

Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal
(incorporated with limited liability under the laws of Spain)

€1,000,000,000

Euro-Commercial Paper Programme

Unconditionally and irrevocably guaranteed by

Red Eléctrica Corporación, Sociedad Anónima
(incorporated with limited liability under the laws of Spain)

and

Red Eléctrica de España, Sociedad Anónima Unipersonal
(incorporated with limited liability under the laws of Spain)

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for euro-commercial paper notes (the “**Notes**”) issued during the twelve months after the date of this document under the €1,000,000,000 euro-commercial paper programme (the “**Programme**”) of Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal (the “**Issuer**”) described in this document to be admitted to the official list and trading on the regulated market of Euronext Dublin, a regulated market for purposes of Directive 2014/65/EU on Markets in Financial Instruments (as amended).

All payments under the Notes are unconditionally and irrevocably guaranteed by Red Eléctrica Corporación, Sociedad Anónima and Red Eléctrica de España, Sociedad Anónima Unipersonal (each a “**Guarantor**” and together the “**Guarantors**”) pursuant to a deed of guarantee dated 3 April 2020 (the “**Guarantee**”).

Prospective investors should consider carefully and fully understand the risks set forth herein under “Risk Factors” prior to making investment decisions with respect to the Notes.

Potential investors should note the statements on pages 60-66 regarding the tax treatment in Spain of income obtained in respect of the Notes and the disclosure requirements imposed by the Spanish tax legislation relating to the Notes. In particular, payments on the Notes may be subject to Spanish withholding tax if certain information is not received by the Issuer in a timely manner.

Arranger and Dealer

Santander Corporate & Investment Banking

Dealers

Banco Bilbao Vizcaya Argentaria, S.A.
Bred Banque Populaire
Crédit Agricole CIB

Barclays
Citigroup
ING

NatWest Markets

IMPORTANT NOTICE

This information memorandum (together with any information incorporated herein by reference, the “**Information Memorandum**”) contains summary information provided by Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal (the “**Issuer**”) and by Red Eléctrica Corporación, Sociedad Anónima and Red Eléctrica de España, Sociedad Anónima Unipersonal (each a “**Guarantor**” and together the “**Guarantors**”) in connection with a euro-commercial paper programme (the “**Programme**”) under which the Issuer may issue and have outstanding at any time euro-commercial paper notes (the “**Notes**”) up to a maximum aggregate amount of €1,000,000,000 or its equivalent in alternative currencies. Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S (“**Regulation S**”) of the United States Securities Act of 1933, as amended (the “**Securities Act**”) which will have the benefit of a deed of guarantee dated 3 April 2020 and entered into by the Guarantors (the “**Guarantee**”). The Issuer and the Guarantors, pursuant to an amended and restated dealer agreement dated 3 April 2020 (the “**Dealer Agreement**”), have appointed Banco Santander, S.A. as arranger for the Programme (the “**Arranger**”), and Banco Bilbao Vizcaya Argentaria, S.A., Barclays Bank Ireland PLC, Barclays Bank PLC, Bred Banque Populaire, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, , Crédit Agricole Corporate and Investment Bank, ING Bank N.V. and NatWest Markets N.V. as dealers for the Notes (together with the Arranger, the “**Dealers**”) and authorised and requested the Dealers to circulate the Information Memorandum in connection with the Programme on their behalf to investors or potential investors in the Notes.

THE NOTES AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)) (“U.S. PERSONS”) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.

The Notes and the Guarantees have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Information Memorandum or confirmed the accuracy or determined the adequacy of the information contained in this Information Memorandum. Any representation to the contrary is unlawful.

The Issuer and the Guarantors accept responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer and the Guarantors (who have taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Notice of the aggregate nominal amount of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each issue of Notes will be set out in pricing supplements (each a “**Pricing Supplement**”) which will be attached to the relevant Note (see “*Forms of Notes*”). Each Pricing Supplement will be supplemental to and must be read in conjunction with the full terms and conditions of the Notes. Copies of each Pricing Supplement containing details of each particular issue of Notes will be available from the specified office set out below of the Issue and Paying Agent (as defined below).

This Information Memorandum comprises listing particulars made pursuant to the Listing and Admission to Trading Rules for Short Term Paper promulgated by Euronext Dublin. This Information Memorandum should be read and construed in conjunction with any supplemental Information Memorandum, any Pricing Supplement and with any document incorporated by reference.

The Issuer and the Guarantors have confirmed to the Dealers that the information contained or incorporated by reference in the Information Memorandum is true, complete and accurate in all material respects and not misleading and that there are no other facts the omission of which makes the Information Memorandum as a whole or any such information contained or incorporated by reference therein misleading. Any statements of intention, opinion, belief or expectation contained in the Information Memorandum are honestly and reasonably made by the Issuer and the Guarantors and, in relation to each issue of Notes agreed as contemplated in the Dealer Agreement to be issued and

subscribed, the Information Memorandum together with the relevant Pricing Supplement contains all the information which is material in the context of the issue of such Notes.

Neither the Issuer, the Guarantors, the Arranger, the Issue and Paying Agent (as defined below), nor the Dealers accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstances create any implication that the Information Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or the Guarantors or that there has been no change in the business, financial condition or affairs of the Issuer or the Guarantors since the date thereof.

No person is authorised by the Issuer or the Guarantors to give any information or to make any representation not contained or incorporated by reference in the Information Memorandum and any information or representation not contained or incorporated by reference herein must not be relied upon as having been authorised by the Issuer, the Guarantors, the Issue and Paying Agent, the Dealers or any of them.

Neither the Arranger nor any Dealer has independently verified the information contained in the Information Memorandum. Accordingly, no representation or warranty or undertaking (express or implied) is made, and no responsibility or liability is accepted by the Arranger or the Dealers as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum, any Pricing Supplement or in or from any accompanying or subsequent material or presentation.

The information contained in the Information Memorandum or any Pricing Supplement is not and should not be construed as a recommendation by the Arranger, the Dealers, the Issuer or the Guarantors that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum or any Pricing Supplement.

Neither the Arranger nor any Dealer undertakes to review the business or financial condition or affairs of the Issuer or the Guarantors during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum or any Pricing Supplement of any information or change in such information coming to the Arranger's or any Dealer's attention.

Neither the Arranger nor any of the Dealers nor the Issue and Paying Agent accepts any liability in relation to this Information Memorandum or any Pricing Supplement or its or their distribution by any other person. This Information Memorandum does not, and is not intended to, constitute (nor will any Pricing Supplement constitute, or be intended to constitute) an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and any Pricing Supplement and the offering for sale of Notes or any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum, any Pricing Supplement or any Notes or any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Guarantors, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes, the Issuer set out under "*Subscription and Sale*" below.

The Programme is rated by Fitch Ratings España S.A.U., which is established in the European Union (the "**EU**") and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.

The Issuer and the Guarantors have undertaken, in connection with the admission of the Notes to listing on the Official List and to trading on the regulated market of Euronext Dublin, that if there shall occur any adverse change in the business or financial position of the Issuer or the Guarantors or any change in the terms and conditions of the Notes, in both cases that is material in the context of the issuance of Notes under the Programme, the Issuer and the Guarantor will prepare or procure the preparation of an amendment or supplement to this Information Memorandum or, as the case may be, publish a new Information Memorandum, for use in connection with any subsequent issue by the Issuer of Notes to be

admitted to listing on the Official List and to trading on the regulated market of Euronext Dublin. Any such supplement to this Information Memorandum will be subject to the approval of Euronext Dublin prior to its publication.

This Information Memorandum describes in summary form certain Spanish tax implications and procedures in connection with an investment in the Notes (see "*Risk Factors – Risks in Relation to the Notes – Spanish Taxation*" and "*Taxation – Taxation in Spain*"). No comment is made or advice is given by the Issuer, the Arranger or the Dealer in respect of taxation matters relating to the Notes. Investors must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.

Some Dealers and their affiliates (including parent companies) have engaged, and may in the future engage, in lending, investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Guarantors and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors or their affiliates. Some Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer or the Guarantors consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement in respect of any Notes will include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made by the Arranger in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), it is a manufacturer in respect of those Notes, but otherwise neither the Arranger nor any of its respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Solely by virtue of appointment as Dealer on this Programme, the Dealers (other than the Arranger) or any of their respective affiliates will not be a manufacturer for the purpose of EU Delegated Directive 2017/593.

BENCHMARK REGULATION

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) No 2016/1011 (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Pricing Supplement will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Pricing Supplement. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer and the Guarantors do not intend to update the Pricing Supplement to reflect any change in the registration status of the administrator.

INTERPRETATION

In this Information Memorandum, all references to “euro” and “€” are to the lawful currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time; all references to “Sterling” and “£” are to the currency of the United Kingdom; all references to “U.S. dollars” and “U.S.\$” are to the currency of the United States of America; and all references to “Yen” and “¥” are to the currency of Japan.

In this Information Memorandum the word “**Issuer**” refers to Red Eléctrica Financiaciones Sociedad Anónima Unipersonal; the words “**Red Eléctrica Corporación**” refer to Red Eléctrica Corporación, Sociedad Anónima; the words “**Red Eléctrica**” refer to Red Eléctrica de España, Sociedad Anónima Unipersonal; and the words “**Group**” or “**Red Eléctrica Group**” refer to Red Eléctrica Corporación and its consolidated subsidiaries. The word “**Guarantors**” refers to both Red Eléctrica Corporación and Red Eléctrica, and the word “**Guarantor**” refers indistinctly to any of them.

The language of the Information Memorandum is English. Any foreign language text that is included with or within this document has been included for convenience purposes only and does not form part of the Information Memorandum.

Where the Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

TABLE OF CONTENTS

RISK FACTORS	7
KEY FEATURES OF THE PROGRAMME	15
DOCUMENTS INCORPORATED BY REFERENCE	19
THE ISSUER	20
RED ELÉCTRICA CORPORACIÓN AND RED ELÉCTRICA GROUP	21
RED ELÉCTRICA	25
CERTAIN INFORMATION IN RESPECT OF THE NOTES	28
FORMS OF NOTES	32
PART A - Form of Multicurrency Global Note	32
PART B - Form of Multicurrency Definitive Note	43
FORM OF PRICING SUPPLEMENT.....	54
TAXATION.....	60
SUBSCRIPTION AND SALE.....	67
GENERAL INFORMATION	70

RISK FACTORS

Each of the Issuer and the Guarantors believe that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme (in the case of the Issuer) or under the Guarantee (in the case of each Guarantor). Most of these factors are contingencies which may or may not occur and the Issuer and the Guarantors are not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The Issuer and the Guarantors believe that the factors described below represent the principal risks inherent to investing in Notes issued under the Programme, but the inability of the Issuer or the Guarantors to pay any amounts due on or in connection with any Notes may occur for other reasons, and the Issuer and the Guarantors do not represent that the statement below regarding the risks of holding any Notes are exhaustive. Consequently, additional risks and uncertainties relating to the Issuer and the Guarantors that are not currently known to the Issuer and the Guarantors, or that such entities currently deem immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and the Guarantors. Prospective investors should also read the information set out elsewhere in this Information Memorandum, reach their own view and consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisors prior to making any investment decision.

Risks related to the Issuer

The Issuer is a finance vehicle

The Issuer is not an operating company. The Issuer is a finance vehicle established by Red Eléctrica Corporación for the purpose of issuing notes and other financial instruments and on-lend the proceeds to the members of the Group. The Issuer is therefore dependent upon other members of the Group paying interest on and repaying their loans in a timely fashion. Should any member of the Group fail to pay interest on or repay any loan in a timely fashion this circumstance could have a material adverse effect on the ability of the Issuer to fulfil its obligations under the Notes issued under the Programme.

Risks related to the Red Eléctrica Group

The activities of Red Eléctrica Group are subject to extensive regulation in the jurisdictions in which the Group companies operate, and certain regulatory changes could have a material adverse effect on its business, financial condition and results of operation

The main activity of the Group is the transmission of electricity and the operation of the electricity network in Spain, carried out by Red Eléctrica as an electricity transmission system operator and the activity and the remuneration received by it for the services it provides are subject to numerous laws and regulations.

Any material changes to this extensive regulatory framework and to the remuneration system may adversely affect the business, financial condition and results of operation of the Group.

Additionally, any non-compliance by Red Eléctrica with the applicable laws and regulations currently in force in relation to its activities could lead to sanctions or penalties of monetary or other nature being imposed by the regulator and to it facing potential liability to third parties due to any damage or loss caused. These events could materially adversely affect the cash flow, business, financial condition and results of operation of the Group.

Risks associated with the operation, management and construction of transmission grid and telecommunications facilities of Red Eléctrica Group

The operation and management of technical electricity and telecommunications facilities is costly, and the Group may not be able to continue to conduct this activity on acceptable economic terms in the future. Furthermore, this activity is exposed, given the perils inherent to high voltage facilities, to events beyond the control of the Group including, but not limited to, natural disasters and extreme weather conditions, accidents and defects or failures in machinery or control systems or components of them that may damage the facilities of the Group and cause interruptions in the provision of electricity transmission and

telecommunication services and, in turn, require high repair or alternative transmission channel costs. While the Group companies have formalised insurance policies to cover the risks associated with the foregoing risks, mainly against damages caused to facilities and possible claims filed by third parties, the amounts covered under the insurance policies may not be sufficient to cover the entirety of incurred losses.

Additionally, the ability of Red Eléctrica to increase revenues derived from its business as electricity system operator, transmission agent and transmission network manager depends, due to the capital-intensive nature of this activity, on investments being made in new transmission infrastructure.

Therefore, the materialisation of environmental and operational risks inherent to the activities of the Group, any changes in the approved planning for the construction of new facilities, delays or standstills in projects under development caused by impediments in the obtaining of environmental and/or administrative authorisations, the opposition from political groups or other organisations, any changes in the political climate or in the regulatory framework, or any increased costs in the construction of new facilities due to variations in the financial or goods and services markets could materially adversely affect the reputation, business prospects, financial condition and results of operation of the Group.

The business and financing of Red Eléctrica are heavily concentrated in Spain and are influenced by its macroeconomic and political conditions

The operations of the Group are heavily concentrated in Spain. As a result, any adverse change in the general economic and political conditions of Spain could materially adversely affect the business, financial condition and results of operation of the Group.

The business performance of the Group is influenced by the economic conditions of the countries in which it operates and, in particular, those of Spain. The International Monetary Fund forecasts a growth of the gross domestic product in Spain of 1.6% in 2020 and 1.6% in 2021 (source: IMF, World Economic Outlook update January 2020).

The Spanish economy is particularly sensitive to economic conditions in the Eurozone, the main market for Spanish goods and services exports. Any decline in the European economic activity could have an adverse effect on Spanish economic growth. The International Monetary Fund has estimated that growth in the Eurozone is set to moderate from an estimated 1.3% in 2020 and 1.4% in 2021 (source: IMF, World Economic Outlook update January 2020).

The Spanish economy faces additional challenges derived from domestic developments such as the recent formation of the Spanish government on 7 January 2020 through a coalition formed by different political parties and the political instability in the region of Catalonia related to social and political movements pushing for the region's secession from Spain that resulted in the imprisonment of a series of elected representatives and a period of violent protests in Barcelona. Additionally, external factors such as the geopolitical uncertainty originated by, amongst others, the exit of the United Kingdom from the European Union on 31 January 2020, the rising international trade tensions between the U.S. and China, the volatility in commodity prices, or the negative market reactions to central bank policies may affect the growth of the Spanish economy.

Any adverse changes affecting the Spanish economy, the Eurozone economy or the political uncertainty could have a negative impact on the Group's consolidated revenues and increase the Group's consolidated financing costs, circumstances which could have a material adverse effect on the business prospects, financial condition and results of operation of the Group.

The recent outbreak of Covid-19 virus (known as "Coronavirus" in Wuhan (China)), which subsequently spread to several other countries in Asia, Europe (including Spain) and other continents, has caused worldwide unrest and is affecting the main economies negatively by compromising, among others, industrial and business activities, workers mobility, investments and consumption. The unfolding, expansion, duration and consequences of the pandemic cannot be prognosticated with certainty and, therefore, the magnitude and extent of the negative effects on the world economy and the Group's business are uncertain.

Red Eléctrica Group relies on information technology for its operation and systems failures or third-party hacks may adversely affect its business prospects, financial condition and results of operation

As electricity system operator and transmission network manager, one of the main functions of Red Eléctrica is to guarantee the continuity and security of the electricity supply.

Disruptions or failures of the computer and information technology systems of Red Eléctrica could cause an interruption to its business, which could have a material adverse effect on its business prospects, financial condition and results of operations. In particular, the information technology systems of Red Eléctrica may be vulnerable to a variety of interruptions as a result of events beyond its control, including, but not limited to, network or hardware failures, malicious or disruptive software, viruses, malware, ransomware or other malicious codes, unintentional or malicious actions of employees or contractors, cyberattacks by hackers, criminal groups or nation-state organizations or social-activist (hacktivist) organizations, geopolitical events, natural disasters, failures or impairments of telecommunications networks, or other catastrophic events, including natural disasters or extreme meteorological phenomena. Cyber threats are constantly evolving and this increases the difficulty of detecting and successfully defending against them.

In the event that Red Eléctrica or any of the Group companies suffers a breach in its cyber security or other failure of its information technology systems, such event could have a material adverse effect on the business prospects, financial condition and results of operation of the Group.

Risks associated with international and telecommunication investments

As part of the growth strategy of the Group, it has encouraged expansion through inorganic growth by successfully making investments and carrying out the integration of acquired businesses. In recent years the Group has made investments in electric infrastructures in several countries and in the telecommunication sector. See “*Red Eléctrica Corporación and Red Eléctrica Group – The Red Eléctrica Group – Business Overview*”.

The investments inherently involve a number of risks such as those related to the existence of contingencies not foreseen and the lack or insufficient guarantees or indemnities to cover the contingencies, claims in connection with the investments (from employees, customers or third parties) or the lack of materialization of expected benefits from such investments, risks related to local laws applicable where the investments are located and risks related to exchange rate fluctuations, capital movement restrictions, inflation, political and economic instability and possible state expropriation of assets in addition to risks related to the need to have a local management team or the integration or retention of local personnel.

Additionally, the Group may not be able to successfully integrate the operations of acquired businesses, or realize the potential synergies and sales growth anticipated, either in the expected amount or timeframe and the costs of achieving these benefits may be higher than, and the timing may differ from, those foreseen by the Group.

If these risks materialise, they could materially adversely affect the reputation, business prospects, financial condition and results of operation of the Group.

Interest rate risk

The nature of the business of the Group is inherently capital intensive and requires financing to operate and expand. The Group’s financial debt structure comprises certain debt instruments that accrue interest at both fixed and variable interest rates, the latter being linked to variable reference interest rates such as EURIBOR and LIBOR. The financial debt structure is low risk with moderate exposure to fluctuation in interest rates, as a result of the debt policy implemented, which aims to bring the cost of debt into line with the financial rate of return applied to the regulated assets of the Group, amongst other objectives.

Nevertheless, any variations in the underlying reference interest rates on which the financing agreements of the Group which accrue interest at variable rates depend may impact the financial expenses of the Group by requiring the application of significant cash flow to interest service repayment, thus reducing the availability of cash flow to fund its business operations and increasing its vulnerability to adverse economic and industry conditions.

Additionally, the Group anticipates that any new financing agreements which it undertakes could imply higher financial costs than in the agreements signed in recent years due to increases in margins paid over market interest rates. If the Issuer or any of the Group companies are unable to formalise any new financing agreements under reasonable financial terms, there can be no assurance that such increased financing costs will not have a material adverse effect in the business, operations, cash flow and overall financial condition of the Group.

Liquidity and availability of funding risks

Liquidity risk arises as a result of differences in the amounts or the collection and payment dates of the various assets and liabilities of the companies of the Group. The Group's liquidity position is based on its strong capacity to generate funds, backed by the existence of credit lines that allow it to keep a significant volume of funds available during the year.

While the Group attempts to have sufficient liquidity available to meet its payment obligations by maintaining adequate liquidity levels over specific time periods without resorting to additional financing sources and diversifying its funding sources and optimising the maturity of its debt, the reduction of the remuneration calculation system currently in force or any other event that prevents or disrupts the generation of cash flow may materially adversely affect the financial condition and results of operation of the Group as it is likely that the Group would be obliged to incur in additional financial costs or, in the worst-case scenario, threaten the continuity of the Group as an ongoing business and lead to insolvency.

Currency risk

Because the consolidated annual accounts of the Group are expressed in euro but the financial statements of several subsidiaries are expressed in other currencies, negative fluctuations in exchange rates could negatively affect the value of the assets, income and equity of consolidated foreign subsidiaries, with a concomitant adverse effect on the consolidated annual accounts of the Group (i.e., translation risk). For instance, due to the translation effect, an appreciation of the euro against the Group's other significant currencies, could adversely affect the Group's results.

The business of the Group may be adversely affected by developments in European sovereign debt markets and by the exit from the Eurozone of one or more current Eurozone states

Conditions in the Eurozone economy generally continue to show signs of fragility and volatility as at the date of this Information Memorandum, with political tensions in Europe being particularly heightened. In recent years, sovereign debt crises in various European countries have led to concerns about the ability of some member states of the European Union to service their sovereign debt obligations. Such concerns have impacted financial markets and resulted in high and volatile bond yields on the sovereign debt of many member states of the European Union, indicating a reassessment of the associated risks.

The exit of the United Kingdom from the European Union could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro. If other Member States decide to leave the European Union, whether following a sovereign debt default or otherwise, this could have a material adverse effect on the Group by, for example, impacting the cost and availability of credit and causing uncertainty and disruption in relation to its financing. Concerns about independence movements within the European Union, such as the one continuing in Catalonia, could cause significant market disruptions and lead to adverse economic and operational impacts that are inherently difficult to predict or evaluate. Any of these factors could have a material adverse effect on the business prospects, financial condition and results of operation of the Group.

Risks in relation to the Notes

There is a limited active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently a limited active trading market. Accordingly, future liquidity of the Notes may be limited. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for Notes issued under the

Programme to be admitted to the Official List and to trading on the regulated market of Euronext Dublin, there is no assurance that such applications will be accepted, that any particular issue of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular issue of Notes.

The Issue price may be greater than the market value of the Notes

The Issue Price specified in the relevant Pricing Supplement may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which a Dealer or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, whilst the proprietary pricing models of Dealers are often based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

Global Notes held in a clearing system

Notes issued under the Programme may be represented by one or more Global Notes. If the relevant Pricing Supplement specify that the New Global Note form is not applicable, such Global Note will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg. If the relevant Pricing Supplement specify that the New Global Note form is applicable, such Global Note will be deposited with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under such Notes by making payments to the common depositary (in the case of Global Notes which are not in the New Global Note form) or, as the case may be, the common service provider (in the case of Global Notes in New Global Note form) for Euroclear and/or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg to receive payments under their relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to take enforcement action against the Issuer or the Guarantors under the relevant Notes but will have to rely upon their rights under a deed of covenant executed by the Issuer on 3 April 2020 in connection with the Programme (the "**Deed of Covenant**").

Notes which are linked to Benchmarks

Notes may be issued under the Programme with interest accruing at a floating rate based upon the London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") or the Euro OverNight Index Average ("**EONIA**") rate. LIBOR, EURIBOR, EONIA and other reference rates and indices are deemed to be "benchmarks" (each a "**Benchmark**" and together the "**Benchmarks**"), which are the subject of ongoing national and international regulatory reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a Benchmark.

The Benchmark Regulation applies from 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a Benchmark and the use of a Benchmark, within the EU. It will, among other things, (i) require Benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of Benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The Benchmark Regulation could have a material impact on any Notes linked to a Benchmark, in particular, if the methodology or other terms of the Benchmark are changed in order to comply with the

requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the Benchmark.

On 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “**FCA Announcement**”). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

The potential elimination of the LIBOR benchmark or any other Benchmark or changes in the manner of administration of any Benchmark could require an adjustment to the terms and conditions of the Notes or result in other consequences in respect of any Notes linked to such Benchmark. Any such consequences could have a material adverse effect on the value and return on any such Notes.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the following effects on certain Benchmarks: (a) discourage market participants from continuing to administer or contribute to such Benchmark; (b) trigger changes in the rules or methodologies used in the Benchmarks or (c) lead to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to a Benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a Benchmark.

The Issuer may redeem Notes for tax reasons

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Potential investors should consider the reinvestment risks in light of other investments available at the time any Notes are so redeemed.

Risks in relation to Spanish taxation

Under Spanish Law 10/2014 of 26 June 2014 on organisation, supervision and solvency of credit institutions and Royal Decree 1065/2007, of 27 July (“**Royal Decree 1065/2007**”), as amended by Royal Decree 1145/2011 of 29 July (“**Royal Decree 1145/2011**”), income payments in respect of the Notes will be made by the Issuer free of withholding tax in Spain if certain information is received by it in a timely manner. On 3 April 2020 the Issuer, the Guarantors and The Bank of New York Mellon, London Branch (the “**Issue and Paying Agent**”) have entered into an amended and restated issue and paying agency agreement (the “**Agency Agreement**”) where they have arranged certain procedures to facilitate the collection of information concerning the Notes. The Issuer will withhold Spanish withholding tax at a 19 per cent rate from any payment in respect of any outstanding principal amount of the Notes (as applicable) as to which the required information has not been provided and will not gross up payments in respect of any such withholding tax. The Agency Agreement provides that the Issue and Paying Agent will, to the extent applicable, comply with the relevant procedures to facilitate the collection of information concerning the Notes. The procedures may be modified, amended or supplemented, to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof or to reflect a change in applicable clearing system rules or procedures or to add procedures for one or more

new clearing systems. See "*Taxation – Taxation in Spain*". Neither the Issuer, nor the Guarantors or the Dealers assume any responsibility thereof.

Royal Decree 1145/2011 amended Royal Decree 1065/2007 and provides that any payment of interest made in respect of securities originally registered with a non-Spanish clearing house recognised by Spanish legislation or by the legislation of another OECD country will be made free of any withholding on account of Spanish taxes provided that certain information about the Notes is received by the Issuer. The Issuer considers that any payments in respect of the Notes will be made free of withholding on account of Spanish taxes provided that the relevant information about the Notes is submitted by the Issuer and Paying Agent to it in a timely manner.

If at any stage the Spanish tax authorities adopt a different position as to the application by the Issuer of withholding to payments made to Spanish residents (individuals and entities subject to Spanish Corporate Income Tax), the Issuer would be bound by that administrative criterion and would need to make the appropriate withholding immediately thereafter. In such event, the Issuer would not pay additional amounts. Should the Spanish tax authorities adopt such a position, identification of holders may be required and the procedures, if any, for the collection of relevant information would be applied by the Issuer to the extent required so that it can comply with its obligations under the applicable legislation as interpreted by the Spanish tax authorities. If procedures for the collection of information relating to holders were to apply, all holders would be informed of such new procedures and their implications.

In the case of Notes held by Spanish resident individuals (and under certain circumstances by Spanish entities subject to Spanish Corporate Income Tax) and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of the Notes may be subject to withholding by such depositary or custodian, currently at a 19 per cent rate.

The proposed European financial transactions tax

On 14 February 2013 the European Commission published a proposal for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). Withdrawal of Estonia from the list of participating Member States in December 2015 left ten remaining participants.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and participating Member States may decide not to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

The proposed Spanish financial transactions tax

On 18 January 2019, the Spanish Cabinet approved a draft text ("**Draft Bill**") with the intention to implement a Spanish FTT ("**Spanish FTT**") but an early general election was called and the legislative process was suspended. After the general elections, a Coalition Government between the Socialist Party and Podemos was formed. The Draft Bill was then approved by the new Cabinet on 18 February 2020 and submitted to the Parliament for approval.

The Spanish Cabinet has declared their intention to align the Spanish FTT with the proposal published by the European Commission which has been also early adopted by other EU Members such as Italy or France. The final text is still subject to modifications before its approval.

According to the Draft Bill, a Spanish FTT, at a rate of 0.2%, would apply to certain acquisitions of listed shares issued by Spanish companies whose market capitalisation exceeds €1 billion, regardless of the jurisdiction of residence of the parties involved in the transaction. While, as currently drafted, the Spanish FTT would not apply in relation to an issue of Notes under the Programme, there can be no assurance that the final text could not apply to certain dealings in the Notes.

Since the current draft may be substantially modified (or even abandoned) during the legislative process, prospective holders of the Notes are advised to seek their own professional advice in relation to the Spanish FTT.

KEY FEATURES OF THE PROGRAMME

Issuer:	Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal
Guarantors:	Red Eléctrica Corporación, Sociedad Anónima and Red Eléctrica de España, Sociedad Anónima Unipersonal
Risk factors:	Investing in Notes issued under the Programme involve certain risks. The principal risk factors that may affect the ability of the Issuer and the Guarantors to fulfil their respective obligations under the Notes are discussed under “ <i>Risk Factors</i> ” above
Arranger:	Banco Santander, S.A.
Dealers:	Banco Bilbao Vizcaya Argentaria, S.A., , Banco Santander, S.A., Barclays Bank Ireland PLC, Barclays Bank PLC, Bred Banque Populaire, Citigroup Global Markets Europe AG, Citigroup Global Markets Limited, , Crédit Agricole Corporate and Investment Bank, ING Bank N.V., NatWest Markets N.V. and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular issue of Notes
Issue and Paying Agent:	The Bank of New York Mellon, London Branch
Listing Agent:	The Bank of New York Mellon SA/NV Dublin Branch
Programme Amount:	The aggregate principal amount of Notes outstanding at any time will not exceed €1,000,000,000 (or its equivalent in other currencies) subject to applicable legal and regulatory requirements. The Programme Amount may be increased from time to time in accordance with the Dealer Agreement
Currencies:	Notes may be denominated in euro, Yen, Sterling, U.S. dollars and such other currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time, subject in each case to compliance with all applicable legal and regulatory requirements
Denominations:	<p>Global Notes shall be issued (and interests therein exchanged for Definitive Notes, if applicable) in the following minimum denominations:</p> <ul style="list-style-type: none">(a) for U.S.\$ Notes, U.S.\$500,000 (and integral multiples of U.S.\$1,000 in excess thereof);(b) for euro Notes, €500,000 (and integral multiples of €1,000 in excess thereof);(c) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof);(d) for Yen Notes, ¥100,000,000 (and integral multiples of ¥1,000,000 in excess thereof), <p>or such other conventionally accepted denominations in those currencies or such other currency as may be agreed between the Issuer and the relevant Dealer from time to time, subject in each case to compliance with all applicable legal and regulatory requirements and provided that the equivalent of that</p>

denomination in Sterling as at the date of issue is not less than £100,000

Term of Notes:	The tenor of the Notes shall be not less than 1 day or more than 364 days from and including the date of issue to, but excluding, the maturity date, subject to legal and regulatory requirements
Tax Redemption:	Early redemption will only be permitted for tax reasons as described in the terms of the Notes
Redemption on Maturity:	The Notes will be redeemed as specified in the relevant Pricing Supplement
Issue Price:	The Issue Price of each issue of Notes will be set out in the relevant Pricing Supplement
Yield Basis:	The Notes may be issued at a discount or at a premium or may bear fixed or floating rate interest
Status of the Notes:	The Notes constitute and at all times shall constitute a direct, unsecured and unsubordinated obligation of the Issuer ranking <i>pari passu</i> without any preference among themselves and <i>pari passu</i> with all present and future unsecured and unsubordinated obligations of the Issuer other than those preferred by mandatory provisions of law and other statutory exceptions
Guarantee:	The Notes are unconditionally and irrevocably guaranteed by the Guarantors pursuant to a deed of guarantee dated 3 April 2020 (the “ Guarantee ”). The obligations of each Guarantor under the Guarantee constitute and at all times shall constitute its direct, unsecured and unsubordinated obligations ranking <i>pari passu</i> with all its present and future unsecured and unsubordinated obligations other than those preferred by mandatory provisions of law and other statutory exceptions. The Guarantee and any non-contractual obligations arising out of or in connection with it will be governed by, and construed in accordance with, English law
Taxation:	All payments under the Notes or the Guarantee will be made without deduction or withholding for or on account any present or future Spanish taxes, except as stated in the Notes and the Guarantee and as stated under the heading “ <i>Taxation – Taxation in Spain</i> ”
Tax disclosure requirements:	<p>Under Law 10/2014 and Royal Decree 1065/2007, as amended, the Issuer shall receive certain information in respect of the Notes as described under “<i>Taxation – Taxation in Spain. Disclosure obligations in connection with the payments on the Notes</i>”.</p> <p>On 3 April 2020, the Issuer, the Guarantors and the Issue and Paying Agent have entered into an amended and restated issue and paying agency agreement where they have arranged certain procedures to facilitate the collection of this information as required under Spanish law.</p> <p>If the Issue and Paying Agent fails to provide to the Issuer the information described under “<i>Taxation – Taxation in Spain. Disclosure obligations in connection with the payments on the Notes</i>”, the Issuer may be required to withhold tax and may pay income in respect of such principal amount net of the Spanish</p>

withholding tax applicable to such payments (currently at the rate of 19 per cent).

None of the Issuer, The Guarantors, the Arranger, the Dealers, Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A., ("**Clearstream, Luxembourg**", together with Euroclear, the "**ICSDs**") assumes any responsibility thereof

Form of the Notes:

The Notes will be in bearer form. Each issue of Notes will initially be represented by one or more global notes (each a "**Global Note**" and together the "**Global Notes**"). Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Global Notes may be exchanged in whole (but not in part) for Definitive Notes in the limited circumstances set out in the Global Notes (see "*Certain Information in Respect of the Notes – Form of the Notes*")

Listing and Trading:

Application has been made for the Notes to be admitted to listing on the Official List and to trading on the regulated market of Euronext Dublin. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer. No notes may be issued on an unlisted basis

Delivery:

The Notes will be available in London for delivery to Euroclear or Clearstream, Luxembourg or to any other recognised clearing system in which the Notes may from time to time be held.

Account holders will, in respect of Global Notes, have the benefit of a deed of covenant dated 3 April 2020 (the "**Deed of Covenant**")

Selling Restrictions:

The offering and sale of the Notes is subject to all applicable selling restrictions including, without limitation, those of the United States of America, the United Kingdom, the Republic of Ireland, France, Japan and Spain (see "*Subscription and Sale*")

Governing Law:

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law. The status of the Notes and the status of the Guarantee, the capacity of the Issuer and the Guarantors and the relevant corporate resolutions will be governed by Spanish law

Use of Proceeds:

The net proceeds of the issue of the Notes will be used for the general corporate purposes of Red Eléctrica

Programme Rating:

Rated. Notes to be issued under the Programme have been assigned ratings by Fitch Ratings España S.A.U.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and form part of, this Information Memorandum:

- (a) the translation into English of the audited consolidated financial statements of Red Eléctrica Corporación for the year ended 31 December 2019, prepared in accordance with International Financial Reporting Standards adopted by the European Union (EU-IFRS), and the translation into English of the auditors' report thereon;
- (b) the translation into English of the audited consolidated financial statements of Red Eléctrica Corporación for the year ended 31 December 2018, prepared in accordance with International Financial Reporting Standards adopted by the European Union (EU-IFRS), and the translation into English of the auditors' report thereon;
- (c) the translation into English of the audited financial statements of the Issuer and Red Eléctrica for the year ended 31 December 2019, prepared in accordance with generally accepted accounting principles in Spain (Spanish GAAP), and the translation into English of the auditors' report thereon; and
- (d) the translation into English of the audited financial statements of the Issuer and Red Eléctrica for the year ended 31 December 2018, prepared in accordance with generally accepted accounting principles in Spain (Spanish GAAP), and the translation into English of the auditors' report thereon.

Copies of the documents specified above as containing information incorporated by reference in this Information Memorandum may be inspected, free of charge, upon reasonable notice, at the specified offices (which are set out below) of the Issuer and the Issue and Paying Agent.

THE ISSUER

Introduction

Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal (the “**Issuer**”) is a Spanish limited liability company (*sociedad anónima*), subject to the Spanish Companies Law (*Ley de Sociedades de Capital*) that was incorporated as a sole shareholder company (*sociedad unipersonal*) on 17 June 2009 for an indefinite period. It is registered in the Mercantile Registry of Madrid at volume 26,804, sheet 133, section 8, page number M-483031 and has Tax Identification Number A-85724052. The registered address of the Issuer is in Paseo del Conde de los Gaitanes No. 177, 28109 Alcobendas (Madrid), Spain.

Business overview

The sole purpose of the Issuer is to issue debt instruments guaranteed by the Guarantors subject to compliance with all legal and regulatory requirements.

Management

The Issuer is managed by two directors which, in accordance with the by-laws (*estatutos sociales*) of the company, shall act jointly. Directors are appointed for a period of five years and may be re-elected.

The directors as of the date of this Information Memorandum are:

Name of Director	Position
Tomás José Gallego Arjiz	Director
Rafael García de Diego Barber	Director

To the best knowledge and belief of the Issuer and the Guarantors, there are no potential conflicts of interest between the directors of the Issuer and their respective private interests or duties in accordance with Spanish law.

Share capital and major shareholders

The share capital of the Issuer is €60,200 represented by 602 shares with a par value of €100 each, forming a single class. The share capital is fully paid up.

Red Eléctrica Corporación is the sole shareholder of the Issuer.

RED ELÉCTRICA CORPORACIÓN AND RED ELÉCTRICA GROUP

Introduction

Red Eléctrica Corporación Sociedad Anónima (“**Red Eléctrica Corporación**”) is a Spanish limited liability company (*sociedad anónima*), subject to the Spanish Companies Law (*Ley de Sociedades de Capital*) that was incorporated on 29 January 1985 for an indefinite period. It is registered in the Mercantile Registry of Madrid at volume 214, book 191, sheet 38, section 3, page number 62853 and has Tax Identification Number A-78003662. The registered address of Red Eléctrica Corporación is in Paseo del Conde de los Gaitanes No. 177, 28109 Alcobendas (Madrid), Spain.

Red Eléctrica Corporación was incorporated under the company name Red Eléctrica de España, Sociedad Anónima pursuant to Law 49/1984, of 26 December 1984 which unified the operation of the Spanish electric power system and the management of the high voltage grids. The company was the first in the world exclusively dedicated to the transmission of electricity and the operation of electric power systems.

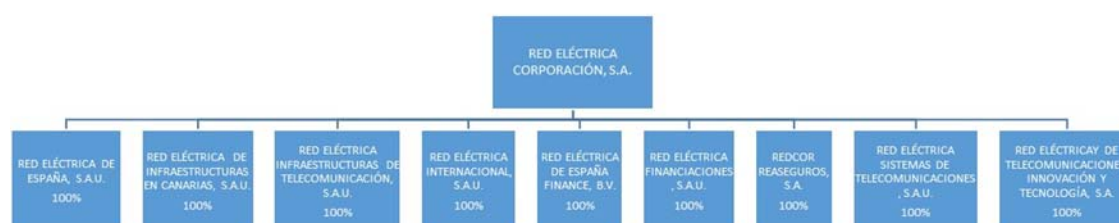
The former Spanish electricity act, Law 54/1997, of 27 November 1997, which introduced the opening of the market to competition, appointed the company as system operator, transmission grid manager and principal carrier of the electric power system in Spain. This Law was amended by Law 17/2007, of 4 July 2007 to adapt it to the European Directive 2003/54/CE, and confirmed the company as sole transmission and electric power system operator in Spain, thus completing the consolidation of its position as Spanish Transmission System Operator (“**TSO**”).

In addition, Law 17/2007, of 4 July 2007 brought about a series of corporate changes for the company. In order to reinforce the separation and transparency of regulated activities in Spain, the organisational structure of the company was transformed into a holding structure. As a result of this, on 1 July 2008 Red Eléctrica de España, Sociedad Anónima changed its name to the current Red Eléctrica Corporación, Sociedad Anónima and transferred all the regulated business in Spain to a new company named Red Eléctrica de España, Sociedad Anónima Unipersonal (“**Red Eléctrica**”). The corporate head offices and the properties not related to the regulated activities, as well as any shareholding held in other entities which were not transferred to Red Eléctrica remain under the parent company.

Law 54/1997 was substituted by a new Electricity Sector Act, Law 24/2013, of 26 December 2013, which maintains Red Eléctrica’s appointment as sole transmission and system operator. Law 24/2013 also maintains the current holding structure of the Red Eléctrica Group.

The Red Eléctrica Group

Red Eléctrica Corporación is the parent company of the Red Eléctrica Group. As of date of this Information Memorandum, the simplified structure of the Group is as follows:



Under Law 24/2013, all of the provisions relating to the system operator and transmission network manager apply to Red Eléctrica and Red Eléctrica Corporación may not transfer its shares in Red Eléctrica to third parties as it carries out regulated activities.

Business overview

The Red Eléctrica Group conducts its business and operations across three main divisions: (i) management of electric infrastructure in Spain as Transmission System Operator; (ii) telecommunications business; and (iii) management of electric infrastructure in international business.

(i) Management of electric infrastructure in Spain as Transmission System Operator

The principal activity of the Red Eléctrica Group is electricity transmission, system operation and management of the transmission network for the Spanish electricity system. These regulated activities are carried out through Red Eléctrica as TSO of the Spanish electricity system and they are described below in a specific section “Management of electric infrastructure in Spain”.

In accordance with Law 24/2013, high voltage transmission of electricity consists in transmitting electricity and in constructing, maintaining and managing the facilities necessary to do so. Red Eléctrica also operates the electricity systems serving the Spanish territory, including the mainland, islands and non-mainland electricity systems, to ensure the continuity and security of the electricity system.

Moreover, in connection with the activity of TSO, the Group is involved in the construction of energy storage facilities in non-mainland and isolated systems through Red Eléctrica Infraestructuras en Canarias S.A.U. (“**REINCAN**”), a fully owned subsidiary of Red Eléctrica Corporación incorporated on 17 September 2015.

In addition, Red Eléctrica owns 50% of the share capital of Interconexión Eléctrica Francia-España, S.A.A. (“**INELFE**”) for development of the connection facilities with France.

(ii) Telecommunications Business

The Group provides telecommunications services to third parties through Red Eléctrica Infraestructuras de Telecomunicación, S.A.U. (“**REINTEL**”), primarily by leasing dark backbone fibre, both from electric power transmission infrastructure and railway networks. On 27 February 2018, Red Eléctrica Corporación, as sole shareholder, incorporated Red Eléctrica Sistemas de Telecomunicaciones, S.A.U. (“**RESTEL**”) whose main corporate purpose is the acquisition, holding, management and administration of securities. On 12 February 2019, Abertis Infraestructuras, S.A. and Red Eléctrica Corporación reached an agreement for RESTEL to acquire 89.68% of Abertis’ current stake in Hispasat, S.A. The closing of the acquisition was formalised on 3 October 2019, once the required conditions precedent were met. Hispasat, S.A. is the leading satellite infrastructure operator in Spain and Portugal by volume of business, and also ranks as the fourth operator in Latin America and the eighth operator worldwide.

(iii) Management of electric infrastructure in International Business

The international business of the Red Eléctrica Group is developed through Red Eléctrica Internacional S.A.U. (“**REI**”), and international operations have been concentrated mainly in Peru and Chile.

Regarding the activities in Peru, REI holds a direct 100% interest in the capital of the Peruvian companies Red Eléctrica Andina, S.A.C. (“**REA**”) and Red Eléctrica del Sur, S.A. (“**REDESUR**”). In turn, REDESUR owns 100% of Transmisora Eléctrica del Sur, S. A. (“**TESUR**”), Transmisora Eléctrica del Sur 2, S.A (“**TESUR2**”), Transmisora Eléctrica del Sur 3, S.A., (“**TESUR3**”) and with the participation of Red Eléctrica Internacional Transmisora Eléctrica del Sur 4, S.A. (“**TESUR4**”), companies whose principal activity is the electricity transmission and the operation and maintenance of electricity transmission networks in Peru.

In June 2018, TESUR2 initiated the commercial operation phase of the Azangaro-Juliaca-Puno 220 kV transmission line for a period of 30 years. The projects carried out by TESUR3, the

Montalvo - Los Héroes line and, TESUR4, the Tintaya - Azángaro line are in the construction period and will come into operation in the next few years.

On 14 December 2018, REI reached an agreement with Cajamarca Invest, S.L and Bow Power to acquire 100% of the capital of Concesionaria Linea de Transmision CCNMC S.A.C, a concessionaire of the Carhuaquero - Cajamarca Norte - Cállic - Moyobamba 220 kV power line and the 4 related substations in northern Peru. These assets have been operating since the end of 2017 on the basis of a license for 30 years with the Peruvian State. The transaction was completed in 2019 through the recently incorporated company Red Eléctrica del Norte Perú, S.A.C. ("**REDELNOR**"), where REI holds a 100% interest.

Regarding the activities in Chile, REI has 100% of the share capital of the company Red Eléctrica Chile SpA ("**RECH**"), incorporated in November 2015 and its main activity is the acquisition, possession, administration, direction and management of the shares that the Group maintains in Chile. RECH in turn, has 50% share in Transmisora Eléctrica del Norte, S.A. ("**TEN**"), the other 50% being owned by the Chilean company, Engie Energia Chile, a subsidiary of Grupo ENGIE. RECH also has a 69.9% stake in Red Eléctrica del Norte S.A. ("**REDENOR**") and 100% of Red Eléctrica del Norte 2 S.A. ("**REDENOR2**").

During 2018, TEN has operated the first year of service of the Mejillones-Cardones line, with 500 kV and a total length of 600 km which connects the Central Interconnected System (SIC) with the Great Northern Interconnected System (SING). On 5 July 2017, RECH and Cobra Instalaciones y Servicios S.A., incorporated the company REDENOR. The company's purpose is to design, finance, build, operate and maintain various transmission facilities in the Far North Interconnected System (Sistema Eléctrico del Norte Grande - SING). In 2017, REDENOR was awarded a project for the construction and operation of 258 km of 220 kV lines and a substation in northern Chile. The construction of the project began in 2018. On 3 July 2018, RECH incorporated the company REDENOR2, whose statutory activity is the involvement in electricity transmission and transportation activities. In September 2018 REDENOR2 acquired 100% of the corporate capital of Centinela Transmisión, S.A., the company operates a 265 km circuit made up of three 220 kV lines in Chile's northern Antofagasta Region, and at the end of 2018, the company was absorbed by REDENOR2.

Activity in Brazil, on 22 November 2019, REI and the Colombian company Grupo Energía Bogotá S.A. ESP reached an agreement to jointly and equally acquire 100% of the shares in Argo Energia Empreendimentos e Participações S.A. ("**Argo Energia**") owner of three electric transmission concessions in Brazil. The 50 per cent. interest in Argo Energia will be held through Red Eléctrica Brasil ("**REBR**") as a Joint Venture. Final implementation of the acquisition of Argo is conditioned upon authorisation from Brazil's regulatory agency, ANEEL, and competition authority, CADE.

In addition to the above-mentioned business divisions, the Red Eléctrica Group carries out activities through its subsidiaries aimed at financing its operations through Red Electrica de España Finance, B.V. and the Issuer, and covers risks (among other means) by reinsuring its assets and activities through Redcor Reaseguros, S.A.

In 2019, Red Eléctrica Corporación incorporated Red Eléctrica y de Telecomunicaciones, Innovación y Tecnología, S.A.U. ("**RETIT**") to foster technological innovation.

Management

Red Eléctrica Corporación is managed by a board of directors which, in accordance with its by-laws (*estatutos sociales*) is comprised of no less than nine and no more than thirteen members appointed by the general shareholders meeting. Members of the board of directors are appointed for a period of four years and may be re-elected.

The members of the board of directors as of the date of this Information Memorandum are:

Name of Director	Position on the Board	Date of first appointment
Beatriz Corredor Sierra	Chairwoman	25 February 2020
Roberto García Merino	Chief Executive Officer	27 May 2019
Mercedes Real Rodrigálvarez	Director	31 October 2017
Antonio Gómez Expósito	Director	25 September 2018
María Teresa Costa Campi	Director	25 September 2018
Carmen Gómez de Barreda Tous de Monsalve	Director	19 April 2012
María José García Beato	Director	29 November 2012
Antonio Gómez Ciria	Director	09 May 2014
Socorro Fernández Larrea	Director	09 May 2014
Arsenio Fernández de Mesa y Díaz del Río	Director	31 January 2017
Alberto Francisco Carbajo Josa	Director	31 March 2017
José Juan Ruiz Gómez	Director	22 March 2019

To the best knowledge and belief of the Issuer and the Guarantors, there are no potential conflicts of interest between the directors of Red Eléctrica Corporación and their respective private interests or duties in accordance with Spanish law.

Share capital and major shareholders

Red Eléctrica Corporación is listed in the stock exchanges of Madrid, Barcelona, Bilbao and Valencia since 2002 and it is one of the companies included in the Ibex 35 selective index. Its current share capital is €270,540,000 represented by 541,080,000 shares with a par value of €0.50 each, forming a single class. The share capital is fully paid up.

The largest shareholder of Red Eléctrica Corporación as of the date of this Information Memorandum is Sociedad Estatal de Participaciones Industriales (SEPI), the Spanish state industrial holding company, which holds 20% of the shares of the company.

RED ELÉCTRICA

Introduction

Red Eléctrica de España, Sociedad Anónima Unipersonal (“**Red Eléctrica**”) is a Spanish limited liability company (*sociedad anónima*), subject to the Spanish Companies Law (*Ley de Sociedades de Capital*), that was incorporated as a sole shareholder company (*sociedad unipersonal*) on 1 July 2008 for an indefinite period. It is registered in the Mercantile Registry of Madrid at volume 25,097, sheet 195, section 8, page number M-452031 and has Tax Identification Number A-85309219. The registered address of Red Eléctrica is in Paseo del Conde de los Gaitanes No. 177, 28109 Alcobendas (Madrid), Spain.

Management of electric infrastructure in Spain

As mentioned above, the main activity of the Group comprises electricity transmission, system operation and management of the transmission network for the Spanish Electricity System, carried out through Red Eléctrica.

The main business activities of Red Eléctrica are as follows:

Transmission

The main activity of Red Eléctrica is the transmission of electricity through the high-voltage grid. Pursuant to Law 24/2013, of 26 December 2013, this activity comprises the transmission of electricity and the construction, maintenance and operation of transmission infrastructures

Red Eléctrica expects to invest approximately €3,000 million between 2018 and 2022 on its transmission activities. These investments will be oriented mainly to the structural strengthening of the transmission grid, the improvement of the meshing of grid nodes and the creation of new transmission axes.

Red Eléctrica owns the majority of the Spanish transmission network, consisting of over 44,000 km of high voltage lines, over 5,700 substation bays, and over 92,000 MVA (megavolt amps) of transformation capacity.

In order to develop and maintain the transmission network, Red Eléctrica carries on the following activities:

Planning. The company identifies future network development needs with a view to improving the network. In this respect, it carries out the corresponding demand and supply forecast analyses and technical studies on the suitability of the transmission network.

Development. The investments of the company are targeted towards the structural reinforcement and development of the transmission network, to improve the meshing of the transmission grid, integrating, and improving the transmission assets in the Balearic and Canary Islands and strengthening international interconnections, and propelling the energy transition, market integration and the sustainability of the electricity system with a major technological component and search for efficiency.

Structural reinforcement of the transmission network includes the development of international interconnections, to ensure the continuity of the supply in Spain as well as the integration of the Spanish electricity market into other markets. In this regard, the development of interconnections with France, which connects the Spanish and Portuguese electricity systems to the other European electricity systems, is key to Red Eléctrica. Additionally, increasing and expanding these interconnections is one of the principal objectives of EU energy policy.

The interconnection with France, completed in 2014, consist of a new line that extends between the two transformers located in Santa Llogaia (Spain) and Baixas (France). This project was carried out in conjunction with the French transmission system operator Réseau de Transport d'Électricité (“**RTE**”) through the company INELFE, in which Red Eléctrica and RTE each have a 50% stake. The interconnection was considered of high-priority interest by the European Union and has doubled the interconnection capacity of both countries, from 1,400 to 2,800 megawatts, strengthened the security of the two electricity systems and promoted the integration of a greater volume of renewable energy, especially wind power within the Spanish system.

Currently, Red Eléctrica, through INELFE is planning new interconnections with France through the Bay of Biscay and the central Pyrenees motivated by the need to continue increasing interconnection capacity with France, and for the achievement of the European energy objectives that will allow access to sustainable, competitive and safe energy. The Bay of Biscay interconnection project was declared a "Project of Common Interest" by the European Commission and the Parliament on 14 October 2013. This underwater link will bolster the electrical connection with Europe, increasing the commercial exchange capacity with France to 5,000 megawatts.

Maintenance. The maintenance of the equipment and systems that constitute the high voltage transmission network requires the application of strict quality controls, the use of predictive maintenance techniques and the performance of intensive work.

As a result of the good level of coordination between power downtime for construction and maintenance work, the quality of the facilities and the use of the abovementioned maintenance techniques, Red Eléctrica benefits from a high degree of availability of its electricity transmission facilities. This, in turn, has enabled Red Eléctrica to achieve the following service quality indicators in terms of security and continuity of supply as at 31 December 2019:

Quality indicator	2019(*)
Network availability index (%)	97.9
Average interrupt time (AIT) in minutes	0.101
Energy not supplied (ENS) MWh	48

(*) Provisional data

Source: Red Eléctrica

System Operation

Red Eléctrica operates the Spanish electric power system, including the insular and extra-peninsular systems, with the aim to guarantee the continuity of the electricity supply and the correct coordination of the production and transmission system.

As system operator, Red Eléctrica endeavours to provide a constant balance between electricity output and consumption in Spain. In order to achieve this, it anticipates electricity demand and operates, in a coordinated manner and in real time, the electricity generation and transmission facilities, thereby ensuring that the programmed output of power stations coincides at all times with the actual consumer demand for electricity.

In order to improve the performance of its functions as system operator and ensure that the system is operated with impartiality and at minimum cost to the system, Red Eléctrica acts in accordance with the principles of independence, non-discrimination, transparency, objectivity and efficiency

Power control centres are one of the basic devices used by Red Eléctrica to perform its legal functions as system operator. These centres coordinate and control the generation and transmission of electricity in real time.

In 2006, Red Eléctrica brought a specific centre into service to supervise and control facilities operating under the special regime (renewable energies and cogeneration). This specialised centre, known as the Special Regime Control Centre (CECRE) is integrated into the Electricity Control Centre (CECOEL) and its main purpose is to allow a maximum output from renewable energy sources, especially wind energy, to be safely integrated into the power system.

Regarding the international exchanges of electricity, Red Eléctrica is responsible for coordinating with the electricity operators of other countries the information relating to international exchanges of electricity and the measurements of energy flows that take place through international interconnections. Red Eléctrica can enter into short-term international supply agreements for exchanging electricity for the purpose of guaranteeing the quality and security of power supply.

Environmental matters and sustainability

In 1992, the Group implemented the first environmental protection code in the Spanish electricity industry and in 1998 it established a formal environmental protection policy to govern all of its activities. Since October 2001, the Group has had in place an environmental management system certified to the UNE-EN ISO 14001 standard and registered under the EU Eco-Management and Audit Scheme (EMAS).

In 2004, Red Eléctrica Group became the first business group from the energy sector in Spain to obtain an environmental certification from the Spanish Normalisation and Certification Association (*Asociación Española de Normalización y Certificación*) for all its electricity transmission activities and facilities.

The Red Eléctrica Group's commitment to operate in accordance with the strictest requirements associated with environmental management forms an integral part of, and is reflected in, its environmental policy.

Red Eléctrica belongs to the most reputable sustainability indices, in recognition of its excellent track record in this area and its firm commitment to transparency in its reporting to third parties. The company is a component of the benchmark indices: Dow Jones Sustainability Index (DJSI), FTSE4Good, CDP, Euronext Vigeo Eiris, Ethibel and MSCI.

In 2018, Red Eléctrica's Board created the Sustainability Committee, owing to the strategic role sustainability currently plays within the Group. It is voluntary and is largely made up of independent directors.

Management

Red Eléctrica is managed by a sole director appointed for a period of six years and may be re-elected. Red Eléctrica Corporación is the sole director of Red Eléctrica, whose first appointment was on 20 June 2008 and it is represented by Roberto García Merino.

To the best knowledge and belief of the Issuer and the Guarantors, there are no potential conflicts of interest between the representative of the sole director of Red Eléctrica and his private interests or duties in accordance with Spanish law.

Share capital and major shareholders

The share capital of Red Eléctrica is €800,006,000 represented by 400,003,000 shares with a par value of €2 each, forming a single class. The share capital is fully paid up.

Red Eléctrica Corporación is the sole shareholder of Red Eléctrica.

CERTAIN INFORMATION IN RESPECT OF THE NOTES

Key information

The persons involved in the Programme and the capacities in which they act are specified at the end of this Information Memorandum.

The net proceeds of the issue of the Notes will be used for the general corporate purposes of Red Eléctrica.

Information Concerning the Securities to be admitted to trading

Total amount of Notes admitted to trading

The aggregate amount of each issue of Notes will be set out in the applicable Pricing Supplement.

The maximum aggregate principal amount of Notes which may be outstanding at any one time is €1,000,000,000 (or its equivalent in other currencies). Such amount may be increased from time to time in accordance with the Dealer Agreement.

Type and class of Notes

Notes will be issued in tranches. Global Notes shall be issued (and interests therein exchanged for definitive Notes, if applicable) in the following minimum denominations:

- (a) for U.S.\$ Notes, U.S.\$500,000 (and integral multiples of U.S.\$1,000 in excess thereof);
- (b) for euro Notes, €500,000 (and integral multiples of €1,000 in excess thereof);
- (c) for Sterling Notes, £100,000 (and integral multiples of £1,000 in excess thereof); or
- (d) for Yen Notes, ¥100,000,000 (and integral multiples of ¥1,000,000 in excess thereof),

or such other conventionally accepted denominations in those currencies or such other currency as may be agreed between the Issuer and the relevant Dealer from time to time, subject in each case to compliance with all applicable legal and regulatory requirements and provided that the equivalent of that denomination in Sterling as at the date of issue is not less than £100,000.

The international security identification number of each issue of Notes will be specified in the relevant Pricing Supplement.

Legislation under which the Notes and the Guarantee have been created

The Notes and any non-contractual obligations arising out of or in connection with them are governed by, and construed in accordance with, English law.

The Guarantee and any non-contractual obligations arising out of or in connection with it will be governed by, and construed in accordance with, English law.

The formalities relating to the issue of the Notes, their legal nature and the status of the Notes and the status of the Guarantee, the capacity of the Issuer and the Guarantors, the relevant corporate resolutions and any non-contractual obligations arising out of or in connection with the above shall be governed by Spanish law.

Form of the Notes

The Notes will be in bearer form. Each issue of Notes will initially be represented by a Global Note which will be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Classic Global Note, as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a depository or a common

depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each New Global Note, as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Global Note may, if so specified in the relevant Pricing Supplement, be exchangeable for Notes in definitive bearer form in the limited circumstances specified in the relevant Global Note.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

Currency of the Notes

Notes may be issued in euro, Yen, Sterling, U.S. dollars and such other currencies as may be agreed between the Issuer and the relevant Dealer(s) from time to time and subject to the necessary regulatory requirements having been satisfied.

Status of the Notes

The Notes constitute and at all times shall constitute a direct, unsecured and unsubordinated obligation of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer other than those preferred by mandatory provisions of law and other statutory exceptions.

In the event of insolvency (concurso) of the Issuer, under the Spanish Insolvency Law claims relating to Notes will be ordinary credits (créditos ordinarios) as defined by the Insolvency Law unless they qualify as subordinated credits (créditos subordinados) in the limited circumstances set out in Article 92 of the Spanish Insolvency Law. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and privileged credits (créditos privilegiados).

Status of the Guarantee

The obligations of each Guarantor under the Guarantee constitute and at all times shall constitute a direct, unsecured and unsubordinated obligation of that Guarantor ranking *pari passu* without any preference among themselves and *pari passu* with all its present and future unsecured and unsubordinated obligations other than those preferred by mandatory provisions of law and other statutory exceptions.

In the event of insolvency (concurso) of a Guarantor, under the Spanish Insolvency Law claims relating to the Guarantee will be ordinary credits (créditos ordinarios) as defined by the Insolvency Law unless they qualify as subordinated credits (créditos subordinados) in the limited circumstances set out in Article 92 of the Spanish Insolvency Law. Ordinary credits rank below credits against the insolvency state (créditos contra la masa) and privileged credits (créditos privilegiados).

Rights attaching to the Notes

Each issue of Notes will be the subject of a Pricing Supplement which, for the purposes of that issue only, supplements the terms and conditions set out in the relevant Global Note or, as the case may be, definitive Notes and must be read in conjunction with the relevant Notes. See "*Forms of Notes*" and "*Form of Pricing Supplement*".

Maturity of the Notes

The Maturity Date applicable to each issue of Notes will be specified in the relevant Pricing Supplement. The tenor of the Notes shall be not less than 1 day or more than 364 days from and including the Issue Date to, but excluding, the Maturity Date, subject to applicable legal and regulatory requirements.

Optional Redemption for Tax Reasons

The Issuer may redeem Notes (in whole but not in part) if it has or will become obliged to pay additional amounts pursuant to the terms and conditions of the Notes as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction) which change or amendment becomes effective on or after the issue date of the relevant Notes and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Prescription

Claims for payment of principal and interest in respect of the Notes shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date in each case as specified in the relevant Pricing Supplement.

Yield Basis

Notes may be issued on the basis that they will be interest bearing or at a discount (in which case they will not bear interest). The yield basis in respect of Notes bearing interest at a fixed rate will be set out in the relevant Pricing Supplement.

Authorisations and approvals

The establishment of the Programme and the issuance of Notes pursuant thereto was authorised by a resolution of the sole shareholder and a resolution of the directors of the Issuer adopted on 22 February 2012. The current update of the Programme was authorised by a resolution of the sole shareholder and a resolution of the directors of the Issuer adopted on 30 March 2020.

The board of directors of Red Eléctrica Corporación authorised the establishment of the Programme, the issuance of Notes and the entering into the Guarantee by Red Eléctrica Corporación and Red Eléctrica by a resolution adopted at a meeting passed on 25 January 2012. The current update of the Programme and the renewal of the Guarantee was authorised by a resolution of the directors of Red Eléctrica Corporación adopted on 25 February 2020.

The sole director of Red Eléctrica authorised the establishment of the Programme, the issuance of Notes and the entering into the Guarantee by a resolution adopted on 22 February 2012. A resolution of the sole director of Red Eléctrica adopted on 30 March 2020 authorised the renewal of the Guarantee in connection with the current update of the Programme.

The Issuer and the Guarantors have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Admission to trading and dealing arrangements

Application has been made to Euronext Dublin for Notes issued under the Programme during the period of twelve months after the date of this Information Memorandum to be admitted to the Official List and to trading on the regulated market of Euronext Dublin. Notes may be listed, traded and/or quoted on any other listing authority, stock exchange and/or quotations system, as may be agreed between the Issuer and the relevant Dealer. No Notes may be issued on an unlisted basis.

The Bank of New York Mellon, London Branch at One Canada Square, London E14 5AL, United Kingdom is the Issue and Paying Agent in respect of the Notes.

The Bank of New York Mellon SA/NV, Dublin Branch at Hanover Building, Windmill Lane, Dublin 2, Ireland is the Listing Agent in respect of the Notes.

Expense of the admission to trading

The expense in relation to the admission to trading of each issue of Notes will be specified in the relevant Pricing Supplement.

Additional Information

The legal advisers and capacity in which they act are specified at the end of this Information Memorandum.

Notes to be issued under the Programme have been assigned ratings by Fitch Ratings España S.A.U. The credit ratings assigned to the Notes will be set out in the relevant Pricing Supplement.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, charge or withdrawal at any time by the assigning rating agency.

FORMS OF NOTES

PART A - Form of Multicurrency Global Note

THE SECURITIES REPRESENTED BY THIS GLOBAL NOTE AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

RED ELÉCTRICA FINANCIACIONES, SOCIEDAD ANÓNIMA UNIPERSONAL
(incorporated with limited liability under the laws of Spain)

€1,000,000,000

EURO-COMMERCIAL PAPER PROGRAMME

Irrevocably and unconditionally guaranteed by

RED ELÉCTRICA CORPORACIÓN, SOCIEDAD ANÓNIMA
(incorporated with limited liability under the laws of Spain)

and

RED ELÉCTRICA DE ESPAÑA, SOCIEDAD ANÓNIMA UNIPERSONAL
(incorporated with limited liability under the laws of Spain)

1. For value received, Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal (the "**Issuer**") promises to pay to the bearer of this Global Note on the Maturity Date set out in the Pricing Supplement or on such earlier date as the same may become payable in accordance with paragraph 4 below (the "**Relevant Date**"), the Nominal Amount or, as the case may be, Redemption Amount set out in the Pricing Supplement, together with interest thereon, if this is an interest bearing Global Note, at the rate and at the times (if any) specified herein and in the Pricing Supplement. Terms defined in the Pricing Supplement attached hereto but not otherwise defined in this Global Note shall have the same meaning in this Global Note.

All such payments shall be made in accordance with an amended and restated issue and paying agency agreement dated 3 April 2020 (as amended and restated or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Red Eléctrica Corporación, Sociedad Anónima and Red Eléctrica de España, Sociedad Anónima Unipersonal (the "**Guarantors**") and The Bank of New York Mellon, London Branch as the issue and paying agent (the "**Issue and Paying Agent**"), a copy of which is available for inspection, upon reasonable notice, at the offices of the Issue and Paying Agent at One Canada Square, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the office of the Issue and Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Pricing Supplement maintained by the bearer with a bank in the principal financial centre in the country of the Specified Currency or, in the case of a Global Note denominated in euro, by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union. Each of the Issuer and the Guarantors undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in

U.S. dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside of the United States that the Issuer or the Issue and Paying Agent so chooses.

2. If the Pricing Supplement specifies that the New Global Note form is applicable, this Global Note shall be a "**New Global Note**" or "**NGN**" and the Nominal Amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs (as defined below). The records of the ICSDs (which expression in this Global Note means the records that each ICSD holds for its customers which reflect the amount of such customers' interests in the Notes (but excluding any interest in any Notes of one ICSD shown in the records of another ICSD)) shall be conclusive evidence of the Nominal Amount of Notes represented by this Global Note and, for these purposes, a statement issued by an ICSD (which statement shall be made available to the bearer upon request) stating the Nominal Amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of the ICSD at that time.

If the Pricing Supplement specifies that the New Global Note form is not applicable, this Global Note shall be a "**Classic Global Note**" or "**CGN**" and the Nominal Amount of Notes represented by this Global Note shall be the Nominal Amount stated in the Pricing Supplement or, if lower, the Nominal Amount most recently entered by or on behalf of the Issuer in the relevant column in the Schedule hereto.

3. All payments in respect of this Global Note by or on behalf of the Issuer or the Guarantors shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any taxing authority or agency thereof or therein ("**Taxes**"), unless the withholding or deduction of taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantors, shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note or the holder or beneficial owner of any interest herein or rights in respect hereof (the "**holder**") after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that the Issuer or, as the case may be, the Guarantors, shall not be required to pay any additional amounts in relation to any payment:
 - (a) to, or to a third party on behalf of, a holder who is liable for such Taxes in respect of such Note by reason of his having some connection with the jurisdiction imposing the Taxes other than the mere holding of such Note;
 - (b) to, or to a third party on behalf of, a holder who would have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities;
 - (c) in respect of any Note presented for payment more than 15 days after the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date or (in either case) the date on which the payment hereof is duly provided for, whichever occurs later, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 15 days;
 - (d) to, or to a third party on behalf of, individuals resident for tax purposes in the Kingdom of Spain, if the Spanish tax authorities determine that payments made to such individuals are not exempt from withholding tax and require a withholding to be made;
 - (e) to, or to a third party on behalf of, a Spanish resident legal entity subject to Spanish Corporate Income Tax, if the Spanish tax authorities determine that the Notes do not comply with the exemption requirements specified in the General Directorate for Taxation's ruling of 27 July 2004 and require a withholding to be made; or
 - (f) to, or to a third party on behalf of, a holder if the Issuer does not receive any relevant information as may be required by Spanish tax law, regulation or binding ruling, including

a duly executed and completed certificate from the Issue and Paying Agent issued in accordance with Law 10/2014, of 26 June and any implementing legislation or regulation, or in case the current information procedures are modified, amended or supplemented by any Spanish law, regulation or binding ruling.

Notwithstanding any other provision of this Global Note, any amounts to be paid in respect of the Notes by or on behalf of the Issuer or the Guarantors will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any of the Guarantors will be required to pay any additional amounts in respect of FATCA Withholding.

4. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at the Redemption Amount specified in the Pricing Supplement, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:
 - (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 3 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date specified in the Pricing Supplement; and
 - (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issue and Paying Agent:

- (a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (b) an opinion of independent legal advisers of recognised standing at the cost of the Issuer to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

5. The Issuer, the Guarantors or any of their subsidiaries may at any time purchase Notes in the open market or otherwise at any price. All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by the Guarantors or any subsidiary of the Issuer or the Guarantors may be cancelled, held by such subsidiary or resold.
6. On each occasion on which:
 - (i) *Definitive Notes*: Notes in definitive form are delivered; or
 - (ii) *Cancellation*: Notes represented by this Global Note are to be cancelled in accordance with paragraph 5,

the Issuer shall procure that:

- (a) if the Pricing Supplement specifies that the New Global Note form is not applicable, (i) the aggregate principal amount of such Notes; and (ii) the remaining Nominal Amount of Notes represented by this Global Note (which shall be the previous Nominal Amount hereof less the aggregate of the amount referred to in (i) above) are entered in the Schedule hereto, whereupon the Nominal Amount of Notes represented by this Global Note shall for all purposes be as most recently so entered; and
 - (b) if the Pricing Supplement specifies that the New Global Note form is applicable, details of the exchange or cancellation shall be entered *pro rata* in the records of the ICSDs and the Nominal Amount of the Notes entered in the records of the ICSDs and represented by this Global Note shall be reduced by the principal amount so exchanged or cancelled.
7. The payment obligations of the Issuer represented by this Global Note constitute and at all times shall constitute a direct, unsecured and unsubordinated obligation of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law and other statutory exceptions.
8. If the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date, is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and the bearer of this Global Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

"Payment Business Day" means any day other than a Saturday or Sunday which is either (i) if the Specified Currency set out in the Pricing Supplement is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the Specified Currency set out in the Pricing Supplement (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Pricing Supplement is euro, a day which is a TARGET Business Day; and

"TARGET Business Day" means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

9. This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
10. This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
- (a) if one or both of Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and, together with Euroclear, the international central securities depositaries or "**ICSDs**") or any other relevant clearing system in which this Global Note is held at the relevant time is closed for business for a continuous period of 14 days (other than by reason of weekends or public holidays, statutory or otherwise) or if any such clearing system announces an intention, or does in fact, permanently cease to do business;

- (b) if default is made in the payment of any amount payable in respect of this Global Note; or
- (c) if the Notes are required to be removed from Euroclear, Clearstream, Luxembourg or any other clearing system and no suitable (in the determination of the Issuer) alternative clearing system is available.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Issue and Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issue and Paying Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the Specified Currency set out in the Pricing Supplement in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

- 11. If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 3 April 2020, entered into by the Issuer).
- 12. This Global Note has the benefit of a deed of guarantee issued by the Guarantors on 3 April 2020, copies of which are available for inspection during normal business hours at the offices of the Issue and Paying Agent referred to above.
- 13. If this is an interest bearing Global Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note, the Issuer shall procure that:
 - (i) if the Pricing Supplement specifies that the New Global Note form is not applicable, the Schedule hereto shall be duly completed by the Issue and Paying Agent to reflect such payment; and
 - (ii) if the Pricing Supplement specifies that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the ICSDs.
- 14. If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:
 - (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the Rate of Interest specified in the Pricing Supplement with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph.

15. If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:

- (a) in the case of a Global Note which specifies LIBOR as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Pricing Supplement (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days.

As used in this Global Note (and unless otherwise specified in the Pricing Supplement):

"**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of the Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate; and

"**London Banking Day**" shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Global Note which specifies EURIBOR as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Pricing Supplement (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note (and unless otherwise specified in the Pricing Supplement), "**EURIBOR**" shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a "**EURIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate;

- (c) In the case of a Global Note which specifies EONIA as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of EONIA and the Margin specified in the Pricing Supplement (if any), determined on each TARGET Business Day during the relevant Interest Period as specified below. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days;

As used in this Global Note (unless otherwise specified in the Pricing Supplement) "**EONIA**", for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and

appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET Business Day immediately following such day (each an "**EONIA Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate;

- (d) the Calculation Agent specified in the Pricing Supplement will, as soon as practicable after (i) 11.00 a.m. (London time) on each LIBOR Interest Determination Date or (ii) 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, or (iii) on each EONIA Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. "**Rate of Interest**" means (A) if the Reference Rate is LIBOR, the rate which is determined in accordance with the provisions of paragraph 15(a); (B) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 15(b); and (C) if the Reference Rate is EONIA, the rate which is determined in accordance with the provisions of paragraph 15(c). The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the nominal amount of one Note of each Denomination, multiplying such product by the Day Count Convention specified in the Pricing Supplement or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;
- (e) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph; and
- (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 10, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

If the Calculation Agent is unable to determine the Reference Rate specified in the Pricing Supplement due to the relevant benchmark not being calculated or administered or it becomes illegal for the Calculation Agent to determine any amounts due to be paid as at the relevant Interest Determination Date, the Issuer in consultation with an independent financial advisor (the "**IFA**"), appointed by the Issuer in its sole discretion, shall determine any alternative rate which has replaced the benchmark in customary market usage for the purposes of determining the Reference Rate in respect of the Notes, provided that if the IFA determines that there is no clear market consensus as to whether any rate has replaced the relevant benchmark in customary market usage, the IFA shall determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Calculation Agent and the holders of the Notes. If the IFA determines, acting in good faith and in a commercially reasonable manner, that an adjustment (which may be positive, negative or zero) to the Margin is required to be applied to the alternative Reference Rate then such adjustment to the Margin as determined by the IFA shall be applied. The Issuer shall promptly thereafter notify the alternative Reference Rate and any adjustment to the Margin to the holders of the Notes as set out in item (f) above.

- 16. Instructions for payment must be received at the office of the Issue and Paying Agent referred to above together with this Global Note as follows:
 - (a) if this Global Note is denominated in U.S. dollars, euro or Sterling at least one Business Day prior to the relevant payment date; and

- (b) in all other cases, at least two Business Days prior to the relevant payment date.

As used in this paragraph, "**Business Day**" means:

- (i) in the case of payments in euro, a TARGET Business Day; and
- (ii) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Pricing Supplement.
17. Upon any payment being made in respect of the Notes represented by this Global Note, the Issuer shall procure that:
- (a) *CGN*: if the Pricing Supplement specifies that the New Global Note form is not applicable, details of such payment shall be entered in the Schedule hereto and, in the case of any payment of principal, the Nominal Amount of the Notes represented by this Global Note shall be reduced by the principal amount so paid; and
- (b) *NGN*: if the Pricing Supplement specifies that the New Global Note form is applicable, details of such payment shall be entered pro rata in the records of the ICSDs and, in the case of any payment of principal, the Nominal Amount of the Notes entered in the records of the ICSDs and represented by this Global Note shall be reduced by the principal amount so paid.
18. This Global Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon, London Branch as Issue and Paying Agent.
19. If the Pricing Supplement specifies that the New Global Note form is applicable, this Global Note shall not be valid for any purpose until it has been effectuated for and on behalf of the entity appointed as common safekeeper by the ICSDs.
20. This Global Note and any non-contractual obligations arising from or connected with it are governed by, and shall be construed in accordance with, English law.

The status of this Global Note, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Global Note (including a dispute regarding the existence, validity or termination of this Global Note). The parties to this Global Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom or, if different, its registered office for the time being, as its agent for service of process in any proceedings before the English courts in connection with this Global Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the office of the Issue and Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 20 does not affect any other method of service allowed by law.

21. So long as this Global Note is held on behalf of a clearing system, notices to the holders of Notes represented by this Global Note may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by this Global Note or by delivery of the relevant notice to the holder of the Global Note, except that, for so long as such Notes are admitted to trading in the regulated market of the Irish

Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") all notices shall be published in a manner which complies with its rules and regulations.

- 22. Claims for payment of principal and interest in respect of this Global Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
- 23. No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999.

AUTHENTICATED by
**THE BANK OF NEW YORK MELLON, LONDON
BRANCH**

without recourse, warranty or liability
and for authentication purposes only

By:.....
(*Authorised Signatory*)

EFFECTUATED for and on behalf of

.....
as common safekeeper without
recourse, warranty or liability

By:.....
[*manual signature*]
(*Authorised Signatory*)

Signed on behalf of:

**RED ELÉCTRICA FINANCIACIONES
SOCIEDAD ANÓNIMA UNIPERSONAL**

By:.....
(*Authorised Signatory*)

PRICING SUPPLEMENT

[Completed Pricing Supplement to be attached]

PART B - Form of Multicurrency Definitive Note

THE SECURITIES REPRESENTED BY THIS GLOBAL NOTE AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

RED ELÉCTRICA FINANCIACIONES, SOCIEDAD ANÓNIMA UNIPERSONAL

(incorporated with limited liability under the laws of Spain)

€1,000,000,000

EURO-COMMERCIAL PAPER PROGRAMME

Irrevocably and unconditionally guaranteed by

RED ELÉCTRICA CORPORACIÓN, SOCIEDAD ANÓNIMA

(incorporated with limited liability under the laws of Spain)

and

RED ELÉCTRICA DE ESPAÑA, SOCIEDAD ANÓNIMA UNIPERSONAL

(incorporated with limited liability under the laws of Spain)

Nominal Amount of this Note:

1. For value received, Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal (the "**Issuer**") promises to pay to the bearer of this Note on the Maturity Date set out in the Pricing Supplement, or on such earlier date as the same may become payable in accordance with paragraph 3 below (the "**Relevant Date**"), the above-mentioned Nominal Amount or, as the case may be, the Redemption Amount set out in the Pricing Supplement, together with interest thereon, if this is an interest bearing Note, at the rate and at the times (if any) specified herein and in the Pricing Supplement. Terms defined in the Pricing Supplement attached hereto but not otherwise defined in this Note shall have the same meaning in this Note.

All such payments shall be made in accordance with an amended and restated issue and paying agency agreement dated 3 April 2020 (as amended and restated or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Red Eléctrica Corporación, Sociedad Anónima and Red Eléctrica de España, Sociedad Anónima Unipersonal (the "**Guarantors**") and The Bank of New York Mellon, London Branch as the issue and paying agent (the "**Issue and Paying Agent**"), a copy of which is available for inspection, upon reasonable notice, at the offices of the Issue and Paying Agent at One Canada Square, London E14 5AL, United Kingdom, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the office of the Issue and Paying Agent referred to above by transfer to an account denominated in the Specified Currency set out in the Pricing Supplement maintained by the bearer with a bank in the principal financial centre in the country of that currency or, if this Note is denominated in euro, by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in the principal financial centre of any member state of the European Union. Each of the Issuer and the Guarantors undertakes that, so long as the Notes are listed, traded and/or quoted on any listing authority, stock exchange and/or quotation system, there will at all times be a paying agent with a specified office in such place as may be required by the rules and regulations of the relevant listing authority, stock exchange and/or quotation system.

2. All payments in respect of this Note by or on behalf of the Issuer or the Guarantors shall be made without set-off, counterclaim, fees, liabilities or similar deductions, and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision thereof or any taxing authority or agency thereof or therein ("**Taxes**"), unless the withholding or deduction of taxes is required by

law. In that event, the Issuer or, as the case may be, the Guarantors, shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note or the holder or beneficial owner of any interest herein or rights in respect hereof (the "**holder**") after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that the Issuer or, as the case may be, the Guarantors, shall not be required to pay any additional amounts in relation to any payment:

- (a) to, or to a third party on behalf of, a holder of a Note who is liable for such Taxes in respect of such Note by reason of his having some connection with the jurisdiction imposing the Taxes other than the mere holding of such Note;
- (b) to, or to a third party on behalf of, a holder who would have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities;
- (c) in respect of any Note presented for payment more than 15 days after the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date or (in either case) the date on which the payment hereof is duly provided for, whichever occurs later, except to the extent that the relevant holder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 15 days;
- (d) to, or to a third party on behalf of, individuals resident for tax purposes in the Kingdom of Spain, if the Spanish tax authorities determine that payments made to such individuals are not exempt from withholding tax and require a withholding to be made;
- (e) to, or to a third party on behalf of, a Spanish resident legal entity subject to Spanish Corporate Income Tax, if the Spanish tax authorities determine that the Notes do not comply with the exemption requirements specified in the General Directorate for Taxation's ruling of 27 July 2004 and require a withholding to be made; or
- (f) to, or to a third party on behalf of, a holder if the Issuer does not receive any relevant information as may be required by Spanish tax law, regulation or binding ruling, including a duly executed and completed certificate from the Issue and Paying Agent issued in accordance with Law 10/2014, of 26 June and any implementing legislation or regulation, or in case the current information procedures are modified, amended or supplemented by any Spanish law, regulation or binding ruling.

Notwithstanding any other provision of this Note, any amounts to be paid in respect of this Note by or on behalf of the Issuer or the Guarantors will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any of the Guarantors will be required to pay any additional amounts in respect of FATCA Withholding.

3. This Note may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 14 days' notice to the holders (which notice shall be irrevocable), at the Redemption Amount specified in the Pricing Supplement, together with (if this Note is an interest bearing Note) interest accrued to the date fixed for redemption, if:
- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in paragraph 2 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision thereof or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date specified in the Pricing Supplement; and

- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than 14 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issue and Paying Agent:

- (a) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and
- (b) an opinion of independent legal advisers of recognised standing at the cost of the Issuer to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

Upon the expiry of any such notice as is referred to in this paragraph, the Issuer shall be bound to redeem the Notes in accordance with this paragraph.

4. The Issuer, the Guarantors or any of their subsidiaries may at any time purchase Notes in the open market or otherwise at any price. All Notes so purchased by the Issuer otherwise than in the ordinary course of business of dealings in securities or as a nominee shall be cancelled and shall not be reissued or resold. All Notes so purchased by the Guarantors or any subsidiary of the Issuer or the Guarantors may be cancelled, held by such subsidiary or resold.
5. The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct, unsecured and unsubordinated obligation of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by mandatory provisions of law and other statutory exceptions.
6. If the Maturity Date (or, as the case may be, the Relevant Date) or, if applicable, the relevant Interest Payment Date, is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day), and the bearer of this Note shall not be entitled to any interest or other sums in respect of such postponed payment.

As used herein:

"Payment Business Day", shall mean any day, other than a Saturday or a Sunday, which is both (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation, and (b) either (i) if the Specified Currency set out in the Pricing Supplement is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and the principal financial centre of the country of the Specified Currency set out in the Pricing Supplement (which, if the Specified Currency is Australian dollars, shall be Sydney) or (ii) if the Specified Currency set out in the Pricing Supplement is euro, a day which is a TARGET Business Day;

"TARGET Business Day" means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System, which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

7. This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof

(notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).

8. This Note has the benefit of a deed of guarantee issued by the Guarantors on 3 April 2020, copies of which are available for inspection during normal business hours at the offices of the Issue and Paying Agent referred to above.
9. [If this is an interest bearing Note, then:
 - (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and
 - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issue and Paying Agent to reflect such payment.
10. If this is a fixed rate interest bearing Note, interest shall be calculated on the above-mentioned Nominal Amount as follows:
 - (a) interest shall be payable on the above-mentioned Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days at the Rate of Interest specified in the Pricing Supplement with the resulting figure being rounded to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
 - (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph.
11. If this is a floating rate interest bearing Note, interest shall be calculated on the above-mentioned Nominal Amount as follows:
 - (a) in the case of a Note which specifies LIBOR as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Pricing Supplement (if any) above or below LIBOR. Interest shall be payable on the above-mentioned Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note (and unless otherwise specified in the Pricing Supplement):

"**LIBOR**" shall be equal to the rate defined as "LIBOR-BBA" in respect of the Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note, (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period (a "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate; and

"London Banking Day" shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Note which specifies EURIBOR as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of EURIBOR and the Margin specified in the Pricing Supplement (if any) above or below EURIBOR. Interest shall be payable on the above-mentioned Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note (and unless otherwise specified in the Pricing Supplement), **"EURIBOR"** shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a **"EURIBOR Interest Determination Date"**), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate;

- (c) In the case of a Note which specifies EONIA as the Reference Rate in the Pricing Supplement, the Rate of Interest will be the aggregate of EONIA and the Margin specified in the Pricing Supplement (if any), determined on each TARGET Business Day during the relevant Interest Period as specified below. Interest shall be payable on the Calculation Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the Day Count Convention specified in the Pricing Supplement or, if none is specified, on the basis of the actual number of days in such Interest Period and a year of 360 days;

As used in this Note (unless otherwise specified in the Pricing Supplement) **"EONIA"**, for each day in an Interest Period beginning on, and including, the first day of such Interest Period and ending on, but excluding, the last day of such Interest Period, shall be equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA Page in respect of that day at 11.00 a.m. (Brussels time) on the TARGET Business Day immediately following such day (each an **"EONIA Interest Determination Date"**), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate;

- (d) the Calculation Agent specified in the Pricing Supplement will, as soon as practicable after (i) 11.00 a.m. (London time) on each LIBOR Interest Determination Date or (ii) 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date, or (iii) on each EONIA Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the **"Amount of Interest"**) for the relevant Interest Period. **"Rate of Interest"** means (A) if the Reference Rate is LIBOR, the rate which is determined in accordance with the provisions of paragraph 11(a); (B) if the Reference Rate is EURIBOR, the rate which is determined in accordance with the provisions of paragraph 11(b); and (C) if the Reference Rate is EONIA, the rate which is determined in accordance with the provisions of paragraph 11(c). The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Nominal Amount, multiplying such product by the Day Count Convention specified in the Pricing Supplement or, if none is specified, by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties;

- (e) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph; and
- (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

If the Calculation Agent is unable to determine the Reference Rate specified in the Pricing Supplement due to the relevant benchmark not being calculated or administered or it becomes illegal for the Calculation Agent to determine any amounts due to be paid as at the relevant Interest Determination Date, the Issuer in consultation with an independent financial advisor (the "**IFA**"), appointed by the Issuer in its sole discretion, shall determine any alternative rate which has replaced the benchmark in customary market usage for the purposes of determining the Reference Rate in respect of this Note, provided that if the IFA determines that there is no clear market consensus as to whether any rate has replaced the relevant benchmark in customary market usage, the IFA shall determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Calculation Agent and the holder of the Note. If the IFA determines, acting in good faith and in a commercially reasonable manner, that an adjustment (which may be positive, negative or zero) to the Margin is required to be applied to the alternative Reference Rate then such adjustment to the Margin as determined by the IFA shall be applied. The Issuer shall promptly thereafter notify the alternative Reference Rate and any adjustment (if any) to the Margin to the holder of this Note as set out in item (f) above.

12. Instructions for payment must be received at the office of the Issue and Paying Agent referred to above together with this Note as follows:
- (a) if this Note is denominated in U.S. dollars, euro or Sterling at least one Business Day prior to the relevant payment date; and
 - (b) in all other cases, at least two Business Days prior to the relevant payment date.

As used in this paragraph, "**Business Day**" means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;
 - (ii) in the case of payments in euro, a TARGET Business Day; and
 - (iii) in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the Specified Currency set out in the Pricing Supplement.]¹
13. This Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon, London Branch as Issue and Paying Agent.
14. This Note and any non-contractual obligations arising from or connected with it are governed by, and shall be construed in accordance with, English law.

The status of this Note, the capacity of the Issuer and the relevant corporate resolutions shall be governed by Spanish law.

¹ If this Note is denominated in Sterling, delete paragraphs 9 through 12 inclusive and replace with interest provisions to be included on the reverse of the Note as indicated below.

The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Note (including a dispute regarding the existence, validity or termination of this Note). The parties to this Note agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no such party will argue to the contrary.

The Issuer appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX, United Kingdom or, if different, its registered office for the time being, as its agent for service of process in any proceedings before the English courts in connection with this Note. If any person appointed as process agent is unable for any reason to act as agent for service of process, the Issuer will appoint another agent, and failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the office of the Issue and Paying Agent. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. This paragraph 14 does not affect any other method of service allowed by law.

- 15. If this Note has been admitted to trading in the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"), all notices shall be published in a manner which complies with its rules and regulations.
- 16. Claims for payment of principal and interest in respect of this Note shall become prescribed and void unless made, in the case of principal, within ten years after the Maturity Date (or, as the case may be, the Relevant Date) or, in the case of interest, five years after the relevant Interest Payment Date.
- 17. No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

AUTHENTICATED by
THE BANK OF NEW YORK MELLON, LONDON
BRANCH
without recourse, warranty or liability
and for authentication purposes only

Signed on behalf of:
RED ELÉCTRICA FINANCIACIONES
SOCIEDAD ANÓNIMA UNIPERSONAL

By:.....
(*Authorised Signatory*)

By:.....
(*Authorised Signatory*)

[On the Reverse]

(A) [If this is an interest bearing Note, then:

- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the Maturity Date remains unpaid on the fifteenth day after falling so due, the amount referred to in paragraph 1 shall be payable on such fifteenth day; and
- (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issue and Paying Agent to reflect such payment.

(B) If this is a fixed rate interest bearing Note, interest shall be calculated on the Nominal Amount specified in the Pricing Supplement as follows:

- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days at the Rate of Interest specified in the Pricing Supplement with the resulting figure being rounded to the nearest penny (with halves being rounded upwards); and
- (b) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is an "**Interest Period**" for the purposes of this paragraph (B).

(C) If this is a floating rate interest bearing Note, interest shall be calculated on the Nominal Amount specified in the Pricing Supplement as follows:

- (a) the Rate of Interest will be the aggregate of LIBOR and the Margin specified in the Pricing Supplement (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date (or, as the case may be, to the Relevant Date), in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 365 days.

As used in this Note, "**LIBOR**" shall be equal to the rate defined as "**LIBOR-BBA**" in respect of Sterling (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note (the "**ISDA Definitions**")) as at 11.00 a.m. (London time) or as near thereto as practicable on the first day of the relevant Interest Period (the "**LIBOR Interest Determination Date**"), as if the Reset Date (as defined in the ISDA Definitions) was the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) was the number of months specified in the Pricing Supplement in relation to the Reference Rate;

- (b) the Calculation Agent specified in the Pricing Supplement will, as soon as practicable after 11.00 a.m. (London time) on the LIBOR Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "**Amount of Interest**") for the relevant Interest Period. "**Rate of Interest**" means the rate which is determined in accordance with the provisions of sub-paragraph (a) above. The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the above mentioned Nominal Amount, multiplying such product by the Day Count Fraction specified in the Pricing Supplement or, if none is specified, by the actual number of days in the Interest Period concerned divided by 365 and rounding the resulting figure to the nearest penny. The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;

- (c) the period beginning on (and including) the above-mentioned Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is called an "**Interest Period**" for the purposes of this paragraph (C); and
- (d) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note or, if that is not practicable, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*.)]

If the Calculation Agent is unable to determine the Reference Rate specified in the Pricing Supplement due to the relevant benchmark not being calculated or administered or it becomes illegal for the Calculation Agent to determine any amounts due to be paid as at the relevant Interest Determination Date, the Issuer in consultation with an independent financial advisor (the "**IFA**"), appointed by the Issuer in its sole discretion, shall determine any alternative rate which has replaced the benchmark in customary market usage for the purposes of determining the Reference Rate in respect of this Note, provided that if the IFA determines that there is no clear market consensus as to whether any rate has replaced the relevant benchmark in customary market usage, the IFA shall determine an appropriate alternative rate, and the decision of the IFA will be binding on the Issuer, the Calculation Agent and the holder of the Note. The Issuer shall promptly thereafter notify the alternative Reference Rate to the holder of the Note as set out in item (d) above.

SCHEDULE

Payments of Interest

The following payments of interest in respect of this Note have been made:

<u>Date Made</u>	<u>Payment From</u>	<u>Payment To</u>	<u>Gross Amount Paid</u>	<u>Withholding</u>	<u>Net Amount Paid</u>	<u>Notation on behalf of Issue and Paying Agent</u>
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

PRICING SUPPLEMENT

[Completed Pricing Supplement to be attached]

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed in respect of each issue of Notes issued under the Programme and will be attached to the relevant Global or Definitive Notes on issue.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

RED ELÉCTRICA FINANCIACIONES, SOCIEDAD ANÓNIMA UNIPERSONAL

(incorporated with limited liability under the laws of Spain)

Legal Entity identifier (LEI): 9598006P00EGK6U2SG18

Issue of [Aggregate Principal Amount of Notes] [Title of Notes]

Irrevocably and unconditionally guaranteed by

RED ELÉCTRICA CORPORACIÓN, SOCIEDAD ANÓNIMA

(incorporated with limited liability under the laws of Spain)

and

RED ELÉCTRICA DE ESPAÑA, SOCIEDAD ANÓNIMA UNIPERSONAL

(incorporated with limited liability under the laws of Spain)

Under the

€1,000,000,000

EURO-COMMERCIAL PAPER PROGRAMME

(the “Programme”)

PART A – CONTRACTUAL TERMS

This document constitutes the Pricing Supplement (as referred to in the Information Memorandum dated 3 April 2020 (as amended, updated or supplemented from time to time, the “**Information Memorandum**”) in relation to the Programme) in relation to the issue of Notes referred to above (the “**Notes**”). Terms defined in the Information Memorandum, unless indicated to the contrary, have the same meanings where used in this Pricing Supplement. Reference is made to the Information Memorandum for a description of the Issuer, the Guarantors, the Programme and certain other matters. This Pricing Supplement is supplemental to and must be read in conjunction with the full terms and conditions of the Notes. This Pricing Supplement is also a summary of the terms and conditions of the Notes for the purpose of listing.

Full information on the Issuer, the Guarantors and the offer of the Notes described herein is only available on the basis of the combination of this Pricing Supplement and the Information Memorandum [as so supplemented]. The Information Memorandum [and the supplemental Information Memorandum] [is][are] available for viewing during normal business hours at the registered office of the Issuer at Paseo Conde de los Gaitanes No. 177, 28109 Alcobendas (Madrid), Spain, and at the offices of the Issue and Paying Agent at One Canada Square, London E14 5AL, United Kingdom.

The particulars to be specified in relation to the issue of the Notes are as follows:

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Pricing Supplement.]

1. (i) Issuer: Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal

- (ii) Guarantors Red Eléctrica Corporación, Sociedad Anónima
Red Eléctrica de España, Sociedad Anónima Unipersonal
2. Type of Note: Euro commercial paper
3. Series No: [●]
4. Dealer(s): [●]
5. Specified Currency: [●]
6. Nominal Amount: [●]
7. Issue Date: [●]
8. Maturity Date: [●] *[May not be less than 1 day nor more than 364 days]*
9. Issue Price: [●]
10. Denomination(s): [●]
11. Redemption Amount: [Redemption at par][●] per Note of [●] Denomination][*other*]
12. Delivery: [Free of/against] payment

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●] [per cent per annum]
- (ii) Interest Payment Date(s): [●]
- (iii) Day Count convention (if different from that specified in the terms and conditions of the Notes): [Not Applicable/*other*]
[The above-mentioned Day Count Convention shall have the meaning given to it in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.]¹
- (iv) other terms relating to the method of calculating interest for Fixed Rate Notes (if different from those specified in the terms and conditions of the Notes): [Not Applicable/*give details*]

¹ Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

14. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Payment Dates: [●]
- (ii) Calculation Agent (party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Issue and Paying Agent)): [Name] shall be the Calculation Agent]
- (iii) Reference Rate: [●] months [LIBOR/EURIBOR/EONIA]
- (iv) Margin(s): [+/-][●] per cent per annum
- (v) Day Count Convention (if different from that specified in the terms and conditions of the Notes): [Not Applicable/other]
- [The above-mentioned Day Count Convention shall have the meaning given to it in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced at the Issue Date.]¹
- (vi) Any other terms relating to the method of calculating interest for floating rate Notes (if different from those set out in the terms and conditions of the Notes): [●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

15. Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [●]/[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market] with effect from [●].]
16. Programme Rating: Notes to be issued under the Programme have been rated by Fitch Ratings España S.A.U. (“**Fitch**”):
- [●]
- [Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally.)*

¹ Delete text in square brackets unless a Day Count Convention which is different from that specified in the terms and conditions of the Notes is used.

17. Clearing System(s): Euroclear, Clearstream, Luxembourg
18. Issue and Paying Agent: The Bank of New York Mellon, London Branch
19. ISIN: [●]
20. Common code: [●]
21. Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
22. New Global Note: [Yes][No]
23. Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “**yes**” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /
- [No. Whilst the designation is specified as “**no**” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]
24. Relevant Benchmark[s] [[Specify benchmark] is provided by [administrator legal name]. [As at the date hereof, [[administrator legal name][appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation.] / [Not Applicable]

LISTING AND ADMISSION TO TRADING APPLICATION

This Pricing Supplement comprises the pricing supplement required to list and have admitted to trading the issue of Notes described herein pursuant to the €1,000,000,000 Euro-Commercial Paper Programme of Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal irrevocably and unconditionally guaranteed by Red Eléctrica Corporación, Sociedad Anónima and Red Eléctrica de España, Sociedad Anónima Unipersonal.

RESPONSIBILITY

Each of the Issuer and the Guarantors accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of: **RED ELÉCTRICA FINANCIACIONES, SOCIEDAD ANÓNIMA UNIPERSONAL**

By:

Duly authorised

Dated:.....

Signed on behalf of: **RED ELÉCTRICA CORPORACIÓN, SOCIEDAD ANÓNIMA**

By:

Duly authorised

Dated:.....

Signed on behalf of: **RED ELÉCTRICA DE ESPAÑA, SOCIEDAD ANÓNIMA UNIPERSONAL**

By:

Duly authorised

Dated:.....

PART B – OTHER INFORMATION

1. INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUER/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

2. ESTIMATED TOTAL EXPENSES RELATED TO THE ADMISSION TO TRADING

Estimated total expenses: [•]

3. [Fixed Rate Notes only - YIELD]

Indication of yield: [•]

TAXATION

The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Prospective investors who are in any doubt as to their position should consult with their own professional advisers.

Taxation in Spain

The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete summary of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.

1. Introduction

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Information Memorandum:

- (a) of general application, First Additional Provision of Law 10/2014 of 26 June, on organization, supervision and solvency of credit institutions and Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes, as amended ("**Royal Decree 1065/2007**");
- (b) for individuals resident for tax purposes in Spain who are Personal Income Tax ("**PIT**") tax payers, Law 35/2006, of 28 November, on the PIT and on the partial amendment of the Corporate Income Tax Law, Non-Resident Income Tax Law and Wealth Tax Law, as amended (the "**PIT Law**") and Royal Decree 439/2007, of 30 March approving the PIT Regulations which develop the PIT Law, as amended, along with Law 19/1991, of 6 June on Wealth Tax (the "**Wealth Tax Law**"), as amended most recently by Royal Decree Law 18/2019, of 27 December, and Law 29/1987, of 18 December on Inheritance and Gift Tax, as amended (the "**Inheritance and Gift Tax Law**");
- (c) for legal entities resident for tax purposes in Spain which are Corporate Income Tax ("**CIT**") taxpayers, Law 27/2014 of 27 November on Corporate Income Tax, as amended (the "**CIT Law**") and Royal Decree 634/2015, of 10 July, promulgating the CIT Regulations, as amended; and
- (d) for individuals and entities who are not resident for tax purposes in Spain which are Non-Resident Income Tax ("**NRIT**") taxpayers, Royal Legislative Decree 5/2004, of 5 March, promulgating the Consolidated Text of the NRIT Law, as amended and Royal Decree 1776/2004, of 30 July, promulgating the NRIT Regulations, as amended along with the Wealth Tax Law and the Inheritance and Gift Tax Law, as amended.

Whatever the nature and residence of the beneficial owner, the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain, for example, exempt from Transfer Tax and Stamp Duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from Value Added Tax, in accordance with Law 37/1992, of 28 December, regulating such tax.

2. Spanish tax resident individuals

2.1 Personal Income Tax (*Impuesto sobre la Renta de las Personas Físicas*)

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the PIT Law, and must be included in the PIT savings taxable base of each investor and taxed currently at 19 per cent for taxable income up to €6,000; 21 per cent for taxable income between €6,000.01 and €50,000, and 23 per cent for taxable income exceeding €50,000.

Pursuant to Section 44.5 of Royal Decree 1065/2007 any income derived from the Notes will be paid by the Issuer free of Spanish withholding tax provided that the relevant information about the Notes is submitted in the manner detailed in “*Disclosure Obligations in connection with Payments on the Notes*”. In addition, income obtained upon transfer or exchange of the Notes may also be paid free of Spanish withholding tax in certain circumstances.

Nevertheless, in the case of Notes held by Spanish resident individuals and deposited with a Spanish resident entity acting as depositary or custodian, payments of interests under the Notes may be subject to withholding tax currently at a 19 per cent rate, which may be made by the depositary or custodian.

Regarding the interpretation of Royal Decree 1065/2007, please refer to “*Risk Factors – Risks in relation to Spanish Taxation*”.

Amounts withheld, if any, may be credited by the relevant investors against their final PIT liability.

2.2 Wealth Tax (*Impuesto sobre el Patrimonio*)

Individuals with tax residency in Spain will be subject to Wealth Tax, to the extent that their net worth exceeds €700,000, at the applicable rates ranging between 0.2% and 2.5%, without prejudice to any relevant exemption which may apply and the relevant laws and regulations in force in each autonomous region of Spain. Therefore, they should take into account the value of the Notes which they hold as of December 31.

In accordance with Article 3 of Royal Decree Law 18/2019, of 27 December, the full exemption from this tax has been revoked for year 2020.

2.3 Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals resident in Spain for tax purposes who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to the Inheritance and Gift Tax in accordance with the applicable Spanish regional or State rules (subject to any regional tax exemptions being available to them). The applicable effective tax rates can be up to 81.6 per cent subject to any specific regional rules, depending on relevant factors.

3. Spanish tax resident legal entities

3.1 Corporate Income Tax (*Impuesto sobre Sociedades*)

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes must be included as taxable income of Spanish tax resident legal entities for CIT purposes in accordance with the rules for this tax, being typically subject to the standard rate of 25 per cent, with lower or higher rates applicable to certain categories of taxpayers.

Pursuant to Section 44.5 of Royal Decree 1065/2007 any income derived from the Notes will be paid by the Issuer to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds) free of Spanish withholding tax provided that the relevant information about the Notes is submitted in the manner detailed in “*Disclosure Obligations in connection with Payments on the Notes*”.

However, regarding the interpretation of Royal Decree 1065/2007, please refer to “*Risk Factors – Risks in relation to Spanish Taxation*”.

In the case of Notes held by Spanish resident entities and deposited with a Spanish resident entity acting as a depositary or custodian, payments of interest and income deriving from the transfer and redemption may be subject to withholding tax, currently at a rate of 19 per cent, withholding that will be made by the depositary or custodian, if the Notes do not comply with the exemption requirements specified in the ruling issued by the Spanish Tax Authorities (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

Amounts withheld, if any, may be credited by the relevant investors against their final CIT liability.

3.2 **Wealth Tax (*Impuesto sobre el Patrimonio*)**

Legal entities in Spain are not subject to Wealth Tax.

3.3 **Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)**

Legal entities resident in Spain for tax purposes which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Inheritance and Gift Tax but must include the market value of the Notes in their taxable income for Spanish CIT purposes.

4. **Individuals and legal entities tax resident outside Spain**

4.1 **Non-Resident Income Tax (*Impuesto sobre la Renta de No Residentes*)**

(A) Acting through a permanent establishment in Spain

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes shall be, generally, the same as those previously set out for Spanish CIT taxpayers.

(B) Not acting through a permanent establishment in Spain

Both interest payments periodically received and income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who are not resident in Spain for tax purposes, and who are NRIT taxpayers with no permanent establishment in Spain, are exempt from NRIT, on the same terms laid down for income from public debt.

In order for the exemption to apply, it is necessary to comply with certain information obligations relating to the Notes, in the manner detailed under "*Disclosure obligations in connection with payments on the Notes*" as laid down in section 44 of Royal Decree 1065/2007. If these information obligations are not complied with in the manner indicated, the Issuer will withhold 19 per cent and the Issuer will not pay additional amounts.

Non-Resident investors entitled to the exemption from NRIT but where the Issuer does not timely receive the information about the Notes in accordance with the procedure described in detail under "*Disclosure obligations in connection with payments on the Notes*" would have to apply directly to the Spanish tax authorities for any refund to which they may be entitled, according to the procedures set forth in the Spanish NRIT Law.

4.2 **Wealth Tax (*Impuesto sobre el Patrimonio*)**

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the Wealth Tax will not be generally subject to such tax on the Notes. Otherwise, under current Wealth Tax Law, non-Spanish resident individuals whose Spanish properties and rights are located in Spain (or that can be exercised within the Spanish territory) and exceed €700,000 could be subject to Wealth Tax during year 2020, the applicable rates ranging between 0.2 per cent. and 2.5 per cent, without prejudice to any exemption which may apply and the laws and regulations in force in each Autonomous Region.

As a consequence of the European Court of Justice Judgment of 3 September 2014 (Case C-127/12), the Wealth Tax Law was amended by Law 26/2014, of 27 November. As a result, non-Spanish tax resident individuals who are residents in the EU or in the European Economic Area (EEA) can apply the legislation of the region in which the highest value of the assets and rights of the individuals are located, can be exercised or must be fulfilled.

In any event, as the income derived from the Notes is exempted from NRIT, any non-resident individuals holding the Notes as of 31 December 2020 will be exempted from Wealth Tax in respect of such holding. Legal entities tax resident outside Spain are not subject to Spanish Wealth Tax.

4.3 Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals not tax resident in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who are tax resident in a country with which Spain has entered into a double tax treaty in relation to Inheritance and Gift Tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to Inheritance and Gift Tax in accordance with the applicable Spanish regional or State legislation.

The Judgment from the European Court of Justice of 3 September 2014 declared that Spanish Inheritance and Gift Tax Law was against the principle of free movement of capital within the EU as the Spanish residents were granted tax benefits that, in practice, allowed them to pay much lower taxes than non-residents. According to Law 26/2014, of 27 November, it is possible to opt for the application of tax benefits approved in some Spanish regions to residents either in the EU or in the EEA following specific rules.

Also, as a consequence of the recent Judgements of 19 February 2018 and 21 and 22 March 2018, the Supreme Court has declared that the application of state regulations when the deceased, heir or donee is resident outside of a Member State of the EU or the EEA also violates the free movement of capital principle established by EU Law, so even in that case it would be appropriate to defend the option for the application of regional regulations in the same cases as if the deceased, heir or donee was resident in a Member State of the EU. The General Directorate for Taxation has recently ruled in accordance with those judgements (V3151-18 and V3193-18).

Legal entities not tax resident in Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to the Inheritance and Gift Tax. They will be subject to NRIT (as described above). If the entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

Payments under the Guarantee

In the opinion of the Guarantors, any payments of principal and interest made by the Guarantors under the Guarantee may be characterised as an indemnity and, accordingly, be made free and clear of, and without withholding or deduction on account of any Spanish tax.

However, although no clear precedent, statement of law or regulation exists in relation thereto, even if the Spanish tax Authorities take the view that the relevant Guarantor has effectively assumed all the obligations of the Issuer under the Notes subject to and in accordance with the Guarantee, and that accordingly they shall be classified as interest payments for Spanish tax purposes, they should determine that payments made by the Guarantors relating to interest on the Notes will be subject to the same tax rule previously set out for payments made by the Issuer (i.e. payable free of withholding tax provided that the relevant information obligations outlined in “*Disclosure obligation in connection with payments on the Notes*” below are complied with).

Disclosure obligations in connection with payments on the Notes

In accordance with Section 5 of article 44 of Royal Decree 1065/2007 certain information with respect to the Notes must be submitted to the Issuer at the time of each payment (or, alternatively, for interest payments, before the tenth calendar day of the month following the month in which the relevant payment is made).

Such information includes the following:

- (a) Identification of the Notes (as applicable) in respect of which the relevant payment is made;
- (b) the date on which the relevant payment is made;

- (c) total amount of income from the Notes; and
- (d) total amount of income (either from interest payments or redemption) corresponding to each clearing house located outside Spain.

In particular, the Issue and Paying Agent must certify the information above about the Notes by means of a certificate the form of which is attached as Annex I to this Information Memorandum. In light of the above, the Issuer and the Issue and Paying Agent have arranged certain procedures to facilitate the collection of information concerning the Notes by the close of business on the Business Day immediately preceding each relevant Payment Date. If, despite these procedures, the relevant information is not received by the Issuer on each Payment Date, the Issuer will withhold tax at the then-applicable rate (currently 19 per cent) from any payment in respect of the relevant Notes. The Issuer will not pay any additional amounts with respect to any such withholding.

If, before the tenth day of the month following the month in which interest is paid, the Issue and Paying Agent provides such information, the Issuer will reimburse the amounts withheld.

However, regarding the interpretation of Royal Decree 1065/2007, please refer to “*Risk Factors – Risks in relation to Spanish Taxation*”.

Investors should note that the Issuer, the Guarantors and the Dealers do not accept any responsibility relating to the procedures established for the collection of information concerning the Notes. Accordingly, neither the Issuer nor the Dealers will be liable for any damage or loss suffered by any holder who would otherwise be entitled to an exemption from Spanish withholding tax but whose income payments are nonetheless paid net of Spanish withholding tax because these procedures prove ineffective. Moreover, the Issuer will not pay any additional amounts with respect to any such withholding. See “*Risk Factors*”. The procedures for providing documentation referred to in this section are set out in detail in the Agency Agreement which may be inspected upon reasonable notice, at the specified offices of the Issuer and the Issue and Paying Agent. Should any withholding tax be levied in Spain, holders of the Notes should note that they may apply directly to the Spanish tax authorities for any tax refund which may be available to them.

Set out below is Annex I. Sections in English have been translated from the original Spanish. In the event of any discrepancy between the Spanish language version of the certificate contained in Annex I and the corresponding English translation, the Spanish tax authorities will only hold the Spanish language version of the relevant certificate as the valid one for all purposes.

Foreign Account Tax Compliance withholding may affect payments on the Notes

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions including Spain have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Annex I

Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007

Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Don (nombre), con número de identificación fiscal (...)⁽¹⁾, en nombre y representación de (entidad declarante), con número de identificación fiscal (...)⁽¹⁾ y domicilio en (...) en calidad de (marcar la letra que proceda):

Mr. (name), with tax identification number (...)⁽¹⁾, in the name and on behalf of (entity), with tax identification number (...)⁽¹⁾ and address in (...) as (function - mark as applicable):

- (a) Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**
(a) Management Entity of the Public Debt Market in book entry form.
- (b) Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**
(b) Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**
(c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) Agente de pagos designado por el emisor.**
(d) Issue and Paying Agent appointed by the issuer.

Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:

Makes the following statement, according to its own records:

- 1. En relación con los apartados 3 y 4 del artículo 44:**
 - 1. In relation to paragraphs 3 and 4 of Article 44:
 - 1.1 Identificación de los valores**
1.1 Identification of the securities
 - 1.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**
1.2 Income payment date (or refund if the securities are issued at discount or are segregated)
 - 1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados)**
1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated).....

1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora

1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved

1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).

1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).

2. En relación con el apartado 5 del artículo 44.

2. In relation to paragraph 5 of Article 44.

2.1 Identificación de los valores

2.1 Identification of the securities

2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)

2.2 Income payment date (or refund if the securities are issued at discount or are segregated).....

2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados)

2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)

2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.

2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.

2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.

2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.

2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.

2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

Lo que declaro en a de de

I declare the above in.....on the of of

(1)En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia

(1)In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

SUBSCRIPTION AND SALE

General

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute the Information Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief (on reasonable grounds after making all reasonable investigations), in compliance with all applicable laws and regulations.

United States of America

The Notes and the Deed of Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and sold, and will not offer and sell, Notes (a) as part of their distribution at any time and (b) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche as determined and certified by the relevant Dealer, within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this section have the meanings given to them by Regulation S.

The United Kingdom

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that:

- (a) (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Ireland

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not sold, placed or underwritten and that it will not sell, place or underwrite the Notes otherwise that in conformity with the provisions of:

- (a) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended), including, without limitation any codes of conduct made thereunder and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) the Irish Central Bank Acts 1942 to 2018 (as amended) and any codes of conduct rules made under Section 117(1) of the Irish Central Bank Act 1989 (as amended);
- (c) the European Union (Prospectus) Regulations 2019 (as amended), the Irish Companies Act 2014 (as amended) (the “**Companies Act**”) and any rules issued under Section 1363 of the Companies Act by the Central Bank of Ireland (the “**Central Bank**”);
- (d) the Market Abuse Regulation (596/2014), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules issued under Section 1370 of the Companies Act by the Central Bank; and
- (e) the Central Bank's implementation notice for credit institutions BSD C 01/02 of 12 November 2002 (as may be amended, replaced or up-dated from time to time) and issued pursuant to Section 8(2) of the Irish Central Bank Act 1971 (as amended).

France

Each Dealer has represented and agreed and any further holder of the Notes will be deemed to represent and agree, that it has not offered or sold, and will not offer or sell directly or indirectly any Notes to the public in France, and has not distributed and will not distribute or cause to be distributed to the public in France any offering material relating to the Notes and that such offers, sales and distributions have been and will only be made in France to (i) qualified investors (*investisseurs qualifiés*) acting for their own account other than individuals as defined in and in accordance with article L 411-2 and article D 411-1 of the French *Code monétaire et financier* and/or (ii) to providers of investment services relating to portfolio management for the account of third parties.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; (the “**FIEA**”). Accordingly, each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other applicable laws, regulations and ministerial guidelines of Japan.

Spain

Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that the Notes will not be offered, sold or distributed, nor will any

subsequent resale of Notes be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under the Spanish Securities Market Law (Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores), as amended. No publicity or marketing of any kind shall be made in Spain in relation to the Notes. Neither the Notes nor the Information Memorandum have been registered with the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores) and therefore the Information Memorandum is not intended for any public offer of the Notes in Spain which would require the registration of a prospectus.

GENERAL INFORMATION

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and International Securities Identification Number (ISIN) and, if applicable, the Classification of Financial Instrument (CFI) code and the Financial Instrument Short Name (FISN), in relation to each issue of Notes and any other clearing system as shall have accepted the relevant Notes for clearance will be specified in the Pricing Supplement relating thereto.

Admission to Listing and Trading

It is expected that Notes issued under the Programme may be admitted to the official list and to trading on the regulated market of Euronext Dublin on or after 3 April 2020. The admission of the Notes to trading on the regulated market of Euronext Dublin will be expressed as a percentage of their principal amount. Any Notes intended to be admitted to the official list and admitted to trading on the regulated market of Euronext Dublin will be so admitted to listing and trading upon submission to Euronext Dublin of the relevant Pricing Supplement and any other information required by Euronext Dublin, subject in each case to the issue of the relevant Notes.

However, Notes may be issued pursuant to the Programme which will be admitted to listing, trading and or quotation by such other listing authority, stock exchange and/or quotation system as the Issuer and the relevant Dealer(s) may agree. No Notes may be issued pursuant to the Programme on an unlisted basis.

No Significant Change

There has been no significant or material adverse change in the financial or trading position of the Issuer, any of the Guarantors or the Group since 31 December 2019, being the date of the most recently published audited financial statements of the Issuer and Red Eléctrica and of the most recently published audited consolidated financial statements of Red Eléctrica Corporación, save as disclosed in this Information Memorandum.

Legal and Arbitration Proceedings

Neither the Issuer, any of the Guarantors nor any other member of the group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantors are aware) during the 12 months preceding the date of this Information Memorandum which may have or have had in the recent past, significant or material adverse effects on the financial position or profitability of the Issuer, the Guarantors or the Group, save as disclosed in this Information Memorandum.

Auditors

The consolidated financial statements of Red Eléctrica Corporación for the years ended 31 December 2019 and 31 December 2018 and the financial statements of the Issuer and Red Eléctrica de España for the years ended 31 December 2019 and 31 December 2018 have been audited by KPMG Auditores, S.L., registered in the Official Registry of Auditors (*Registro Oficial de Auditores de Cuentas*) under number S0702. The registered office of KPMG Auditores, S.L. is Torre Cristal, Paseo de la Castellana 259 C, 28046 Madrid, Spain.

LEI Codes

The Legal Entity Identifier (LEI) of the Issuer is 9598006P00EGK6U2SG18.

The Legal Entity Identifier (LEI) of Red Eléctrica Corporación is 5493009HMD0C90GUV498.

The Legal Entity Identifier (LEI) of Red Eléctrica is 54930070W8XSY31XK130.

Documents on Display

From the date hereof, so long as any Notes remain outstanding and throughout the life of the Programme, copies (and, where appropriate, English translations) will be available for inspection upon reasonable notice at the specified offices (which are set out below) of the Issuer and the Issue and Paying Agent:

- (a) the by-laws of the Issuer and the Guarantors;
- (b) the audited financial statements listed in the section "*Documents Incorporated by Reference*" above;
- (c) this Information Memorandum, together with any supplements thereto;
- (d) any Pricing Supplement in respect of Notes listed on any stock exchange;
- (e) the Agency Agreement;
- (f) the Guarantee;
- (g) the Deed of Covenant; and
- (i) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

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