



RED
ELÉCTRICA
CORPORACIÓN

Board of Directors

19 February 2019

General Meeting of Shareholders: Report
and proposal to ratify and appoint Mr
Antonio Gómez Expósito as proprietary
director



1. Background and justification

On 25 September 2018, and further to the favourable report regarding the proposal to appoint Mr Antonio Gómez Expósito, to represent the Spanish State's Industrial Holding Company (*Sociedad Estatal de Participaciones Industriales*, SEPI), made by the Appointments and Remuneration Committee on the same day, pursuant to the provisions of Articles 529 decies of the Spanish Companies' Act (*Ley de Sociedades de Capital*, LSC), 24 of the company's Articles of Association and 21 of the Regulations of the Board of Directors, the Board of Directors of the company approved, among others, the following resolution:

"Pursuant to the provisions of Articles 244 and 529 decies of the Spanish Companies' Act (Ley de Sociedades de Capital, LSC), 20, 21 and 24 of the company's Articles of Association and 7, 18, 21, 22 and 23 of the Board of Directors Regulations, and in light of the proposal made by the Spanish State's Industrial Holding Company (SEPI) to appoint Mr Antonio Gómez Expósito, as proprietary director of Red Eléctrica Corporación, S.A. to represent SEPI, until the time the first Annual General Meeting of Shareholders is held, in order to cover the vacancy existing on the Board of Directors as a result of the resignation of Mr Fernando Fernández Méndez de Andés from the position of proprietary director representing the Spanish State's Industrial Holding Company (SEPI), for which he was reappointed for a term of four years by resolution of the Annual General Meeting of Shareholders held on 15 April 2016, a resignation which has been accepted by the Board of Directors at this meeting."

Pursuant to the provisions of Article 529 decies, section 4, of the LSC and Articles 18, 21 and 23 of the Board of Directors Regulations, proposals to appoint proprietary directors, even by the "co-optation" procedure, must be approved by the Board of Directors and directors appointed by co-optation will perform the duties of their position until the date of the first Annual General Meeting of Shareholders, at which time they may be ratified or other directors appointed.

Since, at the meeting to be held on 19 February 2019, the Board of Directors is expected to call the Annual General Meeting of Shareholders of the company corresponding to financial year 2018, and considering that Mr Antonio Gómez Expósito's mandate as director ends on the date of such General Meeting of Shareholders, to be held on 21 and 22 March 2019 (on first and second call, respectively), the Board of Directors needs to submit to the next Annual General Meeting of Shareholders the proposal to ratify and appoint Mr Antonio Gómez Expósito as a proprietary director, after analysing the relevant legal and other circumstances and conditions as provided in the company's corporate rules, and considering the report of the Appointments and Remuneration Committee.

In this regard, it should be noted that the Appointments and Remuneration Committee, at its meeting held on 14 February 2019, reported favourably to the Board of Directors on the proposal to ratify and appoint Mr Antonio Gómez Expósito as proprietary director of Red Eléctrica Corporación, S.A., representing the Spanish State's Industrial Holding Company (SEPI), to be presented at the next Annual General Meeting of Shareholders.

Therefore, in order to comply with the provisions of section 6 of Article 529 decies of the LSC, the Board of Directors has drafted this report and the proposal of ratification and appointment of Mr Antonio Gómez Expósito as member of the Board of Directors of the company, with the status of proprietary director and representing the Spanish State's Industrial Holding Company (SEPI), to be presented at the next Annual General Meeting of Shareholders.



The procedure and requirements for appointing proprietary directors of the company are established in Articles 529 decies to 529 duodecies and 529 quidecies of the Spanish Companies Act (LSC), in Article 24 of the company's Articles of Association and in Articles 7, 18, 21, 22 and 23 of the Board of Directors Regulations. The evaluation criteria, conditions and circumstances to be considered when appointing proprietary directors are set out in such corporate legislation.

2. Corporate profile

In order to draft this report, the Board of Directors has followed the procedure established in corporate legislation for appointing proprietary directors of the company and analysed the corporate criteria and the new matrix of individual competences of the Board of Directors, which reflects the competences, experience, knowledge, professionalism, suitability, impartiality, qualities and abilities established by the Corporate Governance Policy for members of the Board of Directors, approved by the Appointments and Remuneration Committee and by the Board of Directors; in order to facilitate supervision of the balance, diversity and overall and individual quality of the Board of Directors at all times and define the profile and requirements at this time considered appropriate for holding the position of director of the company, in this case as a proprietary director.

The Board of Directors has considered the favourable report issued by the Appointments and Remuneration Committee, at its meeting held on 14 February 2019, at which it evaluated the circumstances, qualifications and professional profile of the current proprietary director, Mr Gómez Expósito, before approving this report and approving the relevant proposal to ratify and appoint said proprietary director, representing the Spanish State's Industrial Holding Company (SEPI), to be presented at the Annual General Meeting of Shareholders.

The Board of Directors, in issuing this report, re-evaluated the circumstances and professional career of the current proprietary director, Mr Gómez Expósito, to be presented at the next Annual General Meeting of Shareholders, and ratifies, for the reasons specified below, the rationale and grounds contained in its report dated 25 September 2018, given that, in light of the short time that has passed, no significant changes have occurred which need to be assessed.

3. Professional qualifications and new assessment of his circumstances

After having again considered the *curriculum vitae* of the proprietary director Mr Antonio Gómez Expósito, published on the company's website, which can be found here –[Mr Antonio Gómez Expósito](#)–, the Board of Directors considers that the proposed director's profile continues to be appropriate to cover the vacancy that will occur on the date of the next General Meeting of Shareholders, and it fulfils the requirements set out in the Regulations of the Board of Directors of the company and in the LSC for holding the position of proprietary director. We include some of the highlights of his *curriculum vitae* below.

Mr Antonio Gómez Expósito was born on 26 August 1957 and holds a PhD in Industrial Engineering (specialization in electrical engineering) from the ETSII Higher School of Industrial Engineers of the University of Seville.



He is currently a Professor of Electrical Engineering at the ETSII Higher School of Industrial Engineers of the University of Seville; Director of the Chair of Endesa Red (since 2007); he manages one of the largest and most important national research groups on electrical systems, made up of over 20 doctors and five professors; Fellow member of the Institute of Electrical and Electronics Engineers (IEEE) (headquartered in New Jersey, United States); and, since 2013, has been a member of the Royal Sciences Academy of Seville.

He has held (among others) the following positions at the University of Seville: Coordinator of the Interuniversity "Electrical Power Systems" PhD Program (2013-2017), Director of the Electrical Engineering Department (2003-2011), and Director of the Interuniversity "Technical and Economic Management of Electric Power Generation, Transportation and Distribution Systems" PhD Program (2003-2006). He was also Visiting Professor at the University of Waterloo, Canada (1998) and Adjunct Faculty at the University of San Diego, California (1988).

In the research field, he has managed or participated in more than a hundred research, development and technology transfer projects, both with public and private financing, which have resulted in the creation of various tools and devices for companies in the electricity sector, such as estimator devices, network simulators, expert systems for control of tensions and minimization of losses, digital relays, theoretical models of distribution networks, etc. He has given courses, talks and conferences in 16 countries, including the United States, Canada, Europe, China, and Latin America.

He is co-author of over 300 technical publications in several fields of expertise, primarily in relation to electricity networks in real time, integration of renewable energy sources in distribution networks, application of electronic devices in distribution networks, digital protections and signal processing and improvement of supply quality.

Among the several professional recognitions he has received it is worth highlighting the "City of Seville" award in 2005 for research projects on energy issues, the "Novare" international award in 2007 granted by Endesa to finance a project on intelligent distribution networks, the prize for Outstanding Engineer in 2010 awarded by the Spanish Chapter of the IEEE/PSE, the "Juan López Peñalver Research and Technology Transfer Award" in 2011 granted by the Regional Government of Andalusia, the "Fama" research award in 2011 granted by the University of Seville and, the Gold Insignia award in 2013 granted by the Spanish Association for the Development of Electrical Engineering (AEDIE).

After analysing and evaluating his professional career, the Board of Directors highlights his experience and knowledge in the energy sector and, in particular, in the field of electrical power generation, transportation and distribution systems, which is very highly valued by the company as a TSO in the current process of energy transition.

His experience and professional qualifications as a researcher in the energy field, having carried out several projects in close collaboration with the main national and European companies in the electricity sector, is also noteworthy. His membership on the scientific committees of important international congresses in this field in recent years is also valued.

4. Category assigned to the director

From the information available to the Board of Directors, and in light of both the legislation in force and the Board of Directors Regulations, Mr Gómez Expósito can be classified as a proprietary director representing the Spanish State's Industrial Holding Company (SEPI), since this is in line with the provisions of both the LSC and the Board of Directors Regulations.



Prior to his appointment, as is customary, Mr Gómez Expósito 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 proprietary director of the company.

5. Favourable report on the ratification and appointment proposal

Consequently, with the corresponding analysis having concluded, and notwithstanding that Mr Gómez Expósito must re-state his formal declaration regarding the inexistence of incompatibilities with regard to holding the position of proprietary director, the Board of Directors concludes that Mr Gómez Expósito meets all the necessary conditions to perform the position of proprietary director on the Board of Directors of the company, and thus issues a favourable report on the proposal to ratify and appoint Mr Antonio Gómez Expósito as proprietary director of Red Eléctrica Corporación, S.A., for the term of four years established in the company's Articles of Association, to be presented at the Annual General Meeting of Shareholders.