



RED
ELÉCTRICA
CORPORACIÓN

Grupo Red Eléctrica

Appointments and Remuneration Committee

25 May 2021

General Shareholders' Meeting:
Proposal for the appointment of
Mrs. Elisenda Malaret García as
independent director



1. Background and justification

At the upcoming General Shareholders' Meeting of the Company, scheduled for 28 and 29 June 2021, at first and second call, respectively, the term of office of the independent director Mr Alberto Francisco Carbajo Josa will come to an end.

Due to the vacancy that will arise in the Board of Directors, the Appointments and Remuneration Committee, within the framework of the responsibilities entrusted to it in the Regulations of the Board of Directors, has carried out the necessary analysis process to fill the aforementioned vacancy of independent director.

The procedure and requirements for the appointment of independent directors of the Company are regulated in articles 529 decies to 529 duodecies and 529 quindecies of the Spanish Companies Act, in article 20 of the Bylaws and in articles 7, 18, 21, 22 and 23 of the Board of Directors Regulations. These rules set forth the evaluation criteria, requirements and circumstances to be considered for the appointment of independent directors.

Furthermore, in accordance with the provisions of articles 529 decies, 529 undecies and 529 quindecies of the Spanish Companies Act, article 20 of the Bylaws and articles 21 and 23 of the Board of Directors Regulations, proposals for the appointment of independent directors shall be submitted to the Board of Directors by the Appointments and Remuneration Committee for submission to the decision of the General Shareholders' Meeting, and they shall hold office for a term of four years.

2. Corporate profile of director and review of the suitability of the nomination

In order to formulate the proposal, the Appointments and Remuneration Committee has followed the procedure established in the corporate rules for the appointment of directors of the Company and has analysed the corporate criteria, which define the profile and requirements deemed appropriate to hold the position of director, and the matrix of individual competencies of the Board of Directors, which reflects the skills, experience, knowledge, professionalism, suitability, independence of judgement, qualities and abilities that, in accordance with the Corporate Governance Policy (last updated by the Board of Directors at the meeting of 24 November 2020), the members of the Board of Directors must possess. This facilitates the monitoring of the balance, diversity and the overall and individual quality of the Board of Directors at any given time and the definition of the profile and requirements that are deemed appropriate, at this time, to hold the position of director of the Company, in this case, as an independent director.

The application of the matrix of individual competencies of the directors, which includes a total of twenty-eight categories reflecting the experience and knowledge of the members of the Board -in areas such as the electricity sector, the energy sector, infrastructure, regulation, telecommunications, institutional relations, legal knowledge and experience, the financial sector and capital markets, strategy and business development, boards of directors of public and private entities, sustainability, risk management and compliance, digital transformation, experience in teaching in reputable institutions, as well as in senior management and management of organisations, diversity of gender, nationality, age or length of service as director, among other skills - allows the Appointments and Remuneration Committee, before making a proposal for the appointment of an independent director, to analyse the overall diversity in the composition of the Board of Directors to ensure that at all times the Board has the most appropriate knowledge and experience, as a collegiate body, to successfully address the upcoming challenges and move forward efficiently and proactively in the fulfilment of the strategies and objectives of the Company and of the Red Eléctrica Group.

For the preparation of this proposal, the Appointments and Remuneration Committee has had the support of an independent international external advisor (Russel Reynolds), specialised in director selection processes, which has carried out an analysis of the adaptation of the candidate to the skills matrix approved by the Board, in which it has assessed the skills and experience of the same.



As a final result of the process, the Appointments and Remuneration Committee has selected Ms Elisenda Malaret García as candidate to occupy the position of independent director of the Company. Below is a summary of the circumstances and reasons that have led the Committee to formulate this proposal for the appointment of the aforementioned candidate as an independent director of the Company.

3. Analysis and evaluation of the selected candidate's professional profile

With regard to her professional profile, which the Committee has analysed in detail (and which will be published on the corporate website www.ree.es, in the section containing the documentation for the call to the Ordinary General Shareholders' Meeting), it should be noted that Ms Malaret García has held important roles, both in the academic field and, in particular, in the regulatory field and in relation to public administrations, highlighting, among others, her extensive knowledge and experience in the legal and regulatory field, with international scope, which extends to energy law. Below is a summary of her professional career.

Ms. Elisenda Malaret García was born in Barcelona on 20 March 1958. She holds a degree in Law and a PhD in Law from the University of Barcelona (UB). She is currently a Professor of Administrative Law at the University of Barcelona, where she carries out various teaching activities, among others, in the field of Economic Regulation Law in the Master's Degree in Advanced Legal Studies of the Faculty of Law and in the Master's Degree in Regulation, Competition and Public Services of the Faculty of Economics. She is also Director of the Master's Degree in Advanced Public Procurement (UB) and Co-Director of the Master's Degree in Public Management (EAPC).

Other current positions held by Ms. Malaret include Member of the Scientific Committee of the European Federation of Energy Law Associations and 1st Vice-President of the Spanish Association of Energy Law. (AEDEN).

She is currently a member of the Scientific Committee of the Associazione per gli Studi e le ricerche sulla Riforma delle Istituzioni Democratiche e sull'innovazione nelle amministrazioni pubbliche (AS-TRID); Member of the Society's Inaugural Council of the International Society of Public Law; Member of the European network Public Contracts in Legal Globalization (PCLG); and Member of the European Public Law Group (EPLG), among other positions.

In her previous professional career, in the field of telecommunications and communication, she has been a member of the Catalan Audiovisual Council (July 2008-July 2014) and a member of the Advisory Council of the Spanish Data Protection Agency (AEPD)(2005-2008); as well as Director of several courses on telecommunications regulation at the Consortium of the Menéndez Pelayo International University of Barcelona (CUIMPB) (between 1997 and 2001); and CAC representative on the European Platform of Regulatory Authorities (EPRA), on the contact committee provided for in the SCA Directive between national audiovisual regulators and the European Commission, on the Réseau des Institutions de Régulation Méditerranéennes (RIRM) and on the Platform of Audiovisual Regulators of Ibero-America (PRAI).

The candidate also has experience and knowledge in the political field, which she left more than 12 years ago; she was a Member of the Congress of Deputies in the 8th and 9th legislatures (2004-2008); Speaker for the Law on the Defence of Competition, the Law on the Basic Statute of the Public Employee, the Law on Public Sector Contracts, the Law on Transparency in Financial Relations between Public Administrations and Public Companies, the Law on State Agencies for the Improvement of Public Services and the Law on the Special Regime for the Municipality of Barcelona, among others (2004-2008).

In the field of academic research and teaching, she has been a visiting professor at the Universities of Paris II Pantheon-Assas, Institut de Sciences Politiques de Paris, Paris I Panthéon-Sorbonne, Institut de Sciences Politiques de Grenoble, Roma Tre, Externado de Bogotá, Siena, Oviedo, Euskadi, Roma La Sapienza, Pisa, Florence, Cattolica de Milano, Pavia, Montpellier.

Following the summary of her professional career, the Committee takes a very positive view of her extensive knowledge and experience in the legal and regulatory field, as well as in the field of public administration law. In



this respect, her research interests include the law of economic regulation - where she has published a number of important publications, as well as in the field of public economic law - and the independent regulatory authorities.

The Committee also highlights her positions as Member of the Scientific Committee of the European Federation of Energy Law Association and as 1st Vice-President of the Spanish Association of Energy Law (AEDEN), which demonstrates her extensive experience and knowledge of energy law, having published countless publications in this field, most recently, in 2021, the handbook Energy Law and Clean Energy Package. In addition, it is worth mentioning her research in infrastructure law, which is linked to energy law and telecommunications law.

All of this is especially valued, taking into account the importance of regulated electricity activities within the framework of the new 2021-2025 Strategic Plan of the Red Eléctrica Group, in which the Energy Transition in Spain constitutes its central axis; and, furthermore, because it is considered that strengthening the knowledge of the Board of Directors in relation to the current and future regulation of the energy sector, and in particular, the electricity sector, will allow anticipating possible opportunities that will undoubtedly arise in the coming years.

In addition, the Committee also highlights her experience in the telecommunications sector, when she was a director of the Audiovisual Council of Catalonia, as well as her legal knowledge accredited in her publications on the liberalisation of telecommunications and as director of various courses on the regulation of telecommunications; in this respect, her lines of research include audiovisual and technological convergence, as well as telecommunications law. Therefore, the candidate accredits knowledge and experience in the field of communication and telecommunications, which are of current strategic interest for the Red Eléctrica Group within the framework of the new Strategic Plan.

Furthermore, her four years at the Spanish Data Protection Agency is also a notable aspect, as the candidate will contribute not only her legal vision in this area, but also a diverse perspective on the value and management of data, something that is so relevant to promote innovation and technology, which are also strategic pillars of the Red Eléctrica Group.

The candidate also has among her lines of research transparency and good governance, aspects that are highly valued by the investment world in relation to the composition of Boards of Directors.

On the other hand, the Committee highlights, in a very relevant manner, her long career in the academic field, in teaching institutions of excellence, in the university field in her positions and activities linked to the University of Barcelona, where she has carried out almost all her professional activity; and highly values the international academic activity of the candidate, who has participated in multiple international research projects and as guest lecturer in different European universities, as well as her activities in international congresses, also highlighting her innumerable publications and her participation in various scientific and advisory editorial boards.

Finally, the Committee indicates that with the proposed appointment of Ms. Malaret García as an independent director of the Company, it continues to be committed to the incorporation of the best talent to the Board of Directors, in this case, with the incorporation of a woman with a prestigious professional career; in this way, the Company will maintain the current percentage of 50% of female directors, which places the Company at the forefront of the Ibex-35.

From the professional background analysed, it can be concluded that the profile of Ms. Malaret García is very suitable to form part of the Board of Directors of Red Eléctrica Corporación, S.A. as an independent director, highlighting her experience and knowledge in the legal field, particularly in energy law and infrastructure law, in the regulatory and public administration field, in the field of tele-communications and communication, in the field of academic excellence and, lastly, in relation to the promotion of transparency and good governance.



4. Category assigned to the director

At this point, it is necessary to determine the category assigned to the proposed candidate for director, bearing in mind, moreover, that she will replace the independent director Mr Alberto Francisco Carbajo Josa.

No incompatibility is observed, in accordance with the provisions of the Spanish Companies Act, the Board of Directors' Regulations and the Corporate Governance Policy, for the proposed candidate to occupy the position of independent director on the Board of Directors of the Company.

Furthermore, the Committee considers that the profile of the proposed candidate meets the necessary requirements of impartiality, objectivity and professional prestige for the position, and fulfils the conditions of recognised solvency, competence and experience required by the Board of Directors' Regulations for the position of external director, in this case, as an independent director.

Finally, it should be pointed out that, although the candidate has stated that she has no incompatibilities whatsoever, prior to her appointment, as is customary, Ms Malaret García must sign a declaration that she is not subject to any legal or regulatory incompatibilities in accordance with corporate regulations and that she has no conflicts of interest for the performance of her duties as an independent director of the Company.

5. Appointment proposal

Consequently, having concluded the corresponding analysis and without prejudice to the necessary formal declaration by Ms. Malaret García on the non-existence of legal, regulatory and corporate incompatibilities for the performance of her duties as independent director, in accordance with the provisions of articles 24.2 of the Articles of Association and 18.1 and 21.2 of the Regulations of the Board of Directors, the following proposed resolution is submitted to the Board of Directors for submission to the Ordinary General Shareholders' Meeting:

To appoint Ms. Elisenda Malaret García as independent director of Red Eléctrica Corporación, S.A., for the term of four years established in the Bylaws, replacing the independent director Mr. Alberto Francisco Carbajo Josa, at the proposal of the Appointments and Remuneration Committee, in accordance with the provisions of article 529 decies of the Spanish Companies Act.