



*Grupo Red Eléctrica*

## **Board of Directors**

31 March 2020

Annual General Meeting of Shareholders:  
Report and proposal for re-election of  
Ms. Carmen Gómez de Barreda Tous de  
Monsalve as independent director



## 1. Background and justification

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On 15 April 2016, the Annual General Meeting of Shareholders of the company adopted, among others, the following resolution:

*“Re-elect Ms Carmen Gómez de Barreda Tous de Monsalve, at the proposal of the Appointments and Remuneration Committee, as independent director of Red Eléctrica Corporación, S.A., for the term of four years set in the Articles of Association, in accordance with the provisions of article 529 decies of the Spanish Companies Act.”*

Given that the aforesaid term is close to an end, it is necessary to submit to the Board’s consideration the proposal for the re-election of Ms. Gómez de Barreda as independent director, so that it may be submitted, if appropriate, to the next Annual General Meeting of Shareholders.

To comply with the provisions of article 529 decies of the Spanish Companies Act (*Ley de Sociedades de Capital*, LSC) and article 18, 21 and 23 of the Board of Directors Regulations, in relation to the independent directors, the Appointments and Remuneration Committee is required to prepare a proposal evaluating the director’s skills, experience and merits, to be submitted to the Board of Directors, so that it may issue its report pursuant to article 529 decies, section 5 of the Spanish Companies Act, and submit the relevant proposal to the shareholders at the next Annual General Meeting of Shareholders.

Consequently, it is necessary to report the relevant proposal for the re-election as an independent director of Ms Carmen Gómez de Barreda Tous de Monsalve made by the Appointments and Remuneration Committee at a meeting held in 24 March 2020, and, if appropriate, to submit it to the next Annual General Meeting of Shareholders, in accordance with the provisions of article 529 decies, section 5 of the LSC, evaluating in this report the competence, experience and merits of the proposed director.

The procedure and requirements for appointment of the company’s independent directors are regulated in articles 529 decies to 529 duodecies, and 529 quindecies of the Spanish Companies Act, in article 24 of the Articles of Association and in articles 7, 18, 21, 22 and 23 of the Board Regulations. The evaluation criteria, conditions and circumstances that must be taken into account considered for the appointment of independent directors are established in those rules.

## 2. Ideal profile of the director

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To prepare this report, the Board of Directors has followed the procedure established in the corporate rules for the appointment of the company’s directors and has analysed the corporate criteria, which define the profile and the requirements considered appropriate for the position of director, and the matrix of individual competencies of the Board of Directors, which reflects the competences, experience, knowledge, professionalism, suitability, independence of criteria, qualities and capacities established by the Corporate Governance Policy for the members of the Board of Directors, approved by the Appointments and Remuneration Committee and by the Board of Directors itself. All of 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 the requirements considered appropriate at this time to hold the position of company director, in this case as an independent director.

The aforesaid profile considers, as initial values for the analysis, the business experience and experience on boards of directors of listed and non-listed companies, and other governing bodies of public or private entities, in the energy sector and management of human resources and management teams, as well as the knowledge of languages,



among other aspects.

In addition, the professional profiles of the current directors holding positions the Board of Director also serve as an initial reference point for the analysis that the Appointments and Remuneration Committee and the Board of Directors perform, when issuing the relevant report and proposal, in order to decide on the profiles, conditions and professional and personal qualities that the new candidates for the position of director should have.

Likewise, the Board of Directors, like the Appointments and Remuneration Committee, also tries to apply the principle of diversity contained in the Corporate Governance Policy approved by the Board of Directors itself and published on the corporate website. In this sense, it seeks to promote diversity in a broad sense, understood as diversity of knowledge, experience, age, gender, etc. in the composition of the Board of Directors, as an essential factor that allows the Board to fulfil its mission and responsibilities, from a plural and balanced viewpoint in its composition.

On 24 March 2020, the Appointments and Remuneration Committee formally submitted to the Board the proposal to re-elect Ms. Carmen Gómez de Barreda Tous de Monsalve as independent director, since it considered her profile to be suitable for filling the vacancy of independent director and continue serving as a director in that category, after analysing the applicable legal and corporate regulations.

### 3. Career within the company, professional profile and evaluation of circumstances

The director joined the company's Board of Directors eight years ago, by resolution of the Annual General Meeting of Shareholders held on 19 April 2012. Thus, she now completes her second term as a director thereof and will begin her third term, if she is ultimately re-elected at the General Meeting of Shareholders.

The director has held the following positions on the Committees of the Board of Directors:

- Member of the Appointments and Remuneration Committee (from 26 April 2012 to 26 May 2015, date on which she became the chairwoman of such Committee; and from 27 November 2017 to 27 November 2018).
- Chairwoman of the Appointments and Remuneration Committee (from 26 May 2015 to 27 November 2017).
- Chairwoman of the Sustainability Committee (since 27 November 2018, a position which she still holds).
- Independent lead director (from 28 May 2013, a position which she still holds, having been reappointed by the Board of Directors on 31 May 2016 and 26 March 2019).

Regarding her professional profile, detailed on the corporate web site, which can be consulted at the following link -[Ms. Carmen Gómez de Barreda Tous de Monsalve](#)-, it can be noted that Ms. Gómez de Barreda, born on 20 May 1968, has a degree in Economics and Business from the Universidad Pontificia de Comillas (ICADE) and a master's degree in Business Administration from IESE (Executive MBA), Universidad de Navarra.

She currently is general manager of Corporación de Reservas Estratégicas de Productos Petrolíferos (CORES), member of the Board of Directors of Grupo Ezentis, S.A. and member of the Advisory Committee of the Board of Directors of Grupo Antolin-Irausa, S.A. Within the Red Eléctrica group, she is member of the Board of Directors of Hispasat, S.A.

The director has served, *inter alia*, as the head of the Cogeneration area of the Marketing Department of Enagás; head of the International, Petrochemical and Marketing areas of Repsol; Services Development manager of Unión Fenosa; deputy director of Petroleum Markets with the National Energy Commission (*Comisión Nacional de Energía*, or CNE), Institutional Relations and Communications Manager of BP Oil España; representative of the Spanish delegation on the Emergency Matters Group and the Markets Group of the International Energy Agency (IEA);



representative in different international working groups on energy regulation and security of supply issues (ARIAE and CEER) and lecturer in sessions and/or lectures in different Masters (University of Barcelona, ICAI, Cesma, Spanish Energy Club).

After review of her professional career, both within and outside the company, the Board, in the first place, greatly appreciates the director's contribution and dedication over the last eight years in the performance of her functions as an independent director of the Company, both on the Board of Directors and on the Appointments and Remuneration Committee (as a member and as the chairwoman), and more recently, on the Sustainability Committee (as chairwoman).

Likewise, the Board also values the contribution and dedication of Ms. Gómez de Barreda serving as independent lead director, in her task of organising the common positions of the non-executive directors, especially independent directors, and serving as a channel of communication between those positions and the chairman of the Board of Directors, the Board itself and its Committees.

In 2015, she played an important role in the design, planning and promotion of the process of separating the positions of chairman of the Board of Directors and managing director. And in 2017, she participated as chair of the Appointments and Remuneration Committee, in the process of preparing the Contingency Plans for the Succession of the chairman of the Board and the managing director, the last update of which was approved by the Board of Directors in January 2019.

In fact, it is worth highlighting her relevant role in relation to the recent activation of the aforementioned Contingency Plan for the Succession of the Chairman of the Board. Specifically, after the activation of said Plan and until the appointment by co-optation of the new chairwoman of the Board, the independent lead director assumed, in a fluent and orderly manner, the management of the Board of Directors and was temporarily chairing the Board meetings held during this period.

It is also worth noting the participation of the independent lead director, in coordination with the Appointments and Remuneration Committee, in the successive processes of periodic evaluation of the Board of Directors.

It is also important to highlight her active participation, since 2016, in the corporate governance road shows organized by the company with proxy advisors, who have expressly stated their satisfaction with the responsibilities carried out by the independent lead director, and with the relevance of this role for the investment world despite the fact that it is not mandatory for the company, since the chairman of the Board of Directors is not an executive director.

The Board also values her broad experience in senior management positions with entities, both public and private, in the energy sector, in particular the electricity sector.

Of great value is also her track-record in the management of senior management teams, both domestically and internationally, having served in various senior positions such as Assistant Director of Petroleum Markets with the National Energy Commission, Director of Institutional Relations for BP Oil España, Director of Services Development of Unión Fenosa and head of the International, Petrochemical and Marketing areas for Repsol.

Likewise, it is worth mentioning her recent and relevant appointment in October 2019 as a director of the Red Eléctrica Group company, Hispasat, S.A., company responsible of the satellite telecommunications activity which constitutes one of the strategic pillars of the Red Eléctrica Group.

Finally, the Board notes that this proposal is consistent with the commitment established in article 18.1 n) of the Board of Directors Regulations to ensure that the Board considers the gender diversity when filling new vacancies in the Board, in line with the best international corporate governance practices.

In a nutshell, her excellent professional career makes Ms. Gómez de Barreda's profile ideal to continue forming part of the Board of Directors of Red Eléctrica Corporación, S.A., complementing her skills and reinforcing the diversity of the professional profile of its members to contribute to the global vision of the Board as collegiate body.



## 4. Category assigned to the director

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The Board of Directors, pursuant to the proposal made by the Appointments and Remuneration Committee, concludes that the director's profile meets the requirements of impartiality, objectivity, professional prestige, recognised solvency, competence and experience required by the Board of Directors Regulations, in order to serve as an independent external director.

The re-election of Ms. Gómez de Barreda as an independent director not only would strengthen communication between the Board of Directors with institutional shareholders and their advisors, but would also redound to the benefit of minority shareholder interests, which in this way would continue to be appropriately represented on the Board, together with the other independent directors.

The Board has also considered the time limit of twelve years established in article 7 of the Board Regulations and in article 529 duodecies of the LSC, for serving as an independent director, which is respected with the new proposal for re-election as an independent director of Ms. Gómez de Barreda, given that she would begin her third and last four-year term as independent director.

On the other hand, the possibility of an independent director of the company acting simultaneously as a non-executive director in another company of the Group, as it is the case for Ms. Gómez Barreda, is covered by article 7.2 c) ii) of the Board Regulations, which only establishes as a condition that the remuneration received by the relevant group company is not significant for the independent director, as is the case here.

No other incompatibility under the Spanish Companies Act and the Board of Directors Regulations is observed either in relation to the category of "independent" assigned to the director.

Before her appointment, as is customary, Ms. Gómez de Barreda must sign the declaration that she has no conflicts of interest and is not affected by legal, regulatory or corporate regulations incompatibilities for her service as an independent director of the company.

## 5. Favourable report and re-election proposal

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Accordingly, having concluded the analysis, and without prejudice to the renewal of the formal declaration by Ms. Gómez de Barreda as to there being no incompatibilities for exercise the position of an independent director, the Board of Directors concludes that the director continues to satisfy the suitable conditions to continue serving as an independent director on the Board of Directors of the company.

Therefore, pursuant to the proposal made by the Appointments and Remuneration Committee on 24 March 2020, and in accordance with the provisions of article 24.2 of the Articles of Association and article 21.2 of the Board of Directors Regulations, the Board issues a favourable report and proposes to submit the relevant resolution proposal to the Annual General Meeting of Shareholders for its approval on the following terms:

*To re-elect Ms. Carmen Gómez de Barreda Tous de Monsalve, on proposal of the Appointments and Remuneration Committee, as independent director of Red Eléctrica Corporación, S.A., for the term of four years fixed in the Articles of Association, in accordance with the provisions of article 529 decies of the Spanish Companies Act.*