

redeia

El valor de lo esencial



APPOINTMENTS AND
REMUNERATION COMMITTEE
24 April 2024

**Ordinary General
Meeting: Report on the
nomination to re-
appoint Ms. Beatriz
Corredor Sierra as
external director in the
category of "other
external" director**

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1 Background and reasoning

Subsequent to a report dated 21 February 2020 by the Appointments and Remuneration Committee supporting the nomination to re-appoint Ms. Beatriz Corredor Sierra to the position of "other external" director of Redeia Corporación, S.A. (also the "Company") (formerly, Red Eléctrica Corporación, S.A.) issued in accordance with sections 244, 529 decies, 529 duodecies, and 529 quidecies Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*) (the "Act"), Articles 20 and 24 of the Articles of Association, and sections 7, 18, 21, 22, and 23 of the Regulations of the Board of Directors, on 25 February 2020 the Board of Directors of the Company approved a series of agreements, including the following:

"To appoint Ms. Beatriz Corredor Sierra to the position of 'other external' director of Red Eléctrica Corporación, S.A. in accordance with sections 244, 529 decies, 529 duodecies, and 529 quidecies Corporate Enterprises Act, Articles 20 and 24 of the Articles of Association, and sections 7, 18, 21, 22, and 23 of the Regulations of the Board of Directors until the next General Meeting is held, to fill the only current vacancy existing on the Board of Directors prior to approval of this agreement subsequent to the irrevocable resignation from the four-year term as 'other external' director to which he had been appointed and ratified by the agreement approved by the General Meeting held on 22 March 2019 that Mr Jordi Sevilla Segura submitted to the Board of Directors on 28 January 2020."

In accordance with sections 529 decies and 529 quidecies of the Act and sections 18, 21, and 23 of the Regulations of the Board of Directors, nominations to appoint external directors (other than independent directors), including appointments made by co-option, are to be made at the proposal of the Board of Directors, and external directors appointed by co-option are to serve until the next General Meeting, which may ratify the appointments or appoint other directors.

Accordingly, on 14 May 2020 the General Meeting approved a series of agreements including:

"To ratify the appointment of Ms. Beatriz Corredor Sierra as 'other external' director of Red Eléctrica Corporación, S.A. approved by the Board of Directors at its meeting of 25 February 2020 and consequently to appoint her to be 'other external' director for the four-year term stipulated in the Articles of Association in accordance with section 529 decies Corporate Enterprises Act."

The Board of Directors is expected to call the Company's General Meeting to review the 2023 financial year at the Board meeting to be held on 30 April 2024, and given that Ms. Corredor Sierra's term as director will expire on the date of the above General Meeting, scheduled for 3 June 2024 at the first call to meeting and on 4 June 2024 at the second call to meeting, the Board requires a report on the corresponding proposal to ratify the nomination to re-appoint Ms. Beatriz Corredor Sierra to the position of "other external" director for submission to the above 2024 General Meeting.

The procedure to appoint the chair of the Board of Directors is set forth in Article 21 of the Articles of Association and in sections 9 and 18 of the Regulations of the Board of Directors and provides that the chair is to be elected from within by an absolute majority by the Board itself subsequent to a report by the Appointments and Remuneration Committee.

In compliance with section 529 decies(6) of the Act, the Appointments and Remuneration Committee has therefore prepared this Report for submission, if appropriate, to the next General Meeting with the Board of Directors' nomination to re-appoint Ms. Beatriz Corredor Sierra to the position of "other external" director of the Company for submission to the next General Meeting.

2 Director's business background

In putting forward this Report the Appointments and Remuneration Committee has followed the procedure and fulfilled the requirements laid down in the applicable legislation, the Company's regulations, and the Board of Director's Diversity Policy for the appointment of directors. It has taken into account the competency matrix for the skills of the individual members of the Board of Directors with the intent to achieve the skill set, experience, knowledge, professional conduct, suitability, independent thinking, attributes, and abilities the

members of the Board of Directors should have pursuant to the Board's Diversity Policy for the appointment of directors and the Corporate Governance Policy.

The Board of Directors' competency matrix was updated at the Board meeting held on 25 July 2023 and lists the aggregate values the Board should have, divided into three categories: (i) the experience and expertise of the Board's members as they relate to the strategic priorities of the companies in the group ("Redeia"), (ii) the cross-cutting functions most closely connected with the Board of Directors' own duties, and (iii) diversity. Considering this competency matrix individually for each director when drawing up appointment or re-appointment reports is an effective tool available to the Appointments and Remuneration Committee in pursuing the objective of forming a Board of Directors that is diverse in its overall composition to ensure that the Board of Directors, as a collective body, can draw on the most appropriate expertise and experience at all times.

All this facilitates the supervision of the balance, diversity, and overall and individual quality of the Board of Directors at all times and the definition of the profile and requirements that are considered appropriate to hold the position of external director of the Company, in this case in the category of "other external" director.

In keeping with the above principle of diversity set out in the Board of Director's Diversity Policy for the appointment of directors and in the Corporate Governance Policy (both posted on the Company's website), the Committee and the Board of Directors seek to promote diversity in the Board's composition in the broadest sense, namely, diversity of knowledge, experience, age, gender, nationality, and time in position, etc., as a key factor enabling the Board of Directors, through a balanced and diversified membership, to fulfil its mission and perform its duties with a view to successfully tackling future challenges and moving efficiently and proactively forward towards accomplishing the strategies and objectives of the Company and the companies making up Redeia.

Before issuing this Report, the Committee re-evaluated the qualifications and professional track record of the current "other external" director, Ms. Corredor Sierra, before submitting it to the Board of Directors.

It should be noted that in February 2020, the Committee had already issued a favourable report to the Board of Directors supporting the nomination to appoint Ms. Beatriz Corredor Sierra on considering her profile to be suitable for filling the vacancy that existed at the time. After evaluating the applicable legislation and the Company's own regulations, at the meeting held on 25 February 2020, the Board of Directors unanimously agreed to her appointment by co-option until the next General Meeting, which took place on 14 May 2020 and ratified and approved Ms. Corredor Sierra's appointment as external director in the category of "other external" director.

For the reasons set out below, as regards Ms. Corredor Sierra's career profile first evaluated in February 2020, in this Report the Committee reiterates the reasoning and arguments put forward in its Report dated 21 February 2020, all validated by Ms. Corredor Sierra's outstanding track record during her term as "other external" director now expiring and as Chair of the Board of Directors.

3 Track record in the Company, professional profile, and re-evaluation of his qualifications

As mentioned above, Ms. Corredor Sierra joined the Company's Board of Directors on 25 February 2020, and her initial appointment by co-option was ratified at the General Meeting held on 14 May 2020. Accordingly, her first term as external director of the Company is now expiring, and if she is re-appointed as external director by the General Meeting, she will be starting her second term in the category of "other external" director.

Ms. Corredor's career sketch has been posted on the Company's website and can be viewed via the link [Ms. Beatriz Corredor Sierra](#). Her background has been analysed by Committee again in detail and is set out below.

Ms. Beatriz Corredor Sierra was born on 1 July 1968 and holds a Law Degree from the Autonomous University of Madrid (1991). She earned appointment as a Land and Commercial Registrar by competitive examination in 1993. She completed the Executive Education – Senior Business Management Programme at the IESE-Business School (Spanish abbreviation PADE-A) in 2013 and the Executive Education – "Women Board Member" Programme at the IESE-Business School in 2015.

Currently, besides being Chair of the Board of Directors of Redeia Corporación, S.A. and Land Registrar on leave of absence (after more than 25 years on the job), she serves as Vice-President of the Royal Board of Trustees of the Museo Nacional Centro de Arte Reina Sofía.

Some of her noteworthy positions in the sphere of high-impact entrepreneurship, sustainability, and non-profit organisations involved with inclusion and equality include serving as a Mentor of the Endeavor Spain Foundation (since 2014), Member of the Advisory Board of WAS-Women Action Sustainability, Member of the Advisory Board of WLW-Women in a Legal World, Member of the Academic Council of the Norman Foster Institute, Member of the Board of Directors of Closingap, Member of the Directive Board of Women Climate Leaders Network (WCLN), Member of the Advisory Board of WomenCEO, and Member of the Advisory Board of Forbes Women. She is also a regular international speaker and lecturer.

In her former political career, she served as a Member of the Madrid Assembly and Chair of the Justice Committee in the 13th Legislative period of the Spanish Congress of Deputies (2019); as Secretary of State for Housing and Urban Action, Ministry of Public Works (October 2010-December 2011); and as the Spanish Government's Minister for Housing (April 2008-October 2010); and Councillor on the Madrid City Council (September 2007-April 2008). She has also served as Secretary for Territorial Planning and Public Housing Policies on the Federal Executive Committee of the Spanish Socialist Workers' Party (June 2017-February 2020) and President of the Pablo Iglesias Foundation (September 2018-February 2020).

In the sphere of public management some of her chief responsibilities have included Director of Institutional Relations of the Distinguished Association of Land and Commercial Registrars of Spain and Member of the Governing Board in charge of Institutional Relations and the Press and Communications Office (October 2013-June 2017).

As a member of the board of directors of state-owned enterprises, she has held the positions of Chair of the Board of Directors of the Entidad Pública Empresarial de Suelo (*Public Land Management Enterprise*) (SEPES) and Director of the Empresa Municipal de Vivienda y Suelo (*Municipal Housing and Land Enterprise*) (EMVS).

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

Her experience also extends to the negotiation and formation of strategy of collegiate bodies and management of institutional relationships at the highest levels with national public authorities (ministries, autonomous regions, municipalities) and international governments (e.g., EU, USA, Latin America, Russia, Turkey, Singapore), financial institutions and real estate companies and companies in other industrial sectors along with professional associations, societies, and NGOs. In the academic field, it is worth mentioning her experience as adjunct faculty member in the Master's Degree in Access to the Legal Profession at Nebrija University and in the Master's Degree in Real Estate Development at IE University's School of Architecture and Design.

Also noteworthy are her duties in liaising with the media and press, and her awards include the Forinvest 2022 Award, the Medal of Honour of the Spanish Association of Land and Commercial Registrars of Spain (2018), the 2017 ALUMNI Award by the School of Law of the Autonomous University of Madrid (in Spanish UAM), and the Grand Cross of the Royal and Distinguished Spanish Order of Carlos III. H.M. the King Juan Carlos I (2010).

Following this outline of her professional career, the Committee has considered it appropriate also to evaluate Ms. Corredor Sierra's qualities, skills, and experience not only as an external director but also for the position of Chair of the Board of Directors, a position she currently holds, in that if she is re-appointed external director by the General Meeting, she will automatically continue to hold the position of Board Chair pursuant to section 146(1) Spanish Commercial Registry Regulations (*Reglamento del Registro Mercantil*).

The Committee has in the first place considered the requirements set out in the Company's regulations and the Board of Director's Diversity Policy for the appointment of directors to specify the profile and requirements deemed suitable for the position of Company director along with the competency matrix of individual skills for the Board of Directors as updated last July 2023.

They have noted her extensive knowledge of and experience in the public sector and dealings with government bodies and her highly developed management capabilities and her capacity for dialogue with those institutions. These skills are extremely valuable in the regulated sector in which the main company in Redeia operates as the entity in charge of electricity transmission and operation of the electric power system in Spain. During her term as director and Chair of the Board of Directors of Redeia Corporación, S.A. she has demonstrated the high added value her professional skills and experience bring to managing institutional relations, especially at this critical juncture in furthering the energy transition in Spain, in which the electric power transmission grid is the backbone for the energy and digital transformation of our country. This is also true for another of her main duties set out in the Regulations of the Board of Directors, namely to safeguard the principle of the independence of the electricity system operator and suitable separation of regulated and unregulated activities.

Also valuable are her knowledge and experience in the private sector acquired through her professional background as a Land Registrar, the basis for her understanding of the vision, interests, and needs of both business and civil society, essential factors in being able to fulfil Redeia's commitments and responsibilities vis-à-vis society as a whole.

The Committee also points to her solid legal and regulatory education, knowledge, and experience in legal and regulatory matters in the fields of real estate, urban development and land-use planning, which are extremely important in the sectors in which Redeia's electricity and telecommunications activities are carried out.

Her communications skills and ability to interact with Redeia's different stakeholders are also central for a listed company like Redeia Corporación, S.A., which is permanently committed to meeting high standards of transparency vis-à-vis the market and the media.

In addition, her negotiating experience and her proven ability to help collegiate bodies reach consensus are key not only to her duties as Chair of the Board of Directors but also to the continued seamless and smooth functioning of the current corporate governance model of separating the duties of Board Chair and Chief Executive Officer, as evidenced by the excellent coordination between Ms. Corredor Sierra and the Company's current Chief Executive Officer and top executive.

Furthermore, her firm commitment to sustainability and good governance was manifest throughout her professional career before joining Redeia in her involvement in promoting extremely important legislation in this area, such as the Spanish Sustainable Economy Act (*Ley 2/2011, de 4 de marzo, de Economía Sostenible*), and she has firmly continued to pursue that commitment in Redeia during her term as Chairwoman of the Board of Directors of the Company through her leadership and her personal dedication to sustainability within Redeia. In this regard, the ongoing progress in achieving its 2030 Sustainability Commitments and Objectives aimed at meeting the Sustainable Development Goals approved by the United Nations made by Redeia in recent years is amply demonstrated in Redeia's Annual Sustainability Report for 2023 posted on the Company's website. An example of this is deployment and implementation of Redeia's new Global Impact Strategy led by Redeia's President seeking to globalise its scope to all lines of business and all the companies in Redeia and positioning it in society through its sustainable social and environmental action as a valuable key partner in advancing towards sustainable development worldwide. Ms. Corredor's active involvement in the non-profit organisations referred to above is further testimony to her commitment to the development of our society outside Redeia.

Her contribution to promoting the deployment of innovative technical solutions, tools, and infrastructures on the ground by ongoing dialogue with local communities to generate a positive impact on social, socioeconomic, and cultural aspects in the territories in which Redeia operates is an additional example of Ms. Corredor's leadership in driving innovation, the technological and digital transformation, and entrepreneurship within Redeia in the area of sustainability.

Furthermore, her leadership capabilities at the highest levels enable her, in coordination with the CEO, to promote the development of a diverse talent pool, including gender diversity, within the Redeia organisation and the management team to face current Redeia's strategic challenges and transformation process and the Company's evolution towards a model of integral well-being.

Ms. Corredor's performance of her duties as Board Chair have been highly rated by the directors in the successive annual self-evaluations the Board has carried out since Ms. Corredor was appointed Chairwoman of the Board of Directors of Redeia Corporación, S.A. in 2020. Not only that, but in the Committee's view the

President, as the person in charge of the work of the Board of Directors, convenes and chairs Board meetings effectively, sets clear meeting agendas, and encourages the relevant discussion, exchanges, and deliberations before the Board approves the applicable agreements.

Re-appointing Ms. Corredor Sierra as "other external" director would, moreover, preserve the current corporate model for balancing power in the structure and composition of the Board of Directors, in which supervision of the Board is led by its non-executive President, who also performs strategic corporate duties for the Company (including, for instance, institutional relations, communications and territorial relations, sustainability and research, and internal audit and risk management), while management of the business lines is led directly by the executive director and CEO. This model has gained widespread recognition since it was implemented in 2015. The Committee considers that these two offices provide highly effective cooperative leadership.

Lastly, the Committee notes that the nomination to re-appoint Ms. Corredor Sierra as external director of the Company is in keeping with the policy of retaining top talent to lead the Board of Directors, with the further advantage that she is a woman who has had a distinguished professional career and is already experienced in the position.

In conclusion, the Committee considers that, having in mind Redeia's current needs under its current Strategic Plan and the future strategic challenges that will have to be faced in the coming years, Ms. Corredor Sierra continues to be ideally suited to continue in her position as "other external" director and Chair of the Company's Board of Directors. Their reports therefore support the nomination to re-appoint Ms. Beatriz Corredor Sierra to the position of "other external" director of the Company for submission to the Board of Directors for onward submission to the next General Meeting.

4 Director category assignment

Based on the information available to the Committee and in light of the legislation in force, the Regulations of the Board of Directors, and the Board of Director's Diversity Policy for the appointment of directors, Ms. Corredor Sierra should be re-appointed external director in the category of "other external" director of the Company envisaged in section 529 duodecies(2) of the Act.

No grounds that would disqualify her from serving in the capacity of that category of director under the Act, the Regulations of the Board of Directors, the Board of Director's Diversity Policy for the appointment of directors, or the Corporate Governance Policy have been found.

Accordingly, the Committee finds that the profile of the director under consideration meets the necessary requirements of impartiality, objectivity, and high professional repute; satisfies the conditions of recognised standing, competence, and experience required by the Regulations of the Board of Directors for performing the duties of the position of external director of the Company; and meshes perfectly with the current competency matrix approved by the Board of Directors.

Lastly, before re-appointment, Ms. Corredor Sierra will have to re-issue her declaration that she is not disqualified on any legal or regulatory grounds or pursuant to the Company's regulations and that she has no conflicts of interest that would prevent her from performing the duties of her position as external director of the Company.

5 Report favourable to the nomination for re-appointment

Consequently, in accordance with sections 529 decies to 529 duodecies and 529 quindecies of the Act, Articles 20 and 24 of the Articles of Association, and sections 7, 18, 21, 22, and 23 of the Regulations of the Board of Directors, after completing the corresponding evaluation and subject to a new formal declaration by Ms. Corredor Sierra that she is not disqualified from performing the duties of external director in the category of "other external" director on any legal or regulatory grounds or pursuant to the Company's regulations as required, the Appointments and Remuneration Committee has issued this favourable report supporting the nomination to re-appoint Ms. Beatriz Corredor Sierra to the four-year term as external director of Redeia Corporación, S.A. stipulated in the Articles of Association and has approved submitting it to the Board of Directors for onward submission of the report and nomination to the General Meeting.

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