



**RED ELÉCTRICA**  
CORPORACIÓN

## **Governance and Corporate Responsibility Committee**

*9 March 2015*

Ordinary General Shareholders' Meeting:  
Report on the proposal for ratifying and appointing a  
proprietary director



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## 1. Justification and background facts

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On 29 July 2014, the Company's Board of Directors unanimously adopted the following resolution, among others:

*In accordance with the provisions of Articles 244, of the Spanish Companies Act (Ley de Sociedades de Capital), 21 and 24 of the Company By-laws, and 7, 16, 19, 20 and 21 of the Board of Directors' Regulations, to appoint as a proprietary director of Red Eléctrica Corporación, S.A., Mr Santiago Lanzuela Marina, on behalf of the Spanish State's industrial holding company, (Sociedad Estatal de Participaciones Industriales (SEPI)), until the first General Meeting is held, in order to cover the existing vacancy on the Board of Directors, which arises as a result of the resignation presented by Mr José Ángel Partearroyo Martín from the post of proprietary director on behalf of SEPI, to which he was appointed, for a term of four years, by means of a resolution of the Ordinary General Shareholders' Meeting held on 9 May 2014. This resignation was accepted by the Board of Directors at the same meeting held on 29 July 2014, in accordance with the proposal issued by SEPU and with the report issued by the Governance and Corporate Responsibility Committee”.*

Pursuant to the provisions of Article 529 *decies*, 6 of the Spanish Companies Act (*Ley de Sociedades de Capital*) (LSC), and Articles 16, 19 and 21 of the Regulation of the Board of Directors, the proposals of the appointment of the proprietary directors, including by co-optation, will be approved by the Board of Directors, subject to prior report by the Appointments and Remuneration Committee (Governance and Corporate Responsibility Committee, according to the name employed until now under the Company's corporate rules) and in the event that they are appointed by co-optation, they will exercise their posts until the date of the meeting of the General Shareholders' Meeting, which may ratify them or appoint other directors.

Given that it is envisaged that at the meeting on 10 March 2015, the Board of Directors will call the Company's Ordinary General Shareholders' Meeting corresponding to the 2014 financial year, given that the validity of the mandate as director of Mr Lanzuela Marina ends on the date that said General Meeting will be held, scheduled for 14 and 15 April 2015 (at first and second call, respectively), it is necessary to provide information on the corresponding proposal to the Board of Directors regarding the ratification and appointment as proprietary director of Mr Santiago Lanzuela Marina, in order to be raised at the next General Meeting.



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Since the appointment of said proprietary director has taken place recently through the co-optation procedure, at the meeting of the Board of Directors held on 29 July 2014, the Governance and Corporate Responsibility Committee considers that the merits, considerations and assessments made in relation to the report issued on 29 July 2014 continue to be valid at this time. This notwithstanding, below is a summary of the circumstances taken into consideration to issue said favourable report in relation to the proposal and appointment of Mr Lanzuela Marina.

To comply with the provisions of paragraph 6 of Article 529 decies of the LSC, the Governance and Corporate Responsibility Committee prepared this report so that, if applicable, it can accompany the proposal of the Board of Directors for the ratification and appointment of Mr Santiago Lanzuela Marina as a member of the Company's Board of Directors in the capacity of proprietary director acting on behalf of SEPI, in order to be submitted to the next Ordinary General Shareholders' Meeting.

## 2. Analysis of the profile of the director

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In order to prepare this report, the Governance and Corporate Responsibility Committee once again followed the procedure established in the corporate rules for appointing proprietary directors and analysed the corporate criteria established by the Governance and Corporate Responsibility Committee and by the Board to define the profile and the requirements that they consider appropriate to perform the post of Company director; it also once again evaluated the circumstances and professional experience of the current proprietary director, Mr Lanzuela Marina, prior to raising this report on the proposed ratification and appointment of said individual as the proprietary director to the Board of Directors, in order to be submitted to the Ordinary General Shareholders' Meeting.

Having once again analysed the *curriculum vitae* of the proprietary director, Mr Lanzuela Marina (*which is attached as an annex to this report*) and since it did not undergo any significant changes with regard to what was reviewed in July 2014, the Governance and Corporate Responsibility Committee considers that the profile of the proposed director continues to be appropriate to cover the vacancy that will arise on the date that the next General Meeting will be held. It also meets the requirements established in the Board of Directors' Regulations and in the LSC for performing the post of proprietary director. We highlight below some of the main aspects of his *curriculum vitae*.

The director was born on 27 September 1948 in the city of Teruel. His extensive academic and professional experience as an Economist stands out. He holds a degree in Economics and Business. He is a Spanish civil servant. He was an adjunct professor



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at the School of Economics at the University of Valencia. He was also head of the Spanish Cooperation Mission in Nicaragua and Director of International Technical Cooperation of the Spanish Ministry of Labour. He has chaired the Aragon Institute of Public Works and the European Centre of Companies and Innovation of Aragon. He was Regional Minister of Economy and Finance of the Government of Aragon, President of the Autonomous Community of Aragon, Chairman of the Economy and Finance Committee of the Senate and Vice-chairman of Congress' Foreign Affairs Committee. Additionally, as a Member of Parliament of the IX Legislature (2008-2011) he was Promoter of the "Sub-committee for analysing the Spanish energy strategy over the next 25 years". He was the national Member of Parliament, Chairman of the Economy and Competiveness Committee until 28 July 2014, which is when he resigned from said posts.

After summarising his professional background the Committee underscored his extensive professional training and experience in the economic and tax arena, the energy sector and in institutional relationships, in particular with the Administration and regulatory bodies. It likewise pointed out his considerable international experience and also in managing teams in the public sector, as a result of the responsibilities he has had over the course of his professional trajectory.

### **3. Category assigned to the director**

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Of the information held by the Committee, and in view of the current legislation and the Board of Directors' Regulations, Mr Lanzuela Marina should be classified as a proprietary director on behalf of SEPI, likewise responding to the demands required by said Board of Directors' Regulations in Article 7.2.b and in the LSC, in Article 529 *duodecies* paragraph 3.

Prior to his appointment Mr Lanzuela Marina must renew his declaration that he does not fall under any legal, regulatory or corporate rule incompatibilities, in order to perform his post as the Company's proprietary director.

### **4. Favourable report and the proposed ratification and appointment**

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Consequently, having concluded the analysis, and notwithstanding the necessary renewal of the formal declaration made by Mr Lanzuela Marina regarding the non-existence of incompatibilities for exercising the post of proprietary director, this Committee provides a favourable report in relation to his proposed ratification and



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appointment as proprietary director of Red Eléctrica Corporación, S.A., on behalf of SEPI, for a term of four years as established in the Company By-laws, in order to be submitted to the Ordinary General Shareholders' Meeting and resolve to raise this report to the Board of Directors. Said report is prepared in accordance with the provisions of Article 529 *decies*, in article 24 of the Company's By-laws and in articles 7, 16, 19 and 21 of the Board of Directors' Regulations.



## Annex 1 (*Curriculum vitae*)

**Santiago Lanzuela Marina**, born on 27 September 1948.

Degree in Economics and Business.

Spanish Civil Servant.

*He previously acted as:*

Adjunct professor at the School of Economics and Business at the University of Valencia (1971-1973).

Head of the Spanish mission for Technical Cooperation in Nicaragua (1974-1976).

Director of International Technical Cooperation Programs at the Spanish Ministry of Labour (1976-1981).

Advisor to the Chairman of the Ibero-American Cooperation Institute (*Instituto de Cooperación Iberoamericana*)(1982).

Head of the Inspection Service of National Wealth (*Servicio de Inspección del Patrimonio Nacional*) (1987).

Regional Minister of Economy and Finance of the Government of Aragon (1989-1993).

Founder and Chairman of the Aragon Institute of Public Works (*Instituto Aragonés de Fomento*) (1990).

Chairman of the European Centre of Business and Innovation of Aragon (*Centro Europeo de Empresas e Innovación de Aragón*) (1992).

Member of the Aragón Parliament (1991-1999).

President of the Autonomous Community of Aragón (1995-1999).

Senator of the Autonomous Community of Aragón. Chairman of the Economy and Finance Committee of the Senate (1999-2000).

Member of Parliament, Chairman of the Economy and Finance Committee of Congress (2000-2004).

Member of Parliament, Member of the Permanent Delegation, Vice-Chairman of the Foreign Affairs Committee and Member of the Public Works Committee (2004-2008).

Member of Parliament, Member of the Permanent Delegation, Vice-Chairman of the Foreign Affairs Committee and Member of the Public Works Committee, Member of the Territorial Administration Committee. Promoter of the "Sub-committee for analysing the Spanish energy strategy over the next 25 years" (2008-2011).

Member of Parliament. Chairman of the Economy and Competiveness Committee, Member of the Foreign Affairs Committee and Member of the Public Works Committee,



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and Member of the Spanish Delegation on the Parliamentary Assembly of the Organisation for Security and Cooperation in Europe (2011-28.7.2014).