



*Grupo Red Eléctrica*

## **Board of Directors**

31 March 2020

General Meeting of Shareholders:  
Report and proposal for the ratification  
and appointment of Ms. Beatriz Corredor  
Sierra as director within the category  
"other external"



## 1. Background and justification

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On 25 February 2020, following a report and at the proposal of the Appointments and Remuneration Committee, at its meeting held on 21 February 2020, the Board of Directors appointed Ms. Beatriz Corredor Sierra as a director of Red Eléctrica Corporación, S.A., under the category of "other external". Specifically, the Board of Directors of the Company approved, among others, the following resolution:

*"To appoint Ms. Beatriz Corredor Sierra as a director of Red Eléctrica Corporación, S.A, within the category of "other external", in accordance with the provisions of articles 244, 529 decies, 529 duodecies and 529 quidecies of the Spanish Companies Act, articles 20 and 24 of the Articles of Association and articles 7, 18, 21, 22 and 23 of the Board of Directors Regulations, until the first General Meeting of Shareholders is held, in order to cover the only vacancy on the Board of Directors existing prior to the adoption of this resolution, produced as a result of the irrevocable resignation presented by Mr. Jordi Sevilla Segura of the position of director, within the category of "other external", for which he was ratified and appointed, for a period of four years, by agreement of the Annual General Meeting of Shareholders held on 22 March 2019, irrevocable resignation presented to the Board of Directors at the meeting held on 28 January 2020".*

In accordance with articles 529 decies and 529 quidecies of the Spanish Companies Act, and articles 18, 21 and 23 of the Board of Directors Regulations, proposals for the removal and appointment of directors, including appointments by the co-optation procedure, shall be approved by the Board of Directors following a report and/or proposal from the Appointments and Remuneration Committee and the persons appointed will serve in office until the date of the first General Meeting of Shareholders.

The procedure for appointing the chair of the Board of Directors is regulated by article 21 of the Articles of Association and articles 9 and 20 of the Board of Directors Regulations, which establish that the chair shall be elected by the Board itself from among its members, by absolute majority, following a report from the Appointments and Remuneration Committee.

Given that the Board of Directors is expected to call the company's Annual General Meeting of Shareholders for the 2019 fiscal year at its meeting on 31 March 2020, and taking into account that the validity of Ms. Corredor Sierra's mandate as director ends on the date of the aforementioned General Meeting of Shareholders, scheduled for 13 May and 14 May 2020 (on first and second call, respectively), it is necessary that the Board of Directors submits to the next General Meeting of Shareholders the proposal to ratify and appoint Ms. Beatriz Corredor Sierra as a director, within the category of "other external", after analyzing the corresponding legal circumstances and conditions and those foreseen in the company's corporate regulations, and in view of the favourable report and proposal of the Appointments and Remuneration Committee.

In this regard, it should be noted that the Appointments and Remuneration Committee, at its meeting held on 24 March 2020, reported favourably and issued the corresponding proposal for the ratification and appointment of Ms. Beatriz Corredor Sierra as a director, within the category of "other external", of Red Eléctrica Corporación, S.A., for its submission to the Board of Directors for approval and subsequent submission to the next Annual General Meeting of Shareholders.

Therefore, in order to comply with the provisions of section 6 of article 529 decies of the Spanish Companies Act, the Board of Directors prepares this report and proposal for the ratification and appointment of Ms. Beatriz Corredor Sierra as a member of the Board of Directors of the company, within the category of "other external", for submission to the next Annual General Meeting of Shareholders.



## 2. Corporate profile

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In order to draft this report, the Board of Directors has followed the procedure established in the corporate rules for appointing directors of the company and analysed the corporate criteria that define the profile and the requirements considered appropriate to hold the position of director and the matrix of individual competences of the Board of Directors, which reflects the competences, experience, knowledge, professionalism, suitability, impartiality, qualities and abilities established in the Corporate Governance Policy for members of the Board of Directors, approved by the Appointments and Remuneration Committee and by the Board of Directors. All of the above 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 at this time considered appropriate for holding the position of director in the company, in this case, as an external director, within the category "other external".

The Board of Directors has considered the favourable report and ratification and appointment proposal issued by the Appointments and Remuneration Committee, at its meeting held on 24 March 2020, at which it evaluated the circumstances, career and professional profile of the current external director, Ms. Corredor Sierra, before approving this report and making the relevant proposal to ratify and appoint the same as external director, within the category of "other external", to be submitted to the Annual General Meeting of Shareholders.

The Board of Directors, in issuing this report, has re-evaluated the circumstances and professional career of the current external, Ms. Corredor Sierra, within the category of "other external", to be submitted to the next General Meeting of Shareholders, and ratifies, for the reasons indicated below, the rationale and grounds contained in its report dated 25 February 2020, given that, in light of the short time that has passed, no significant changes that require assessment have occurred.

## 3. Professional career and new evaluation of circumstances

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After having again considered the *curriculum vitae* of the external director Ms. Beatriz Corredor Sierra, published on the company's website, which can be consulted at the following link –[D<sup>a</sup> Beatriz Corredor Sierra](#)–, the Board of Directors considers that the proposed director's profile continues to be appropriate to fill the vacancy that will occur on the date of the next General Meeting of Shareholders, and it fulfils the requirements set out in the company's Board of Directors Regulations and in the Spanish Companies Act for holding the position of director included in the relevant category. We include some of the highlights of his *curriculum vitae* below.

Ms. Corredor Sierra was born on 1 July 1968, she has a Law Degree from the Universidad Autónoma de Madrid (1991), and she became an official Land and Mercantile Registrar by competitive examination in 1993. She has also completed an Executive Education - Senior Management Program. IESE-Business School (PADE-A-2013) and an Executive Education Program focused on "Women on Boards of Directors". IESE-Business School (2015).

In addition, among other positions in the teaching and university field, she is currently associate lecturer of Civil Law in the Master's Degree Program on Access to Legal Practice at the Nebrija University; associate lecturer of Policies for Sustainability and Housing in the Master's Degree Program on Management of Construction and Real Estate Companies at the ETSAM, and associate lecturer of Social & Affordable Housing in the Master's Degree in Real Estate Development, School of Architecture & Design. IE University.

In the area of the United Nations institutions that collaborate for Europe, she is a member of the board, Committee on Urban Development, Housing and Land Administration, UNECE, Geneva.

She also stands out for her support of high-impact entrepreneurship, as a Mentor of the Endeavor España Foundation. She is also a regular international speaker and lecturer.



Her former political career includes being Member of Parliament for Madrid and chair of the Justice Commission, Congress of Deputies, 13th Legislature (2019); Secretary of State for Housing and Urban Development. Ministry of Development (October 2010–December 2011); and Minister of Housing of the Spanish Government (April 2008–October 2010) and Madrid City Councillor (September 2007–April 2008). In addition, she has been Head of Land Planning and Public Housing Policy Affairs within the Federal Executive Committee of the Spanish Socialist Workers' Party, and President of the Pablo Iglesias Foundation.

In relation to public management, the following offices can be highlighted: Director of Institutional Relations of the Association of Land and Mercantile Registrars of Spain, member of the Governing Board, responsible for Institutional Relations and the Press and Communication Office (October 2013–June 2017) and director of the Housing and Land Municipal Enterprise.

As a member of the board of directors of state-owned companies, she has been chair of the board of directors of the Public Business Land Entity (*Entidad Pública Empresarial de Suelo*, SEPES), board member of the Committee on Urban Development, Housing and Land Administration, UNECE, in Geneva. She is also member of the AlumniUAM Advisory Council.

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

Her experience also extends to negotiating and decision-making in collegiate bodies, directing institutional relations at the highest level with national (Ministries, Autonomous Communities, City Councils) and international (E.U., U.S., Latin America, Russia, Turkey, Singapore) public authorities, with financial institutions and companies in the real estate sector and other industrial sectors, and with professional societies, associations and NGOs.

Finally, it should be noted that she has also performed liaison responsibilities with the media and press offices and has received numerous distinctions and awards from various institutions.

Following the summary of her professional career, the Board considers that it must simultaneously evaluate the qualities, competencies and experience of Ms. Corredor Sierra not only as an external director but also, in order to hold the position of chair of the Board of Directors, a position she currently holds, and this because with the ratification as an external director by the General Meeting, if this occurs, she would automatically continue to hold the position of chair of the Board, as established in article 146.1 of the Regulations of the Mercantile Registry.

The Board of Directors has taken into account, in the first place, the corporate criteria established by the Appointments and Remuneration Committee and by the Board itself to define the profile and requirements considered appropriate to hold the position of director of the company, as well as the matrix of individual competencies of the Board of Directors.

The summary of her professional career shows her wide range of knowledge and experience in the public sector and with public authorities, as well as her remarkable capacity to manage and dialogue with such entities, circumstances which should be valued in a regulated sector such as that of the main company of the Red Eléctrica Group, engaged in the transmission of electrical energy and the operation of the electrical system. Her knowledge and experience in the private sector, acquired through the exercise of her profession as Property Registrar, is also highly valued, which has allowed her to understand the vision of the business side and individuals.

Her capacity for leadership at the highest level, especially in the management of institutional relations at the highest level with national (Ministries, Autonomous Communities, City Councils) and international (E.U., U.S., Latin America, Russia, Turkey, Singapore) public authorities, are values that are essential for her to hold the position of chair of the Board of Directors of the company and of the Red Eléctrica Group, assuming a leadership that consolidates Red Eléctrica Group's avant-garde positions in excellence and quality, especially within the framework of the regulated electricity sector in which it carries out very relevant activities.



The Board highlights her solid education, knowledge and experience in the legal and regulatory fields, with special emphasis on real estate, urban planning and land use planning, which are strategic pillars of the Group and also of extraordinary importance in the sector in which the Red Eléctrica Group's electrical and telecommunications activities are carried out.

Her skills in the area of liaising with the media are very relevant for a listed company such as Red Eléctrica Corporación, which has the duty and is committed to complying with high requirements of transparency towards the markets and the media.

Her experience in negotiating and decision-making in collegiate bodies and her proven ability to reach consensus are key not only to her position as chair of the Board of Directors and of the company, but also to ensuring the proper operation of the current corporate governance model that separates the positions of chair of the Board and managing director.

Her commitment to sustainability and corporate governance is demonstrated by her participation in the promotion of relevant legislation in this field, such as Act 2/2011, of 4 March, on Sustainable Economy, and as associate lecturer on Sustainability Policies in the Master's Degree in Construction and Real Estate Management at ETSAM. Sustainability has become a primary focus for Red Eléctrica's Board of Directors, creating a specific dedicated Committee at the end of 2018 and, more recently, introducing sustainability as a pillar of the Group's new 2018-2022 Strategic Plan.

Her solid commitment to innovation and entrepreneurship, demonstrated since 2014 as Mentor of the Endeavor Spain Foundation (support for high-impact entrepreneurship), is essential for the Red Eléctrica Group, which has incorporated these challenges into the new Strategic Plan, as essential for the development of its activities, and therefore to be adequately promoted by the Board.

Finally, her current positions in the teaching and university fields demonstrate a strong commitment to the development of our society, in order to progress towards a more sustainable world through education and teaching.

In addition, it should be noted that the appointment of Ms. Corredor as an external director would bring about an orderly and reasonable succession in the current corporate system of balance of power in the structure and composition of the Board of Directors, with the supervision of the Board, led by its non-executive chair and external director, coexisting with the management of the business, led directly by its chief executive, the managing director, a system regarded as an international benchmark for good corporate governance.

If the Board of Directors approves the appointment of Ms. Corredor Sierra as a director, the current percentage of women on the Board would increase to 50%, placing the company at the forefront of the IBEX-35.

In conclusion, the Board considers that she has a suitable to continue holding the office of chair of the Board of Directors in view of the current and future needs of the Red Eléctrica Group and in accordance with its Strategic Plan.

#### 4. Category assigned to the director

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From the information available to the Board of Directors, and in light of both the legislation in force and the Board of Directors Regulations, Ms. Corredor Sierra can be appointed external director, within the category "other external", as it fits the provision of the Spanish Companies Act and the Board of Directors Regulations.

Prior to his appointment, as is customary, Ms. Corredor Sierra will have to renew his declaration stating that she has no conflicts of interest and that she does not fall under any legal, regulatory or corporate incompatibilities that would prevent her from holding the position of external director of the company, within the director category designated as "other external".



## 5. Favourable report and proposal for the ratification and appointment

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Consequently, after having reviewed the report and proposal of the Appointments and Remuneration Committee issued at its meeting of 24 March 2020, upon concluding the relevant analysis, and without prejudice to the necessary renewal of Ms. Corredor Sierra's formal declaration regarding the non-existence of incompatibilities and conflicts of interest for the exercise of his position as external director, within the category "other external", the Board of Directors reports favourably and proposes to submit the following proposal of resolutions to the Annual General Meeting of Shareholders for its approval:

To ratify the designation of Ms. Corredor Sierra director of Red Eléctrica Corporación, S.A., within the category "other external", agreed by the Board of Directors at its meeting held on 25 February 2020 and, consequently, appoint her as director, within the category "other external", for the term of four years established in the company's Articles of Association, in accordance with the provisions of article 529 decies of the Spanish Companies Act.