on non-audit services, limits on the concentration of the auditor's business and, in general, other rules established to ensure the independence of auditors. If the auditor resigns, the Audit Committee must investigate the issues giving rise to the resignation. Moreover, Article 42 of the Board Regulations imposes a duty for the Board to refrain from contracting audit firms in which the fees payable, for all items, exceed ten percent of its total income over the last year. In addition, the above section 42 of those Regulations imposes on the Board the obligation to report, on an annual basis, the overall fees paid by the Company to the external auditor for non-audit services, seeking to minimise the contracting of these services as far as possible. Without prejudice to the obligation in this regulatory provision for reporting to the Audit Committee on the services provided to the Company and the Group by the external auditor, other than those related to the external audit (services that are regularly reported to the markets through subsection C.1.32 of this report), the approach followed by the Company is not to engage these types of services from the external auditor from the date they are appointed by the shareholders at the General Meeting, unless there are exceptional reasons justifying the engagement of such services from the auditor, which are to be appropriately

explained in the Company's annual public information reported. In any case, the engagement of these services must be authorised by the Audit Committee. Since 2016, in compliance with Recommendation No. 6 of the Code of Good Governance, the Company publishes the Audit Committee Report on the independence of the external auditor on its corporate website, duly in advance of the date set for the Annual General Meeting. The Company gives frequent presentations to financial analysts and investment banks to report the key economic and financial figures of the group, and to review its business performance. These presentations are regularly attended by the most important professionals and specialists in the sector. After giving these presentations, all participants are offered the opportunity to be included in a list of entities that periodically receive the most important information of interest to them regarding the Company. Presentations to analysts are sent in advance to the Spanish National Securities Market Commission (CNMV) so that they can be disclosed to the markets through its website. These presentations are then immediately posted on the Company's website. The main purpose of the "Investor Relations" Department, attached to the Company's Corporate Financial and Economic Management, is to serve as a channel of communication with financial professionals and institutional investors and to deal with their queries.

C.1.31 Indicate whether the company changed its external auditors during the year. If so, identify the incoming and outgoing auditor:

Yes
 No

In the event of any disagreement with the outgoing auditors, explain the reasons for the disagreement:

Yes
 No

C.1.32 Indicate whether the audit firm performs other non-audit work for the company and/or its group, and if so, state the amount of fees received for this work and the percentage that this amount represents of the fees billed for audit work to the company and/or its group:

Yes
 No

	Company	Group companies	Total
Fees for other non-audit work (thousands of euros)	108	109	217
Fees for other non-audit work / Fees for audit work (%)	74.00	16.00	27.00

Fees relating to services received regardless of the time of they were invoiced are included. The "Company" column includes the fees corresponding to work performed as Parent of the Redeia group.

The "Amount of non-audit work" item, amounting to EUR 217 thousand for the whole group, is broken down as follows:

- "Other audit-related services", amounting to EUR 191 thousand, mainly including the limited review of the group's Consolidated Interim Financial Statements, the guarantee service relating to the issuance of "Comfort Letters", the reasonable assurance audit report on the effectiveness of the group's ICFR under ISAE 3000, financial ratios certificates and translations.
- "Other services", amounting to EUR 26 thousand and including agreed procedures performed for certain group companies.

C.1.33 Indicate whether the auditor's report for the previous year included any qualifications. If so, indicate the reasons given to the shareholders at the General Meeting by the chair of the audit committee to explain the content and scope of those qualifications.

Yes
 No

C.1.34 Indicate the number of consecutive years during which the current audit firm has been auditing the company's separate and/or consolidated financial statements. Likewise, indicate how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited:

	Separate	Consolidated
Number of consecutive years	10	10

	Separate	Consolidated
Number of years audited by current audit firm/Number of years the company or its group has been audited (as a %)	27.00	45.00

The current audit firm completed the maximum contracting period of 10 consecutive years allowed under Spanish Audit Act (*Ley 22/2015 de Auditoría de Cuentas*), to be a Redeia auditor.

C.1.35 Indicate whether there is a procedure for the directors to be able to receive the necessary information to prepare for meetings of the managing bodies sufficiently in advance, and if so, give details:

Yes
 No

Details of the procedure

Board meetings are called sufficiently in advance prior to the meeting and all relevant information is sent together with the call notice. The call notice always includes the agenda for the meeting and, as a general rule, will be accompanied by the relevant information duly prepared and summarised. None of this affects section 19.5 of the Board Regulations, which stipulates that the Board meeting call notice must be issued at least three (3) days prior to the meeting. As an exception and for reasons of urgency, the Board may be convened by telephone and the period of prior notice will not apply when, in the chair's opinion, the circumstances so require. The reasons of urgency will be explained in the minutes of the meeting under section 19.6 of the Regulations.

Section 27.1 of the Board Regulations stipulates that the director is vested with the broadest powers to obtain information on any aspect of the Company. The director may examine the books, records, documents and other background of the corporate operations and inspect all its facilities. The right to information extends to both domestic and foreign subsidiaries. Under section 27.3 of the Board Regulations and in order not to disturb the Company's ordinary management, information powers can be exercised through the chair of the Board and/or the CEO, who will respond to the directors' requests, directly providing them with the information, offering the appropriate contacts at the appropriate level of the organisation or arranging the measures to enable it to carry out the desired review and inspection procedures on site. Section 27.4 of the Board Regulations stipulates that the chair may, exceptionally and temporarily, restrict access to certain information, reporting this decision to the Board at its next meeting. Also, both the Audit Committee and the Appointments and Remuneration Committee may access any type of Company information or documentation they need to effectively carry out their functions.

C.1.36 Indicate whether the company has established rules requiring directors to report and, if applicable, resign when situations affecting them arise, whether or not related to their performance in the company itself, which may damage its credibility and reputation and if so, give details:

- Yes
 No

Explain the rules

Section 35.4 of the Board Regulations establishes that the directors' reporting duties include informing the Company of all legal, administrative or other claims that, due to their importance, could harm the credit and reputation of the Company or the group and, in particular, the criminal cases in which they appear as investigated party, and their subsequent legal proceedings.

Also, under section 24.2 (f) of the Board Regulations, directors must relinquish their position to the Board and execute, if the Board considers it appropriate, the corresponding resignation when situations affecting them arise, whether or not related to their performance in the Company itself, which may damage the credibility and reputation of the Company or its group, and when so decided by the Board by a vote of two thirds of its members.

The Board, having been informed or having otherwise become aware of any of these situations, will examine the case as soon as possible and, in view of the specific circumstances, will decide, following a report from the Appointments and Remuneration Committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing their removal. This will be disclosed in the Annual Corporate Governance Report, unless there are special circumstances that justify it, which should be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, when the corresponding measures are adopted.

In addition, section 18.3 (a) of the Board Regulations establishes, in relation to the performance of the directors' duties, that the Appointments and Remuneration Committee must ensure that the directors comply with the obligations in the Regulations, report to the Board on their performance, issue the corresponding reports and proposals, including, where appropriate, on the measures to be taken in the event of non-compliance.

C.1.37 Indicate, unless there have been special circumstances that have been recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to their performance in the company itself, which could damage its credibility and reputation:

- Yes
 No

C.1.38 Give details of the significant agreements entered into by the company that may come into force, be amended or terminate in the event of a change in control of the company resulting from a takeover bid, and their effects.

No agreements were entered into by the Company that may come into force, be amended or terminate in the event of a change in control of the Company resulting from a takeover bid.

C.1.39 Identify individually for directors, and in aggregate terms in all other cases, and provide detailed information on agreements between the company and its officers, executives and employees that

provide termination benefits, or guarantee or golden parachute causes, in the event of resignation, unfair dismissal or termination as a result of a takeover bid or other kinds of transactions.

Number of beneficiaries	1
Type of beneficiary	Description of the agreement
Managing director	<p>At 31 December 2022, there was one beneficiary with this type of agreement. In accordance with the remuneration policy, and following market practices in these cases, the previously existing employment contract was suspended as a result of the appointment of the managing director. If this contract is terminated, the managing director would earn as compensation the remuneration applicable at the date of the suspension, taking into account, for the appropriate purposes, his length of service at Red Eléctrica de España, S.A.U. up to the date of his appointment as managing director (15 years), plus the period of service, if any, after his termination as managing director, all in accordance with current labour laws. Following the corporate governance process carried out at the end of 2020, the company that assumes this obligation is Red Eléctrica Corporación, S.A. Both the economic regime and the suspension of the employment relationship of the CEO are in line with that applicable to the previous CEO.</p> <p>There are no guarantee or golden parachute clauses for top executives currently providing their services within the group. If the employment relationship is terminated, the compensation corresponding to these executives would be calculated in accordance with the applicable labour laws. In 2015, the group implemented a Structural Management Plan that is applicable to some of the top executives. Participation in the plan is subject to the fulfilment of certain conditions and may be modified or revoked by the group in certain cases. The basic terms of their contracts were approved by the Board.</p>

Indicate whether, apart from the cases envisaged in regulations, these contracts have to be disclosed to and/or approved by the bodies of the company or of its group: If so, specify the procedures, circumstances and nature of the bodies responsible for their approval or disclosure:

	Board of directors	General meeting
Body authorising the clauses	√	
	Yes	No
Is the general meeting informed of the clauses?	√	

C.2. Committees of the board of directors

C.2.1 Give details of all the board committees, their members and the proportion of executive, proprietary, independent and other non-executive directors.

AUDIT COMMITTEE		
Name	Position	Category
MS MERCEDES REAL RODRIGÁLVAREZ	MEMBER	Proprietary
MR ANTONIO GÓMEZ CIRIA	CHAIR	Independent
MR JOSÉ MARÍA ABAD HERNÁNDEZ	MEMBER	Independent
MR JOSÉ JUAN RUIZ GÓMEZ	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	25.00
% of independent directors	75.00
% of other non-executive directors	0.00

Explain the functions attributed to this committee and any additional responsibilities provided for by law, and describe the rules and procedures it follows for its organisation and functioning. For each of these functions, state its most important actions during the year and how each of the functions attributed to it, whether by law, the Articles of Association or other resolutions, has been exercised in practice.

The functions, procedures and rules of organisation and functioning of the Audit Committee are included in Article 23 of the Articles of Association and sections 15 and 16 of the Board Regulations (see their content on the corporate website: www.redeia.com). However, it is worth noting the following additional functions attributed to this committee, other than those provided for by law:

1. In relation to economic and financial and non-financial information: approve the accounting principles and criteria to be used in preparing the Company's and its consolidated group's financial statements, and verify their accuracy, reliability and sufficiency; ensure that the regulatory requirements and international reference standards, the appropriate demarcation of the scope of consolidation and the correct application of the applicable accounting principles and criteria are taken into account; oversee the process of preparing and presenting the consolidated statement of non-financial information that the Company must disclose, once it has been reported on favourably by the other Board committees within the scope of their respective competences; direct and assume responsibility for the selection and contracting process of the verification service providers that verify the statement of non-financial information, establishing relationships with them to obtain information on the development of their work and on any other issues that may compromise their independence; ensure that the financial statements that the Board submits to the General Meeting are prepared in accordance with accounting regulations; supervise the Investment Plan, the annual Budget and the Financial Closing Schedule for the year on an annual basis for their submission to the Board; notify the Board in advance of the investments or transactions of the Company and the group companies that, due to their amount or special characteristics, in accordance with the criteria established by the Board, are considered strategic or present special fiscal risk; notify the Board in advance of the relevant transactions or operations involving the financing of the group; and regularly monitor the Company's treasury stock transactions.

2. In relation to internal control and risk management systems: supervise the internal control procedures in the Company regarding expenditure and investment, introducing, where appropriate, appropriate modifications; ensure the independence and effectiveness of the internal audit function; approve the decisions related to the selection, appointment and removal of the head of the internal audit service, and the internal audit service's action plans; approve and control the means and resources allocated to the internal audit service, including its budget; approve the guidance and annual work plan of internal audit, reporting it to the Board, ensuring that its activity is mainly focused on the relevant risks of the Company and its group (including reputational risk); receive regular information on its activities; verify that the senior management of the Company and the group companies take into account the conclusions and recommendations of its reports; in relation to the regular monitoring and assessment of the effectiveness of the internal control and management systems for financial and non-financial risks, so that the different types of risks are identified, managed and adequately disclosed, in particular, assess and supervise matters related to the risks of the Company and its group, both financial and non-financial risks, including operational, technological, legal, social, environmental, political and reputational risks related to corruption and, and,

where appropriate, in a joint meeting with the Sustainability Committee, risks linked to sustainability, ethics and business conduct; with the business unit and internal sustainability; supervise the internal control and risk management unit; regularly supervise the Company's and the group's Corporate Insurance Programme; monitor compliance with and proposals for review, where appropriate, of the Code of Ethics and Conduct in aspects related to economic and financial and non-financial information, internal control and risk management systems or the functioning of the group's regulatory compliance system, informing the Sustainability Committee within the scope of its competences; and establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially significant irregularities, including financial and accounting or any other type of irregularities, related to the Company that they report within the Company or its group. This mechanism must guarantee confidentiality and, in any event, provide for cases in which communications can be made anonymously, respecting the rights of the whistleblower and the reported party.

(continued in H.1)

Identify the directors who are members of the audit committee that have been appointed based on their knowledge of and experience in accounting, auditing or both, and indicate the date on which the chair of this committee was appointed.

Names of directors with experience	MS MERCEDOS REAL RODRIGÁLVAREZ/MR ANTONIO GÓMEZ CIRIA/MR JOSÉ MARÍA ABAD HERNÁNDEZ/MR JOSÉ JUAN RUIZ GÓMEZ
Date of appointment as chair	30/11/2021

APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Category
MR RICARDO GARCÍA HERRERA	MEMBER	Proprietary
MS SOCORRO FERNÁNDEZ LARREA	CHAIR	Independent
MR MARCOS VAQUER CABALLERÍA	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of other non-executive directors	0.00

Explain the functions attributed to this committee and any additional responsibilities provided for by law, and describe the rules and procedures it follows for its organisation and functioning. For each of these functions, state its most important actions during the year and how each of the functions attributed to it, whether by law, the Articles of Association or other resolutions, has been exercised in practice.

The functions, procedures and rules of organisation and functioning of the Appointments and Remuneration Committee are included in Article 24 of the Articles of Association and sections 17 and 18 of the Board Regulations (see their content on the corporate website: www.redeia.com).

However, it is worth noting the following additional functions attributed to this committee, other than those provided for by law:

1. In relation to appointments, performance and dismissals: submit for approval by the Board and implement, where appropriate, the Board diversity and appointment of directors policy; prepare a template declaration of independence, to be submitted to the Board, to be signed and

delivered annually by the independent directors; verify the category of each director, for the purposes of the relevant explanations of the Board before the General Meeting that must approve or ratify their appointment, and the due record in the Annual Corporate Governance Report; propose to the Board the appointment of the independent director as lead director; ensure that candidates to fill a director vacancy meet all the requirements outlined in the legal provisions and the Board Regulations; verify, on an annual basis, compliance with the Board diversity and appointment of directors policy approved, where applicable, by the Board, and report on this in the Annual Corporate Governance Report; in relation to the time and dedication required to ensure that the directors can effectively carry out their duties, assess, for these purposes, their compatibility with the membership of other management bodies and ensure that they have sufficient time to properly carry out their duties; ensure that gender diversity is taken into account when filling new vacancies on the Board; and report the proposed appointment, renewal and removal of directors in the group companies, ensuring that gender diversity is taken into account, among other aspects, when filling new vacancies.

2. In relation to remuneration: ensure compliance with and, where appropriate, update the remuneration policies approved by the Board and the General Meeting, applicable to the Board, executive directors, senior executives and, in particular, regularly monitor compliance with the predetermined and quantifiable targets, aligned with the Strategic Plan and with the 2030 Sustainability Commitment, which must be assessed to determine the final amount of the annual and, where applicable, multi-annual variable remuneration applicable to them, requiring the agreement of the Sustainability Committee, within the scope of its responsibilities, to establish and monitor compliance with the specific sustainability targets; submit to the Board the proposal for the Annual Directors' Remuneration Report, as envisaged in section 44 of the Board Regulations; ensure that the proposed directors' remuneration policy and the Annual Directors' Remuneration Report are aligned with international standards; and verify the information on directors' remuneration included in the various corporate documents, including the Annual Directors' Remuneration Report.

3. In relation to the performance of the directors' duties: ensure compliance by the directors with the obligations in the Board Regulations, inform the Board of compliance with them, issue the corresponding reports and proposals including, where applicable, on the measures to be taken in the event of non-compliance; and inform the Board when it must decide on the authorisation or waiver of the obligations arising from the directors' duty of loyalty, by law.

(continued in H.1)

SUSTAINABILITY COMMITTEE

Name	Position	Category
MS CARMEN GÓMEZ DE BARREDA TOUS DE MONSALVE	CHAIR	Independent
MS ELISENDA MALARET GARCÍA	MEMBER	Independent
MS ESTHER MARIA RITUERTO MARTINEZ	MEMBER	Proprietary

% of executive directors	0.00
% of proprietary directors	33.33
% of independent directors	66.67
% of other non-executive directors	0.00

Explain the functions delegated or assigned to this committee, other than those specified in subsection C.1.9, and describe the rules and procedures it follows for its organisation and functioning. For each of these functions, state its most important actions during the year and how each of the functions attributed to it, whether by law, the Articles of Association or other resolutions, has been exercised in practice.

The functions, procedures and rules of organisation and functioning of the Sustainability Committee are included in Article 24 bis of the Articles of Association and sections 18 BIS and 18 TER of the Board Regulations (see their content on the corporate website: www.redeia.com).

The functions of the Sustainability Committee include, among others, those related to ethical leadership, compliance with the group's sustainability policy, sustainability actions and proposals, the 2030 Sustainability Commitment, sustainability policy and its relationship to the Strategic Plan, interaction with different stakeholders, the annual report on ethical management at the group, sustainability disclosures in accordance with international benchmarks, the review and validation of reports on specific sustainability areas and oversight of compliance with the Code of Ethics.

Specifically, section 18 ter of the Board Regulations states that the Sustainability Committee will have the following basic responsibilities, without prejudice to the other functions attributed to it by law, the Articles of Association or the Board Regulations:

- a) Monitor compliance with the 2030 Sustainability Commitment in relation to the group's practices and policies, and its link to the Strategic Plan, regularly assess the progress and results achieved and submit the proposed review of the above Commitment to the Board, where appropriate.
 - b) Regularly monitor and review the content of and compliance with the group's sustainability policy so that it fulfils its mission to promote the corporate interest and takes into account, as appropriate, the legitimate interests of stakeholders, and the sustainability aspects of other corporate policies with a significant impact in this area, ensuring that they are geared towards meeting the Sustainable Development Goals approved by the United Nations, including:
 - The objectives, principles and guidelines of its policies and the development of support mechanisms.
 - The main guidelines on issues of particular importance from the point of view of sustainability, especially in relation to economic sustainability, corporate excellence and responsibility, innovation, corporate governance and ethics, transparency, talent, diversity and equality, stakeholder partnerships, creation of shared value, care for the natural environment and respect for human rights.
 - Models for monitoring the results of implementing specific sustainability practices, stakeholder dialogue, associated risks and their management.
 - c) Report, supervise and analyse the actions and proposals on sustainability proposed or agreed by the responsible organisational units and, where appropriate, submit the corresponding report or proposal to the Board, and ensure that the Company's environmental and social practices are in accordance with the group's sustainability strategy and policy.
 - d) Assess, monitor and control financial and non-financial risks related to sustainability, ethics and business conduct and, in particular, those associated with climate change, in collaboration with the Audit Committee, where appropriate, by holding joint meetings.
 - e) Promote ethical leadership by proposing measures and actions that encourage compliance with the Code of Ethics and Conduct and the adoption of values, both in and outside the organisation, as the basis for the group's strategies and activities and, among other actions:
 - Monitor compliance with the Code of Ethics and Conduct, ensuring that the corporate culture is aligned with its purpose and values, and submit proposals for its review to the Board, in collaboration with the other Board committees, through the requirement, where appropriate, of the corresponding report within the scope of their respective responsibilities.
 - Submit an annual report on ethics management in the group to the Board.
 - f) Supervise the Company's and the group's actions on corporate reputation and report back to the Board.
 - g) Oversee and coordinate information on sustainability in accordance with international reference standards, informing the Board.
 - h) Review and validate sustainability reports or sections of any other Company report that have an impact on sustainability, whether mandatory or voluntary.
 - i) Review and validate the non-financial information statement that the Company must publish, in coordination with the other Board committees within the scope of their respective competencies.
 - j) Monitor and review the management model and the inventory of the group's stakeholders, with respect to those on which it may have an impact due to its competencies in sustainability matters.
- (continued in H.1)

C.2.2 Complete the following table with information on the number of female directors on the various board committees over the past four years.

	Number of female directors							
	2022		2021		2020		2019	
	Number	%	Number	%	Number	%	Number	%
AUDIT COMMITTEE	1	25.00	1	25.00	2	40.00	2	40.00
APPOINTMENTS AND REMUNERATION COMMITTEE	1	33.33	1	33.33	2	40.00	3	75.00

	Number of female directors							
	2022		2021		2020		2019	
	Number	%	Number	%	Number	%	Number	%
SUSTAINABILITY COMMITTEE	3	100.00	3	100.00	2	66.66	2	66.66

C.2.3 Indicate, as appropriate, whether there are any regulations governing the board committees. If so, indicate where they can be consulted, and whether any amendments have been made during the year. Also, indicate whether any annual report on the activities of each committee has been prepared voluntarily.

The Board Regulations develop the regulations on the structure, composition and functioning of the Audit Committee, the Appointments and Remuneration Committee and the Sustainability Committee in accordance with the main international practices and recommendations regarding corporate governance, introducing improvements their organisation and functioning.

The option of full regulation integrated in the Board Regulations, without specific internal rules of procedure being established for the committees, was chosen. Since November 2018, the Company has had three Board committees following the creation of the Sustainability Committee, which involved the restructuring of the other two Board committees: the Audit Committee and the Appointments and Remuneration Committee. The three committees were formed by the Board to support its responsibilities, mainly on a technical basis, and to achieve greater efficiency and transparency.

The structure, composition, functions and responsibilities of the committees are in Articles 22 to 24 bis of the Articles of Association and developed in sections 14 to 18 ter of the Board Regulations. Both sets of corporate rules are fully in line with the latest reforms of the Corporate Enterprises Act, the Code of Good Governance and the most recent international practices and recommendations in relation to the composition of the committees and to the independence and qualifications of their members.

At the end of 2018, a process was initiated to review the Board Regulations to update the functions of the three Board Committees, which culminated in their approval at the Board meeting held on 19 February 2019. The amendments made to the Regulations were approved in order to:

- Restructure the Board's committees by creating the Sustainability Committee and update the functions of the other two Board committees, the Audit Committee and the Appointments and Remuneration Committee, in view of the strategic approach attributed by the Board to sustainability in the group.
- Strengthen the responsibilities of the Appointments and Remuneration Committee by creating a new framework for the Board's relationship with the working environment of the group companies, in accordance with international best practices in corporate governance practices.
- Review the general supervisory function of the Audit Committee, in coordination with the specific supervisory functions assigned to each of the other Board committees within the scope of their corresponding responsibilities.

-Make certain changes to key corporate governance practices, especially in the international sphere, and introduce other improvements in terms of form or style.

The current Board Regulations can be consulted on the Company's website www.redeia.com, in the Corporate Governance section, although it is registered and, therefore, available to shareholders and any stakeholder at the Spanish National Securities Market Commission and the Commercial Registry of Madrid.

At the meeting held on 30 April 2019, the Board approved a new amendment to the Board Regulations to further strengthen the independence of the system operator, including, among other aspects, a new function for the Audit Committee in section 16.4 (a).

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

Finally, in a meeting held on 25 May 2021, the Board approved the amendment of the above Regulations to adapt them to the reform of the Corporate Enterprises Act by Law 5/2021, of 12 April, amending the consolidated text of the Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, as regards promoting the long-term engagement of shareholders in listed companies in matters relating mainly to the related-party transactions regime, directors' remuneration, directors' duty of care and the content of the Annual Corporate Governance Report and the Annual Directors' Remuneration Report.



ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

Each year, the Board committees prepare reports on their activities, which are included in the Annual Corporate Governance Report and are published on the Company's website. In 2022, in accordance with Recommendation No. 6 of the Code of Good Governance, the annual activities reports of the Board committees for 2021 were published separately on the corporate website. The annual activities reports of the Board committees for 2022 are also expected to be published on the corporate website (www.redeia.com).

D. RELATED PARTY AND INTRA-GROUP TRANSACTIONS

- D.1.** Explain, where applicable, the procedure and bodies competent for approving related-party and intra-group transactions, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the directors or shareholders concerned and detailing the internal reporting and periodic control procedures established by the Company in relation to related-party transactions whose approval has been delegated by the Board.

In May 2010, at the proposal of the Audit Committee, the Board approved certain agreements on the determination of related-party transactions and established objective parameters for the control of related-party transactions (relevant or not), annual recurring related-party transactions, and those that must be reported to the markets.

However, as a result of the update of the Board Regulations on 20 December 2016 and the Internal Code of Conduct in the Securities Market, of 26 September 2017, based on the current legal regime on related-party transactions and taking into account the Company's corporate rules fully adapted to this regime, in January 2018, the Board resolved to terminate the above agreements and approved a new agreement under which, after a report from the Audit Committee and prior to its execution, any related-party transactions that the Company or companies included in its group could carry out with directors or shareholders of the Company, individually or in concert with others, with a significant shareholding, including shareholders represented on the Board of the Company or companies of its group, or with persons related to them by law, would be submitted to the Board for approval.

However, Law 5/2021, of 12 April, which transposes Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 into Spanish law, introduced important amendments to the Corporate Enterprises Act that, among other matters, have affected the rules applicable to transactions that listed companies enter into with their related parties, which are specifically regulated in sections 529 vicies to 529 tercies of the Corporate Enterprises Act. The amendments relate to the specific definition of the related-party transactions, and their approval and disclosure, which are subject to the new regime. Accordingly, the new legal regime

incorporates in section 529 vicies of the Corporate Enterprises Act the definition of related parties for the purpose of defining related-party transactions, in accordance with Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017, and with International Accounting Standards (IAS) referred to in section 529 vicies, subsection 1, of the Corporate Enterprises Act, in accordance with Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002. In turn, the new regime establishes which related-party transactions must be approved by the General Meeting and those that fall within the scope of the Board's competence, while envisaging the possibility that the Board may delegate this approval as regards transactions that meet certain legally stipulated requirements, and it is necessary in relation to them that the Board itself adopt an internal procedure in which the Audit Committee must participate and through which the fairness and transparency of these transactions will be verified.

For these purposes, it should be pointed out that, at a meeting held on 25 May 2021, the Board resolved to amend the Board Regulations to adapt them to the reform of the Corporate Enterprises Act under Law 5/2021, of 12 April, amending the Consolidated Text of the Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010, of 2 July, and other financial regulations, as regards promoting the long-term involvement of shareholders in listed companies and, in particular, among other points, the stated new regime of related-party transactions. Also, at the Annual General Meeting held on 29 June 2021, the amendments to the Articles of Association and General Meeting Regulations to adapt them to the above changes in the Corporate Enterprises Act with regard, among other matters, to the new regime for related-party transactions were approved. (continued in H.1)

- D.2.** Individually list those transactions that are significant due to their amount or importance carried out between the company or its subsidiaries and shareholders holding 10 % or more of the voting rights or represented on the company's board of directors, indicating which body was responsible for approving them and whether any shareholder or director affected had to refrain from executing the transaction. In the event that competence fell to the shareholders at the general meeting, indicate whether the proposed resolution was approved by the board without the majority of independent directors voting against it:

	Name of the shareholder or any of its subsidiaries	% of ownership	Name of the company or subsidiary	Amount (thousands of euros)	Approving body	Name of the significant shareholder or director that abstained from voting	The proposal to the board, if any, was approved by the board without the majority of independent directors voting against it
(1)	MINAS DE ALMADÉN Y ARRAYANES, S.A.	20.00	Red Eléctrica de España, S.A.U.	69	Board of Directors	Mercedes Real Rodrigálvarez, Ricardo García Herrera and María Teresa Costa Campi	NO
(2)	AGENCIA EFE, S.A.	20.00	Hispasat, S.A.	4	Managing director	N/A	NO
(3)	AGENCIA EFE, S.A.	20.00	Hispasat, S.A.	1	Managing director	N/A	NO

	Name of the shareholder or any of its subsidiaries	Nature of the relationship	Type of transaction and other information necessary for its assessment
(1)	MINAS DE ALMADÉN Y ARRAYANES, S.A.	Contractual	Execution of a land purchase option agreement between Red Eléctrica de España, S.A.U. (100% owned by Red Eléctrica Corporación, S.A.), as buyer, and Minas de Almadén y Arrayanes, S.A., as seller.
(2)	AGENCIA EFE, S.A.	Contractual	Execution of a service agreement between EFE, S.A. and Hispasat, S.A. (89.68% owned by Red Eléctrica Sistemas de Telecomunicaciones, S.A.U., the latter 100% owned by Red Eléctrica Corporación, S.A.)
(3)	AGENCIA EFE, S.A.	Contractual	Execution of a service agreement between EFE, S.A. and Hispasat, S.A. (89.68% owned by Red Eléctrica Sistemas de Telecomunicaciones, S.A.U., the latter 100% owned by Red Eléctrica Corporación, S.A.)

(1) Minas de Almadén, S.A. - Red Eléctrica de España, S.A.U. transaction: (ownership %: 20%) Indirect ownership, insofar as Minas de Almadén y Arrayanes, S.A. is wholly owned by Sociedad Estatal de Participaciones Industriales.

(2) Agencia EFE, S.A. - Hispasat, S.A. transaction: (ownership %: 20%) Indirect ownership, insofar as Agencia EFE, S.A. is wholly owned by Sociedad Estatal de Participaciones Industriales.

(3) Agencia EFE, S.A. - Hispasat, S.A. transaction: (ownership %: 20%) Indirect ownership, insofar as Agencia EFE, S.A. is wholly owned by Sociedad Estatal de Participaciones Industriales.

- D.3.** Individually list the transactions that are significant due to their amount or importance carried out by the company or its subsidiaries with the company's directors or executives, including those transactions carried out with entities that the director or executive controls or jointly controls, indicating which body was responsible for approving them and whether any shareholder or director affected had to refrain from executing the transaction. In the event that competence fell to the shareholders at the general meeting, indicate whether the proposed resolution was approved by the board without the majority of independent directors voting against it:

Name of the directors or executives or their controlled or jointly controlled entities	Name of the company or subsidiary	Relationship	Amount (thousands of euros)	Approving body	Name of the significant shareholder or director that abstained from voting	The proposal to the board, if any, was approved by the board without the majority of independent directors voting against it
No data						

Name of the directors or executives or their controlled or jointly controlled entities	Nature of the transaction and other information necessary for its assessment
No data	

- D.4.** Individually list the intra-group transactions that are significant due to their amount or importance carried out by the company with its parent company or with other companies belonging to the parent's group, including the subsidiaries of the listed company, unless no other related party of the listed company has an interest in such subsidiaries or the subsidiaries are wholly owned, directly or indirectly, by the listed company.

In any case, list any intra-group transactions carried out with entities in countries or territories considered to be tax havens:

Name of the group company	Brief description of the transaction and other information necessary for its assessment	Amount (thousands of euros)
No data		

D.5. Individually list any transactions that are significant due to their amount or importance carried out by the company or its subsidiaries with other related parties that are considered significant in accordance with International Accounting Standards as adopted by the EU and have not been reported under the previous headings.

Corporate name of the related party	Brief description of the transaction and other information necessary for its assessment	Amount (thousands of euros)
Paradores de Turismo de España, S.M.E., S.A.	Provisions of services by Paradores de Turismo de España, S.M.E., S.A. to Red Eléctrica de España, S.A.U.	2
Hisdesat Servicios Estratégicos, S.A.	Lease of use of space by Hispasat, S.A. to Hisdesat Servicios Estratégicos, S.A.	1,013
Indra Soluciones Tecnologías de la Información, S.L.	Data Analysis Support Service for the Asset Management Area by Indra Soluciones Tecnologías de la Información, S.L. to Red Eléctrica de España, S.A.U.	533
Indra Soluciones Tecnologías de la Información, S.L.	Installations database application maintenance service by Indra Soluciones Tecnologías de la Información, S.L. to Red Eléctrica de España, S.A.U.	1,111
Indra Soluciones Tecnologías de la Información, S.L.	Technical support service to the Environmental Management Service of the corporate buildings by Indra Soluciones Tecnologías de la Información, S.L. to Red Eléctrica Corporación, S.A.	141
Indra Soluciones Tecnologías de la Información, S.L.	Global data service for the management, operation and control of Redeia data, provision and integration for efficient and secure access to data and advanced analytics, by Indra Soluciones Tecnologías de la Información, S.L. to Red Eléctrica Corporación, S.A.	2,962
Indra Soluciones Tecnologías de la Información, S.L.	Global data service for the management, operation and control of Redeia data, provision and integration for efficient and secure access to data and advanced analytics, by Indra Soluciones Tecnologías de la Información, S.L. to Red Eléctrica de España, S.A.U.	6,425
Indra Soluciones Tecnologías de la Información, S.L.	Global data service for the management, operation and control of Redeia data, provision and integration for efficient and secure access to data and advanced analytics, by Indra Soluciones Tecnologías de la Información, S.L. to Red Eléctrica Internacional, S.A.U.	6
Indra Soluciones Tecnologías de la Información, S.L.	Global data service for the management, operation and control of Redeia data, provision and integration for efficient and secure access to data and advanced analytics, by Indra Soluciones Tecnologías de la Información, S.L. to Red Eléctrica Infraestructuras en Canarias, S.A.U.	20
Indra Soluciones Tecnologías de la Información, S.L.	Global data service for the management, operation and control of Redeia data, provision and integration for efficient and secure access to data and advanced analytics, by Indra Soluciones Tecnologías de la Información, S.L. to Red Eléctrica Infraestructuras de Telecomunicación, S.A.	73

Corporate name of the related party	Brief description of the transaction and other information necessary for its assessment	Amount (thousands of euros)
Indra Soluciones Tecnologías de la Información, S.L.	Global data service for the management, operation and control of Redeia data, provision and integration for efficient and secure access to data and advanced analytics, by Indra Soluciones Tecnologías de la Información, S.L. to Red Eléctrica y de Telecomunicaciones, Innovación y Tecnología, S.A.U.	20
ADIF-Alta Velocidad	Assignment by ADIF-Alta Velocidad to Red Eléctrica de España, S.A.U. of the environmental impact study of the San Serván-Sagrajas High Voltage Line Construction Project, and the Basic Technical Document of the San Serván-Sagrajas High Voltage Line.	49

D.6. List the mechanisms in place for detecting, identifying and resolving any potential conflicts of interest between the company and/or its group and its directors, executives, significant shareholders or other related parties.

Under section 31e) of the Board Regulations (BR), the director must take the necessary measures to avoid incurring situations in which their interests, whether on their own behalf or for others, may conflict with the corporate interest and their duties to the Company. Section 32 of the BR develops the duty to avoid conflicts of interest referred to in section 31e) and specifically lists those in which the director must abstain. In any case, directors must notify the Board of any direct or indirect conflict of interest that they or persons related to them may have with the interests of the Company. Any conflicts of interest directors may have will be disclosed in the notes to the financial statements.

One of the fundamental principles established by Redeia in the Code of Ethics and Conduct is that conflicts of interest must be properly managed. The Code specifies the basic guidelines for conduct that must govern the actions and decisions of the members of the group to maintain impartiality and objectivity in exercising their functions.

In accordance with the Code of Ethics and Conduct, Redeia is committed to the identification and exemplary management of any possible conflicts of interest, providing its members with the tools necessary to satisfactorily deal with any conflicts to preserve the reputation of the organisation.

Redeia respects the participation of its members in other professional and/or business activities, as long as this does not adversely affect their efficiency in carrying out their functions and responsibilities, or alter the impartiality and objectivity in exercising their professional activity.

The Code of Ethics and Conduct considers the following conduct to be in accordance with proper management of conflicts of interest:

- Act at all times in a professional manner, with loyalty to Redeia and its stakeholders, regardless of their own interests or those of third parties.
- Communicate any actual or apparent conflicts of interest, in which they may be involved or of which they may be aware, through the ethics and compliance channel, so that the situation can be assessed and the necessary measures can be taken.
- Inform the organisation of those commercial relationships involving personal or family interests that may alter the impartiality and objectivity of those involved.
- Refrain from becoming involved in making decisions that are affected by a potential conflict of interest until the potential conflict has been managed.
- When acting with officials, public authorities, customers, suppliers or other third parties, respect the impartiality and objectivity of those involved.

However, the Code of Ethics and Conduct considers the following conduct is not in accordance with proper management of conflicts of interest:

- Being a member of a managing or any other similar body, or exercising control over any company that has business relations with Redeia, or any public body or agency, without the organisation having been informed or, where appropriate, given approval.
- Maintaining business relations with entities involving a professional, personal or family relationship, without informing the organisation.
- Taking advantage of any business opportunity for personal benefit, directly or indirectly, through their professional activities at Redeia.
- Making use of Redeia's assets, or any confidential and/or privileged information for personal gain.
- Carrying out external activities that entail a loss of efficiency or productivity or using Redeia's resources, information, time or facilities for such purpose.
- Performing work or providing services for the benefit of companies in Redeia's sectors or that carry out activities that may directly or indirectly compete with the organisation.

In 2018, Redeia developed a guide for managing conflicts of interest with the aim of detecting and preventing potential conflicts of interest that may affect Redeia's management team. The guide is the result of Redeia's commitment to bring the interests of the management team into line with those of its shareholders and other stakeholders, so that no executive puts their own interests before those of Redeia.

In addition to the Code of Ethics and Conduct, through this guide Redeia's management team expressly agrees to comply with the following guidelines:

- Duty to inform: the management team must notify the Advisory Body responsible to apply the guide of any actual or apparent conflicts of interest in which they may be involved or of which they may be aware.
- Duty of transparency: the management team must at all times provide those responsible and/or Redeia's Advisory Body with any information regarding potential conflicts of interest.
- Obligation to abstain: the management team must from becoming involved in making decisions that are affected by a potential conflict of interest.

(continued in H.1)

D.7. Indicate whether the company is controlled, as defined in section 42 of the Commercial Code, by another company, whether listed or not, and has, directly or through its subsidiaries, business relations with this company or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of these companies.

Yes

No

E. RISK CONTROL AND MANAGEMENT SYSTEMS

- E.1.** Explain the scope of the company's risk control and management system for financial and non-financial risks, including tax-related risks.

Redeia has established a comprehensive risk management system to facilitate compliance with the Company's strategies and objectives, ensuring that the risks that may affect them are systematically identified, analysed, assessed, managed and controlled, with uniform criteria and within the acceptable risk level approved by the Board.

The integrated nature of the risk management system ensures the participation of all units of Redeia and ensures that the bodies in charge of controlling risk are adequately informed of the situation.

The Comprehensive Risk Management and Control Policy and Procedure define the different responsibilities of the governance bodies and each of the organisational units, and the information flows and activities to be developed.

The management system was developed in accordance with the ISO 31000 standard on principles and guidelines in the management of risk, and is of a comprehensive and ongoing nature, with management being carried out by business unit, subsidiary and corporate level support area.

- E.2.** Identify the corporate bodies responsible for developing and implementing the risk control and management system for financial and non-financial risks, including tax risks.

The Board Regulations expressly recognise the Board's responsibility for approving the group's comprehensive risk management policy, which includes the defined level of acceptable risk, and the knowledge and regular monitoring of internal control, prevention and information systems. The Board regularly reviews the risk control system and material risks, including tax risks, without prejudice to the information it receives on a regular basis from the Audit Committee as part of the ongoing monitoring process carried out by the Committee.

The Audit Committee is responsible for periodically monitoring the effectiveness of the integrated risk management system, including tax risks, to ensure that material risks are identified, kept within the established acceptable level of risk and properly reported.

The Executive Committee, comprising executives from the most relevant and strategic areas of the Company, has been assigned the functions of monitoring the relevant Risk Map and ensuring adequate control and monitoring of the management of high level and other particularly relevant risks, and the critical action plans for their mitigation.

The Internal Audit and Risk Control Division, which reports to the chair from an organisational standpoint and to the Audit Committee from a functional standpoint, is responsible for coordinating and supporting the risk identification, analysis and assessment process and for monitoring these risks on a regular basis. This department submits the appropriate reports to the Executive Committee, Audit Committee and Board.

The organisational units participate on an ongoing basis, together with the Internal Audit and Risk Control Division, in the process of identifying, analysing and assessing the group's risks and in the implementation of the action plans established to mitigate these risks.

- E.3.** List the main financial and non-financial risks, including tax risks and, to the extent that they are significant, those arising from corruption (understood within the scope of Royal Decree Law 18/2017), which may impact the achievement of the business objectives.

Redeia's core business involves transmission activities and operation of the electricity system in Spain. These are classified as regulated activities, since carrying them out is essential for the security and continuity of the electricity supply in Spain, and as the Company is exclusively responsible for these activities. This classification as a regulated activity affects both the setting of revenue and the environment and conditions in which the Company must carry out its core business activities and determines the risks to which it is exposed.

The group also carries out electricity transmission activities outside Spain (in Chile, Peru and Brazil) and provides telecommunications services to third parties, mainly through the lease of dark fibre backbone and the operation of satellite infrastructures.

The Company has established a risk taxonomy or classification to provide a more complete identification of these risks and to allow for a more detailed analysis. This structure allows the identified risks to be classified into three levels of aggregation: Strategic:

- Risks related to the regulatory framework in which the group's activities are carried out.
- Business risks associated with the business environment itself or with strategic decisions.
- Risks related to sustainability and good governance. Operational:

- Risks associated with assets planned and/or in progress.
 - Risks associated with assets in service.
 - Risks related to information systems.
 - Risks related to people and their organisation.
 - Compliance risks.
- Financial:
- Market risks.
 - Risks related to the Company's solvency.
 - Counterparty risks.
 - Insurance risks.

The tax matters, classified as strategic risks related to the regulatory framework, were included in the integrated risk management policy in 2015, which sets out specific guidelines for managing these risks.

In accordance with the latest risk analysis performed by Redeia, the most recent risk map identified 96 risks.

The Company's Sustainability Report contains detailed information on the Group's current risks and any risks that may arise in the future. This report is available on the corporate website (www.redeia.com).

E.4. Identify whether the company has risk tolerance levels, including tax risks.

Redeia's risk management system establishes a methodology for determining the level of risk. All identified risks are therefore individually classified into three categories: high level risks, medium level risks and low level risks.

The level of a risk is determined by combining two variables — the probability of occurrence and the impact its occurrence would have on the Company — as regards four cornerstones of the business (Electricity Supply, Reputation, Strategic Plan and Economic Loss). Depending on the probability of occurrence and the level of impact of each risk, it is placed in a probability/impact matrix, which automatically determines the level of risk.

The level of risk that Redeia is willing to accept is established both for individual risks, and for aggregate risk for each of type of impact.

The overall acceptable risk level that the group is prepared to assume for each of the four cornerstones included in the Comprehensive Risk Management System is approved by the Board. As a general rule, the overall level of risk must not exceed this approved acceptable level of risk.

Accordingly, at an individual level, as in the integrated risk management policy, any risk that does not exceed the low risk level is considered acceptable. Actions must be taken on risks that exceed the low risk level until they reach an acceptable level. Risk management must aim for consistency between the importance of the risk and the cost and resources required to reduce it. However, for activities that affect the electricity system, the impact that the risks may have on the system must also be taken into account.

E.5. Indicate any financial and non-financial risks, including tax risks, that have arisen during the year.

In relation to operational risks, it should be noted that the transmission grid installations are permanently exposed to events that may affect the continuity and security of the electricity supply. These events are caused mainly by third parties and also meteorological phenomena. If these risks were to arise, the group has the corresponding insurance policies to mitigate the potential impact that these events could have on its income statement.

In February 2022, a fault located on the 66 kV Las Salinas-Gran Tarajal line disrupted the electricity supply, affecting the 66 kV Gran Tarajal and 66 kV Matas Blancas substations and the 132 kV substations of Matas Blancas and Jares in the south of Fuerteventura, causing a 44 MW loss of demand that affected 23% of demand at the time of the incident.

The service was restored to normality on the same day, after launching the actions envisaged in the contingency plan designed to ensure security of supply on the island of Fuerteventura.

E.6. Explain the response and supervisory plans for the entity's main risks, including tax risks, and the procedures followed by the company to ensure that the Board responds to the new challenges that arise.

The actions required to reduce the degree of risk to the acceptable level are in the process of identification, analysis, assessment and control of risks.

To monitor risks, the current risk management system involves monitoring more than 500 actions plans aimed at reducing the level of risk, with more than 300 indicators to review their performance.

The Risk Control area, together with the risk management units, reviews the performance and mitigating effect of the action plans established. This review is carried out on an annual basis and covers all risks in the corporate risk map. The review is carried out every six months for high level risks and others that require special monitoring. In this last case, the additional review is carried out because a change in their situation could convert them into high level risks in the mid to long term.

Redeia also has an Internal Control over Financial Reporting (ICFR) system, with the main objective of obtaining improvements in the efficiency and security of the organisation's economic and financial reporting processes, proactively adopting best international practices in this area. The ICFR specifically includes information related to Redeia's tax processes, and the controls associated with them.

Redeia also has contingency plans that regulate the various crisis situations that may arise in the event of an electricity incident (so as to ensure security of supply), or a non-electricity incident that may affect the environment, people, the Company's operations, the availability of its systems, its business results or any other aspect that may have an impact on the Company and its reputation.

The Company also has a Business Continuity Plan aimed at preparing the necessary actions and planning a set of procedures to be able to respond appropriately to a disaster, crisis or emergency, from the moment it occurs until the situation returns to normal. The Business Continuity Plan allows the impact on the Company's business to be reduced to a minimum and allows decision making in disaster, crisis or emergency situations to be streamlined and automated.

In addition, the Risk Control area carries out actions with other group companies to develop risk management in line with the Integrated Risk Management System.

In 2022, the crisis management protocol was strengthened with the development of a specific crisis communication management plan, the aim of which is to establish the basic strategic lines and actions necessary to respond to the communication needs that arise in a crisis: at the institutional level, with administrations and stakeholders, and in the field of media and social media.

F. SYSTEMS OF INTERNAL RISK MANAGEMENT AND INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

Describe the mechanisms comprising the risk control and management systems in relation to the entity's internal control over financial reporting (ICFR).

F.1. The entity's control environment

Specify at least the following components with a description of their main characteristics:

F.1.1 The bodies and/or functions responsible for: (i) the existence and maintenance of a suitable and effective ICFR system; (ii) its implementation; and (iii) its oversight.

The Company's Internal Financial Reporting System (ICFR) responsibilities model is constructed through the following special bodies, managements and organisational units, which develop, maintain and oversee the financial reporting process:

- The Board, which is ultimately responsible for the existence and maintenance of a suitable and effective ICFR system. For these purposes, section 5.5 a) x) of the Board Regulations establishes among its non-delegable powers the "approval of the control and management policy for the main risks of the Company and the group, and knowledge and regular monitoring of internal control, prevention and information systems".
- As the executor of the guidelines issued by the Board, the Corporate Economic and Financial Division has entrusted the Economic Division with responsibility for the design, implementation, functioning and consistency of the ICFR, since its responsibilities include "establishing an appropriate control structure to ensure the effectiveness of the internal control system".
- The Audit Committee is responsible for overseeing the ICFR system. Under section 16 of the Board Regulations, the Audit Committee will exercise the functions of "supervising the preparation process and the integrity of the Company's and, where applicable, the group's financial information, ensuring that the regulatory requirements, the appropriate demarcation of the scope of consolidation and the correct application of the accounting principles and criteria applicable to it are taken into account", and of "supervising the internal audit services, which will ensure the proper functioning of the information and internal control systems". To carry out these functions of overseeing the ICFR system, the Audit Committee has the support of the Internal Audit and Risk Control Division, and the external auditors. (for details, see section F.5).
- The group's organisational units are jointly responsible for the controls defined in their areas of responsibility and must ensure they are properly designed and operating correctly.

F.1.2 The existence or otherwise of the following components, especially in connection with the financial reporting process:

- The departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) ensuring procedures are in place to communicate this structure effectively throughout the entity:

As the executor of the guidelines issued by the Board, the Corporate Transformation and Resources Division, through the group's People and Culture Division, is responsible for determining the basic structure of the organisation, determining the different levels of authority and the corresponding levels of responsibility. All of this is intended to maintain an organisational structure design that is implemented, reviewed and updated on an ongoing basis.

The internal mechanisms used by this division to ensure that the lines of responsibility are clearly defined and to determine the general framework of the organisational structure are documented as follows:

- Consolidated text of the Articles of Association.
- Internal Code of Conduct in the Securities Market.
- Corporate Responsibility Manual.
- Code of Ethics and Conduct.
- Functions Manual, which defines and determines the mission, functions and responsibilities of each organisational area.

The particular characteristics of lines of responsibility and authority of the ICFR system are regulated through the ICFR system guidelines, which detail the functions of maintaining, updating and monitoring the ICFR system at each of the various levels of responsibility that are described, with the Corporate Economic and Financial Division having delegated some of the tasks to the Economic Division, which in turn delegated these tasks

to the Accounting Information and Administration Department. This ICFR system guidelines are part of the group's regulations and are available to employees on the Intranet.

The organisational structure is disseminated through the Intranet, with an updated organisational chart available to employees.

- Code of conduct, approving body, degree of dissemination and instruction, principles and values covered (stating whether specific reference is made to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.

The group (Redeia) has an appropriate framework for conduct, which states the values and specific guidelines for action, and strengthens the bases for achieving the objectives of reliable and transparent financial information. At this level, the following documents in line with the group's corporate policies are made available:

- Code of Ethics and Conduct:

Redeia's Code of Ethics and Conduct is intended to provide ethical guidelines for everyone who is part of the group to make them aware of and facilitate their commitment to the ethical values, principles and guidelines of conduct that should govern their professional activity within the organisation.

The current edition of the group's Code of Ethics and Conduct was approved on 26 May 2020 by the Board of the group's parent company, Red Eléctrica Corporación, S.A.

The Code of Ethics and Conduct applies to all those who are part of the group; this includes the employees and members of the management bodies of the companies comprising Redeia, in the exercise of their functions and responsibilities.

The Code of Ethics and Conduct is structured through three ethical values (respect, integrity and sustainability) and fifteen principles, which have been established taking into account the criminal risks associated with the activities of the group. For each of these principles, a catalogue of conduct consistent with or contrary to the Code of Ethics and Conduct is established to prevent situations from arising that may favour the commission of crimes.

One of the fifteen principles of the Code of Ethics and Conduct refers specifically to the disclosure of financial and non-financial information. This principle includes the group's commitment in this area to:

- The principles of transparency and information of maximum quality so that the organisation's public information is presented in a clear, complete, simple, orderly and understandable manner, to ensure confidence in its accuracy and facilitate decision making by its stakeholders.
- The information provided by the group to its stakeholders is uniform and systematised, reflecting both the economic and business objectives and the environmental, social and good governance objectives that form part of the organisation's corporate interest.
- The financial and non-financial information of the group faithfully reflects the reality of the organisation. Specifically, the accounting information must be in accordance with generally accepted accounting principles and international financial reporting standards.

The principle on the disclosure of financial and non-financial information is implemented through 11 guidelines for conduct. Attention should be drawn to the obligation of the organisation and all its members to provide the necessary information and collaboration so that the controls contained in the ICFR are constantly updated to ensure the integrity of the organisation's accounting records and financial information.

For Redeia, raising awareness and training are key factors for developing a corporate culture based on ethics and compliance. All its members must be familiar with and understand the ethical values, principles and guidelines for conduct in the Code and identify with them.

The group is committed to ongoing training and raising awareness and, therefore, each year implements a plan to disseminate the culture of ethics and compliance for members of the organisation and its stakeholders. Its actions are adapted to the responsibilities and needs of the functional areas, to the activities carried out by the organisation, and to the cultural diversity of the countries where the group is present. The group has an ethics manager and ombudsman for stakeholders to ensure knowledge, application and compliance with the Code, which carries out the following functions with the collaboration of the Compliance area:

- Resolve queries in connection with the Code.
- Investigate complaints submitted in relation to the application of the Code.
- Draw up action plans for resolving the complaints made and submit them for approval by the chair of the group. If the complaint relates to any member of the Executive Committee or the Board, it will be submitted to the chair of the Audit Committee or, where appropriate, the chair of the Sustainability Committee, based on the nature of the complaint.
- Draw up a periodic report reviewing the ethics management system and propose actions for improving the system.

The Code of Ethics is reviewed on a regular basis to bring its requirements into line with the reality of the group and its relationship with stakeholders. The Code may be amended with the express approval of the Board of the group's parent company.

- Internal Code of Conduct in the Securities Market:

The "Internal Code of Conduct in the Securities Market" was initially approved by the Board on 25 June 2009. The Code was subsequently reviewed and updated on a regular basis to bring its requirements into line with the Company's needs and its relationship with the environment and its stakeholders; it was most recently reviewed on 16 November 2019 to bring it into line with the market abuse regulations.

This Code establishes the rules for operations in the securities markets and the obligatory registrations, in relation to the following:

- Inside and material information.
- Conflicts of interest.
- Related parties.

- Rules on the free formation of prices.
- Treasury shares.

This Code applies to the "persons subject" outlined in section 1, with these being the directors, senior executives, secretary and vice-secretary of the Board, and the executives and employees both of the Company and of the group companies who are classified as such by the Oversight Body as they perform their work in areas related to the securities markets and/or generally have access to inside information and areas related to the securities markets and/or have regular access to inside information and any other person who is included in the scope of application of the Code by decision of the Oversight Body in view of the circumstances in each case.

The persons subject must accept, through the RIC platform set up, a declaration of knowledge and acceptance of the obligations to which they are subject.

As specified in section 16 of this Code, the Oversight Body comprises the Head of Legal Affairs, the Secretary to the Board and the Corporate Chief Financial Officer of the Company. In addition to its specific responsibilities in this Code, the Oversight Body is also responsible for confirming, recording, reporting and monitoring compliance with the obligations and duties in the Code.

- Corporate Policies

These policies, approved by the Board in 2021, aim to establish general principles and guidelines so that all companies that form part of the group undertake sustainable, ethical and responsible business management in the performance of their functions.

- Whistleblower channel, which allows the audit committee to be informed of financial and accounting irregularities, in addition to possible breaches of the code of conduct and irregular activities in the organisation, reporting, where appropriate, whether it is confidential and whether it allows anonymous communications to be made with due regard for the rights of the reporting party and the party reported.

In accordance with that in its Code of Ethics and Conduct, Redeia has made available to the members of the organisation and its stakeholders an ethical and compliance channel through which they can:

- Submit queries regarding the interpretation of ethical values, principles and guidelines for conduct in the Code, or propose improvements.
- Report any violations of the Code, laws, internal regulations and commitments assumed by the organisation.
- Report any possible irregularities or non-compliance related to financial, accounting or commercial malpractices.

The ethics and compliance channel is managed by the Ethics Manager in coordination with the Compliance area, the operation of which is regulated in the procedure for managing queries and complaints relating to Redeia's Code of Ethics and Conduct.

Those complaints that identify aspects that could have criminal relevance will be referred to the Criminal Compliance Committee of the group.

Complaints that do not include the identity of the whistleblower are assessed, processed and resolved, if the evidence provided and the subsequent investigations demonstrate actual non-compliance.

Queries and complaints submitted through the ethics and compliance channel are processed and resolved by applying the following principles:

- Guarantee the confidentiality, anonymity and indemnity of the whistleblower acting in good faith through the ethics and compliance channel.
- Guarantee the confidentiality, anonymity and indemnity of any persons who have collaborated in resolving a complaint and have acted in good faith.
- Ensure that no retaliation is taken, directly or indirectly, against those persons who, in good faith, have made a report relating to the Code through the ethics and compliance channel, or have cooperated in resolving the matter.
- Maintain the confidentiality of the actions carried out, unless this information is required by an administrative or judicial authority.
- Provide an early and effective response to put an end to any irregularities or prevent them from occurring.
- Take the necessary precautions to avoid the violation of fundamental rights, and to ensure proper custody of the information obtained.
- Guarantee the protection of personal data, in accordance with the applicable law.

- Training programmes and periodic refresher courses for personnel involved in preparing and reviewing financial information and evaluating the ICFR system, which at least cover accounting standards, auditing, internal control and risk management.

The People and Culture Division, based on the training plan drawn up by the divisions involved in the preparation and review of financial information, manages and plans the educational programmes related to specific training in this area. As the executor and party responsible for the design, implementation, functioning and consistency of the ICFR, the Corporate Economic and Financial Division proposes training programmes to the People and Culture Division to ensure that the training is kept up to date for all staff involved in preparing and reviewing financial information, and in the assessment of the ICFR.

Redeia also participates, together with other relevant companies, in a collaborative space on the ICFR to share experiences, knowledge and best practices in this area.

F.2. Risk assessment in financial reporting

Report at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error or fraud, with respect to:

- Whether the process exists and is documented:

The Company bases its process of identifying risks of error or fraud in financial information on the "Corporate Risk Management. Committee of Sponsoring Organizations for the Commissions of the Treadway Commission (COSO) Integrated Framework" methodology, developing practices aimed at designing and maintaining an internal control system that allows reasonable assurance to be provided regarding the reliability of regulated financial information.

The process of assessing the risks of financial reporting is documented in the group's Manual on the System for Internal Control over Financial Reporting. This procedure is available in the Company's ICFR system management tool, to which the managers involved have access.

- Whether the process covers all financial reporting objectives (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and with what frequency.

The key processes and sub-processes related to significant accounts and breakdowns have been defined, and the risks that may give rise to errors and/or fraud in financial reporting have been identified, covering all the financial reporting objectives (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), updated at least on an annual basis.

- Whether a specific process is in place to define the scope of consolidation, with reference to the possible existence of complex corporate structures, special purpose vehicles, holding companies, etc.

The Audit Committee is responsible for monitoring the scope of consolidation. The procedure for reviewing and authorising financial information is formalised on a monthly basis through internal reviews in the Corporate Economic and Financial Division and ends with its presentation to the Audit Committee and, subsequently, to the Board. The scope of consolidation, and any other complex corporate structure, holding companies or special purpose vehicles, are submitted for approval in these reviews.

- Whether the process addresses other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) insofar as they may affect the financial statements.

The process of identifying financial reporting risks takes into account the effect of other types of risk identified in the integrated risk management system if these risks affect the financial statements. However, these risks are assessed and managed by other areas in the company.

- Which of the company's governing bodies is responsible for overseeing the process.

The Audit Committee supervises the effectiveness of the internal control and risk management systems, so that the main risks are properly identified, managed and disclosed. This supervision is carried out with the support of the Internal Audit and Risk Control Division, which reports to the Audit Committee from a functional standpoint.

F.3. Control activities

Specify at least the following components with a description of their main characteristics:

- F.3.1** Procedures for review and authorisation of financial information and the description of the ICFR, to be published in the securities markets, indicating the parties responsible, and documentation describing the flows of activities and controls (including those related to fraud risk) of the different types of transactions that may materially affect the financial statements, including the accounting closing procedure and the specific review of the judgements, estimates, valuations and relevant projections.

The Accounting Information and Administration Department, which reports from an organisational standpoint to the group's Economic Division, reviews on a monthly basis and formally validates the financial information prepared and reported to the Corporate Chief Financial Officer to ensure its reliability. This review and authorisation procedure ends with its submission to the Audit Committee and subsequently to the Board. Also, the scope of consolidation, the accounting policies, tax policies, judgements, and the relevant estimates and projections used in preparing the Consolidated Financial Statements are subject to approval by the Audit Committee.

Also, prior to the authorisation for issue of the consolidated annual accounts and the directors' report, as an additional mechanism guaranteeing the financial information, the group has a process of certifying the financial statements through which the companies comprising the consolidated group and the divisions/departments that participate in the preparation of the financial information, are expressly asked to certify that they have effective control mechanisms and that no event has taken place that may significantly affect the financial statements that has not been appropriately communicated.

In addition, the Economic Division, which reports to the Corporate Economic and Financial Division, has been delegated the functions of monitoring the process for the design, implementation, functioning and consistency of the ICFR system, and keeping the Audit Committee informed of this process in a timely manner. Furthermore, the Internal Audit and Risk Control Division is responsible for supporting the Audit Committee in its duties of monitoring and assessing the ICFR system by conducting the audits included in its annual plan, and reporting the results.

The ICFR implemented in the Company involves the entire Organisation through the implementation and regular monitoring of the functioning of different controls in the sphere of the generation of financial information.

Key processes, sub-processes and controls are documented through flow charts and risk and control matrices, which cover the different types of transactions that may have a material impact on the Financial Statements, and all those affected by judgements, estimates, valuations and relevant projections.

All documentation is known to the managers of each cycle/sub-cycle and is updated on an annual basis to adapt it to the Company's current reality, and to possible changes in processes, controls, risks, systems, etc.

The units that participate in preparing the financial information must ensure compliance with and updating and maintenance of the ICFR system within their areas of responsibility, and must provide the Economic Division with their annual approval of the procedures included in the ICFR system. This includes ensuring that:

- i. all controls, objectives and supplementary information are properly documented;
- ii. the design of the controls provide reasonable security and cover the established control objectives;
- iii. there is no new system or procedure that is not included within the scope of the flowcharts, and that may significantly affect the established control objectives;
- iv. improvement actions have been implemented if ineffective controls were identified in a previous review.

The documentation describing the flows of activities and controls (including those related to the risk of fraud) include:

- Details of the internal rules and procedures that govern everything from general controls to sub-processes.
- Details of the organisational structures.
- Details of the significant cycles.
- Flowcharts of each of the sub-processes.
- Description of the process, specific risk covered, input information before carrying out the control and output information after the control is carried out, frequency, objective covered, potential errors mitigated, coverage of the fraud and its type, and department responsible for the execution.
- Details of the information systems affecting automatic and/or semi-automatic controls.

The main transactions seeking to ensure the reliability and transparency of the process of preparing the financial information most notably include the following:

- Review of the processes of estimates and provisions (at the level of revenue and expenses).
- Review of impairment associated with the assets recognised (mainly referring to assets).
- Review of the commissioning of assets and the processes for setting associated values (capitalisable items, monitoring of administrative approvals, technical commissioning conditions, etc.).
- Review using specific mandatory procedures and/or instructions of:
 - Accounting records and/or entries.
 - One-off transactions (assessment at the senior management level of the economic and financial, corporate and legal implications that these transactions may have).

- Closing of financial statements, and preparation of the individual and consolidated annual accounts. The internal reference rules governing these matters are in the following:
 - i. The "Group Accounting Policies Manual and Financial Statements Plan", which includes the accounting policies that must govern in the group to carry out the accounting assumptions in the reporting systems, and in the preparation of the financial statements and annual accounts, to guarantee a true and fair view of equity, financial position, results of operations, changes in equity and cash flows.
 - ii. "Procedure for preparing and closing the individual and consolidated financial statements and annual accounts", which establishes that "the process of closing the financial statements is a process that takes place twice in each year (at the year-end and mid-year with the preparation of the half-yearly interim information) and that aims to obtain financial statements that reflect the economic situation of Redeia. All group companies that have to prepare their own financial statements in accordance with local regulations in their own country are affected by this process".
- Preparation and publication of financial information (including matters related to the preparation and approval of the Annual Corporate Governance Report, Annual Accounts, Corporate Responsibility Report, communications to the Spanish National Securities Market Commission, official communications, etc.). The main internal rules governing these matters are in the following:
 - i. "Internal Code of Conduct in the Securities Market".
 - ii. "Procedure for preparing and closing individual and consolidated financial statements and annual accounts". At this specific level, of closing of information, and, where appropriate, subsequent publication, the Corporate Economic and Financial Division, General Secretariat, Board and Chair's Office have a key role to play.

F.3.2 Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

The group has established a protocol for conduct and use of computer and communications systems, the preparation of which is the responsibility of the Information Technologies Division (ITD). This document establishes the principles to govern the use of computer and telecommunications resources that the group makes available to its employees (equipment, applications, Internet access and electronic messaging services). Furthermore, the group has a procedure that regulates the activities for managing computer security in the environment of the corporate information systems, which is the responsibility of the ITD.

The following controls and measures are in place to provide the group with reasonable assurance regarding the internal control of the information systems:

- A risk analysis of the security of information of the information systems is carried out on an annual basis, making it possible to obtain a list of the most significant risks with their assessment and to establish the actions and measures necessary to reduce or maintain the risk level of those considered most important.
- The security rules are reviewed annually, or whenever there are significant changes, to assure that they continue to be suitability, appropriate and effective.
- An inventory is maintained of all assets (equipment, software, applications and information) existing in Redeia. Each asset is assigned a responsible organisational unit.
- General measures are established to protect the information, depending on the category in which it is classified. In addition, the responsible unit can define specific measures supplementing the general measures.
- Security documentation aimed at employees is prepared and published.
- The heads of the units verify that new employees are aware of the published information security documentation. They also ensure that these persons comply with the content of the documentation.
- The People and Culture Division reports to the ITD on all changes in internal personnel (hires, departures, transfers and changes of position) in order for it to apply the corresponding changes in rights of access to the information systems.
- All employees and collaborators must return the computer equipment in their possession at the end of their employment, contract or relationship with the Company, and may not appropriate information.
- A risk assessment is conducted to determine the security implications arising from the participation of external collaborators in business processes, and appropriate controls are defined and implemented.
- The Corporate Transformation and Resources Division defines and implements the physical security measures to protect the facilities in which the information systems are housed against damage caused by fire, flood and other forms of natural or man-made disasters. In addition, it establishes appropriate controls for entering restricted access areas to ensure that only authorised personnel are allowed access.
- The ITD ensures proper and secure operation of the information systems for which it is responsible, by preparing and implementing the appropriate operating procedures. These procedures will take into consideration the separation of duties to reduce the risk of negligence or deliberate misuse of the system. In the case of computer services provided by third parties, the ITD must verify that the agreed security controls and service levels have been implemented and are maintained by the third parties.
- The ITD is responsible for defining rules and procedures for the management of access (authentication and authorisation) by users to the information systems.
- Formal communications procedures are established to ensure that information security incidents and weaknesses associated with the information systems are communicated in a manner allowing timely corrective action.

- An IT Contingency Plan for the information systems is prepared so that, in the event of a disaster that destroys the systems or makes them unavailable, service may be resumed within a certain period of time consistent with their level of criticality.

F.3.3 Internal control policies and procedures for overseeing the management of activities outsourced to third parties and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

The group pay special attention to operations carried out by third parties (to ensure maximum guarantee of control in key processes that may be outsourced and that the standards required by the group are met).

In all cases, outsourcing of these activities is based on a services agreement, which clearly indicates the services to be rendered and the resources the third party is to provide to perform these services. There is exhaustive control of these subcontracted activities, and evidence that this control has been carried out.

Redeia has internal regulations for corporate monitoring of suppliers to regulate the activities, under which (i) the requirements for suppliers in their classification and (ii) their compliance with the requirements in each of the orders or agreements entered into with Redeia companies are continuously verified. Define the procedure to be followed to execute a penalty for breach of contract.

The group also has a code of conduct for suppliers, the purpose of which is to make its suppliers aware of the general principles for their working and professional conduct within their different areas of activity. The group oversees the ongoing application of these principles by the suppliers.

F.4. Information and communication

Specify at least the following components with a description of their main characteristics:

F.4.1 A specific function in charge of defining and updating accounting policies (accounting policies area or department) and resolving any doubts or disputes that may arise over their interpretation, which is in regular communication with the team in charge of operations; and a manual of accounting policies regularly updated and communicated to all the company's operating units.

The group has a "Group Accounting Policies Manual and Financial Statements Plan" that serves as a reference to mark the guidelines and actions in the field of accounting records, and that is adequately communicated to the employees to which it is applicable (any action will be taken in view of the references in this manual). This manual is updated on a regular basis, with its latest update in September 2022; the update process verifies that accounting policies are within the regulatory framework applicable to the Company, which is the one in the Commercial Code, the Spanish National Chart of Accounts and other commercial law, and in the international financial reporting standards adopted by the European Union.

In addition, the Accounting Information and Administration Department, which is part of the Economic Division, is responsible for defining and resolving any matter related to the interpretation of accounting policies, covering any area of the various companies. The Economic Division reports from an organisational standpoint to the Corporate Economic and Financial Division, which in turn reports to the managing director.

F.4.2 Mechanisms for capturing and preparing financial information with standardised formats, applicable to and to be used by all units of the entity or the group that support the main financial statements and notes, and the information outlined on the ICFR.

The group has formal processes for closing and preparing the information related to the financial statements and the annual accounts. In both cases, the procedures for closing the financial statements and preparing the annual accounts contain guidelines for action and overseeing the process that are implemented when obtaining, analysing and subsequently preparing the information for final approval.

The system supporting the operations of the group is mainly SAP. The companies that do not use SAP are required to apply the criteria set by the group to ensure uniformity in those processes by way of a reporting package prepared for that purpose, which must include all breakdowns needed for preparing the financial statements and notes. In the process of preparing the consolidated financial information and the breakdowns, computer software is used that ensures the uniformity, standardisation and validity of the information.

Furthermore, the ICFR system is supported by a corporate tool that is managed centrally, from which the information specified in the ICFR system is drawn.

The group has a specific mechanism for the entire process of preparing the financial statements, where the Audit Committee, reporting to the Board, acquires particular relevance, as it is responsible for ensuring maximum assurance throughout the preparation process (among other aspects, both at the level of the oversight work of Internal Audit and by the external auditor), as a step prior to the preparation by the Board.

In application of Directive 2013/50/EU, the transition to the publication of the consolidated financial statements using the European Single Electronic Format (ESEF) was carried out in 2020. The primary statements contained in the 2021 consolidated annual financial statements were prepared in XHTML format, and all figures (using ESEF taxonomy and iXBRL markup language) of the statement of financial position, statement of income and other comprehensive income, statement of changes in equity and statement of cash flows have been tagged in the consolidated financial statements in accordance with IFRSs. In 2022, this obligation also extended to the labelling of the notes to the consolidated financial statements.

The directors will be responsible for preparing and publishing the separate and consolidated financial statements and directors' report, which together make up the annual financial report that will be prepared using the ESEF.

Finally, to provide external agents with reliable and truthful financial information on its equity, financial position and the results of its operations, the Internal Code of Conduct in the Securities Market regulates these aspects, both in communications to supervisory and/or regulatory bodies and at the media level.

F.5. Monitoring

Specify at least the following components with a description of their main characteristics:

- F.5.1** The ICFR monitoring activities undertaken by the audit committee and whether the entity has an internal audit function whose competencies include supporting the audit committee in its role of monitoring the internal control system, including ICFR. Describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the company has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

The Audit Committee is responsible for monitoring the financial information. Its responsibilities include, among others, (i) the approval of the accounting principles to be used when preparing the financial statements of the Company and its consolidated group; (ii) the supervision of the preparation and presentation process, and the integrity of the Company's financial information and, where applicable, the group, ensuring that the regulatory requirements are taken into account; (iii) the appropriate demarcation of the scope of consolidation; and (iv) the correct application of the accounting principles and criteria applicable to it.

In addition, the Audit Committee regularly monitors the effectiveness of the internal control and risk management systems, so that the main risks are identified, managed and appropriately disclosed, in particular the systems related to the process of issuing financial information, which includes the ICFR system, aimed at providing reasonable assurance of the reliability of the financial information.

To carry out these functions, the Audit Committee has the support of the Internal Audit and Risk Control Division, which reports to the chair of the Company from an organisational standpoint and to the Audit Committee from a functional standpoint. The Audit Committee monitors the independence and efficacy of the Internal Audit function; supervises and controls the process of selection, appointment, re-election and removal of the head of the internal audit service; controls the means and resources assigned to the internal audit service and, among others, its budget; receives regular reports on its activities; and verifies that the senior executives of the Company and the group act on the findings and recommendations in its reports.

The head of Internal Audit presents an annual work programme to the Audit Committee and directly reports any issues arising during its implementation, and submits a report on the activities carried out by the function throughout the year at the end of each year. As regards the ICFR, the Internal Audit work plan covers the entire ICFR in 3-year periods. The scope of this work includes tests on the control environment, general controls and controls on the design of the flow charts and the effectiveness of the controls at the area level.

Once the field work is carried out, Internal Audit carries out and issues the reports of the ICFR audits, presenting the results to the Audit Committee. It also verifies the correct implementation of the corrective actions identified in these audits of the ICFR. In addition to the audit work performed by Internal Audit in relation to the ICFR system, an external auditor is tasked with auditing the ICFR system on an annual basis, issuing a report in accordance with the ISAE 3000 standard, to confirm reasonable assurance of the design and effective application of the system. This audit of the ICFR system has been performed by external auditors since 2008.

The Audit Committee is informed of the reviews carried out by Internal Audit and the external auditor, and other tasks performed in the ICFR and the evolution of the action plan of the improvement recommendations detected in the audits. These recommendations for improvement are classified by priority with a breakdown of those associated with the risk of fraud.

The group has an effective ICFR on financial information in all significant respects in accordance with the criteria in the COSO Integrated Control Framework. In 2022, no deficiencies were detected in the group's ICFR system and the external auditor concluded that the group has an effective ICFR system.

- F.5.2 A discussion procedure whereby the auditor (under TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the company's senior executives and its audit committee or board of directors. State also whether the entity has an action plan to correct or mitigate the weaknesses identified.

The Board included in its Regulations, in relation to external auditors, the requirement to assess the quality of the group's internal control procedures regularly and at least once a year.

As regards the Company's Audit Committee, in relation to the supervision of the functioning of the internal control system, its objectives include ensuring that the external auditor, the Internal Audit function and other experts can communicate to management and the Board the significant internal control weaknesses identified during the review processes of the financial statements or others entrusted to them. Communications will be made for each review work carried out, at the end of the review, and always before the Board prepares the financial statements.

F.6. Other relevant information

F.7. External auditor's report

Report on:

- F.7.1 Whether the ICFR information supplied to the markets has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

The group has voluntarily submitted its ICFR system for review since 2008. These reviews were performed by Deloitte, S.L. up until 31 December 2012; by PriceWaterhouseCoopers from 1 January 2013 until 31 December 2014; and by KPMG, S.L. as of 1 January 2015.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of compliance with the recommendations of the code of good governance for listed companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

1. The Articles of Association of listed companies do not limit the maximum number of votes that a single shareholder may cast, nor do they contain other restrictions that make it difficult to take control of the Company by acquiring its shares in the market.

Compliant []

Explain [X]

The shareholding limits on interests in the share capital are in additional provision twenty-three of Law 54/1997, of 27 November, which remain in force as expressly established by the sole derogating provision of Electric Sector Act. These shareholder limits are as follows:

- Any natural person or legal entity may hold shares in the Company, provided the sum of their direct and indirect holdings of the shares does not exceed 5% of the share capital and they do not hold more than 3% of the voting rights. These shares may not be pooled together under any circumstances.
- Parties that engage in activities in the electricity sector, and any natural persons or legal entities that directly or indirectly hold more than 5% of the share capital of such parties, may not exercise more than 1% of the voting rights in the parent company.
- The special regime for SEPI is maintained, whereby SEPI must always hold at least ten per cent (10%) of the share capital.

In addition, the above additional provision twenty-three of Law 54/1997, of 27 November, establishes that: "The National Energy Commission will be entitled to take the legal actions aimed at giving effect to the limitations imposed in this provision.

For the purposes of calculating the interest in that shareholding, in addition to the shares or other securities held or acquired by entities belonging to its same group, as defined in section 4 of the Spanish Securities Market Act (*Ley 24/1988, de 28 de julio, del Mercado de Valores*), interests will be attributed to a single natural person or legal entity when they are owned by:

- a) Those parties who act in their own name but on behalf of that natural person or legal entity in a concerted manner or forming a decision-making unit with them. Unless proven otherwise, the members of its managing body will be presumed to act on account of or in a concerted manner with that legal entity.
- b) Shareholders together with whom it exercises control over a controlled entity under section 4 of Law 24/1988, of 28 July, on the Securities Market.

In any event, the proprietary ownership of the shares and other securities and the voting rights attached to each of them will be taken into account.

4. Failure to comply with the limitation on interests in the capital referred to in this provision will be considered a very serious breach for the purposes indicated in section 60 of this Act, and the natural or legal persons that own the securities or to whom the excess interest in the capital or voting rights is attributable, in accordance with the above paragraphs, are liable. In any event, the regime of penalties laid down in this Act will be applied.

5. Red Eléctrica Corporación, S.A. may not transfer the shares of the subsidiaries that carry out regulated activities to third parties.

6. Red Eléctrica Corporación, S.A. will be prohibited from carrying out activities other than the operation of the system, and the transmission and management of the transmission grid through regulated subsidiaries, which includes acquiring interests in companies that carry out other activities.

7. The voting rights corresponding to the shares or other securities held by persons holding an interest in the capital of Red Eléctrica Corporación, S.A. that exceed the maximum limits indicated in this provision will be suspended from the entry into force of the royal decree law transposing directives on internal electricity and natural gas markets and on electronic communications, until they comply with those limits."

For their part, the provisions on limitations in the general and special shareholder regime are included in Articles 5 and 14 and the sole additional provision of the Articles of Association, and in section 6.3 of the General Meeting Regulations.

(continued in H.1)

2. When the listed company is controlled, as defined in section 42 of the Commercial Code, by another company, whether listed or not, and has, directly or through its subsidiaries, business relations with this company or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of these companies, it should publicly disclose the following in a precise manner:

- a) The type of activity they engage in and any business dealings between the listed company and its subsidiaries and also by the parent company and its subsidiaries.
- b) The mechanisms in place to resolve possible conflicts of interest.

Compliant [] Partially compliant [] Explain [] Not applicable []

3. During the annual general meeting, the chair of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

- a) Changes taking place since the previous annual general meeting.
- b) The specific reasons why the company does not follow certain recommendations of the Corporate Governance Code and the alternative rules applied in this connection, should any exist.

Compliant [] Partially compliant [] Explain []

4. The company should draw up and implement a policy of communication and contact with shareholders and institutional investors in the context of their involvement in the company, and with proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position. This policy should be published on the company's website, complete with details of how it has been put into practice and the identities of the relevant contacts or those charged with its implementation.

Without prejudice to the legal obligations regarding the dissemination of inside information and other types of regulated information, the Company should also have a general policy regarding the communication of financial, non-financial and corporate information through the channels it considers appropriate (media, social networks or other channels) that contributes to maximising the dissemination and quality of the information available to the market, investors and other stakeholders.

Compliant [] Partially compliant [] Explain []

5. The Board should not put forward a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emption rights for an amount exceeding 20% of the share capital at the time of the delegation.

And when a board approves the issuance of shares or convertible securities without pre-emption rights, the company should immediately post a report on its website explaining the exclusion as envisaged in commercial law.

Compliant [X]

Partially compliant []

Explain []

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:

a) Report on auditor independence.

b) Reports on the functioning of the audit committee and the appointments and remuneration committee.

c) Report of the audit committee on related-party transactions.

Compliant [X]

Partially compliant []

Explain []

7. The company should broadcast its general meetings live on the corporate website.

And the company should have mechanisms that allow the delegation and exercise of votes by remote means and even, in the case of large cap companies and to the extent proportionate, attendance and active participation in the general meeting.

Compliant [X]

Partially compliant []

Explain []

8. The audit committee should ensure that the financial statements submitted by the board of directors at the annual general meeting are prepared in accordance with accounting regulations. And in those cases where the auditor has included a qualification in their auditor's report, the chair of the audit committee should clearly explain the audit committee's opinion on its content and scope at the general meeting, making a summary of this opinion, along with any other proposals and reports of the board, available to shareholders when the call notice for the meeting is published.

Compliant [X]

Partially compliant []

Explain []

9. The company should disclose its requirements and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

These requirements and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Compliant [X]

Partially compliant []

Explain []

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals.
- b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.
- c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.
- d) After the general meeting, disclose the breakdown of votes on these supplementary items or alternative proposals.

Compliant [] Partially compliant [] Explain [] Not applicable []

11. If the Company plans to pay premiums to shareholders for attending the general meeting, it establishes a general policy on these premiums in advance and establishes that this policy is stable.

Compliant [] Partially compliant [] Explain [] Not applicable []

12. The Board should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuit of the corporate interest, in addition to respect for laws and regulations and conduct based on good faith, ethics and respect for commonly accepted uses and good practices, it reconciles the corporate interest with, as appropriate, the legitimate interests of its employees, suppliers, customers and other stakeholders that may be affected, and the impact of the Company's activities on the community as a whole and on the environment.

Compliant [] Partially compliant [] Explain []

13. The Board should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Compliant [] Explain []

14. The Board should approve a director selection policy aimed at promoting an appropriate composition of the board and that:

- a) Is specific and verifiable.

- b) Ensures that appointment or re-election proposals are based on prior analysis of the board's required competencies.
- c) Favours diversity of knowledge, experience, age and gender. For this purpose, measures that encourage the company to have a significant number of female senior executives are considered to favour gender diversity.

The results of the prior analysis of the board's required competencies should be written up in the appointments committee's explanatory report that is published when the general meeting is convened that will ratify the appointment and re-election of each director.

The appointments committee should annually verify compliance with this policy and set out its findings in the annual corporate governance report.

Compliant [X] Partially compliant [] Explain []

15. Proprietary and independent directors should constitute an ample majority on the board of directors, while the number of executive directors should be the minimum necessary, bearing in mind the complexity of the corporate group and the ownership interests they control.

And the number of female directors should account for at least 40% of the board members by the end of 2022 and subsequent years, and not be less than 30% prior to that date.

Compliant [X] Partially compliant [] Explain []

16. The percentage of proprietary directors out of all non-executive directors should be no greater than the proportion of the capital represented on the board by these directors to the remainder of the company's capital.

This criterion may be relaxed:

- a) In large cap companies where few shareholdings attain the legal threshold to be considered significant.
- b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Compliant [X] Explain []

17. The number of independent directors should represent at least half of all board members.

However, when the company does not have a large market capitalisation, or when a large cap company has a shareholder or multiple shareholders acting in concert controlling over 30% of the share capital, independent directors should represent at least one third of the total number of directors.

Compliant [X] Explain []

18. Companies should post the following director particulars on their websites, and keep them permanently updated:
- a) Professional experience and background.
 - b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.
 - c) An indication of the director category to which they belong, in the case of proprietary directors indicating the shareholder they represent or with which the director has ties.
 - d) The date of their first appointments as a company director, and subsequent re-elections.
 - e) Shares held in the company and any options on these shares.

Compliant Partially compliant Explain

19. Following verification by the appointments committee, the annual corporate governance report should disclose the reasons for the appointment of proprietary directors at the request of shareholders controlling less than 3% of capital and explain any rejection of a formal request for a board place from shareholders whose ownership interest is equal to or greater than that of others applying successfully for a proprietary directorship.

Compliant Partially compliant Explain Not applicable

20. Proprietary directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If the shareholders reduce their ownership interest, and therefore lose some of their entitlement to proprietary directors, the number of proprietary directors should be reduced accordingly.

Compliant Partially compliant Explain Not applicable

21. The Board should not propose the removal of any independent director before the end of the term in the Articles of Association for which they were appointed, unless the board considers there is just cause to do so, subject to a report by the appointments committee. In particular, just cause will be presumed when directors take up new posts or responsibilities that prevent them from allocating sufficient time to discharge the duties of director, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent, in accordance with that in applicable law.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion in Recommendation No. 16.

Compliant Explain

22. Companies should establish rules obliging directors to inform the board and, where appropriate, resign when situations affecting them arise, whether or not related to their performance in the company itself, which could damage the credibility and reputation of the company. In particular, they should be obliged to inform the board of directors of any criminal charges brought against them and the progress of any proceedings.

And, having been informed or having otherwise become aware of any of the situations mentioned in the previous paragraph, the board should examine the case as soon as possible and, in view of the specific circumstances, decide, following a report from the appointments and remuneration committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing their removal. And this should be disclosed in the annual corporate governance, unless there are special circumstances that justify it, which should be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, when the corresponding measures are adopted.

Compliant [] Partially compliant [] Explain []

23. All directors should express clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independent and other directors unaffected by the conflict of interest should challenge any decision that could go against the interests of shareholders lacking board representation.

When the board makes material or reiterated decisions about which a director has expressed serious reservations, then they must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the secretary to the board, even if they are not a director.

Compliant [] Partially compliant [] Explain [] Not applicable []

24. When, either by resignation or by resolution of the general meeting, a director leaves office before the end of their term, they should give sufficient explanation of the reasons for their resignation or, in the case of non-executive directors, their opinion on the reasons for the removal by the shareholders at the meeting, in a letter to be sent to all board members.

And, without prejudice to the disclosure of all of the above in the annual corporate governance report, to the extent that it is relevant to investors, the company should publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Compliant [] Partially compliant [] Explain [] Not applicable []

On 22 March 2022, under section 227 of the Consolidated Text of the Securities Market Act, the Company informed the Spanish National Securities Market Commission of the following OTHER RELEVANT INFORMATION regarding Red Eléctrica Corporación, S.A. (with registration number 15105):
On 21 March 2022, a letter was received from the Company's director M^º Teresa Costa Campi, addressed to the chair of the Board, in which she communicate that, as a result of her proposed appointment as director of Enagás, S.A., which had yet to be approved by its Annual General Meeting, she had decided to submit her resignation as director of Red Eléctrica Corporación, S.A., representing Sociedad Estatal de Participaciones Industriales (SEPI), effective 29 March 2022, at the end of the Board meeting of Red Eléctrica Corporación, S.A. that would be held on that date.

25. The appointments committee should ensure that non-executive directors have sufficient time available to discharge their responsibilities effectively.

And the Board Regulations should establish the maximum number of company boards on which directors may serve.

Compliant Partially compliant Explain

26. The board should meet with the frequency necessary to properly perform its functions, at least eight times a year, in accordance with a schedule of dates and agendas set at the beginning of the year, to which each director may propose the addition of initially unscheduled items to the agenda.

Compliant Partially compliant Explain

27. Director absences should be kept to a strict minimum and quantified in the annual corporate governance report. In the event of absence, directors should delegate their powers of representation with the appropriate instructions.

Compliant Partially compliant Explain

28. When directors or the secretary express concerns about some proposal or, in the case of directors, about the company's performance, and such concerns are not resolved at the meeting, they should be recorded in the minute book if the person expressing them so requests.

Compliant Partially compliant Explain Not applicable

29. The company should provide suitable channels for directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Compliant Partially compliant Explain

30. Regardless of the knowledge directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Compliant Explain Not applicable

31. The agendas of board meetings should clearly indicate the items on which the board of directors must adopt a decision or pass a resolution, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the chair may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent of the majority of directors present, which will be duly recorded in the minutes.

Compliant Partially compliant Explain

32. Directors should be regularly informed of changes in the shareholder structure and the views of significant shareholders, investors and credit rating agencies on the company and its group.

Compliant Partially compliant Explain

33. The chair, as party responsible for the effective functioning of the board, in addition to exercising the functions that attributed under law and the Articles of Association, should prepare and submit to the board a schedule of dates and matters to be discussed; organise and coordinate the regular assessment of the board, and, where appropriate, that of the company's chief executive; be responsible for the management of the board and for the effectiveness of its functioning; ensure that sufficient discussion time is devoted to strategic issues, and agree and review the knowledge update programmes for each director, when the circumstances so advise.

Compliant Partially compliant Explain

34. When there is a lead director, the Articles of Association or board regulations, in addition to the powers that corresponding under law, they should be attributed with the following powers: chair the board of directors in the absence of the chair and vice-chairs, if any; echo the concerns of non-executive directors; maintain contact with investors and shareholders to gauge their views in order to form an opinion on their concerns, in particular in relation to the corporate governance of the company; and coordinate the succession plan for the chair.

Compliant Partially compliant Explain Not applicable

35. The board secretary should strive to ensure specifically that the board's actions and decisions are informed by the governance recommendations of the code of good governance as may be applicable to the company.

Compliant Explain

36. The board in plenary session should conduct an annual assessment, adopting, where necessary, an action plan to correct weakness detected in:

a) The quality and efficiency of the functioning of the board of directors.

- b) The functioning and composition of its committees.
- c) The diversity of board membership and competences.
- d) The performance of the chair of the board of directors and the company's chief executive.
- e) The performance and contribution of individual directors, with particular attention to the chairmen of board committees.

The evaluation of board committees should start from the reports they send the board of directors, while that of the board itself should start from the report of the appointments committee.

Every three years, the board of directors should engage an external consultant to aid in the evaluation process. This consultant's independence should be verified by the appointments committee.

Any business dealings that the consultant or any company of its group has with the company or any company of its group should be detailed in the annual corporate governance report.

The process followed and areas evaluated should be detailed in the annual corporate governance report.

Compliant Partially compliant Explain

37. When there is an executive committee, at least two non-executive directors should sit on this committee, at least one of whom should be independent; and its secretary should be the secretary to the board.

Compliant Partially compliant Explain Not applicable

38. The board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all board members should receive a copy of the committee's minutes.

Compliant Partially compliant Explain Not applicable

39. The members of the audit committee as a whole, and particularly its chair, should be appointed taking into account their knowledge and experience in accounting, auditing and risk management, for financial and non-financial risks.

Compliant Partially compliant Explain

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the board's non-executive chair or the chair of the audit committee.

Compliant [X]

Partially compliant []

Explain []

41. The head of the unit in charge of the internal audit function should present the annual work plan to the audit committee for approval by the committee or the board, report directly to it on its execution, including any incidents and limitations in terms of its scope that may arise during its implementation, the results and follow-up of its recommendations, and submit an activities report at the end of each year.

Compliant [X]

Partially compliant []

Explain []

Not applicable []

42. In addition to those provided for by law, the audit committee should have the following functions:

1. In relation to information and internal control systems:

- a) Oversee and assess the drafting process and the integrity of financial and non-financial information, and the systems for controlling and managing financial and non-financial risks related to the company and, where applicable, the group —including operational, technological, legal, social, environmental, political and reputational or corruption-related risks— reviewing compliance with regulatory requirements, the appropriate demarcation of the scope of consolidation and the correct application of accounting criteria.
- b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment and removal of the head of the internal audit service; propose the service's budget; approve or propose to the board approval of the guidelines and annual work plan of the internal audit service, ensuring that it focuses primarily on the main risks (including reputational risk); receive regular report-backs on its activities; and verify that senior executives are acting on the findings and recommendations of its reports.
- c) Establish and oversee a mechanism to enable employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial and accounting or any other type of irregularities, related to the company that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any event, provide for cases in which communications can be made anonymously, respecting the rights of the whistleblower and the reported party.
- d) Ensure in general that the policies and systems established as regards internal control are effectively applied in practice.

2. Regarding the external auditor:

- a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.
- b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.
- c) Ensure that the company reports any change in the external auditor to the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons behind them.
- d) Ensure that the external auditor has a yearly meeting with the board in plenary session to inform it of the work undertaken and developments in the company's risk and accounting positions.

- e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Compliant [X] Partially compliant [] Explain []

43. The audit committee may call on any company employee or manager to be present at its meeting, even ordering their presence without another senior executive.

Compliant [X] Partially compliant [] Explain []

44. The audit committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Compliant [X] Partially compliant [] Explain [] Not applicable []

45. The risk control and management policy should identify at least:

- a) The different types of financial and non-financial risk (including operational, technological, financial, legal, social, environmental, political and reputational and corruption-related risks) to which the company is exposed, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks.
- b) A risk control and management model based on different levels, including a specialised risk committee when the sector regulations so provide, or when the company considers it appropriate.
- c) The level of risk that the company considers acceptable.
- d) The measures in place to mitigate the impact of the identified risks, should they occur.
- e) The internal control and reporting systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Compliant [X] Partially compliant [] Explain []

46. Companies should establish an internal risk control and management function, performed by one of the company's internal units or departments, and under the direct supervision of the audit committee or, where applicable, some other dedicated board committee. This function should be expressly charged with the following responsibilities:

- a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks to which the company is exposed are correctly identified, managed and quantified.
- b) Participate actively in the preparation of risk strategies and in key decisions about their management.

- c) Ensure that risk control and management systems are mitigating risks effectively within the framework of the policy defined by the board of directors.

Compliant Partially compliant Explain

47. Appointees of the appointments and remuneration committee — or of the appointments committee and the remuneration committee, if they are separate — should have the right balance of knowledge, skills and experience for the functions they are called on to discharge and the majority of their members should be independent directors.

Compliant Partially compliant Explain

48. Large cap companies should have a separate appointments committee and remuneration committee.

Compliant Explain Not applicable

The Company did not consider it advisable to have a separate Appointments Committee and a Remuneration Committee for the following reasons:

Due to the small size of the Board (comprising 12 members, with one of them an executive director) compared with other highly capitalised companies.

-Also, it is considered that a single committee can fully comply with all the functions that the law and the recommendations attribute to two separate committees.

49. The appointments committee should consult with the company's chair and chief executive, especially on matters relating to executive directors.

When there are vacancies on the board, any director may approach the appointments committee to propose candidates that it might consider suitable.

Compliant Partially compliant Explain

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

- a) Propose to the board the standard conditions for senior executive contracts.
- b) Monitor compliance with the remuneration policy set by the company.
- c) Periodically review the remuneration policy for directors and senior executives, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior executives in the company.
- d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.

- e) Verify the information on the remuneration of the directors and senior executives contained in the various corporate documents, including the annual directors' remuneration report.

Compliant [X] Partially compliant [] Explain []

51. The remuneration committee should consult with the company's chair and chief executive, especially on matters relating to executive directors and senior executives.

Compliant [X] Partially compliant [] Explain []

52. The rules governing the composition and functioning of supervision and control committees should be in the Board Regulations and should be consistent with those governing legally mandatory board committees as specified in the previous recommendations. They should include at least the following terms:

- a) Committees should be formed exclusively by non-executive directors, with a majority of independent directors.
- b) Committees should be chaired by an independent director.
- c) The board should appoint the members of such committees having regard to the knowledge, skills and experience of its directors and remit of each committee and discuss their proposals and reports; and the committees should report the business transacted and account for the work performed at the first plenary session of the board following each committee meeting.
- d) Committees may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meetings should be recorded in minutes and a copy made available to all board members.

Compliant [X] Partially compliant [] Explain [] Not applicable []

53. The oversight of compliance with the Company's environmental, social and corporate governance policies and rules, and the internal codes of conduct, should be attributed to one or a number of board committees that may be the audit committee, appointments committee, committee specialising in sustainability or corporate social responsibility or another specialised committee that the board of directors, in the exercise of its self-organisation powers, has decided to establish. And this committee should be composed solely of non-executive directors, the majority of whom should be independent, and should be specifically assigned the minimum functions indicated in the following recommendation.

Compliant [X] Partially compliant [] Explain []

54. The minimum functions referred to in the above recommendation are as follows:

- a) Monitor compliance with corporate governance rules and the company's internal codes of conduct, ensuring that the corporate culture is in line with its purpose and values.

- b) Supervision of the application of the general policy regarding the communication of economic and financial, non-financial and corporate information, and communication with shareholders and investors, voting advisors and other stakeholders. It will also oversee the way in which the Company communicates and relates to small- and medium-sized shareholders.
- c) Regularly evaluate and review the Company's corporate governance system and its policy on environmental and social matters to ensure that it fulfils its mission of promoting the corporate interest and takes into account, as appropriate, the legitimate interests of other stakeholders.
- d) Oversee that the Company's environmental and social practices are in line with the strategy and policy established.
- e) Monitor and evaluate the company's interaction with its stakeholders.

Compliant [X]

Partially compliant []

Explain []

55. The sustainability policies regarding environmental and social matters should identify and include at least:

- a) The principles, commitments, objectives and strategy regarding shareholders, employees, customers, suppliers, social issues, environment, diversity, tax liability, respect for human rights and prevention of corruption and other illegal conduct
- b) The methods or systems for monitoring compliance with the policies, the associated risks and their management.
- c) The mechanisms for supervising non-financial risk, including those matters related to ethics and business conduct.
- d) The channels for stakeholder communication, participation and dialogue.
- e) Responsible communication practices that prevent the manipulation of information and protect the company's integrity and honour.

Compliant [X]

Partially compliant []

Explain []

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Compliant [X]

Explain []

57. Variable remuneration linked to the company's profit and the director's performance, the award of shares, options or any other right to acquire shares or to be remunerated based on share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive directors.

The company may consider the share-based remuneration of non-executive directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the director must dispose of to defray costs related to their acquisition.

Compliant Partially compliant Explain

58. In the case of variable remuneration, remuneration policies should include limits and technical safeguards to ensure such remuneration reflects the professional performance of the beneficiaries and not simply the general performance of the markets or the company's sector or other similar circumstances.

In particular, variable components of remuneration should meet the following conditions:

- a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.
- b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.
- c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Compliant Partially compliant Explain Not applicable

59. The payment of the variable components of remuneration should be subject to sufficient verification that the performance or other conditions previously established have been effectively fulfilled. Companies must include in the annual directors' remuneration report the criteria as to the time required and methods for such verification depending on the nature and characteristics of each variable component.

In addition, companies should consider establishing a malus clause based on the deferral for a sufficient period of time of the payment of a portion of the variable components, entailing their total or partial loss in the event that some event occurs prior to the time of payment that makes it advisable to do so.

Compliant Partially compliant Explain Not applicable

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Compliant Partially compliant Explain Not applicable

61. A major part of executive directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Compliant [X]

Partially compliant []

Explain []

Not applicable []

62. Once the shares, options or financial instruments corresponding to the remuneration systems have been assigned, executive directors should not be able to transfer their ownership or exercise these options until a period of at least three years has elapsed.

An exception is made in the case where the director has, at the time of the transfer or exercise, a net economic exposure to the change in the share price for a market value equivalent to an amount of at least twice their annual fixed remuneration through the ownership of shares, options or other financial instruments.

This will not apply to shares that the director needs to dispose of to meet the costs related to their acquisition or, subject to the favourable opinion of the appointments and remuneration committee, to meet extraordinary situations that require it.

Compliant []

Partially compliant [X]

Explain []

Not applicable []

The managing director is obliged to retain ownership of the shares received as annual variable remuneration for each financial year for at least five years. All of this is included in the 2022-2024 Directors' Remuneration Policy, the CEO's contract, and in the 2022 Annual Directors' Remuneration Report, approved by the Board at the meeting held on 27 February 2023; this recommendation is, therefore, fulfilled as regards the minimum period of three years included in it in respect of the annual variable remuneration. However, as regards the multi-annual variable remuneration plan, which has a total duration of 6 years, given the broad duration of that Plan, no additional commitment has been established to maintain ownership of the shares beyond that period.

63. Contractual arrangements should include a clause that allows the company to reclaim variable components of remuneration when payment is not based on the director's actual performance or based on data subsequently found to be inaccurate.

Compliant [X]

Partially compliant []

Explain []

Not applicable []

64. Payments due to termination of the contract should not exceed an amount equivalent to two years of the total annual remuneration and should not be paid until the company has been able to verify that the director has complied with the criteria or conditions established to receive payment.

Regarding this recommendation, payments due to contractual termination will include any payments that are accrued or where the payment obligation arises as a result of, or in connection with, the termination of the contractual relationship between the director and the company, including amounts not previously consolidated from long-term savings schemes and amounts paid under post-contractual non-competition agreements.

Compliant [X]

Partially compliant []

Explain []

Not applicable []

H. OTHER INFORMATION OF INTEREST

1. If there is any material aspect of corporate governance at the company or the group companies that has not been dealt with in the other sections of this report, and that it is necessary to include to provide the most complete and reasoned information on corporate governance structure and practices at the company or its group, provide a brief description.
2. This section may also include any other information, clarification or qualification relating to the previous sections of the report, provided this additional information is relevant and not repetitive.

In particular, indicate whether the company is subject to any legislation other than the Spanish legislation on corporate governance, and if so, include the information that it is required to provide, where such information differs from that required in this report.

3. Also state whether the company voluntarily adheres to other international, industry-specific or other ethical principles or good practices. If applicable, identify the code and date of adoption. In particular, indicate whether the company adheres to the Code of Best Tax Practices of 20 July 2010:

H.1.1. For several years now the Company has voluntarily prepared an Annual Corporate Governance Report, available on the corporate website, following its own model, structure and content, whereby the format and content are in accordance with the most recognised international practices. The intent is to respond appropriately to the demands and recommendations of its shareholders, to which we refer for any third party that may consider it to be of interest. This report has been included in the Company's Annual Corporate Governance Report as an Official Annex.

H.2.2. The Company is subject to Spanish law as regards corporate governance.

Set forth below is additional information regarding the following sections:

A.5: The Company's significant shareholder, Sociedad Estatal de Participaciones Industriales (SEPI), does not have any commercial, contractual or corporate relationship with the Company and/or its group that is material or arises outside the ordinary course of business.

B.8 (continued information on general meetings made available to shareholders through the Company's website) In 2022, as in previous years, the Electronic Shareholder Forum was enabled for the Annual General Meeting. The purpose of this forum, created by the Company on its corporate website in relation to the holding of its General Meetings, is to facilitate communication between shareholders, for the purpose of posting proposed supplements to the agenda in the call notice of the General Meeting, submitting requests for support for these proposals, submitting initiatives to reach the percentage required to exercise minority shareholder rights provided for by law or make offers or requests to act as a voluntary proxy.

The Company is firmly committed to improving and adapting the corporate website on an ongoing basis, as a living instrument of communication, dialogue and commitment to shareholders, in application of its Corporate Governance Policy.

C.1.3 (continuation of the profile of independent director Marcos Vaquer Caballería) Other information of interest:

Author of 7 monographs and more than 80 Articles and book chapters, and director or coordinator of 9 collective works on various public law topics, his main areas of specialisation being land and urban planning law, housing law, social services and services of general economic interest, better regulation and general administrative law. He has also participated in more than a hundred opinions, reports and advising for public and private entities, and in drawing up preliminary drafts for town planning legislation for various Autonomous Communities. He has been an expert witness for the State Attorney's Office of Spain in more than a dozen international investment arbitrations (ICSID and SCC), has appeared as an expert before the Constitutional Commission of the Lower House of the Spanish Parliament and has carried out several international technical assistance missions in Latin America for the European Commission.

In 2011 he received the Grand Cross of the Order of Civil Merit.

C.1.6 (continued explanation of measures for balanced presence of men and women) Furthermore, it should be highlighted that, to advance in the achievement of the objectives of the "2030 Agenda", assumed by the Company and that imply the commitment to "Being a benchmark company in diversity matters: gender parity in the management team (50% target) and inclusion of groups at risk of social and labour exclusion" and in line with the Company's Strategic Plan, in March 2019, the 2018-2022 Comprehensive Diversity Plan was approved; this Plan seeks to inspire the organisation at all levels and act as a guiding principle regarding the commitment to the diversity of talent, social and labour inclusion and non-discrimination, both within the Company and in the social sphere. The importance of the role of women in the Company's bodies with greater

responsibility, along with the progress made in their inclusion on the management team is therefore worth noting, where the presence of women in these bodies with greater responsibility is an essential value for Redeia.

In this area, the signing of the general Protocol on the balanced participation of women in pre-executive and executive positions and management committees is relevant, within the framework of the more women, better companies initiative, signed with the Ministry of the Presidency, Relations with the Courts and Equality, in 2019.

C.2.1 (continued information on the Audit Committee) 3. In relation to the External Auditors: regularly gather and receive information from the external auditors, including that related to the report from the external auditor on the fact that neither they nor any of their partners have been convicted by a final judgment in criminal proceedings related to the performance of their audit functions, for examination by the Committee; ensure that the Company formally notifies the CNMV of any change of auditor, accompanied by a statement as to whether or not there were any disagreements with the outgoing auditor and, if so, the reasons for these disagreements; ensure that the Company and the external auditors, within the scope of their responsibilities, comply with current regulations and endeavour to adopt the most widely recognised international standards on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, the other requirements designed to safeguard auditors' independence; ensure that the remuneration of the external auditors does not compromise their quality or independence; if the auditor resigns, examine the circumstances that may have led to such resignation; act as a channel of communication between the Board and the external auditors, evaluate the results of each audit and verify that the senior management of the Company and of the group companies takes its recommendations into account, mediating in the event of discrepancies between them in relation to the principles and standards applicable in the preparation of the financial statements; ensure that the external auditors hold at least one meeting a year with the board in plenary session to inform it of the work performed and developments in the risk and accounting positions of the Company and its group; supervise fulfilment of the audit contract, ensuring that the main content of the auditor's report are worded clearly and precisely; be aware of any relevant situations detected by the external auditors, in the same way as they receive information on the internal control systems, which could adversely affect the equity, results or reputation of the Company or the group, and in this last case the Committee will notify and act in collaboration with the Sustainability Committee; request that the external auditors carry out an assessment of the quality of the group's internal control procedures on a regular basis and at least once a year; and request that the judge revoke the external auditors appointed by the shareholders at the General Meeting or by the Commercial Registry and the appointment of another or other auditors, when there is just cause.

4. In relation to compliance with legal provisions and internal regulations: monitor compliance with the internal codes of conduct of the Company and the group, ensuring that the corporate culture is in line with its purpose and values, acting in collaboration.

The most important actions of the Audit Committee in 2022 are included in the Annual Activities Report of that Committee, which is available on the corporate website in the section on "Reports and other documents" referred to in Recommendation 6 of the Code of Good Governance.

However, the main tasks carried out by the Committee included the following:

Regarding financial and non-financial information: Favourable analysis and report to the Board on the financial statements for 2021 of the Company and its Consolidated Group. Review of the non-financial information statement. Favourable analysis and report to the Board on the proposed distribution of profits of Red Eléctrica Corporación, S.A. for 2021, which includes, among other applications, the proposal for approval of a supplementary dividend charged to profit for 2021. Analysis and approval of the content of the sections of the Annual Corporate Governance Report for 2021 within the scope of the competencies of the Audit Committee. Favourable analysis and report to the Board on the periodic economic and financial reports. Analysis of the additional reports prepared by the external auditor, KPMG, in compliance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament, and section 36 of Law 22/2015, of 20 July, on Auditing. Analysis of the tax criteria for the settlement of Corporation Tax and other taxes for 2021.

Analysis and approval of the accounting and tax criteria applied at year-end 2021. Analysis of the country-by-country report that has to be submitted to the Spanish tax authorities for 2021. Analysis of the tax transparency report for 2021 to be submitted to the Tax Authority and the tax transparency report for 2021 to be published on the website. Favourable analysis and report to the Board on the reporting of results for 2021, and the quarterly and half-yearly results for 2022. Favourable report to the Board, for its approval, on the proposed renewal of the Annual European Commercial Paper (ECP) Programme and subsequent analysis of the Prospectus. Favourable analysis and report to the Board, for its approval, on the proposed renewal of the EMTN Annual Programme and subsequent analysis of the Prospectus. Favourable analysis and report to the Board on the Consolidated Financial Statements and the Consolidated Interim Directors' Report for the first half of 2022 and the draft external auditor's limited review report on them. Analysis and compliance with the financial year-end schedule for 2022 and with the auditor change process.

Favourable analysis and report to the Board, for its approval, on the proposed allocation of an interim dividend for 2022. Analysis of the quarterly reports monitoring the main investment projects. Analysis of the estimated results for the year-end 2022. Analysis, favourable report to the Board, for its approval, on the Redeia budget for 2023. Analysis and report to the Board on the analysis of the profitability of diversification investments. Analysis, favourable report and submission to the Board, for its approval, of the proposal for capitalisation of a group company. Analysis, favourable report and submission to the Board, for its approval, of the proposal for authorisation to issue a hybrid bond. Analysis of the future annual report, and progress in defining its structure and alignment with the proposed European Corporate Sustainability Reporting Directive. Analysis of a proposed investment in a venture capital fund regulated by the CNMV and focused on the Energy Transition.

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

Regarding internal audit services: Analysis of the quarterly reports on the internal audits carried out in the fourth quarter of 2021, and the subsequent quarters of 2022, and the results of each of these audits, and on compliance with Internal Audit recommendations. Analysis of the Annual Report on Internal Audit Activities for 2021. Analysis of the Internal Auditor's Report on the Internal Control over Financial Reporting (ICFR)

for 2021. Approval of the budget, means and resources of the Internal Audit service for 2023. Approval of the Annual Internal Audit Plan for 2023. Analysis, favourable report and submission to the Board, for its approval, of the proposed update of the Internal Audit Charter.

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

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

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

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

(continued information on the Appointments and Remuneration Committee) 4. In relation to corporate governance rules and actions: oversee compliance with corporate governance rules, ensuring that the corporate culture is aligned with its purpose and values, and make proposals for improvements to the Board, receive information, request reports to the other Board committees when it affects their respective responsibilities and, where appropriate, issue and submit annual reports to the Board on the measures to be implemented. Encourage the implementation of the principles and values of the Corporate Governance Policy in group companies; submit to the Board the proposals of the Audit Committee in the scope of its competences, and any other proposed amendments it considers appropriate, in relation to the amendment of the Internal Code of Conduct in the Securities Market and the Board Regulations; submit to the Board the proposals of the Sustainability Committee in the scope of its competences in relation to the Board Regulations; submit the proposed Annual Corporate Governance Report to the Board; submit to the Board proposed resolutions and reports in the scope of its competences, or those submitted to it by the Audit Committee or the Sustainability Committee within the scope of their competences, to be submitted to the shareholders at the General Meeting; submit to the Board any action plans or measures considered appropriate in relation to the proposals submitted to the shareholders at the General Meeting that have received a significant formal rejection or abstention, to recover the majority shareholder support as soon as possible; lead the Board evaluation process; regularly assess and review the corporate governance system and its suitability so that it fulfils its mission to promote the corporate interest and takes into account, as appropriate, the legitimate interests of the other stakeholders; regularly review the Group's Criminal Compliance System;

and propose to the Board any amendments and updates that contribute to its development and continuous improvement, taking into account, where appropriate, the suggestions and proposals made by the Audit Committee and the Criminal Compliance Committee, in coordination with powers granted to them; submit to the Board a proposal for a knowledge and information programme for directors; oversee the application of the criteria for communicating economic and financial, non-financial and corporate information, and the policy regarding communication with shareholders and investors, voting advisors and other stakeholders, also monitoring how the Company communicates and connects with small and medium-sized shareholders.

The most important actions of the Appointments and Remuneration Committee in 2022 are included in the Annual Activities Report of that Committee, which is available on the corporate website in the section on "Reports and other documents" referred to in Recommendation 6 of the Code of Good Governance. However, the main tasks carried out by the Committee included the following:

Regarding appointments, performance and removals Approval of the re-election of the chair of the Appointments and Remuneration Committee. Submission to the Board, for subsequent submission to the Annual General Meeting, the proposed re-election of two independent directors, and reporting to the Board, for subsequent submission to the Annual General Meeting, on the proposed re-election of a proprietary director on behalf of the Sociedad Estatal de Participaciones Industriales (SEPI), and the ratification of the appointment by co-option resolved by the Board of a proprietary director representing the Sociedad Estatal de Participaciones Industriales (SEPI). Submission to the Board, for its approval, of the proposed re-election of an independent director as Independent Coordinating Director of the Company. Favourable report and submission to the Board, for its approval, of the proposed appointment of a proprietary director as a member of the Sustainability Committee to fill the vacancy in the above Committee. Analysis, favourable report and submission to the Board of proposals for authorisation to appoint and re-elect directors in group companies. Analysis, favourable report and submission to the Board for approval of the proposals for the appointment of the Chief Operating Officer of Red Eléctrica de España, S.A.U. Analysis, favourable report and submission to the Board for approval of the proposals for the appointment of executives with direct dependence on the Chair of the Board or the Company's Chief Executive Officer.

Regarding remuneration: Submission to the Board of the proposed annual remuneration of the Board for its non-executive functions, for all items, for 2022. Submission to the Board, for its approval, of the Annual Directors' Remuneration Report for 2021 for subsequent submission to the Annual

General Meeting. Approval of the proposal on compliance with the business and management objectives and the targets of the members of the Executive Committee and the Chief Operating Officer for 2021. Approval of the proposed definition of the business and management objectives, and the specific business and management objectives for the executives of General Operational Management, and the objectives of the members of the Executive Committee and the Chief Operating Officer, all for 2022. Monitoring of the business and management objectives and the targets of the members of the Executive Committee and the Chief Operating Officer for 2022. Analysis of the general criteria for defining the business and management objectives and the targets of the members of the Executive Committee and the Chief Operating Officer for 2023. Analysis of the closure of the 2020-2022 Redeia Incentivised Departure Plan. Analysis and monitoring of the annual share delivery programme for employees, members of management and executive directors of Redeia for 2022. Analysis, favourable report and submission to the Board, for its approval, of the proposed annual share delivery programme for employees, members of management and executive directors of Redeia for 2023. Analysis of the Redeia executive team's annual salary update report.

Regarding corporate governance rules and actions: Submission to the Board of the proposed Annual Corporate Governance Report for 2021. Analysis, favourable report and submission to the Board of the proposals regarding notice of meeting, agenda, resolutions and reports relating to the Annual General Meeting for 2021, and the procedure for delegation, voting and remote information, prior to the Annual General Meeting, the procedure of electronic attendance at the General Meeting, the electronic voting procedure and the rules of the electronic shareholder forum. Monitoring of the Action Plan of the Board's self-assessment process for 2020. Analysis and submission to the Board, for its approval, of the Board's Self-Assessment Report for 2021. Submission to the Board, for its approval, of the proposed Action Plan in relation to the Board's Self-Assessment Report for 2021. Analysis of the Annual Report on the Criminal and Anti-Bribery Compliance System for 2021. Analysis, favourable report and submission to the Board, for its approval, of the proposed update to the Criminal and Anti-Bribery Compliance System Manual for Redeia in Spain. Monitoring of the Board's protocol for engagement with Redeia employees.

Approval of the 2022 action plan for the development of the Board's protocol for engagement with Redeia employees. Monitoring of the implementation of the 2022 action plan for the development of the Board's protocol for engagement with Redeia employees. Analysis of the report on compliance with the Internal Code of Conduct in the Securities Market. Analysis, favourable report and submission to the Board, for its approval, of proposals for updating the contingency plans for the succession of the chair of the Board and the Company's Chief Executive Officer. Analysis of the Annual Management Report on People for 2021. Analysis of the Report on the results of the 2021 listening-to-employees processes: Climate and Psychosocial Risks Surveys. Analysis of the Annual General Meeting Results Report for 2021. Analysis, favourable report and submission to the Board of the monitoring table on the resolutions passed by the Board for the first half of 2022. Analysis of the Ibex-35 Boards Results Report and market trends in remuneration, and the analysis of the vote against the Annual Remuneration Report at the Annual General Meeting in 2022. Regarding sustainability: Submission to the Board, for its approval, of the Diversity Report for 2021. Analysis and monitoring of the 2018-2022 Comprehensive Diversity Plan. Analysis, favourable report and submission to the Board, for its approval, of the proposed Board diversity and appointment of directors policy. Analysis and supervision of the process of reporting non-financial information within the scope of the competencies of the Appointments and Remuneration Committee. Analysis of the 2021 Healthy Company Report. Analysis of the indicators from the Healthy Business Report.

Other activities: Approval of the Committee's Annual Activities Report for 2021. Approval of the Committee's Action Plan for 2023. Approval of the schedule of Committee meetings for 2023. Analysis, favourable report and submission to the Board, for its approval, of the Board's annual programme of activities and training for 2023.

(continued information on Sustainability Committee) k) Other functions:

- Monitor the sustainability aspects contained in the corporate governance rules, collaborating with the Appointments and Remuneration Committee, where appropriate, by submitting reports where appropriate within the scope of its responsibilities.
- Monitor those aspects relating to sustainability contained in the people management policies, in collaboration with the Appointments and Remuneration Committee, where appropriate, by holding joint meetings.
- Oversee compliance with the predetermined and quantifiable sustainability targets linked to the variable remuneration of executive directors and senior executives, collaborating with the Appointments and Remuneration Committee, where appropriate, by submitting reports, where appropriate, within the scope of its responsibilities.
- Keep the Board informed of its activities and prepare an annual activities report, which must be included in the Annual Corporate Governance Report, and approve an Action Plan and a tentative schedule of meetings for each year.
- Propose and report on any other matters related to the above requested by the chair or by the Board or that, due to their nature, fall within the scope of its competences.

- Any other powers attributed to the Committee by the Board in accordance with the best corporate governance practices applicable at any given time. The most important actions of the Appointments and Remuneration Committee in 2022 are included in the Annual Activities Report of that Committee, which is available on the corporate website in the section on "Reports and other documents" referred to in Recommendation 6 of the Code of Good Governance. However, the main tasks carried out by the Committee included the following:

Analysis of the sustainability management objective for 2022 and its quarterly monitoring. Analysis of compliance with the 2021 Management Sustainability Objective. Analysis and submission to the Board of the Annual Management Report of the Redeia Code of Ethics and Conduct for 2021. Analysis of Redeia's 2022 Environmental Plan. Analysis of Redeia's commitment to protect vegetation and combat deforestation. Analysis of Redeia's Risk Map in the area of Sustainability (ESG). Analysis of the high-level risk situation and special monitoring report in the area of Sustainability (ESG) for the first half of 2022. Analysis of the 2030 Climate Change Action Plan. Analysis and favourable report to the Board on Redeia's Statement of non-Financial Information (SNFI) for 2021. Analysis of the recommendations of the external reviewer (EY) resulting from the verification of the content of the SNFI. Analysis of the resolutions proposed by the Board at the Annual General Meeting for 2021 within the scope of the functions of the Sustainability Committee. Analysis and submission to the Board, for its approval, of the 2021 Sustainability Report. Analysis of and follow-up on the 2020-2022 Sustainability Plan. Analysis, favourable report to the Board, for its approval, on the Sustainability Plan for 2023-2025. Analysis and approval of the content of the sections of the Annual Corporate Governance Report for 2021 within the scope of the competencies of the Sustainability Committee. Analysis of the 2021 Diversity Report. Analysis of main aspects of the Dow Jones Sustainability Index

assessment process. Analysis of the review and update of the Redeia stakeholder management model. Analysis of the results of the 2021 perception studies and activity planned for 2022 in relation to stakeholders. Analysis of the risk management model and opportunities arising from climate change. Analysis and monitoring of the 2018-2022 Comprehensive Diversity Plan. Analysis and monitoring of the Redeia Circular Economy Road Map. Analysis of the report on Redeia's contribution to the Sustainable Development Goals (SDGs) in 2021. Analysis of the future human rights regulations and upcoming actions by Redeia in the field of human rights. Analysis and favourable report to the Board, for its approval, on the proposed update of Redeia's Sustainability Policy. Analysis and favourable report to the Board, for its approval, on Redeia's proposed "Commitment to promoting and respecting Human Rights". Analysis of Redeia's annual tax transparency report for 2021. Analysis of the sustainability context and materiality matrix of the Redeia Materiality Study in 2022. Analysis of the results of the assessment process of S & P (DJSI) and MOODY'S (EURONEXT), relating to the ESG profile. Analysis of the Report on the outstanding actions on biodiversity carried out by Redeia in 2021 and 2022. Analysis of the report on the new approach to social innovation, and the "Zero Action Plan" of Redeia. Analysis of the future annual report, and progress in defining its structure and alignment with the proposed European Corporate Sustainability Reporting Directive. Approval of the Committee's Action Plan for 2023. Approval of the schedule of Committee meetings for 2023. Approval of the Committee's Annual Activities Report for 2021.

D.1 (Continued) In addition, at its meeting held on 30 November 2021, the Board approved a Related-Party Transactions Protocol (voiding the resolution on Related-Party Transactions passed by the Board on 30 January 2018) based on the regulatory framework applicable to related-party transactions taking into account the specific features of the Company and its group, and that aims to develop, based on the Corporate Enterprises Act and the Articles of Association, and the General Meeting Regulations and the Board Regulations, the criteria to apply the regime to approve related-party transactions affecting the Company, and for the publication of the corresponding information on them, also establishing the internal procedure for identifying, analysing, approving, monitoring, reporting and controlling related-party transactions.

Therefore, the above Related-Party Transactions Protocol fully includes the internal procedure for identifying, analysing, approving, monitoring, reporting and controlling these transactions, although it also envisaged the exercise of the corresponding supervisory functions by the Audit Committee as regards related-party transactions delegated by the Board.

Similarly, to provide as much flexibility as possible to apply the new legal regime, the Protocol envisages the possibility for the Board delegating to the CEO the approval of both (i) related-party transactions between companies that form part of the group that are carried out in the scope of the ordinary management and on market terms, and (ii) related-party transactions that are arranged under agreements whose standard terms are applied *en masse* to a large number of customers, are carried out at prices or rates in general by the person acting as supplier of the goods or provider of the services in question, the amount of which does not exceed 0.5% of the Company's net business turnover, since it is understood that this will favour the better functioning of the Company and simplify its actions in relation to related-party transactions, although, in relation to transactions delegated by the Board, there is in any case an *ex post* control by the Audit Committee, which will receive the report submitted to it by the secretary of the Operational Group summarising the transactions delegated by the Board and that have been approved during the period corresponding to the Company's half-yearly financial information every six months.

To this end, it should be noted that, on 30 November 2021, following a favourable report from the Audit Committee issued at its meeting on 23 November 2021, the Board approved to delegate to the Company's CEO: (i) the approval of the related-party transactions between companies that are part of the group that are carried out in the ordinary management and on market terms; and (ii) the approval of the related-party transactions arranged under agreements whose standardised terms are applied *en masse* to a large number of customers, are carried out at prices or rates in general by the person acting as supplier of the goods or provider of the services in question, the amount of which does not exceed 0.5% of the Company's net business turnover.

In accordance with the above Protocol, both the Audit Committee and the Board were informed of the related-party transactions whose approval was delegated by the Board to the CEO on 30 November 2021, under Related-Party Transactions Protocol, and that were approved by the CEO between 1 January and 31 December 2022. Therefore, it has been ensured that the requirements in both the above Protocol and the above delegation resolution were met, and the fairness and transparency of the delegated transactions.

Finally, it should be noted that the analysis of the related-party transactions prior to their approval is carried out by the Operational Group, which was established by the Company for this purpose and consists of the Corporate Finance Director, the Legal Services Director, the Internal Audit and Risk Control Director and the General Secretary and secretary of the Board, who acts as secretary.

D.6 (Continued) In addition, Redeia has an Advisory Body that is responsible for the development and proper application of this Guide for the identification, management and resolution of conflicts of interest. The Advisory Body acts, in all cases, in an independent manner to be able to carry out its functions effectively and without undue influence.

The members of the Advisory Body are:

- Ethics Officer and Stakeholder Ombudsman.
- Internal Audit and Risk Control Manager.
- Head of Legal Services.
- Human Resources Manager.
- Chief Financial Officer.

The Advisory Body also advises and proposes measures to ensure better use of confidential information related to the management of conflicts of interest.

Redeia has an ethical and compliance channel to report possible conflicts of interest that may affect its members, and so that the necessary measures are adopted by the organisation to preserve the values and principles of the Code of Ethics and Conduct.

G.1: (Continued) Article 5.2 of the Articles of Association stipulates that "2. In accordance with the Electricity Sector Act:

- 1) The sum of the direct or indirect interest in the share capital of the Company held by any individual or legal entity may not under any circumstances exceed five per cent of the share capital of the Company unless otherwise authorised by law. These shares may not be pooled

together under any circumstances. No shareholder may exercise more than three per cent of the voting rights. Parties that engage in activities in the electricity sector, and any natural persons or legal entities that directly or indirectly hold more than five per cent of their share capital, may not exercise more than one per cent of the voting rights.

2) For the purposes of calculating the interest of each shareholder, in addition to the shares or other securities held or acquired by entities belonging to its same group, as defined by section 5 of the consolidated text of the Securities Market Act, enacted by Royal Legislative Decree 4/2015, of 23 October, interest will be attributed to a single natural person or legal entity when they are owned by:

a) Those parties who act in their own name but on behalf of that natural person or legal entity in a concerted manner or forming a decision-making unit with them, it being understood, in the absence of evidence to the contrary, that its Board members are acting on behalf of or in concert with a legal entity. b) Shareholders together with whom it exercises control over a controlled entity.

In any event, the proprietary ownership of the shares and other securities and the voting rights attached to each of them will be taken into account.

3. Article 6.2 of these Articles of Association notwithstanding, the breach of the limits indicated in Article 5.2 or those established at any time by law will entail the legal consequences determined by it, including, where appropriate, the imposition of appropriate sanctions and those in these Articles of Association.

Voting rights corresponding to shares or other securities that, by law, exceed the limit in this section, will be suspended until they comply with this limit.

4. As an exception to the general rule and due to the special regime that the Electricity Sector Act attributes to Sociedad Estatal de Participaciones Industriales, the shareholding and voting rights of this company will be governed by that envisaged in these Articles of Association, except as provided for in the Sole Additional Provision of the Articles of Association.

Finally, the Sole Additional Provision of the Articles of Association includes the Special Regime of Sociedad Estatal de Participaciones Industriales and stipulates that "1. Pursuant to the Electricity Sector Act, neither the limitations in the Electricity Sector Act nor the limitations in these Articles of Association on shareholdings in the Company and voting rights will apply to Sociedad Estatal de Participaciones Industriales. Sociedad Estatal de Participaciones Industriales will maintain, in any case, a shareholding of no less than 10%."

H.1.3. At its meeting held on 29 September 2015, the Board of Red Eléctrica Corporación, S.A. approved the group's assent to the Good Tax Practices Code, which had been approved by the Large Companies Forum in accordance with the wording proposed by the Spanish Tax Authority (AEAT), and, in 2022, it complied with its content.

This annual corporate governance report was approved by the Board at its meeting on:

[27/02/2023]

Indicate whether any directors voted against or abstained from voting on the approval of this Report.

[] Yes

[✓] No

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