



RED ELÉCTRICA CORPORACIÓN



Regulations of the Shareholders' Meeting

Apr 15th, 2015

This English translation is exclusively for information purposes and is based on the original, official document in the Spanish language, available in the Spanish version on the company's web site.

CONTENTS

ARTICLE 1.	Purpose and entry into force of the Regulations	4
ARTICLE 2.	Company website	4
ARTICLE 3.	Powers of the Shareholders' Meeting	5
ARTICLE 4.	Types of Shareholders' Meetings	6
4.1	Annual Shareholders' Meeting	6
4.2	Special Shareholders' Meeting	7
ARTICLE 5.	Call	7
ARTICLE 6.	Shareholders' rights	9
6.1	List	9
6.2	Exercise of rights	10
6.3	Limitations	10
ARTICLE 7.	A shareholder's right to participate	10
7.1	Request for including items on the agenda	10
7.2	Shareholders' proposals and suggestions	10
ARTICLE 8.	Shareholders' right to information	10
8.1	Supply of information to the shareholder	10
8.2	Request for information by a shareholder	11
8.3	A shareholders' enquiries	12
8.4	Shareholders' Electronic Forum	12
ARTICLE 9.	Right to attend	12
ARTICLE 10.	Representation	13
ARTICLE 11.	Quorum	14
ARTICLE 12.	Chair of the Shareholders' Meeting	15
ARTICLE 13.	Presiding Panel of the Shareholders' Meeting	15

ARTICLE 14.	Scrutineers	16
ARTICLE 15.	Constitution, deliberation and adoption of resolutions	16
15.1	List of attendees	16
15.2	Calling the meeting to order	16
15.3	Presentations	17
15.4	Request for information	17
15.5	Deliberation	17
15.6	Temporary adjournment	18
15.7	Extension	18
15.8	Voting	19
15.9	Adoption of resolutions	21
15.10	Closing of the meeting	21
15.11	Publication of resolutions on the website	21
ARTICLE 16.	Minutes of the Shareholders' Meeting and certificate	21
ARTICLE 17.	Publication	22
ARTICLE 18.	Interpretation	22
ARTICLE 19.	Publication of the Regulations of the Shareholders' Meeting	23

ARTICLE 1. Purpose and entry into force of the Regulations

These Regulations regulate the Shareholders' Meeting of Red Eléctrica Corporación, S.A., establishing the principles of its organization and operation and the rules which govern its legal and bylaw activity. They must be disseminated by the Board of Directors among the shareholders and the investing public and published on the Company website. They shall apply as from the first 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 Corporate Bylaws and Article 159 of the Corporate Enterprises Law.

ARTICLE 2. Company website

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

1. The Corporate Bylaws;
2. The Regulations of the Shareholders' 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 Shareholders' Meetings held, indicating in detail their composition and the result of voting;
11. The current call for the next Shareholders' Meeting;

12. Any information which must be made available to the shareholders along with the call notice for the Shareholders' Meeting;
13. Responses to proposals and suggestions made by shareholders;
14. Communication channels between the Company and the shareholders and the relevant explanations regarding the exercise of the right to information, indicating the postal and electronic mail addresses to which shareholders may send 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 Article 8.4 of these Regulations.

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

ARTICLE 3. Competences of the Meeting

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

- a) Approving the financial statements of Red Eléctrica Corporación, S.A. and the consolidated financial statements of Red Eléctrica Corporación, S.A. and its subsidiaries, the conduct of management by the Board of Directors and the proposed distribution of income or allocation of loss;
- b) Appointing and removing Directors (including ratification or revocation of appointments by co-optation), liquidators and auditors, as well as filing a corporate action for liability against any of them;
- c) Resolving on the amendment of the Corporate By-laws;
- d) Resolving on capital increases and reductions;
- e) Resolving on the removal or limitation of the preemptive right of subscription;
- f) Ordering the acquisition, disposal or contribution to another company of essential assets. An asset will be presumed essential whenever the transaction amount exceeds twenty-five per cent of the «Assets» item reflected in the latest approved balance sheet.

- 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;
- h) Resolving on the dissolution of the Company;
- i) Approving on the final liquidation balance sheet;
- j) To approve a transfer to dependent entities of essential activities executed until then by the Company, even if the latter continues to fully own the former.
- k) Approval of the remuneration policy for Directors, in the terms established in the Spanish Companies Act.
- l) Resolving on any other matters determined by the law, the By-laws or these Regulations, in particular:
 - i. Resolving on programs or authorizing transactions relating to treasury stock;
 - ii. Approving the establishment of Directors' compensation systems linked to share value;
 - iii. Resolving on the issue of debentures;
 - iv. Authorizing the Board of Directors to increase capital stock in accordance with the provisions of the Spanish Companies Act;
 - v. Approving transactions the effect of which is equivalent to the modification of the corporate purpose or the liquidation of the Company.

In exercising its powers, the Shareholders Meeting shall not interfere with the powers and functions specific to the Board of Directors.

ARTICLE 4. Types of Shareholders' Meetings

Shareholders Meetings shall be Annual or Special.

4.1. Annual Shareholders' Meeting

The Annual Shareholders' 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.

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

The Annual Shareholders' Meeting shall be valid even where called or held after the aforesaid deadline.

4.2 Special Shareholders' Meeting

All Shareholders' Meetings other than the foregoing shall be regarded as a Special Shareholders' Meeting.

ARTICLE 5. Call Notice

Both the Ordinary and Extraordinary Shareholders Meeting shall be called by the Board of Directors in a notice published in at least the following formats: (i) the Official Gazette of the Mercantile Registry or one of the largest circulation newspapers in Spain; (ii) the website of the National Securities Market Commission; and (iii) the website of the Company, and a copy shall be sent to the Stock Exchanges on which its shares are listed. The notice published on the Company website shall remain accessible on the website at least until the Shareholders Meeting is held. The Board of Directors may decide to publish the notice in such other media as it may see fit to give greater publicity to the call.

The call notice shall be made at least one month prior to the date set for holding the Meeting, although it shall seek to call the Meeting sufficiently in advance with a view to making it as easy as possible for all the shareholders to be able to plan for their participation. Notwithstanding the foregoing, where the Company offers shareholders the possibility of voting by electronic means that are accessible to all, Extraordinary Shareholders Meetings may be called a minimum of fifteen days in advance. The reduction of the call period shall require an express resolution adopted at the Shareholders Meeting by at least two-thirds of the subscribed voting capital stock and the period of validity of which may not extend beyond the date of the next Meeting.

The call notice shall state the name of the Company, the date and time of the Meeting on first call, the agenda on which the business to be transacted shall appear, the office of the person or persons making the call, the date by which shareholders must have registered the shares in their name in order to be able to participate in and vote at the Shareholders Meeting, the place and form in which the full text of the documents and proposed resolutions can be obtained, and the address of the Company website on which the information will be available. The date for the second call may also be set. A minimum period of twenty-four hours must elapse between the two calls. Where a second call is not provided for and the Shareholders Meeting cannot be held, the Meeting must be announced, with the same agenda and the same publicity requirements as the first call within the fifteen days following the date of the Shareholders Meeting not held and at least ten days prior to the date set for the meeting. In the call notice the Board shall endeavour to indicate the probable date of holding the Meeting on first or second call.

The notice shall also contain clear and exact information on the formalities to be completed by shareholders in order to be able to participate in and vote at the Shareholders Meeting, including, in particular, the following aspects:

- a) The right to request information, to include items on the agenda and to submit proposed resolutions, as well as the period for exercise of the right. Where it is placed on record that more detailed information on such rights can be obtained on the Company website, the notice may limit itself to indicating the period for exercise of the right.
- b) The system for the casting of votes by proxy, with special indication of the forms to be used to grant the proxy and the means to be used so that the Company can accept notification by electronic means of the proxies granted.
- c) The procedures established for casting votes by remote means, whether by post or electronic means.

Shareholders Meetings shall be held in Spain at such venue as may be decided in each case by the Board of Directors, and as shall be duly indicated in the call notice.

The call notice shall indicate the place and times at which the shareholders may consult the documents which are to be submitted for their approval at the Shareholders Meeting, notwithstanding their right to examine at the registered office and to ask to have such documents sent to them free of charge and immediately. In addition, should the Shareholders Meeting have to decide on any amendment to the By-laws, the call must state, with due clarity, the points which are to be amended.

The Board shall make available to the shareholders, on the terms indicated in the preceding paragraph, the complete wording of the resolutions to be adopted at the Shareholders Meeting, where so required by the Law and, in other cases, provided that it is not prevented by imponderable circumstances. Insofar as permitted by the Law, the wording may be amended by decision of the Board of Directors where supervening circumstances so require, in which case the new wording shall be made available to the shareholders in the same way or, should this not be possible, details shall be given at the Meeting itself.

The Board must call an Extraordinary Shareholders Meeting when shareholders holding three percent of the capital stock send a request stating the reasons and describing the business to be transacted, which must relate to matters falling within the jurisdiction of the Shareholders Meeting. In this case the Shareholders Meeting must be called to be held within two months from the date on which the Board of Directors was asked by way of a notary to call it and the items indicated in the request must necessarily be included on the agenda.

Shareholders representing at least three percent of the capital stock may request the publication of a supplement to the call notice for an Ordinary Shareholders Meeting, including one or more items on the agenda, provided that the new items are accompanied by a justification or, as the case may be, a justified proposal for a resolution. In no case may this right be exercised with

respect to the call notice for Extraordinary Shareholders Meetings. This right must be exercised by giving duly authenticated notice which must be received at the registered office within five days after the publication of the call notice. The supplement to the call notice must be published at least fifteen days prior to the date set for holding the Shareholders Meeting. If included by the aforesaid shareholders in their request, the Board shall make available to the shareholders the complete wording of the resolutions proposed on the same terms as indicated above. Failure to publish the supplement to the call notice by the statutory deadline shall be a ground for challenging rendering the Shareholders Meeting void.

Shareholders representing at least three percent of the capital stock may, in the same period indicated in the preceding paragraph, submit reasoned proposals for resolutions on items already included or to be included in the agenda for the Shareholders Meeting called. The Company shall ensure the dissemination of these proposed resolutions and of any accompanying documentation to the rest of the shareholders, in accordance with the provisions of letter d) of paragraph seven of this Article 8.1 of these Regulations.

If the Shareholders Meeting is not called by the Board of Directors despite it being required to do so, it may be called, at the request of the shareholders and with the Board having been given the opportunity to be heard, by the judge having jurisdiction over the Company's registered office who, if applicable, will appoint the person to chair the Meeting.

ARTICLE 6. Shareholders' rights

6.1 List

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

- a) the right to a share in the distribution of corporate income and in the liquidation dividend;
- b) a preemptive right to subscribe new shares or convertible debentures, unless such right has been duly excluded;
- c) the right to attend and vote at Shareholders Meetings;
- d) the right to object to corporate resolutions and to seek, if appropriate, directors' liability;
- e) the right to information;
- f) the right to participate in corporate affairs.

The Company must afford equal treatment to shareholders who are on an identical footing. Furthermore, the Company guarantees at all times the equal treatment of all shareholders in the same position as regards information, participation and exercise of the right to vote at the Shareholders Meeting.

6.2 Manner of exercise

Shareholders shall exercise their rights in the manner stipulated by the Law, in the By-laws and in these Regulations.

6.3 Limitations

Shareholders' rights are subject to the limitations stipulated in current law, to particularly include Additional Provision No. 23 of Act 54/1997, of 27 November («Act 54/1997») and in Article 30 of the Electricity Industry Act, and contained in the current By-laws.

ARTICLE 7. Shareholder's right of participation

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 Shareholders Meeting. The Board must include the items requested in the manner which best suits the corporate interest, provided that they relate to matters which are within the powers of the Shareholders Meeting.

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 Shareholders Meeting.

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

ARTICLE 8. Shareholder's right of information

8.1 Supply of information to shareholders

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

- a) The call notice.
- b) The total number of shares and voting rights at the date of the call, broken down by share class, if any.
- c) The documents to be submitted to the Shareholders Meeting and, in particular, reports from directors, auditors and independent experts.
- d) The full text of the proposed resolutions on each and every one of the points in the agenda or, in relation to points of a merely informative nature if none, a report by the competent bodies on each of said points the items on the agenda. Proposed resolutions submitted by shareholders

shall also be included when they are received.

- e) For the appointment, ratification or re-election of members of the Board of Directors, the identity, c.v. and category to which each one belongs, as well as the proposal and reports referred to in Article 529.decies of the Spanish Companies Act. For legal entities, the information will include details of the individual appointed to permanently perform the tasks inherent to this post.
- f) Annual Corporate Responsibility Report, if any.
- g) Environmental Report, if any.
- h) Any other report the inclusion of which is obligatory or is determined by the Board of Directors.
- 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. Where they cannot be published on the website for technical reasons, the Company must indicate on the website how to obtain the forms on paper and must send them to any shareholder who so requests.

On the date on which the Shareholders Meeting is held, the necessary documentation shall be furnished to shareholders at the venue of the Meeting.

8.2 Requests for information by shareholders

Shareholders may also request in writing, in the terms established in the Law and the Company By-laws, prior to the Shareholders Meeting or orally during the Meeting, such documentation, reports or clarifications as they deem relevant to the items on the agenda.

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

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

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

If the information requested cannot be furnished at the Shareholders Meeting,

ting 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 Shareholders Meeting.

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

8.3 Shareholders' inquiries

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

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

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

8.4 Shareholders' Electronic Forum

While provided for in the legislation in force, and pursuant to the development of such legislation technically and legally, a Shareholders' Electronic Forum shall be set up on the Company website, and may be accessed with due safeguards by individual shareholders and by any voluntary associations that may be formed, with a view to facilitating their communication prior to the holding of Shareholders 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 Shareholders Meeting, and which shall be publicly disclosed on the Company website.

ARTICLE 9. Right to attend

Shareholders may attend the Shareholders' 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 Shareholders' 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 Shareholders' Meeting.

Company Directors and executives must attend Shareholders' Meetings.

In general, in order to promote the widest dissemination of proceedings and the resolutions adopted, the media shall be allowed access to Shareholders' Meetings. Furthermore, in order to facilitate such dissemination, the Meeting may be recorded in audiovisual form.

ARTICLE 10. Representation

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

Proxies may also be granted by means of postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual granting the proxy and the security of the electronic communications are duly guaranteed, pursuant to the provisions of the applicable legislation and subject, if appropriate, to the provisions of Articles 15 and 17 bis of these Corporate By-laws 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 Shareholders Meeting.

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

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

Where the Directors of the Company, or another acting for the account or in the in-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 grant a proxy to each indirect holder or to third parties designated by the latter, without limitation on the number of proxies granted.

Personal attendance of the Shareholders Meeting by the shareholder represented shall be deemed to revoke the proxy granted.

Attendance shall have the same effect on votes cast absentee, as indicated in Article 15.8 of these Regulations.

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

ARTICLE 11. Quorum

The Shareholders' 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.

On second call the Shareholders' Meeting shall be validly convened regardless of the capital stock attending thereat.

In order for an Annual or Special Shareholders' Meeting to be able to validly

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

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.

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 Shareholders' Meeting.

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 Shareholders' Meeting.

ARTICLE 12. Chair of the Shareholders' Meeting

The Shareholders' 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 Shareholders' Meeting.

The Secretary or Deputy Secretary of the Board of Directors shall act as Secretary of the Shareholders' Meeting. In the absence of both, such Director or shareholder as is freely designated by the shareholders attending each Shareholders' 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 Shareholders' Meeting, or regarding the Bylaw 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.

ARTICLE 13. Presiding Panel of the Shareholders' Meeting

The Presiding Panel of the Shareholders' Meeting shall be formed by the Board of Directors.

On an auxiliary basis there shall be sufficient personnel to carry out the duties of collecting cards, counting, receiving documentation, requesting the floor and all other matters which may arise in the course of the Shareholders' Meeting. Such personnel shall work with the Notary, when his presence has been requested.

ARTICLE 14. Scrutineers

The Shareholders' Meeting may decide, if appropriate, to appoint two shareholders as scrutineers from among those attending. Such scrutineers shall assist the Presiding Panel in checking the list of attendees and, if appropriate, in counting votes and in such other auxiliary functions as serve to facilitate the actions of the Presiding Panel and as the latter may entrust to them.

ARTICLE 15. Convening of meetings, deliberation and adoption of resolutions

15.1 Attendance list

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

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

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

15.2 Calling the meeting to order

After the meeting is called to order, the Secretary shall read the information concerning the call and attendance on the basis of the list of attendees. In light of the list of attendees the Chairman shall, if appropriate, declare the Shareholders Meeting to be validly convened. If a notary asked by the Company to draw up the minutes of the Shareholders 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 Shareholders 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.

15.3 Presentations

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

15.4 Request for information

While the Shareholders 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 (CNMV) 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 Shareholders Meeting.

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

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

15.5 Deliberation

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

The Chairman shall organize the manner in which replies are to be given to shareholders who have made any request or clarification in their 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 summarized by decision of the Chairman, provided that the shareholders representing the majority of the subscribed voting capital stock present at the Shareholders Meeting do not object to it.

In exercising his powers to organize the proceedings of the Shareholders 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 Shareholders 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 Shareholders 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 Shareholders Meeting, the Chairman of the Shareholders Meeting may resolve the adjournment of the session for such period of time as he deems adequate, under no circumstances exceeding two hours, in order to seek to reestablish the conditions necessary for its continuation. The Chairman of the Shareholders 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 Shareholders 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 Shareholders Meeting, those attending may decide to extend its sessions for one or more consecutive days.

- (ii) After the holding of the Shareholders 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 Corporate By-laws 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 By-laws, subject to the limitations contained therein in accordance with the mandate of Article 30 of the Electricity Industry Act and under Additional Provision No. 23 of Act 54/1997/17/2007.

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

- (i) the appointment, ratification, re-election or removal of each Director;
- (ii) in the event of an amendment of the By-laws, each Article or group of Articles with individual autonomy; and
- (iii) any matters for which this is foreseen in the By-laws.

The Chairman shall decide on the most appropriate method for voting in each case, which he shall announce publicly at the Shareholders 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 Shareholders 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 Shareholders Meeting, or, if appropriate, to the notary present at the Meeting, in such manner as may be decided by the Chairman.

In the foregoing two cases, the declaration or casting of votes by notification to the Secretary or, if appropriate, to the notary, may be done individually in relation to each of the items on the agenda, or collectively for some or all

of them. The Secretary shall furnish the Chairman with the list of the scrutineers drawn up together with the notary, if the latter was involved, with the result of the vote on each proposal. The list of votes counted must record all votes, indicating the voter's identity, the capacity in which he cast the vote (shareholder or proxy-holder) and whether he voted for or against or, if appropriate, his abstention. The notary, if any, shall record this in the minutes in the same way.

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 Corporate By-laws, the Regulations of the Shareholders 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 recognized electronic signature or such other kind of safeguard as the Board of Directors considers suitable to ensure the authenticity and the identity of the shareholder exercising the right to vote.

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

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

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

In any event the Board of Directors shall take the necessary measures to avoid duplications and to ensure that the person who cast the vote was

duly entitled to do so in accordance with the provisions of Article 15 of the Corporate By-laws.

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 Shareholders 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 By-laws, 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) per cent or more of the voting capital subscribed, without reaching fifty (50) per cent. The foregoing will not apply in those cases where the Law requires a greater majority.

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

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 Shareholders Meeting.

ARTICLE 16. Minutes of the Shareholders' Meeting and certificate

The matters debated and the resolutions adopted at Shareholders' Meetings shall be recorded in minutes, which may be approved by the Shareholders' Meeting itself immediately after it has been held or, otherwise, within fifteen days, by the Chairman of the Shareholders' Meeting and two tellers, one

representing the majority and the other representing the minority.

Regardless of the number of sessions over which the Shareholders' Meeting is held, it shall be considered a single Shareholders' Meeting and a single set of minutes shall be drawn up for all sessions.

Corporate resolutions may be implemented as from the date of approval of the minutes recording them.

If the Shareholders' Meeting has been held in the presence of a notary required by the Board of Directors to draw up minutes in accordance with Article 203 of the Corporate Enterprises Law, the notarial minutes shall be regarded as the minutes of the Shareholders' Meeting and shall therefore not have to be approved, and the resolutions recorded in them may be implemented as from the date of their completion.

The Directors shall require a notary to be present whenever this is requested by shareholders who represent at least one percent of the capital stock five days prior to the date set for holding the Shareholders' Meeting.

The minutes shall be entered in the Company's Minutes Book kept in accordance with the legal formalities.

Resolutions adopted at Shareholders' Meetings, as recorded in the Minutes Book, shall be evidenced by the appropriate certificates issued in accordance with the provisions of the Law and of Chapter Three, Section Three and other provisions of the Mercantile Registry Regulations.

ARTICLE 17. Publication

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 Shareholders' 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 Shareholders' Meeting, the Secretary shall issue a certificate of the resolutions or of the Minutes of the Shareholders' Meeting.

ARTICLE 18. Interpretation

These Regulations shall be interpreted in accordance with the corporate legislation in force and the Company's Bylaws. If any discrepancy exists between the provisions of these Regulations and the Corporate Bylaws, the provisions of the Bylaws shall prevail at all times.

ARTICLE 19. Publication of the Regulations of the Shareholders' Meeting

Following their approval, these Regulations of the Shareholders' 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 Corporate Bylaws and the legislation in force.

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

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



RED
ELÉCTRICA
CORPORACIÓN

Paseo del Conde de los Gaitanes, 177 · 28109 Alcobendas (Madrid) Spain
Shareholder's Office: 900 100 182 · www.ree.es