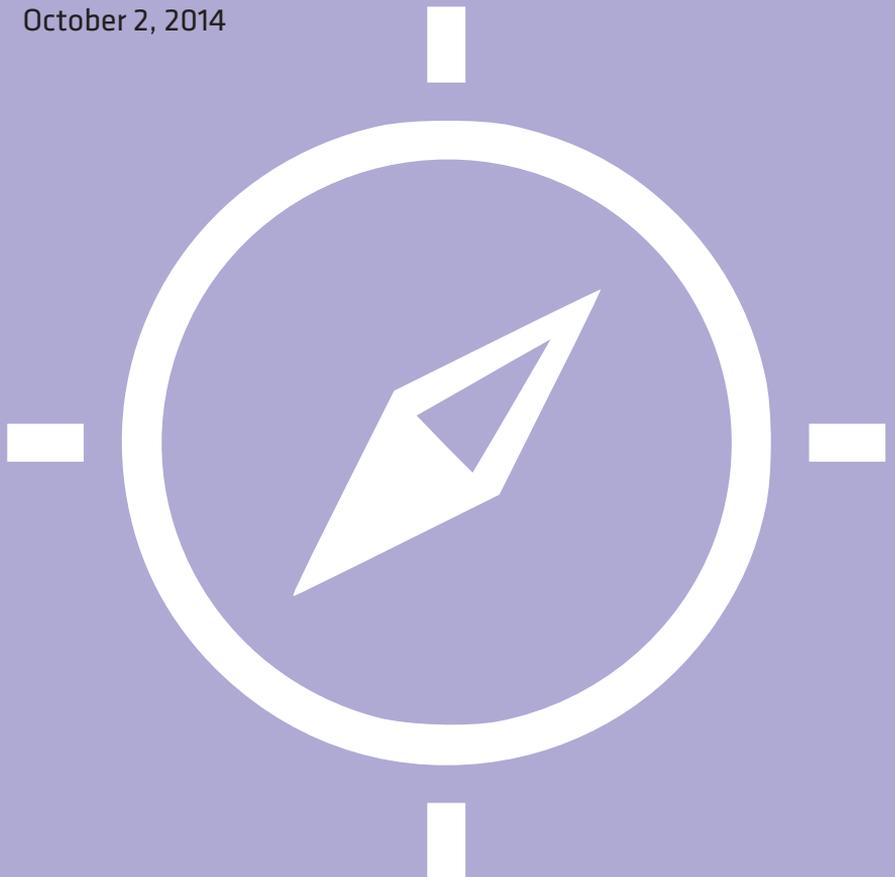




RED
ELÉCTRICA
CORPORACIÓN

Procurement POLICY

October 2, 2014





Object

Establish the principles and guidelines regarding the procurement management of goods and services to ensure that the needs of the organizational units are met in terms of efficiency and quality. These principles and guidelines shall lead to the fulfilment of the strategies and objectives of the Red Eléctrica Group.

Scope of application

Red Eléctrica Group.

Basic principles and guidelines

- Apply the principles of excellence adopted by the Red Eléctrica Group and incorporate and promote best practices in the field of procurement management.
- Ensure the efficient supply of goods and services requested by the different organisational units, fulfilling the necessary technical specifications and requirements relating to quality of supply, deadlines, and the availability of safety stock where deemed appropriate, at the lowest anticipated cost for the Red Eléctrica Group and ensuring that commitments to corporate responsibility, prevention of occupational risks and the environment are always met.
- Perform the provision of goods and services centrally, ensuring segregation of responsibilities in the procurement process.
- Ensure supplier diversity. Interact with the market in search of suppliers to improve the coverage of needs.
- Ensure compliance with applicable law and regulations on procurement processes.
- Properly plan needs to optimize procurement management.
- Foster long-term relationships and of mutual benefit with suppliers and ensure the availability of effective communication channels with suppliers.
- Ensure transparency and equal treatment of suppliers in procurement processes.
- Ensure that companies that wish to become suppliers of the Group comply with technical specifications and business regulations, as well as the established specific requirements relating to corporate responsibility and REE's Supplier Code of Conduct.
- Encourage the monitoring of suppliers in order to ensure compliance with existing requirements established by the Red Eléctrica Group, mitigate risks associated with the supply chain, and ensure a beneficial relationship for both parties.

This **Procurement Policy** was approved by the Management Committee on October 2, 2014.