



**RED ELÉCTRICA**  
CORPORACIÓN

**Board of Directors**

16 February 2018

Annual General Meeting of Shareholders: Report and proposal  
for the re-appointment of Mr. Antonio Gómez Ciria as  
independent director



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## 1. Background and justification

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On 9 May 2014, the Annual General Meeting of Shareholders adopted the following resolution, among others:

*“To appoint Mr. Antonio Gómez Ciria as independent director of Red Eléctrica Corporación, S.A., for the term of four years as established in the corporate By-laws, to substitute the independent director Mr. Rui Manuel Janes Cartaxo, according to the report and proposal made by the company's Corporate Governance and Responsibility Committee”.*

Since the above-mentioned term is coming to an end, it is necessary to submit for consideration of the Board, as a matter to be raised, if appropriate, at the next Annual General Meeting of Shareholders, the proposal to re-appoint Mr. Gómez Ciria as independent director.

Pursuant to the provisions of Article 529 *decies* of the Spanish Companies Act (*Ley de Sociedades de Capital*, LSC) and Articles 18, 21 and 23 of the Regulations of the Board of Directors, in the case of independent directors, the Appointments and Remuneration Committee must make a proposal assessing the competence, experience and merits of the director, to be forwarded to the Board of Directors, so that the latter may, in turn, issue its report pursuant to Article 529 *decies*, section 5, of the LSC and submit the proposal to the next Annual General Meeting of Shareholders.

Consequently, it is necessary to inform of the corresponding proposal for the re-appointment of Mr. Antonio Gómez Ciria as independent director, made by the Appointments and Remuneration Committee at its meeting held on 13 February 2018, and to submit the proposal, if appropriate, to the next Annual General Meeting of Shareholders, pursuant to the provisions of Article 529 *decies*, section 5, of the LSC, and to assess, in this report, the competence, experience and merits of the proposed candidate.

The procedure and the requirements for appointing independent directors of the company are regulated in Articles 529 *decies* to 529 *duodecies* and 529 *quindicies* of the LSC, Article 24 of the By-laws and Articles 7, 18, 21, 22 and 23 of the Regulations of the Board of Directors. These rules establish the criteria for evaluation, conditions and circumstances that must be considered when appointing independent directors.

## 2. Ideal profile of the director

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Both the Board of Directors and the Appointments and Remuneration Committee have criteria which define the profile and requirements considered appropriate for holding the position of



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director, defining the qualities, abilities and experience that the ideal director for the position should have, in this case as independent director.

Such profile considers, as prerequisite qualities when analysing candidates for the position of director: business experience and experience on boards of directors and on other management bodies of public or private entities, experience on boards of directors of listed companies, financial experience and experience in financial markets, as well as experience in the energy sector, managing human resources and management teams, and also having a knowledge of other languages.

In addition, the professional profiles of those directors currently holding a position on the Board of Directors serve as a initial point of reference when analysing candidates for director, notwithstanding that both the Appointments and Remuneration Committee and the Board of Directors likewise consider these when deciding which profiles, conditions and personal and professional qualities the new candidates for the position of director should have, at the time of issuing their report.

The Board of Directors also endeavours, as does the Appointments and Remuneration Committee, to apply the principle of diversity set out in the company's Corporate Governance Policy approved by the Board of Directors itself on 25 November 2014 and published on the company's website. In this regard, it attempts to promote diversity in the broad sense, understood as diversity of knowledge, experience, age and gender in the makeup of the Board of Directors, as being an essential factor which enables the Board to fulfil its mission and its responsibilities, from a plural and balanced perspective in terms of its makeup.

The Appointments and Remuneration Committee has formally submitted to the Board, on 13 February 2018, the proposal for the appointment of Mr. Antonio Gómez Ciria as independent director, as it considers him to have a profile suitable for occupying the position of independent director, subject to an analysis of the applicable legislation and by-laws.

### **3. Positions held within the company, professional profile and assessment of his circumstances**

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The director was appointed to the Board of Directors of the company four years ago by means of a resolution of its Annual General Meeting of Shareholders held on 9 May 2014; therefore, he is now finishing his first term as the company's director and would thus be beginning his second term as director, if he were re-appointed by the General Meeting.

During his term as a director of the company, he has held the following positions on Board of Directors' Committees:



- Member of the Audit Committee since 23 December 2014, a position he still currently holds.
- President of the Audit Committee since 28 November 2017, a position he still currently holds.

Regarding his professional profile included on the company's website, which may be viewed via this link: [-Mr. Antonio Gómez Ciria-](#), it is important to note that Mr. Gómez Ciria, born 25 March 1957, has a Degree in Economics and Business from Universidad Complutense in Madrid, a Degree in Mathematics from Universidad Complutense in Madrid, a Master in Business Administration and Management (Executive MBA) from the IESE Business School, and is an Accounting Expert certified by the Spanish Accounting and Business Administration Association (AECA).

The director has held the position of (among others): General Manager of Administration and Information Technologies and member of the Management Committee of the FCC Group, Representative of the FCC Group at the Large Companies Forum of the Ministry of Finance and Public Administrations, General Manager of Internal Auditing and Member of the Management Committee of the FCC Group, Head of Internal Auditing at the FCC Group, Member of the Advisory Board of the Institute of Internal Auditors and Member of the Management Committee, General Technical Secretary of InverCaixa (investment management company belonging to La Caixa group), President of the Spanish Accounting and Audit Institute (*Instituto de Contabilidad y Auditoría de Cuentas*), chairman of Empresa Nacional de Uranio, S.A., director of Empresa Nacional de Autopistas, S.A., director of Tabacalera, S.A., Head of Market Inspection at the Supervisory Body of the Madrid Securities Exchange, Assistant Manager of Budgeting and Planning at Radio Televisión Española, Head of the Accounting and Control Department at Banco de Crédito Agrícola and Comptroller and Auditor of the Spanish General Comptroller Office (IGAE).

This Committee wishes to highlight, within his recent professional experience, the positions he has held as an expert on auditing, accounting and risk management, given that he is currently a Member of the Advisory Board of Experts on Accounting and Financial Information (ECIF) of the General Council of the Spanish Association of Economists, and highlight his current experience as Member of the Board of Directors of prestigious insurance group Mapfre, in particular of Mapfre España Compañía de Seguros y Reaseguros S.A., Mapfre Global Risks Compañía Internacional de Seguros y Reaseguros S.A. and Mapfre Re Compañía de Reaseguros S.A.

Having summarised his professional experience both within the company and with other entities, this Committee firstly values very positively the director's contribution and dedication during the past four years when performing his duties as an independent director of the company, as a member of both the Board of Directors and the Audit Committee. This Committee also values the candidate's significant experience as a member of the boards of directors of



public companies in the energy sector, and in holding senior management positions relevant from a business perspective related to the infrastructures sector. In addition, he also stands out for his extensive experience in the financial and securities market area, and for his performance in the area of strategic business management and in leading senior management teams. His status as an expert on auditing, accounting and risk management, as already mentioned, is also relevant, in addition to his experience and knowledge not only in the private sector but also in Public Administration.

His professional profile makes Mr. Gómez Ciria an ideal candidate to continue forming part of the Board of Directors of Red Eléctrica Corporación, S.A., complementing its professional capabilities and knowledge and enhancing the diversity of the professional profile of its members, especially with regard to experience in the financial area, risk management and the infrastructures sector.

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

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From the information available to the Board of Directors, and in view of the legislation in force and the Regulations of the Board of Directors, Mr. Gómez Ciria can be classified as an independent director, since he does not fall into any of the incompatibilities established in the LSC and in the Board Regulations. Regarding the twelve-year maximum term for holding the position of independent director established in Article 7 of the Board Regulations and in Article 529 *duodecies* of the LSC, this proposal for the re-appointment of Mr. Gómez Ciria as independent director would not breach this, since he would be beginning his second four-year term.

Having assessed the director's professional experience, the Board of Directors, in accordance with the proposal made by the Appointments and Remuneration Committee, feels that Mr. Gómez Ciria fits the profile of director determined by both the Board and the Committee, and that he likewise meets the requirements of impartiality, objectivity, professional prestige, creditworthiness, competence and experience set out in the LSC and the Regulations of the Board of Directors to hold the position as independent director.

The re-appointment of Mr. Gómez Ciria as independent director would help to benefit the interests of the minority shareholder, who in this way would continue to be adequately represented on the Board, together with the other independent directors.

After analysing Mr. Gómez Ciria's professional experience, the Board of Directors rates him as very highly qualified.



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Prior to his appointment, as is customary, Mr. Gómez Ciria will have to renew his declaration stating that he does not fall under any legal, regulatory or corporate incompatibilities with regard to holding the position of independent director of the company.

## 5. Proposal for re-appointment

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Consequently, with the corresponding analysis having concluded, and notwithstanding the necessary formal declaration by Mr. Gómez Ciria regarding the inexistence of incompatibilities with regard to holding the position of independent director, the Board of Directors considers that the director continues to fulfil the necessary conditions adapted to the ideal profile to hold the position of independent director on the Board of Directors of the company.

Having read this report of the Board of Directors and having analysed the proposal made by the Appointments and Remuneration Committee on 13 February 2018, and pursuant to the provisions of Article 529 *decies* of the la LSC, Article 24 of the corporate By-laws and Article 21 of the Regulations of the Board of Directors, this report and proposal is approved and submitted for consideration to the Annual General Meeting of Shareholders, as stated below:

*To re-appoint Mr. Antonio Gómez Ciria as independent director of Red Eléctrica Corporación, S.A., for the term of four years established in the corporate By-laws, pursuant to the provisions of Article 529 decies of the Spanish Companies Act.*