



RED
ELÉCTRICA
CORPORACIÓN

The Red Eléctrica Group

Board of Directors

25 May 2021

Explanatory report of the Board of Directors on item Eight of the Agenda regarding the amendment of the Regulations of the General Shareholders' Meeting



Amendment of the Regulations of the General Shareholders' Meeting (Item Eight of the Agenda of the General Meeting)

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

Explanatory report of the Board of Directors on item Eight of the Agenda regarding the amendment of the Regulations of the General Shareholders' Meeting

1. Purpose of report

The Board of Directors of Red Eléctrica Corporación, S.A. (hereinafter the "**Company**"), at a meeting held on 25 May 2021, has resolved to submit to the General Shareholders' Meeting, under item Eight, the amendment of articles 1 ("Purpose and entry into force of the Regulations"), 2 ("Company's website"), 3 ("Competences of the Meeting"), 4 ("Types of Meetings"), 6 ("Shareholders' rights"), 7 ("Shareholders' right of participation"), 8 ("Shareholders' right of information"), 9 ("Right of attendance"), 10 ("Proxies"), 11 ("Quorum"), 12 ("Chair of the General Meeting"), 15 ("Constitution, deliberation and adoption of resolutions"), 17 ("Publicity") and 19 ("Publication of the Regulations of the General Shareholders' Meeting") of the Regulations of the General Shareholders' Meeting; as well as the incorporation of a new article 9 bis ("Remote attendance by electronic or telematic means") to the Regulations.

This report is prepared by the Board of Directors of the Company in compliance with the provisions of article 1 of the Regulations of the General Shareholders' Meeting.

According to article 518, paragraphs c) and d) of the Spanish Companies Act (*Ley de Sociedades de Capital*), once the General Meeting has been called, the documents to be presented, in particular the directors' reports, as well as the complete texts of the proposed resolutions on each and every item on the agenda, must be published uninterruptedly on the Company's website.

The power to amend the Regulations of the General Shareholders' Meeting is vested in the General Meeting and for its approval a quorum of 25% of the subscribed capital stock with voting rights is required at the first call, the constitution of the Meeting being valid at the second call regardless of the capital attending the meeting, and it must be approved with the favourable vote of the simple majority of the votes of the shareholders present or represented at the Meeting in both cases.



2. Explanation of the amendments to the Regulations of the General Shareholders' Meeting.

As a result of the health crisis generated by the COVID-19 pandemic, which led to most of the General Meetings of listed companies and, among them, the Company's General Shareholders' Meeting held on 14 May 2020, having to be held exclusively by telematic means (based on various regulations that allowed this exceptionally for the financial year 2020 and later also for the financial year 2021) a great impetus has been given to the incorporation of electronic means of remote communication in relation to the operation of the companies and specifically to the possibility of holding the General Shareholders' Meetings by telematic means.

The prior wording of article 182 of the Spanish Companies Act and article 521 of the Spanish Companies Act for listed companies already established the possibility of attending the General Shareholders' Meetings of corporations telematically, as long as it was provided for in the Bylaws and certain requirements were met.

Recently, the Spanish Companies Act has been amended by Law 5/2021 of 12 April 2021, amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, with regard to the promotion of the long-term involvement of shareholders in listed companies and, among other matters, the wording of articles 182 and 521 of the Spanish Companies Act has been adapted to develop the regulation of telematic attendance, also introducing a new article 182 bis to allow the holding of General Shareholders' Meetings exclusively by telematic means, if so provided for in the Bylaws, complying with a series of requirements. Other matters provided for in the Spanish Companies Act have also been amended, such as the scheme of related-party transactions, the identification of shareholders and the exercise of voting rights, capital increases and pre-emptive subscription rights and the remuneration of directors, among others.

It should also be noted that on 26 June 2020 **the National Securities Market Commission approved the partial amendment of the Code of Good Governance for Listed Companies (Código de Buen Gobierno)** and modified, among other matters, recommendation 7 in such a way that large cap companies should provide, to the extent appropriate, for the possibility of telematic attendance and participation.

With regard to telematic attendance at the General Meetings and with respect to the Company's internal regulations, various electronic and remote communication mechanisms are provided for both attendance at the Company's General Shareholders' Meetings and for casting votes prior to the holding of the General Meeting. However, neither the Bylaws nor the Regulations of the General Shareholders' Meeting provide for the mechanisms and regulations necessary to hold General Shareholders' Meetings following a mixed attendance model (physical and telematic), nor is the possibility of holding Meetings exclusively by telematic means foreseen.

Therefore, it is proposed to adapt the Regulations of the General Shareholders' Meeting with a view to the General Meetings of subsequent years, applying the legal powers conferred by articles 182 of the Spanish Companies Act, 182 bis of the Spanish Companies Act and 521 of the Spanish Companies Act, as well as to continue complying with best corporate governance practices, all in coordination with the proposed amendment of the Bylaws submitted for approval of the Ordinary General Meeting on this matter.

In any case, the Board of Directors considers it of the utmost importance to enable, whenever circumstances permit, the physical attendance of shareholders and their representatives at General Meetings as an ordinary channel for the exercise of their rights, together with the possibility of exercising their rights by remote means of communication prior to the Meeting and also telematically during the Meeting. However, insofar as the law incorporates an authorisation for listed companies to hold General Meetings exclusively by electronic means, it seems appropriate to include this possibility in the Bylaws as another alternative, in order to include therein all the legally permitted options to allow the calling of General Meetings to be adapted to the circumstances prevailing at any given time.

On the other hand, it is proposed to adapt the Regulations of the General Shareholders' Meeting, in coordination with the proposed amendment of the Bylaws submitted for the approval of the Ordinary General Meeting,



to other amendments to the Spanish Companies Act introduced by Law 5/2021 of 12 April 2021 amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, with regard to the promotion of the long-term involvement of shareholders in listed companies, which affect, among other matters, the powers of the General Meeting, the Board of Directors and the Auditing Committee with regard to related-party transactions, the scheme for splitting votes of intermediary entities and the confirmation of votes cast at the Meeting.

Finally, advantage was taken of this reform to **incorporate certain technical or drafting clarifications** in some articles of the Regulations of the General Shareholders' Meeting.

The proposed amendment to the Regulations of the General Shareholders' Meeting is a consequence and development of the proposed amendment to the Bylaws that the Board of Directors is also submitting to the consideration of the Regulations of the General Shareholders' Meeting.

3. Proposed amendments

1) Amendment of current article 1 ("Purpose and entry into force of the Regulations"):

It is proposed to amend current [article 1](#), entitled "Purpose and entry into force of the Regulations", to incorporate a technical correction in the first paragraph, clarifying that the Regulations shall be applicable as from the first General Meeting held after their approval "*or modification*".

Accordingly, it is proposed to amend article 1 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 1. Purpose and entry into force of the Regulations</u> These Regulations regulate the General Shareholders' Meeting of Red Eléctrica Corporación, S.A., establishing the principles of its organisation and operation and the rules which govern its legal and bylaw activity. They must be disseminated by the Board of Directors among the shareholders and the investing public and published on the Company website. They shall apply as from the first Shareholders' Meeting held following their approval. They may be amended by the Shareholders' Meeting at the proposal of the Board of Directors, which shall attach a report justifying the amendment. The amendment of the Regulations shall require a majority of votes in accordance with the provisions of article 17 of the Bylaws and article 159 of the Spanish Companies Act.</p>	<p><u>Article 1. Purpose and entry into force of the Regulations</u> These Regulations regulate the General Shareholders' Meeting of Red Eléctrica Corporación, S.A., establishing the principles of its organisation and operation and the rules which govern its legal and bylaw activity. They must be disseminated by the Board of Directors among the shareholders and the investing public and published on the Company website. They shall apply as from the first General Meeting held following their approval or modification. They may be amended by the Shareholders' Meeting at the proposal of the Board of Directors, which shall attach a report justifying the amendment. The amendment of the Regulations shall require a majority of votes in accordance with the provisions of article 17 of the Bylaws and 159 of the Spanish Companies Act.</p>

2) Amendment of current article 2 ("Company Website"):

It is proposed to amend current [article 2](#), entitled "Company Website", in order to adapt the content thereof to Order ECC/461/2013 of 20 March 2013, to Annex I of Circular 3/2015 of 23 June 2015 of the National Securities Market Commission and to articles 226 and 227 of the Securities Market Act, developed by the procedure for communication of issuer information enabled by the National Securities Market Commission since 8 February 2020.

Accordingly, it is proposed to amend article 2 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p>Article 2. Company Website</p>	<p>Article 2. Company Website</p>



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

1. The Bylaws.
2. The Regulations of the Meeting and of the Board of Directors, the Internal Code of Conduct and other provisions on corporate governance.
3. Quarterly reports for the year and annual reports for the last two years, together with reports by the external auditors.
4. The Annual Corporate Governance Report prepared by the Board.
5. The composition of the Board and of its Committees.
6. Shareholders identified with stable holdings, direct and indirect, and their representation on the Board, as well as all side agreements between shareholders which have in any way been disclosed to the Company and to the market.
7. The shareholdings of each Board member.
8. The information contained in presentations made to the different market operators and to analysts, intermediaries and significant shareholders.
9. Material facts notified to the National Securities Market Commission.
10. Resolutions adopted at the most recent General Meetings held, indicating in detail their composition and the result of voting.
11. The current call for the next General Meeting.
12. Any information which must be made available to the shareholders along with the call notice for the General Meeting.
13. Responses to proposals and suggestions made by shareholders.
14. Communication channels between the Company and shareholders and pertinent explanations regarding the exercise of the right to information, indicating e-mail and postal addresses where shareholders may address their questions.
15. The means and procedures for granting proxies for Shareholders' Meetings, as well as the means and procedures for casting votes remotely, with the ballots approved for doing so.
16. The Shareholders' Electronic Forum, as provided in section 8.4 of these Regulations.

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

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

1. The Bylaws.
2. The Regulations of the Meeting and of the Board of Directors, the Internal Code of Conduct and other provisions on corporate governance.
3. Quarterly **and half-yearly** reports for the year and **and** annual reports **for the current year and at least the last three closed fiscal years of the last two years**, together with the external auditors' reports.
4. The Annual Corporate Governance Report prepared by the Board.

5. Annual Report on Remuneration of Directors.

65. The composition of the Board and of its Committees (Comisiones) Committees (Comités).

76. Shareholders identified with stable holdings, direct and indirect, and their representation on the Board, as well as all side agreements between shareholders which have in any way been disclosed to the Company and to the market.

87. The shareholdings of each Board member.

98. The information contained in presentations made to the different market operators and to analysts, intermediaries and significant shareholders.

109. Significant events Communications of Inside Information and Other Relevant Information to the National Securities Market Commission.

110. Resolutions adopted at the most recent General Meetings held, indicating in detail their composition and the result of voting.

121. The current call for the next General Meeting.

132. Information that must be made available to the shareholders with the notice of the General Meeting, **as well as any relevant information that the shareholders may require to cast their vote.**

143. Responses to **information or clarifications requested proposals and suggestions made** by shareholders.

154. Communication channels between the Company and shareholders and pertinent explanations regarding the exercise of the right to information, indicating e-mail and postal addresses where shareholders may address their questions.

165. The means and procedures for granting proxies for Shareholders' Meetings, as well as the means and procedures for casting votes remotely, with the ballots approved for doing so.

176. The Shareholders' Electronic Forum, as provided in section 8.4 of these Regulations.

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

3) Amendment of current article 3 ("Competences of the Meeting"):

It is proposed to amend current article 3, entitled "Competences of the Meeting", in order to adapt it to recent regulatory reforms and to incorporate certain technical clarifications.



Firstly, the competence of the Meeting to "approve the statement of non-financial information" in accordance with article 49.6 of the Commercial Code, as amended by Act 11/2018 of 28 December 2018 is included, as is the competence to "approving related-party transactions the approval of which corresponds to the General Meeting under the terms provided by law" in accordance with article 529 duovicies.1 of the Spanish Companies Act, as amended by Law 5/2021 of 12 April 2021 amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies.

Secondly, the functions of resolving to amend the Bylaws are completed with the amendment of the Regulations of the General Shareholders' Meeting (article 512 of the Spanish Companies Act), as is that of authorising the Board to increase the capital stock with the clarification "and establish its conditions in all matters not provided for by the Meeting", in addition to completing the last paragraph of this article 3 by providing that "the Meeting may also decide on those matters that are submitted to it by the Board of Directors", in accordance with article 161 of the Spanish Companies Act, and in coordination with the provisions of current article 11 of the Bylaws in this regard.

Accordingly, it is proposed to amend article 3 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p>Article 3. Competences of the Meeting</p> <p>The General Meeting, duly called and legally convened, represents all the shareholders and exercises the powers and discharges the duties corresponding to it within the Company. Its resolutions, adopted in accordance with these Regulations and the Bylaws, shall be binding on all shareholders, notwithstanding the statutory right of withdrawal. The General Meeting shall have the power to adopt all resolutions specific to its status as the Company's sovereign body. In particular, and without limitation, it is responsible for:</p> <p>a) Approving the financial statements of Red Eléctrica Corporación, S.A. and the consolidated financial statements of Red Eléctrica Corporación, S.A. and its subsidiaries, the conduct of management by the Board of Directors and the proposed distribution of income or allocation of loss.</p> <p>b) Appointing and removing Directors (including ratification or revocation of appointments by co-optation), liquidators and auditors, as well as exercising the corporate action for liability against any of them.</p> <p>c) Resolving on the amendment of the Bylaws.</p> <p>d) Resolving on capital increases and reductions.</p> <p>e) Resolving on the removal or limitation of the pre-emptive right of subscription.</p> <p>f) Resolving on the acquisition, disposal or contribution to another company of essential assets. An asset will be presumed essential whenever the transaction amount exceeds twenty-five per cent of the "Assets" item reflected in the latest approved balance sheet.</p> <p>g) Resolving on an alteration of legal form, merger, spin-off or transfer en bloc of assets and liabilities, and transfer abroad of the registered office.</p> <p>h) Resolving on the dissolution of the Company.</p> <p>i) Approving on the final liquidation balance sheet.</p> <p>j) To approve a transfer to dependent entities of essential activities until then performed by the Company, even if the latter continues to fully own the former.</p>	<p>Article 3. Competences of the Meeting</p> <p>The General Meeting, duly called and legally convened, represents all the shareholders and exercises the powers and discharges the duties corresponding to it within the Company. Its resolutions, adopted in accordance with these Regulations and the Bylaws, shall be binding on all shareholders, notwithstanding the statutory right of withdrawal. The General Meeting shall have the power to adopt all resolutions specific to its status as the Company's sovereign body. In particular, and without limitation, it is responsible for:</p> <p>a) Approving the financial statements of Red Eléctrica Corporación, S.A. and the consolidated financial statements of Red Eléctrica Corporación, S.A. and its subsidiaries, the conduct of management by the Board of Directors and the proposed distribution of income or allocation of loss.</p> <p>b) Approving the statement of non-financial information.</p> <p>c) Appointing and removing Directors (including ratification or revocation of appointments by co-optation), liquidators and auditors, as well as exercising the corporate action for liability against any of them.</p> <p>d) Resolving on the amendment of the Bylaws and these Regulations.</p> <p>e) Resolving on capital increases and reductions.</p> <p>f) Resolving on the removal or limitation of the pre-emptive right of subscription.</p> <p>g) Resolving on the acquisition, disposal or contribution to another company of essential assets. An asset will be presumed essential whenever the transaction amount exceeds twenty-five per cent of the "Assets" item reflected in the latest approved balance sheet.</p> <p>h) Resolving on an alteration of legal form, merger, spin-off or transfer en bloc of assets and liabilities, and transfer abroad of the registered office.</p> <p>i) Resolving on the dissolution of the Company.</p> <p>j) Approving the final liquidation balance sheet.</p>



<p>k) Approval of the remuneration policy for Directors, on the terms established in the Spanish Companies Act.</p> <p>l) Resolving on any other matters determined by the law, the Bylaws or these Regulations, in particular:</p> <p>i. Resolving on programmes or authorising transactions relating to treasury stock.</p> <p>ii. Approving the establishment of Directors' compensation systems linked to share value.</p> <p>iii. Resolving on the issue of debentures.</p> <p>iv. Authorising the Board of Directors to increase capital stock in accordance with the provisions of the Spanish Companies Act.</p> <p>v. Approving transactions the effect of which is equivalent to the modification of the corporate purpose or the liquidation of the Company.</p> <p>In exercising its powers, the Shareholders Meeting shall not interfere with the powers and functions specific to the Board of Directors.</p>	<p>k)l) Approving the transfer to dependent entities of essential activities until then performed by the Company, even if the latter continues to fully own the former.</p> <p>l)k) Approval of the remuneration policy for Directors, on the terms established in the Spanish Companies Act.</p> <p>m)l) Resolving on any other matters determined by the law, the Bylaws or these Regulations, in particular:</p> <p>i. Resolving on programmes or authorising transactions relating to treasury stock.</p> <p>ii. Approving the establishment of Directors' compensation systems linked to share value.</p> <p>iii. Resolving on the issue of debentures.</p> <p>iv. Authorising the Board of Directors to increase capital stock and establish its conditions in all matters not provided for by the Meeting, in accordance with the provisions of the Spanish Companies Act.</p> <p>v. Approving transactions the effect of which is equivalent to the modification of the corporate purpose or the liquidation of the Company.</p> <p><u>n)m) Approving related-party transactions the approval of which corresponds to the General Meeting under the terms provided by law.</u></p> <p><u>In the exercise of its powers Without prejudice to the fact that the Meeting may also decide on those matters submitted to it by the Board of Directors, it the Meeting</u> shall not interfere in the powers and functions of the Board of Directors.</p>
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4) Amendment of current article 4 ("Types of Meetings"):

It is proposed to amend current article 4, entitled "Types of Meetings", for the purpose of adapting the first paragraph of section 4.1 to the wording of article 164.1 of the Spanish Companies Act regarding the matters that are the object of the Ordinary Shareholders Meeting, also incorporating "*and the management report*" in coordination with the provisions of current article 12 of the Bylaws, as well as the clause "*without prejudice to other legally required matters*", as is the case, for example, of the annual report on directors' remuneration that must be submitted annually to a consultative vote of the Ordinary Shareholders Meeting, the statement on non-financial information, if applicable, or others that may arise.

Accordingly, it is proposed to amend article 4 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 4. Types of Meeting</u> General Shareholders' Meetings will be either Ordinary or Extraordinary.</p> <p>4.1. General Shareholders' Meeting The Ordinary General Meeting shall meet, following a call by the Board of Directors, within the first six months of each financial year, with a view to ratifying the corporate management, approving, if appropriate, the financial statements of the previous financial year and deciding on the distribution of income or allocation of loss.</p> <p>Nonetheless, the General Meeting, even where called as an Ordinary Meeting, may also deliberate and decide on any matter within its powers which is submitted to its consideration, provided that such matter has been included in the call notice and all statutory requirements have been met.</p> <p>The Ordinary General Meeting shall be valid even where called or held after the aforesaid deadline.</p> <p>4.2 Extraordinary General Meeting</p>	<p><u>Article 4. Types of Meeting</u> General Shareholders' Meetings will be either Ordinary or Extraordinary.</p> <p>4.1. General Shareholders' Meeting The Ordinary General Meeting shall meet, upon prior notice from the Board of Directors, within the first six months of each year, to, <u>if appropriate, approve ratify</u> the corporate management, approve, if appropriate, the <u>annual accounts and the management report</u> for the previous year and decide on the distribution of income or allocation of loss, <u>without prejudice to other legally required matters.</u></p> <p>Nonetheless, the General Meeting, even where called as an Ordinary Meeting, may also deliberate and decide on any matter within its powers which is submitted to its consideration, provided that such matter has been included in the call notice and all statutory requirements have been met.</p> <p>The Ordinary General Meeting shall be valid even where called or held after the aforesaid deadline.</p>



All General Meetings other than the foregoing shall be regarded as Extraordinary Meetings.	4.2 Extraordinary General Meeting All General Meetings other than the foregoing shall be regarded as Extraordinary Meetings.
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5) Amendment of current article 6 ("Shareholders' Rights"):

It is proposed to amend current article 6, entitled "Shareholders' Rights", in order to complete section 6.1 regarding the accessibility requirements for persons with disabilities and elderly persons under the terms of article 514 of the Spanish Companies Act, as amended by Act 11/2018 of 28 December 2018, as well as to introduce a technical clarification in section 6.3 regarding the denomination of Electricity Industry Act 24/2013.

Accordingly, it is proposed to amend article 6 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 6. Shareholders' rights</u></p> <p>6.1 List The shareholders of Red Eléctrica Corporación, S.A. have, inter alia, the following rights:</p> <p>a) the right to participate in the distribution of the company's profits and in the surplus assets resulting on liquidation. b) a pre-emptive right to subscribe new shares or convertible debentures, unless such right has been duly excluded. c) the right of attendance and vote at General Meetings. d) the right to object to corporate resolutions and to seek, if appropriate, directors' liability. e) the right to information. f) the right to participate in corporate affairs.</p> <p>The Company must afford equal treatment to shareholders who are on an identical footing. Furthermore, the Company guarantees at all times the equal treatment of all shareholders in the same position as regards information, participation and exercise of the right to vote at the General Meeting.</p> <p>6.2 Manner of exercise Shareholders shall exercise their rights in the manner stipulated by the Law, in the Bylaws and in these Regulations.</p> <p>6.3 Limitations Shareholders' rights are subject to the limitations stipulated in current law, to particularly include Additional Provision No. 23 of Act 54/1997, of 27 November 1997 ("Act 54/1997") and in article 30 of the Electricity Industry Act, and contained in the current Bylaws.</p>	<p><u>Article 6. Shareholders' rights</u></p> <p>6.1 List The shareholders of Red Eléctrica Corporación, S.A. have, inter alia, the following rights:</p> <p>a) the right to participate in the distribution of the company's profits and in the surplus assets resulting on liquidation. b) a pre-emptive right to subscribe new shares or convertible debentures, unless such right has been duly excluded. c) the right of attendance and vote at General Mmeetings. d) the right to object to corporate resolutions and to seek, if appropriate, directors' liability. e) the right to information. f) the right to participate in corporate affairs.</p> <p>The Company must afford equal treatment to shareholders who are on an identical footing. Furthermore, the Company guarantees at all times the equal treatment of all shareholders in the same position as regards information, participation and exercise of the right to vote at the General Meeting.</p> <p><u>In particular, it shall cover the accessibility requirements of persons with disabilities and the elderly to guarantee their right to have prior information and the necessary support to exercise their vote.</u></p> <p>6.2 Manner of exercise Shareholders shall exercise their rights in the manner stipulated by the Law, in the Bylaws and in these Regulations.</p> <p>6.3 Limitations Shareholders' rights are subject to the limitations stipulated in current law, to particularly include Additional Provision No. 23 of Act 54/1997 of 27 November 1997 ("Act 54/1997") and article 30 of Act 24/2013, of 26 December, on the Electricity Industry (the "Electricity Industry Act"), contained in the current Bylaws.</p>

6) Amendment of current article 7 ("Shareholder's right of participation"):

It is proposed to amend current article 7, entitled "Shareholder's right of participation", in order to incorporate technical clarifications in sections 7.1 and 7.2 to differentiate the additional right granted by the Company in relation to shareholder proposals and suggestions, with respect to the legal rights to complete the agenda and to submit new proposals for resolutions provided in article 519 of the Spanish Companies Act and in article 5 of the Regulations of the General Shareholders' Meeting.



Accordingly, it is proposed to amend article 7 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 7. Shareholder's right of participation</u> 7.1 Request for inclusion of items in the agenda Shareholders holding three percent (3%) of the capital stock may ask the Board, prior to the call, to include an item on the Agenda of the next General Meeting. The Board must include the items requested in the manner which best suits the corporate interest, provided that they relate to matters which are within the powers of the Meeting.</p> <p>7.2 Shareholders' proposals and suggestions Shareholders may draw up proposals in relation to the items included on the Agenda. They may also make suggestions regarding the activities and interests of the Company which, in their opinion, should be debated at the General Meeting.</p> <p>In both cases they may make these proposals and suggestions through the Shareholder Service Office, after furnishing proof of their identity as shareholders, subject to due verification.</p>	<p><u>Article 7. Shareholder's right of participation</u> 7.1 Request for inclusion of items in the Aagenda <u>Without prejudice to the provisions of article 5 above,</u> Sshareholders holding three percent (3%) of the capital stock may ask the Board, prior to the call, to include an item on the Agenda of the next General Meeting. The Board must include the items requested in the manner which best suits the corporate interest, provided that they relate to matters which are within the powers of the Meeting.</p> <p>7.2 Shareholders' proposals and suggestions <u>Without prejudice to the provisions of article 5 above,</u> Tthe shareholders may make proposals in relation to the matters included in the Agenda. They may also make suggestions regarding the activities and interests of the Company which, in their opinion, should be debated at the General Meeting.</p> <p>In both cases they may make these proposals and suggestions through the Shareholder Service Office, after furnishing proof of their identity as shareholders, subject to due verification.</p>

7) Amendment of current article 8 ("Shareholder's right of information"):

It is proposed to amend current article 8, entitled "Shareholder's right of information" in order to: (i) eliminate letter g) ("Environmental Report") and modify letter f) ("Annual Corporate Responsibility Report") as "*Annual Sustainability Report*", given that the Company prepares a single report on this matter and thus adapting its name to that used in practice in accordance with the most recent trends according to which the term "*Corporate Responsibility*" is replaced by "*Sustainability*", (ii) include as a new letter i) of section 8.1 the clause "*if applicable, the rules for attendance by telematic means*" among the documentation that the Company shall publish on its website from the date the General Meeting is called in coordination with the proposal to incorporate telematic attendance at the General Meeting and (iii) eliminate the provision "*on the day the General Meeting is held, the necessary documentation shall be provided to the shareholders at the meeting place*", given that it is not legally obligatory to provide documentation on the day of the General Meeting, since the information is available on the website and the shareholders have had the possibility of consulting it or requesting it previously.

Likewise, it is proposed to eliminate from section 8.2, for systematic reasons, the provisions relating to the right to information during the General Meeting (maintaining the provisions of the right to information prior to the holding of the General Meeting), given that they are already provided for in article 15.4 of the Regulations.

Accordingly, it is proposed to amend article 8 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 8. Shareholder's right of information</u> 8.1 Supply of information to shareholders From the publication of the call notice and until the holding of the General Meeting, the Company must publish, on an uninterrupted basis, on its website and shall make available at the Shareholder Information Office at least the following information:</p>	<p><u>Article 8. Shareholder's right of information</u> 8.1 Supply of information to shareholders From the publication of the call notice and until the holding of the General Meeting, the Company must publish, on an uninterrupted basis, on its website and shall make available at the Shareholder Information Office at least the following information:</p>



<p>a) The notice of call.</p> <p>b) The total number of shares and voting rights on the date of the call, broken down by classes of shares, if any.</p> <p>c) The documents to be submitted to the General Meeting and, in particular, reports from directors, auditors and independent experts.</p> <p>d) The full text of the proposed resolutions on each and every one of the points in the agenda or, in relation to points of a merely informative nature if none, a report by the competent bodies on each of said points the items on the agenda. Proposed resolutions submitted by shareholders shall also be included when they are received.</p> <p>e) For the appointment, ratification or re-election of members of the Board of Directors, the identity, c.v. and category to which each one belongs, as well as the proposal and reports referred to in article 529.decies of the Spanish Companies Act. For legal entities, the information will include details of the individual appointed to permanently perform the tasks inherent to this post.</p> <p>f) Annual Corporate Responsibility Report, if any.</p> <p>g) Environmental Report, if any.</p> <p>h) Any other report required, or as determined by the Board of Directors.</p> <p>i) The forms to be used for voting by proxy and remote voting, except when they are sent directly by the Company to each shareholder. If they cannot be published on the Internet site for technical reasons, the company must indicate on the Internet site how paper versions of the forms are to be obtained, which it must send to all shareholders so requesting.</p> <p>On the date on which the General Meeting is held, the necessary documentation shall be furnished to shareholders at the venue of the Meeting.</p> <p>8.2 Requests for information by shareholders</p> <p>Shareholders may also request in writing, on the terms established in the Law and the Company Bylaws, prior to the General Meeting or orally during the Meeting, such documentation, reports or clarifications as they deem relevant to the items on the agenda.</p> <p>Shareholders may also request information, clarifications or pose questions in writing, or orally while the Meeting is being held, concerning publicly available information furnished by the Company to the National Securities Market Commission since the last General Meeting was held and concerning the auditors' report.</p> <p>If prior to their formulation of a specific question, the requested information is clearly, directly and expressly available to all shareholders on the Company website in a question and answer format, Directors may merely reply by referring to the information provided in this form.</p> <p>The Board of Directors must furnish the shareholders with the information requested unless this information is unnecessary to protect shareholders' rights, or objective reasons exist to consider that it may be used for non-corporate purposes or that its disclosure could damage the Company or its related companies. This exception shall not apply where the request is supported by shareholders who represent at least twenty-five (25) per cent of the capital stock.</p> <p>If the information requested cannot be furnished at the General Meeting itself, and may not be refused, the reports and documentation requested must be sent to the</p>	<p>a) The notice of call.</p> <p>b) The total number of shares and voting rights on the date of the call, broken down by classes of shares, if any.</p> <p>c) The documents to be submitted to the General Meeting and, in particular, reports from directors, auditors and independent experts.</p> <p>d) The full text of the proposed resolutions on each and every one of the points in the Aagenda or, in relation to points of a merely informative nature if none, a report by the competent bodies on each of said points the items on the agenda. Proposed resolutions submitted by shareholders shall also be included when they are received.</p> <p>e) For the appointment, ratification or re-election of members of the Board of Directors, the identity, c.v. and category to which each one belongs, as well as the proposal and reports referred to in article 529.decies of the Spanish Companies Act. For legal entities, the information will include details of the individual appointed to permanently perform the tasks inherent to this post.</p> <p>f) Annual Corporate ResponsibilitySustainability Report, if any.</p> <p>g) Environmental Report, if any.</p> <p>g)h) Any other report the inclusion of which is obligatory or is determined by the Board of Directors.</p> <p>i)h) The forms to be used for voting by proxy and remote voting, except when they are sent directly by the Company to each shareholder. Where they cannot be published on the website for technical reasons, the Cecompany must indicate on the website how to obtain the forms on paper and must send them to any shareholder who so requests.</p> <p><u>i) If applicable, the rules for attendance by telematic means.</u></p> <p><u>On the date on which the Meeting is held, the necessary documentation shall be furnished to shareholders at the venue of the Meeting.</u></p> <p>8.2 Requests for information by shareholders</p> <p>Shareholders may also request in writing, on the terms established in the Law and the Company Bylaws, prior to the Meeting or orally during the Meeting, such documentation, reports or clarifications as they deem relevant to the items on the agenda.</p> <p>Shareholders may also request information, clarifications or pose questions in writing, or orally while the Meeting is being held, concerning publicly available information furnished by the Company to the National Securities Market Commission since the last General Meeting was held and concerning the auditors' report.</p> <p>If prior to their formulation of a specific question, the requested information is clearly, directly and expressly available to all shareholders on the Cecompany website in a question and answer format, Directors may merely reply by referring to the information provided in this form.</p> <p>The Board of Directors must furnish the shareholders with the information requested unless this information is unnecessary to protect shareholders' rights, or objective reasons exist to consider that it may be used for non-corporate purposes or that its disclosure could damage the Cecompany or its related companies. This exception shall not apply where the request is supported by shareholders who represent at least twenty-five (25) per cent of the capital stock.</p>
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<p>shareholders within seven days from the conclusion of the Meeting.</p> <p>All valid requests for information, clarifications or questions made in writing, and the replies provided in writing by the Directors, will be uploaded on the Company's website.</p> <p>8.3 Shareholders' inquiries</p> <p>Shareholders may pose questions in writing concerning publicly available information or information which has been disclosed to the relevant authorities.</p> <p>Shareholders may make their inquiries through the Shareholder Information Office, after furnishing proof of their identity as shareholders, subject to due verification. The Company shall disseminate such replies as it may decide on the website, individually or collectively, and if the Board of Directors deems it appropriate the matters shall be addressed at the General Shareholders' Meeting.</p> <p>The Board of Directors shall be obliged to provide the appropriate response to these questions unless public disclosure of the information is unnecessary to protect shareholders' rights, or there are objective reasons to believe that it may be used for non-corporate purposes or that its disclosure could harm the Company or its related companies. Information may not be refused when the request is supported by shareholders who represent at least twenty-five percent of the capital stock.</p> <p>8.4 Shareholders' Electronic Forum</p> <p>While provided for in the legislation in force, and pursuant to the development of such legislation technically and legally, a Shareholders' Electronic Forum shall be set up on the Company website, and may be accessed with due safeguards by individual shareholders and by any voluntary associations that may be formed, with a view to facilitating their communication prior to the holding of General Meetings. Proposals that are intended to be submitted as a supplement to the agenda announced in the call notice, requests for seconding such proposals, initiatives for achieving a sufficient percentage to exercise a minority right provided for in the law, or offers or solicitations for voluntary proxies, may be posted on the Forum. The Board of Directors of the Company shall determine the rules which are to govern, from time to time, the operation of the Forum set up for the General Meeting, and which shall be publicly disclosed on the Company website.</p>	<p>If the information requested cannot be furnished at the General Meeting itself, and may not be refused, the reports and documentation requested must be sent to the shareholders within seven days from the conclusion of the Meeting.</p> <p>All valid requests for information, clarifications or questions made in writing, and the replies provided in writing by the Directors, will be uploaded on the Company's website.</p> <p>8.3 Shareholders' inquiries</p> <p>Shareholders may pose questions in writing concerning publicly available information or information which has been disclosed to the relevant authorities.</p> <p>Shareholders may make their inquiries through the Shareholder Information Office, after furnishing proof of their identity as shareholders, subject to due verification. The Company shall disseminate such replies as it may decide on the website, individually or collectively, and if the Board of Directors deems it appropriate the matters shall be addressed at the General Shareholders' Meeting.</p> <p>The Board of Directors shall be obliged to provide the appropriate response to these questions unless public disclosure of the information is unnecessary to protect shareholders' rights, or there are objective reasons to believe that it may be used for non-corporate purposes or that its disclosure could harm the Ceompany or its related companies. Information may not be refused when the request is supported by shareholders who represent at least twenty-five percent of the capital stock.</p> <p>8.4 Shareholders' Electronic Forum</p> <p>While provided for in the legislation in force, and pursuant to the development of such legislation technically and legally, a Shareholders' Electronic Forum shall be set up on the Company website, and may be accessed with due safeguards by individual shareholders and by any voluntary associations that may be formed, with a view to facilitating their communication prior to the holding of General Meetings. Proposals that are intended to be submitted as a supplement to the Aa agenda announced in the call notice, requests for seconding such proposals, initiatives for achieving a sufficient percentage to exercise a minority right provided for in the law, or offers or solicitations for voluntary proxies, may be posted on the Forum. The Board of Directors of the Company shall determine the rules which are to govern, from time to time, the operation of the Forum set up for the General Meeting, and which shall be publicly disclosed on the Company website.</p>
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8) Amendment of current article 9 ("Right of attendance"):

It is proposed to amend current article 9, entitled "Right of attendance", in order, on the one hand, to expressly incorporate the live broadcasting of the General Meeting in accordance with Recommendation 7 of the Good Governance Code of Listed Companies and, on the other hand, to incorporate a technical clarification ("*in cases of physical attendance*") derived from the incorporation of attendance at the General Meeting by telematic means.

Accordingly, it is proposed to amend article 9 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
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<p><u>Article 9. Right of attendance</u> Shareholders may attend the General Meeting if they are up to date in the payment of calls on unpaid capital and prove their ownership, by means of a certificate issued in their name on the accounting record of book entries five days before the date on which the Meeting is to be held. Shareholders shall ask the Entity in charge of the accounting record to issue the appropriate certificate of entitlement or equivalent document from the accounting record of book entries of the Company's securities, in order to obtain, where necessary, the appropriate attendance card from the Company. Attendance cards must be issued bearing the holder's name to shareholders who prove that their shares were entered on the accounting record at least five days prior to the first call. The Entity in charge of the accounting record must send Red Eléctrica Corporación, S.A., before the date set for holding the Meeting, the list of cards it has issued at the request of its respective clients. The registration of attendance cards shall commence two hours prior to the time set for holding the Meeting. Company Directors and executives must attend General Meetings. In general, in order to promote the widest dissemination of proceedings and the resolutions adopted, the media shall be allowed access to General Meetings. Furthermore, in order to facilitate such dissemination, the Meeting may be recorded in audio-visual form.</p>	<p><u>Article 9. Right of attendance</u> Shareholders may attend the General Meeting if they are up to date in the payment of calls on unpaid capital and prove their ownership, by means of a certificate issued in their name on the accounting record of book entries five days before the date on which the Meeting is to be held. Shareholders shall ask the Entity in charge of the accounting record to issue the appropriate certificate of entitlement or equivalent document from the accounting record of book entries of the Company's securities, in order to obtain, where necessary, the appropriate attendance card from the Company. Attendance cards must be issued bearing the holder's name to shareholders who prove that their shares were entered on the accounting record at least five days prior to the first call. The Entity in charge of the accounting record must send Red Eléctrica Corporación, S.A., before the date set for holding the Meeting, the list of cards it has issued at the request of its respective clients. The registration of attendance cards, in cases of physical attendance, shall commence two hours prior to the time set for holding the Meeting. Company Directors and executives must attend General Meetings. In general, in order to promote the widest dissemination of proceedings and the resolutions adopted, the media shall be allowed access to General Meetings. Likewise, and also to facilitate its dissemination, it will be possible to broadcast the meeting live and record it in audio-visual form.</p>
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9) Addition of a new article 9 bis ("Remote attendance by electronic or telematic means"):

It is proposed to create a new article, article 9 bis with the title "Remote attendance by electronic or telematic means", in order to develop the statutory authorisation proposed under item Seven of the Agenda of the General Meeting, to allow the possibility of telematic attendance at the General Shareholders' Meeting of the Company, either in a mixed manner allowing physical and telematic attendance, in accordance with the provisions of article 182 of the Spanish Companies Act, or exclusively telematically if so resolved by the Board of Directors of the Company in accordance with the legally established requirements, in accordance with the provisions of articles 182 bis and 521.3 of the Spanish Companies Act.

Consequently, it is proposed to incorporate a new article in the Regulations of the General Shareholders' Meeting, with the following wording:

Proposed addition of new article
<p>Article 9 bis. Remote attendance by electronic or telematic means</p> <p>1. Pursuant to the provisions of article 15 bis of the Bylaws and independently of the shareholders' right to vote remotely prior to the General Shareholders' Meeting in the manner provided for in article 17 bis of the Bylaws and article 15.9 of these Regulations, shareholders entitled to attend the General Shareholders' Meeting held at the place indicated in the notice of meeting may exercise this right by using electronic or telematic means of remote communication when so resolved by the Board of Directors, taking into account the state of the art and having verified the appropriate security conditions and guarantees of identity of the attendees. The Board of Directors shall indicate in the notice of the meeting the means that may be used for these purposes to meet the required security conditions that allow the shareholders to be recognised and identified, the correct exercise of their rights and the proper conduct of the meeting.</p> <p>2. In the event that the Board of Directors resolves to allow remote attendance at the General Shareholders' Meeting, the notice of the meeting shall describe the deadlines, forms and modes of exercising the shareholders' rights provided by the Board of Directors to allow for the proper conduct of the General Shareholders' Meeting.</p> <p>3. Remote attendance of shareholders and their representatives at the General Shareholders' Meeting by electronic or telematic means shall be subject to the following provisions, which may be developed and completed by the Board of Directors:</p>



<p>a) The connection to the system for monitoring the General Shareholders' Meeting must be made as far in advance as indicated in the notice of the meeting in relation to the time scheduled for the start of the meeting. After the time limit set for this purpose, a shareholder or representative who initiates the connection later shall not be considered an attendee.</p> <p>b) A shareholder or its representative wishing to attend the General Shareholders' Meeting and exercise its rights must identify itself by recognised digital signature or some other form of identification, as determined by the Board of Directors in a resolution adopted to such end, providing adequate assurances of authenticity and the identity of the shareholder or representative in question. Voting and information rights must be exercised through the electronic means of remote communication deemed appropriate in accordance with the provisions of these Regulations.</p> <p>c) The Board of Directors may stipulate in the call that the addresses and proposals of resolutions that, in accordance with law, are formulated by the shareholders that attend using telematic means must be submitted to the Company before the General Shareholders' Meeting is held. The replies to those shareholders or representatives who attend the General Shareholders' Meeting in this manner and who exercise their right to information during the course of the meeting shall be produced during the meeting itself or in writing within seven days following the holding of the General Shareholders' Meeting, when appropriate and as determined by the Board of Directors.</p> <p>d) The inclusion of shareholders or representatives of shareholders attending remotely in the list of attendees shall be in accordance with the provisions of these Regulations.</p> <p>e) The interruption of the communication, due to technical circumstances or for security reasons arising from supervening circumstances, may not be invoked as an illegitimate deprivation of the shareholder's rights, nor as a cause for challenging the resolutions adopted by the General Shareholders' Meeting.</p> <p>4. The Board of Directors may resolve to convene the Meeting to be held exclusively by telematic means, complying with the requirements established in the legislation in force and in the statutory authorisation granted, implementing the necessary measures in accordance with the state of the art and the circumstances of the Company, especially the number of shareholders.</p> <p>In this case, the notice of call shall inform of the formalities and procedures to be followed for the registration and formation of the list of attendees, for the exercise of their rights and for the proper reflection in the minutes of the proceedings of the meeting. In no case shall attendance be conditional upon registration being completed more than one hour before the scheduled start of the meeting.</p> <p>The exclusively telematic Meeting shall be deemed to be held at the registered office regardless of where the chairman of the Meeting is located.</p> <p>The provisions on attendance and telematic means contained in this article shall be applicable, provided that they do not contradict the provisions of this paragraph.</p> <p>5. The Board of Directors may establish and update the media and procedures appropriate to the state of the technology to handle the remote attendance and casting of electronic votes from a distance during the holding of the General Shareholders' Meeting, adapting, if appropriate, to the rules and regulations for this system and to the provisions of the Bylaws and these Regulations. Such means and procedures will be published on the Company's corporate website.</p>
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10) Amendment of current article 10 ("Proxies"):

It is proposed to amend current [article 10](#), entitled "Proxies", for the essential purpose of adapting the provisions relating to the splitting of the vote of intermediary entities to the provisions of the new wording of article 524 of the Spanish Companies Act, as amended by Law 5/2021 of 12 April 2021 amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, regarding the promotion of the long-term involvement of shareholders in listed companies, and introducing some technical clarifications and, in particular, the reference to the fact that the personal attendance to the General Meeting "*either physically or telematically*" of the represented shareholder will have the value of revocation of the proxy granted, in coordination with the incorporation of the attendance to the General Meeting by telematic means.

Accordingly, it is proposed to amend article 10 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p>Article 10. Proxies Shareholders who are entitled to attend may be represented at the General Meeting by another person, in the manner established by law and in the Bylaws. The proxy</p>	<p>Article 10. Proxies Shareholders who are entitled to attend may be represented at the General Meeting by another person, in the manner established by law and in the Bylaws. The proxy must be granted in writing and specifically for each Meeting.</p>



must be granted in writing and specifically for each Meeting.

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

Proxies may also be granted by means of postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual granting the proxy and the security of the electronic communications are duly guaranteed, pursuant to the provisions of the applicable legislation and subject, if appropriate, to the provisions of articles 15 and 17 bis of the Bylaws and 15.8 of these Regulations on the casting of votes by the aforesaid means, insofar as this is not incompatible with the nature of the proxy granted.

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

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

Proxy-holders may hold the proxies of more than one shareholder with no limit on the number of shareholders they may represent. Where a proxy-holder holds several proxies, he may cast votes in different directions, in accordance with the instructions received from each shareholder. In any event, the number of represented shares will be used in the calculation of a quorum for the Meeting.

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

Where the Directors of the Company, or another acting for the account or in the interests of any of them, have made a public proxy solicitation, the Director obtaining it may not exercise the right to vote attaching to the shares represented on those items on the agenda in respect of which he has a conflict of interest unless he has received specific voting instructions from the represented shareholder for each item, as provided in this article, in accordance with article 526 of the Spanish Companies Act.

Any entities registered as entitled shareholders according to the share accounting register, albeit acting on behalf of other persons, may in any case fraction their vote and vote against the proposal, further to different voting instructions, if such are received. These intermediary entities may

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

Proxies may also be granted by means of postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual granting the proxy and the security of the electronic communications are duly guaranteed, pursuant to the provisions of the applicable legislation and subject, if appropriate, to the provisions of articles 15 and 17 bis of the Bylaws and 15.8⁹⁹ of these Regulations on the casting of votes by the aforesaid means, insofar as this is not incompatible with the nature of the proxy granted.

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

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

Proxy-holders may hold the proxies of more than one shareholder with no limit on the number of shareholders they may represent. Where a proxy-holder holds several proxies, he may cast votes in different directions, in accordance with the instructions received from each shareholder. In any event, the number of represented shares will be used in the calculation of a quorum for the Meeting.

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

Where the Directors of the Company, or another acting for the account or in the interests of any of them, have made a public proxy solicitation, the Director obtaining it may not exercise the right to vote attaching to the shares represented on those items on the **A**genda in respect of which he has a conflict of interest unless he has received specific voting instructions from the represented shareholder for each item, as provided in this article, in accordance with article 526 of the Spanish Companies Act.

Any **intermediary** entities registered as entitled shareholders according to the share accounting register, albeit acting on behalf of other **ultimate beneficiaries persons** may in any case split their vote and vote against the proposal, further to different voting instructions, if such are received. These intermediary entities may grant a proxy to each of the **ultimate beneficiaries indirect holders** or to third parties



<p>grant a proxy to each indirect holder or to third parties designated by the latter, without limitation on the number of proxies granted.</p> <p>Personal attendance of the General Meeting by the shareholder represented shall be deemed to revoke the proxy granted.</p> <p>Attendance shall have the same effect on votes cast absentee, as indicated in article 15.8 of these Regulations.</p> <p>The shareholder's proxy-holder may appoint a substitute to cast the vote where there is a conflict of interests.</p>	<p>designated by the latter, without limitation on the number of proxies granted.</p> <p>Personal attendance of the General Meeting, <u>either physically or telematically</u>, by the shareholder represented shall be deemed to revoke the proxy granted.</p> <p><u>Attendance shall have the same effect on votes cast absentee, as indicated in article 15.8 of these Regulations.</u></p> <p>The shareholder's proxy-holder may appoint a substitute to cast the vote where there is a conflict of interests.</p>
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11) Amendment of current article 11 ("Quorum"):

It is proposed to amend current article 11, entitled "Quorum", in order to incorporate several technical clarifications. In this regard, it is proposed to eliminate the provision relating to the quorum required for the adoption of resolutions already included in article 15.10 ("Adoption of resolutions") of the Regulations, to specify that shares issued without voting rights or those whose holders are not up to date in the payment of calls on unpaid capital shall not be counted as present "*or represented*", as well as to eliminate the paragraph regarding the fact that shareholders who cast their vote by remote means of communication prior to the holding of the Meeting shall be taken into account for the purposes of constituting the Meeting as being present, which is transferred to article 15.9 of the Regulations for reasons of systematics.

Accordingly, it is proposed to amend article 11 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 11. Quorum</u></p> <p>The General Meeting shall be validly convened on first call when the shareholders, attending in person or by proxy, hold at least twenty-five percent of the subscribed voting capital stock.</p> <p>On second call the General Meeting shall be validly convened regardless of the capital stock attending thereat.</p> <p>In order for an Ordinary or Extraordinary General Meeting to be able to validly adopt a resolution for a capital increase or reduction or any other amendment of the Bylaws, the issue of debentures, the removal or limitation of the pre-emptive right of acquisition of new shares, or an alteration of legal form, merger, spin-off or transfer en bloc of assets and liabilities, or the transfer abroad of the registered office, shareholders holding at least 50 percent (50%) of the subscribed voting capital stock must attend in person or by proxy on first call. On second call, the attendance of 25 percent (25%) of said capital stock shall be sufficient.</p> <p>When shareholders representing less than fifty percent (50%) of the subscribed voting capital stock attend, the resolutions referred to in the previous paragraph may only be adopted validly with the affirmative vote of two thirds of the capital stock attending in person or by proxy at the Meeting.</p> <p>Non-voting shares and those whose holders are not up to date in the payment of calls on unpaid capital shall not be counted as present at any Meeting.</p> <p>Shareholders entitled to attend and vote and who cast their votes remotely, in the manner provided for in article 15.8 of these Regulations, must be counted as present for the purposes of convening the General Meeting.</p>	<p><u>Article 11. Quorum</u></p> <p>The General Meeting shall be validly convened on first call when the shareholders, attending in person or by proxy, hold at least twenty-five percent of the subscribed voting capital stock.</p> <p>On second call the General Meeting shall be validly convened regardless of the capital stock attending thereat.</p> <p>In order for an Ordinary or Extraordinary General Meeting to be able to validly adopt a resolution for a capital increase or reduction or any other amendment of the Bylaws, the issue of debentures, the removal or limitation of the pre-emptive right of acquisition of new shares, or an alteration of legal form, merger, spin-off or transfer en bloc of assets and liabilities, or the transfer abroad of the registered office, shareholders holding at least 50 percent (50%) of the subscribed voting capital stock must attend in person or by proxy on first call. On second call, the attendance of 25 percent (25%) of said capital stock shall be sufficient.</p> <p><u>When shareholders representing less than fifty percent (50%) of the subscribed voting capital stock attend, the resolutions referred to in the previous paragraph may only be adopted validly with the affirmative vote of two thirds of the capital stock attending in person or by proxy at the Meeting.</u></p> <p>Non-voting shares and those whose holders are not up to date in the payment of calls on unpaid capital shall not be counted as present <u>or represented</u> at any General Meeting.</p> <p><u>Shareholders entitled to attend and vote and who cast their votes remotely, in the manner provided for in article 15.8 of these Regulations, must be counted as present for the purposes of convening the General Meeting.</u></p>



12) Amendment of current article 12 ("Chair of the General Meeting"):

It is proposed to amend current [article 12](#), entitled "Chair of the General Meeting", in order, on the one hand, to coordinate the scheme of replacement of the Secretary of the Board in its role as Secretary of the Meeting with that provided for the Chairman and, on the other hand, to complete the functions of the Chairman of the General Meeting with those of resolving doubts regarding the interpretation of the Regulations of the General Shareholders' Meeting and "*in general, exercising all such powers, including those of order and discipline, as may be necessary for the best conduct of the meeting*".

Accordingly, it is proposed to amend article 12 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p>Article 12. Chair of the General Meeting The General Meeting shall be chaired by the chairman of the Board of Directors and, in his absence, by the relevant Deputy Chairman, according to rank or to seniority in the office, and, in their absence, by the person designated by the Board of Directors and, in the absence of such designation, by such Director or shareholder as is freely designated by the shareholders attending each Meeting. The Secretary or Deputy Secretary of the Board of Directors shall act as Secretary of the Meeting. In the absence of both, such Director or shareholder as is freely designated by the shareholders attending each Meeting shall act as Meeting Secretary. The chairman shall be responsible for directing and establishing the order of deliberations and speeches; for deciding on the form taken by the vote on resolutions; for resolving any doubts, making clarifications or handling complaints which are raised in relation to the Agenda, the list of attendees, ownership of shares, delegation of authority or proxies, the requirements for valid constitution and adoption of resolutions by the Meeting, or regarding the By-laws's limit on the right to vote; and for granting the floor to any shareholders requesting it, withdrawing it or refusing it and ending debates when he considers the matter being debated to have been sufficiently discussed.</p>	<p>Article 12. Chair of the General Meeting The General Meeting shall be chaired by the Cehairman of the Board of Directors and, in his absence, by the relevant Deputy Chairman, according to rank or to seniority in the office, and, in their absence, by the person designated by the Board of Directors and, in the absence of such designation, by such Director or shareholder as is freely designated by the shareholders attending each Meeting. The Secretary or Deputy Secretary of the Board of Directors shall act as Secretary of the Meeting. In the absence of both, the person designated by the Board of Directors and, if no such designation exists, such Director or shareholder as is freely designated by the shareholders attending each Meeting shall act as Meeting Secretary. The Cehairman is responsible for directing and establishing the order of deliberations and speeches; for deciding on the form of voting on resolutions; for resolving any doubts, clarifications or complaints which are raised in relation to the agenda, the list of attendees, ownership of shares, delegations of authority or proxies, the requirements for the valid convening of, and adoption of resolutions by, the Meeting, or regarding the interpretation of these Regulations; and for granting the floor to any shareholders requesting it, withdrawing it or refusing it and ending debates when he considers the matter being debated to have been sufficiently discussed; and, in general, exercising all such powers, including those of order and discipline, as may be necessary for the best conduct of the meeting.</p>

13) Amendment of current article 15 ("Constitution, deliberation and adoption of resolutions"):

It is proposed to amend current [article 15](#), entitled "Constitution, deliberation and adoption of resolutions", in order to introduce a new section 15.11 relating to "Confirmation of votes", in accordance with article 527 bis of the Spanish Companies Act, as amended by Law 5/2021 of 12 April 2021 amending the Consolidated Text of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July 2010, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies.

It is also proposed: (i) to incorporate various technical clarifications derived from the incorporation of attendance at the General Meeting by telematic means (in particular, in sections 15.2, 15.4, 15.5 and 15.9); (ii) to complete section 15.8 by adding "*or represented*"; and (iii) to incorporate a new section 15.9 entitled "*Casting of votes by remote means of communication prior to the holding of the Meeting*" for the purpose of clearly differentiating this case from others such as, for example, the casting of electronic votes during the Meeting by those attending by telematic means, also completing it in the sense that shareholders with the right of



attendance and vote who cast their votes remotely must be taken into account for the purposes of constituting the General Meeting as being present.

Accordingly, it is proposed to amend article 15 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 15. Constitution, deliberation and adoption of resolutions</u></p> <p>15.1 Attendance list Before discussing the first item on the agenda, the list of attendees shall be drawn up, indicating the nature or representation of each one and the number of shares, of their own or of others, with which they attend. At the end of the list the number of shareholders attending in person or by proxy shall be determined, as well as the amount of capital stock they own, specifying that belonging to shareholders with voting rights, by way of summary, verified by the Secretary's Office. The list of attendees may also be drawn up by means of a file or included on a computerised medium. In such cases the means used shall be recorded in the minutes and the appropriate identification note, signed by the Secretary and countersigned by the Chairman, shall be affixed to the sealed cover of the file or of the medium.</p> <p>15.2 Calling the meeting to order After the meeting is called to order, the Secretary shall read the information concerning the call and attendance on the basis of the list of attendees. In light of the list of attendees the Chairman shall, if appropriate, declare the Meeting to be validly convened. If a notary asked by the Company to draw up the minutes of the Meeting is present, he shall ask the attendees whether there are any reservations or protests regarding the information concerning the attendance of shareholders and capital stock stated by the Chairman. Any shareholder who expresses reservations must display his attendance card to the personnel assisting the Presiding Panel and, if appropriate, the attending notary. Before opening the debate on the agenda, the Chairman shall ask shareholders who wish to address the Meeting to approach the personnel assisting the Presiding Panel, displaying their attendance card, with a view to establishing the order in which they may take the floor.</p> <p>15.3 Presentations At the Ordinary General Meeting, the Chairman shall inform the Meeting of the most significant aspects of the fiscal year and of the Board's proposals, and his presentation may be completed by persons authorised by him. The Chairman of the Auditing Committee shall be at the disposal of the Meeting to answer such questions as may be raised thereat by the shareholders on the matters within its jurisdiction.</p> <p>15.4 Request for information While the Meeting is being held, shareholders may orally request such reports or explanations as they deem appropriate concerning the items on the agenda or about the information that is publicly available and which the Company has provided to the National Securities Market Commission</p>	<p><u>Article 15. Constitution, deliberation and adoption of resolutions</u></p> <p>15.1 Attendance list Before discussing the first item on the agenda, the list of attendees shall be drawn up, indicating the nature or representation of each one and the number of shares, of their own or of others, with which they attend. At the end of the list the number of shareholders attending in person or by proxy shall be determined, as well as the amount of capital stock they own, specifying that belonging to shareholders with voting rights, by way of summary, verified by the Secretary's Office. The list of attendees may also be drawn up by means of a file or included on a computerised medium. In such cases the means used shall be recorded in the minutes and the appropriate identification note, signed by the Secretary and countersigned by the Chairman, shall be affixed to the sealed cover of the file or of the medium.</p> <p>15.2 Calling the meeting to order After the meeting is called to order, the Secretary shall read the information concerning the call and attendance on the basis of the list of attendees. In light of the list of attendees the Chairman shall, if appropriate, declare the Meeting to be validly convened. If a notary asked by the Company to draw up the minutes of the Meeting is present, he shall ask the attendees whether there are any reservations or protests regarding the information concerning the attendance of shareholders and capital stock stated by the Chairman. Any shareholder who physically attends the Meeting and, if applicable, expresses reservations must display his attendance card to the personnel assisting the Presiding Panel and, if appropriate, the attending notary. Before opening the debate on the agenda, the Chairman shall ask shareholders physically attending the Meeting who wish to address the Meeting to approach the personnel assisting the Presiding Panel, displaying their attendance card, with a view to establishing the order in which they may take the floor. <u>Those attending by telematic means will be able to intervene in accordance with the terms set forth in the notice of the meeting.</u></p> <p>15.3 Presentations At the Ordinary General Meeting, the Chairman shall inform the Meeting of the most significant aspects of the fiscal year and of the Board's proposals, and his presentation may be completed by persons authorised by him. The Chairman of the Audit Committee shall be at the disposal of the Meeting to answer such questions as may be raised thereat by the shareholders on the matters within its jurisdiction.</p> <p>15.4 Request for information While the General Meeting is being held, shareholders physically attending it may orally request such reports or explanations as they deem appropriate concerning the items on</p>



since the last General Meeting was held, and about the auditor's report. If this right cannot be satisfied at that time, the Board of Directors must provide the information in writing within seven days after the holding of the Meeting. If prior to their formulation of a specific question, the requested information is clearly, directly and expressly available to all shareholders on the Company website in a question and answer format, directors may merely reply by referring to the information provided in this form.

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

15.5 Deliberation

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

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

The chairman shall bring the debate to a close when the matter has, in his opinion, been sufficiently debated, whereupon the chairman shall submit the proposed resolutions to a vote and they shall be read by the Secretary. The reading of proposals may be summarised by decision of the chairman, provided that the shareholders representing the majority of the subscribed voting capital stock present at the Meeting do not object to it.

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

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

15.6 Temporary adjournment

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

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

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

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

15.5 Deliberation

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

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

The Chairman shall bring the debate to a close when the matter has, in his opinion, been sufficiently debated, whereupon the Chairman shall submit the proposed resolutions to a vote and they shall be read by the Secretary. The reading of proposals may be summarised by decision of the Chairman, provided that the shareholders representing the majority of the subscribed voting capital stock present at the Meeting do not object to it.

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

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

15.6 Temporary adjournment

(i) Exceptionally, if disturbances occur which substantially disrupt the orderly progress of the meeting, or any other



The Chairman of the General Meeting shall take such additional measures as he deems appropriate to guarantee the safety of those present and to avoid the repetition of circumstances which could again disrupt the orderly progress of the meeting.

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

15.7 Extension

(i) At the proposal of the Chairman, after consulting the Presiding Panel, or at the request of shareholders who represent at least one fourth of the capital stock present at the General Meeting, those attending may decide to extend its sessions for one or more consecutive days.

(ii) After the holding of the Meeting has been extended, it shall not be necessary at successive sessions to repeat compliance with the requirements stipulated by the Law or in the Bylaws in order for it to be validly convened. If any shareholder included on the list of attendees drawn up at the beginning of the meeting subsequently fails to attend successive sessions, the majorities necessary for the adoption of resolutions shall continue to be those determined at the sessions having regard to information derived from that list.

15.8 Voting

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

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

(i) the appointment, ratification, re-election or removal of each Director;

(ii) in the event of an amendment of the Bylaws, each article or group of articles with individual autonomy; and

(iii) any matters for which this is foreseen in the Bylaws.

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

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

(i) In voting on the Board's proposals relating to items included on the agenda, to treat as votes for those of all shares present, except for votes against, blank votes and any abstentions which were expressly declared by notification to the Secretary of the Meeting, or, if appropriate, to the notary present at the Meeting, in such manner as may be decided by the chairman.

(ii) In voting on proposed resolutions relating to items not included on the agenda or alternative proposals to those of the Board, to treat as votes against those of all shares present, except for votes for, blank votes and any abstentions which were expressly declared by notification to the Secretary of the Meeting, or, if appropriate, to the notary

extraordinary circumstance arises which temporarily prevents the normal proceedings of the Meeting, the Chairman of the Meeting may resolve the adjournment of the session for such period of time as he deems adequate, under no circumstances exceeding two hours, in order to seek to re-establish the conditions necessary for its continuation. The Chairman of the General Meeting shall take such additional measures as he deems appropriate to guarantee the safety of those present and to avoid the repetition of circumstances which could again disrupt the orderly progress of the meeting.

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

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(i) the appointment, ratification, re-election or removal of each Director. ~~;~~

(ii) in the event of an amendment of the Bylaws, each article or group of articles with individual autonomy, ~~;~~ ~~and~~

(iii) any matters for which this is foreseen in the Bylaws.

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(i) In voting on the Board's proposals relating to items included on the agenda, to treat as votes for those of all shares present ~~or represented~~, except for votes against, blank votes and any abstentions which were expressly declared by notification to the Secretary of the Meeting, or, if appropriate, to the notary present at the Meeting, in such manner as may be decided by the ~~C~~chairman.



present at the Meeting, in such manner as may be decided by the chairman.

In the two preceding cases the statement to the secretary or, if applicable, notary may be made individually in respect of each of the points of the agenda, or on a joint basis for several or all of them. The Secretary shall furnish the chairman with the list of the scrutineers drawn up together with the notary, if the latter was involved, with the result of the vote on each proposal. The list of votes counted must record all votes, indicating the voter's identity, the capacity in which he cast the vote (shareholder or proxy-holder) and whether he voted for or against or, if appropriate, his abstention. The notary, if any, shall record this in the minutes in the same way.

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

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

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

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

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

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

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

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

In the two preceding cases the statement to the secretary or, if applicable, notary may be made individually in respect of each of the points of the agenda, or on a joint basis for several or all of them. The Secretary shall furnish the **C**hairman with the list of the scrutineers drawn up together with the notary, if the latter was involved, with the result of the vote on each proposal. The list of votes counted must record all votes, indicating the voter's identity, the capacity in which he cast the vote (shareholder or proxy-holder) and whether he voted for or against or, if appropriate, his abstention. The notary, if any, shall record this in the minutes in the same way.

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

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

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

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

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

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

In particular, the Board of Directors may regulate the use of alternative safeguards to the electronic signature for the casting of an electronic vote and reduce the advance period



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

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

15.9 Adoption of resolutions

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

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

15.10 Closing of the meeting

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

15.11 Publication of resolutions on the website

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

for the Company's receipt of votes cast by postal or electronic correspondence or by any other means of remote communication, in accordance with the provisions of the previous paragraphs.

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

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

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

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

15.109 Adoption of resolutions

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

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

15.11 Confirmation of votes

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

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

15.120 Closing of the session



	<p>Once all the items on the agenda have been debated and any relevant voting held, the Chairman shall bring the Meeting to a close.</p> <p>15.131 Publication of resolutions on the website The resolutions approved and the result of the voting shall be published in full on the Company website within the five days following the end of the General Meeting.</p>
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14) Amendment of current article 17 ("Publicity"):

It is proposed to amend current article 17, entitled "Publicity", in order to replace "*significant fact*" with "*other relevant information*", in accordance with article 227 of the Securities Market Act and the procedure for communication of information from issuers enabled by the National Securities Market Commission since 8 February 2020.

Accordingly, it is proposed to amend article 17 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 17. Publicity</u> Notwithstanding the registration at the Mercantile Registry of all resolutions capable of being registered and the applicable statutory provisions governing the publication of corporate resolutions, on the same day on which the Meeting is held or on the next business day the Company shall send the wording of the approved resolutions to the National Securities Market Commission, in the appropriate notice of a significant fact. The wording of the resolution may also be accessed on the Company's website. Furthermore, at the request of any shareholder or of whoever represented him at the General Meeting, the Secretary shall issue a certificate of the resolutions or of the minutes of the Meeting.</p>	<p><u>Article 17. Publicity</u> Notwithstanding the registration at the Mercantile Registry of all resolutions capable of being registered and the applicable statutory provisions governing the publication of corporate resolutions, on the same day on which the Meeting is held or on the next business day the Company shall send the wording of the approved resolutions to the National Securities Market Commission, in the appropriate notice of other relevant information significant fact. The wording of the resolution may also be accessed on the Company's website. Furthermore, at the request of any shareholder or of whoever represented him at the General Meeting, the Secretary shall issue a certificate of the resolutions or of the minutes of the Meeting.</p>

15) Amendment of current article 19 ("Publication of the Regulations of the Meeting"):

It is proposed to amend current article 19, entitled "Publication of the Regulations of Meeting", in order to expressly include that the Regulations of the General Shareholders' Meeting shall also be accessible through the website of the National Securities Market Commission, in accordance with article 512 of the Spanish Companies Act.

Accordingly, it is proposed to amend article 19 of the Regulations of the General Shareholders' Meeting, to read as follows, showing the changes by comparison with the prior version:

Current wording	Proposed new version
<p><u>Article 19. Publication of the Regulations of the Meeting</u> Following their approval, these Regulations of the General Meeting may be accessed on the Company's website, the legal framework in which Shareholders' Meetings are to be conducted thus being made public for the information of shareholders and investors, notwithstanding the provisions of the Bylaws and the legislation in force.</p>	<p><u>Article 19. Publication of the Regulations of the Meeting</u> Following their approval, these Regulations of the General Meeting may be accessed on the Company's website and that of the National Securities Market Commission, the legal framework in which Shareholders' Meetings are to be conducted thus being made public for the information of shareholders and investors, notwithstanding the provisions of the Bylaws and the legislation in force.</p>

4. Separate voting on matters.



In accordance with best corporate governance practices and as established in article 197 bis of the Spanish Companies Act, it is proposed to submit to the General Meeting the amendments to the Regulations of the General Shareholders' Meeting, grouped by subject and in separate sections, having determined the following groups:

- (i) Articles relating to the Regulations of the General Shareholders' Meeting (articles 1 and 19).
- (ii) Article 2 ("Company Website"), which is submitted to a vote individually as it is considered a matter of sufficient relevance and autonomy to be addressed separately.
- (iii) Articles relating to the types of Meetings and their competencies (articles 3 and 4).
- (iv) Articles relating to shareholders' rights, including the shareholder's right of attendance and its different manifestations, i.e., in person (physically or telematically) or by proxy (articles 6, 7, 8, 9, new 9 bis and 10).
- (v) Articles relating to the conduct of the General Meeting (articles 11, 12, 15 and 17).

5. Approval of report

For all the above reasons and in accordance with the provisions of article 1 of the Regulations of the General Shareholders' Meeting, the Board of Directors proposes the amendment of the Regulations of the General Shareholders' Meeting and issues this Report on said amendment.

In Madrid, on 25 May 2021.