



RED
ELÉCTRICA
CORPORACIÓN

CALL NOTICE FOR THE ORDINARY GENERAL SHAREHOLDERS MEETING

The Board of Directors of Red Eléctrica Corporación, S.A. (the “company”), at a meeting held on 16 February 2018, resolved to call the Shareholders' Annual General Meeting, to be held on first call on 21 March 2018, at **12.30 p.m.** at **Auditorio del Complejo de los Duques de Pastrana**, Paseo de la Habana 208, Madrid and, as the case may be, on second call on **22 March 2018**, at the same time and venue, for the purposes of deliberating and resolving on the items contained on the following

AGENDA

I. ITEMS FOR APPROVAL

One. Examination and approval, as the case may be, of the Financial Statements (Balance sheet, Income Statement, Statement of Changes in Net Equity, Statement of Recognized Income and Expense, Cash Flow Statement and Notes to the Financial Statements) and the Management Report of Red Eléctrica Corporación, S.A. for the year ended 31 December 2017.

Two. Examination and approval, as the case may be, of the Consolidated Financial Statements (Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Overall Income Statement, Consolidated Statement of Changes in Net Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Financial Statements) and the Consolidated Management Report of the Consolidated Group of Red Eléctrica Corporación, S.A. and subsidiary companies for the year ended 31 December 2017.

Three. Examination and approval, as the case may be, of the proposed allocation of the profit or losses of Red Eléctrica Corporación, S.A., for the year ended 31 December 2017.

Four. Examination and approval, as the case may be, of the management by the Board of Directors of Red Eléctrica Corporación, S.A. during the 2017 financial year.

Five. Appointment of Company directors.

5.1 Re-election of Ms. Socorro Fernández Larrea as independent director.

5.2 Re-election of Mr. Antonio Gómez Ciria as independent director.

5.3 Ratification and appointment of Ms. Mercedes Real Rodríguez as proprietary director.

Six. Remuneration to be paid to the Board of Directors of the Company:

6.1 Approval of the Annual Report on the Remuneration of the Directors of Red Eléctrica Corporación, S.A.

6.2 Approval of the remuneration to be paid to the Board of Directors of Red Eléctrica Corporación, S.A. for the 2018 financial year.

Seven. Delegation for the full execution of the resolutions adopted at the Shareholders' Annual General Meeting.

II. ITEM FOR INFORMATION

Eight. Information to the Shareholders' Annual General Meeting on the 2017 Annual Corporate Governance Report of Red Eléctrica Corporación, S.A.

SUPPLEMENT TO CALL NOTICE FOR THE SHAREHOLDERS' GENERAL MEETING AND PRESENTATION OF PROPOSED RESOLUTIONS

In accordance with the provisions of Article 519 of the Spanish Companies Act, shareholders representing at least three percent of the share capital are informed that they may request the publication of a supplement to the call notice for the Shareholders' Annual General Meeting, including one or more items on the Agenda, provided that the new items are accompanied by a justification or, as the case may be, a justified proposed resolution. This right must be exercised by serving duly authenticated notice on the company which must be received at the registered office, Paseo del Conde de los Gaitanes, 177, 28109 Alcobendas, Madrid, within five days after the publication of the call notice. The supplement to the call notice must be published at least fifteen days prior to the date set for holding the General Meeting.

Furthermore, shareholders representing at least three percent of the share capital may submit reasoned proposals for resolutions on items already included or to be included in the Agenda for the General Meeting called. Moreover, they may make suggestions regarding those activities and interests of the company that they believe should be discussed at the General Meeting. In both cases they will be entitled to make these proposals and suggestions by serving duly authenticated notice on the company which must be received at the registered office, Paseo del Conde de los Gaitanes, 117, 28109 Alcobendas, Madrid, or via the Shareholder Information Office (the details of which are published at the end of this announcement in the "General Information" section) within five days as of the publication of this call.

RIGHT TO ATTEND, RIGHT TO VOTE AND RIGHT OF REPRESENTATION

According to the Corporate Articles of Association, the Regulations of the Shareholders' General Meeting and the Spanish Companies Act, shareholders may attend the General Meeting if they prove their share ownership by means of a certificate issued in their name on the accounting record of book entries five days before the date on which the General Meeting is to be held. Shareholders may request, through any of the member institutions (banks, savings banks, financial institutions, in general) of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., Unipersonal (Iberclear), the appropriate certificate of entitlement or equivalent document from the accounting record of book entries of the company's securities in order to obtain, as the case may be, the relevant attendance card.

Shareholders who are entitled to attend may cast their vote by attending the General Meeting and casting their vote in person, or by postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual exercising his right to vote and the security of the electronic communications are duly guaranteed, in accordance with the provisions of the applicable legislation, as well as of the Corporate Articles of Association, the Regulations of the Shareholders' General Meeting and all such supplementary rules and rules implementing the aforementioned Regulations as may be approved by the Board of Directors.

In accordance with the provisions of the Electricity Sector Act and Article 5 of the company's Articles of Association, no shareholder may exercise voting rights exceeding three percent of the share capital. Parties that engage in activities in the electricity industry, and individuals or legal entities that directly or indirectly hold more than five percent of the capital of such parties, may not exercise voting rights exceeding one percent of the share capital. The above limits will not apply to Sociedad Estatal de Participaciones Industriales (SEPI), according to the Electricity Sector Act.

Shareholders who are entitled to attend may be represented at the General Meeting by another person, even where such person is not a shareholder. Where instructions are issued by the represented shareholder, the proxy-holder shall cast his vote in accordance with such instructions and shall be obliged to keep the instructions for a period of one year as from the date of the General Meeting.

Representation will be conferred in writing and the proxy clause on the attendance cards issued specifically for this Shareholders' General Meeting by the Iberclear participant entities or by the company, if applicable, may be used.

The appointment and revocation of the proxy-holder may also be made by means of postal or electronic correspondence or by any other means of remote communication, provided that the identity of the individual granting the proxy and the security of the electronic communications is duly guaranteed, pursuant to the provisions of the applicable legislation and subject, if appropriate, to the provisions of Article 17 bis of the company's Articles of Association and Article 15.8 of the Regulations of the Shareholders' General Meeting on the casting of votes by the aforesaid means, insofar as this is not incompatible with the nature of the proxy granted.

The same means as provided in the preceding paragraph may be used to notify the company of the appointment of the proxy-holder and of the revocation of the appointment.

Personal attendance at the General Meeting by the shareholder represented shall revoke any vote or proxy cast or granted beforehand, both inclusive.

Proxy-holders may hold the proxies of more than one shareholder with no limit on the number of shareholders they may represent. Where a proxy-holder holds several proxies, he may cast votes in different directions, in accordance with the instructions received from each shareholder. Prior to his appointment, the proxy-holder must provide detailed information to the shareholder on whether he has any conflict of interest, in accordance with the provisions of Article 523 of the Spanish Companies Act. If the conflict arises after his appointment and the proxy-holder has not warned the represented shareholder of its potential existence, he must inform the shareholder immediately. In both cases, if no new specific voting instructions have been received for each of the items on which the proxy-holder is to vote in the name of the shareholder, the proxy-holder must refrain from casting the vote.

Where a public proxy solicitation is made, the director obtaining it may not exercise the right to vote attaching to the shares represented on those items on the Agenda in respect of which he has a conflict of interest unless he has received specific voting instructions from the represented shareholder for each item.

The proxy may include items which, while not included on the Agenda, may be addressed as permitted by Law, and the provisions on conflict of interests contained in the preceding paragraphs will also apply in these cases.

In accordance with the provisions of Article 524 of the Spanish Companies Act, any entities that hold shareholder status by virtue of the share accounting register, but which act on account of several persons, may in any case fraction their vote and cast their vote in a different direction, further to different voting instructions, if received as such. Said financial intermediaries may delegate the vote to each indirect holder or third party designated by the same, without there being any limit on the number of proxies granted.

No person may accumulate proxies in the name of the same shareholder which confer on him voting rights in the name of that shareholder that exceed the limits established in Article 5 of the Articles of Association and pursuant to the Electricity Sector Act.

RIGHT TO INFORMATION

Pursuant to the provisions of the Spanish Companies Act, the company's Articles of Association and the Regulations of the Shareholders' General Meeting, any shareholders who so wish may examine and obtain, immediately and free of charge, as from publication of this notice, at the registered office (Paseo del Conde de los Gaitanes, 177, 28109 Alcobendas, Madrid), on the company website (www.ree.es) under the *Shareholders and investors* section or under the *Corporate Governance* section, and from the Shareholder Information Office located at the above-mentioned registered office of the company, and in the offices and times of the Regional Offices, referred to in the "General Information" section below of this notice, and request the delivery or sending, also immediately and free of charge, of: the individual and consolidated financial statements and directors' reports to be submitted for approval by the Shareholders' General Meeting in points One and Two of the Agenda, respectively, together with the respective auditors' reports; the full text of the call notice and of all such proposed resolutions as may already have been adopted by the Board of Directors, without prejudice in this last-mentioned case to the fact that they may be amended up to the date of the Shareholders' General Meeting, where legally possible, as well as any proposed resolutions presented by shareholders, as they are received; and, in particular, also delivered immediately and cost-free: the professional profiles, including the identity, CV and category or status of the directors whose appointment, ratification or re-election is submitted to the Shareholders' General Meeting in point Five of the Agenda, the relevant

proposals and reports of the Appointments and Remuneration Committee and the Board of Directors on the appointment, ratification or re-election of such directors; the Annual Directors' Remuneration Report of the company, regulated in Article 541 of the Spanish Companies Act, and the proposal regarding the remuneration to be paid to the company's Board of Directors for the 2018 financial year, examined in point Six, sections one and two of the Agenda, respectively; and of the full version of the company's Annual Corporate Governance Report for the 2016 financial year, regulated in Article 540 of the Spanish Companies Act, (and the Independent Limited Insurance Report in relation to such Report) presented to the Shareholders' General Meeting for information purposes in point Eight of the Agenda.

The relevant documentation will be provided to the shareholders on the day their General Meeting is held.

Pursuant to the provisions of Articles 197 and 520 of the Spanish Companies Act, the shareholders may pose questions to the directors in writing, until the fifth day prior to the date set for holding the Shareholders' General Meeting, or verbally during the General Meeting, or request information or clarification concerning the items on the Agenda. Furthermore, the shareholders may request from the directors, in writing and within the same period of time, or verbally whilst the Shareholders' General Meeting is held, any clarifications they may deem necessary on publicly available information furnished by the company to the National Securities Market Commission ("CNMV", standing for *Comisión Nacional del Mercado de Valores*) since 31 March 2017, the date of the last Shareholders' General Meeting, and on the auditor's report. All valid requests for information, clarification or questions, made in writing, and any replies provided by the directors in writing, will be uploaded on the company's website (www.ree.es). The shareholders will be entitled to formulate their queries through the Shareholder Information Office, after registering their identity as shareholders, subject to the due verification.

Any other supplementary information concerning the holding of the Shareholders' General Meeting that is not expressly contained in this notice may be consulted on the company website (www.ree.es).

SHAREHOLDER'S ELECTRONIC FORUM

Pursuant to Article 539.2 of the Spanish Companies Act as well as Article 8.4 of the Regulations of the Shareholders' Annual General Meeting, the company has set up on its website—www.ree.es—a Shareholder's Electronic Forum on the occasion of holding its General Meetings, the Operating Rules for which were approved by the Board of Directors at its meeting held on 16 February 2018.

The Forum will be operative at the company's webpage from the date of the call for the Shareholders' General Meeting and will be open until the date on which the Shareholders' General Meeting is held, both inclusive.

The Forum is not a mechanism for on-line electronic conversations among shareholders, nor is it a venue for virtual debates. The Forum does not constitute a channel of communication between the company and its shareholders, either. The Forum's aim is to facilitate communication among the company's shareholders on the occasion of the holding of the next Shareholders' Annual General Meeting. In this connection, shareholders may send, for posting on the Forum, communications which, in accordance with the Act, consist of posting proposals that are intended to be submitted as a supplement to the Agenda announced in the call notice, requests for seconding such

proposals, initiatives for achieving a sufficient percentage to exercise a minority right provided for in the Law, or offers or solicitations for voluntary proxies.

The personal data furnished by shareholders in using the Shareholder's Electronic Forum will be included in a filing system belonging to the company, the purpose of which is to manage and supervise the functioning of the Forum, as well as manage the Shareholders' Annual General Meeting of the company and carry out statistical studies on the shareholder structure of the company.

The shareholders who use the Forum may exercise their rights of access, rectification, objection and cancellation in the terms established in the current legislation, by contacting the Shareholder Information Office of Red Eléctrica Corporación, S.A., at the address indicated at the end of this call notice in the section on General Information, during the Office opening hours on business days, by telephone on number 900 100 182 or using the telephone numbers made available by the company for such purpose and indicated on its website, or by sending an e-mail to juntaacconistas@ree.es, attaching a copy of his/her National Identity Card or equivalent, and accrediting their status as shareholders.

For more information on accessing and using the Shareholder's Electronic Forum, the Operating Rules can be consulted on the company website (www.ree.es) in the section called *Shareholder's Electronic Forum*.

PROCEDURE FOR PROXIES, VOTING AND INFORMATION BY REMOTE MEANS

1. REMOTE PROXIES AND VOTING

1.1. Remote proxies

The remote means of communication valid for granting proxies for the General Meeting of Shareholders are: (i) electronic and (ii) delivery or postal correspondence.

1.1.1. Electronic

Shareholders wishing to use electronic proxies must be in possession of an electronic national identity document or electronic user certificate issued by the Spanish National Mint (Fábrica Nacional de Moneda y Timbre, or "FNMT-RCM"), as provided in Electronic Signature Act 59/2003, in its capacity as Certification Services Provider.

The user certificate will be obtained by the shareholder, without charge to the company, and must be current at the time of granting the proxy.

A shareholder having the corresponding electronic national identity document or user certificate showing its identity, may, by way of the remote proxy, voting and information service available in the section established for that purpose on the website of the company (www.ree.es), grant the proxy, by completing the "proxy form" in accordance with the instructions set forth in that form, and any others that may be specified on each of the corresponding screens of the computer application, being required to make use of the electronic signature by using the corresponding electronic national identity document or user certificate.

In order to be valid and effective, the electronic proxy must be granted after **zero (00:00) hours on 6 March 2018** and must be received by the company **before twenty-four (24:00) hours on the day immediately prior to the date set for the holding of the General Meeting of Shareholders on first call**, that is, before **twenty-four (24:00)**

hours on 20 March 2018. Proxies received outside the indicated time limits will be taken not to have been granted.

For these purposes the company will implement a system of electronic time stamping, through a third party, based on an objective source of time, to evidence the time of receipt of the electronic proxy and, if applicable, the acceptance or rejection thereof.

The purpose of the establishment of the aforesaid term is to allow the company to verify the shareholder status of the person granting the electronic proxy, and that the number of shares corresponding to the proxy that is granted is correct. For that purpose, the company will compare the information provided by each shareholder with the information provided by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (IBERCLEAR), in its capacity as the entity responsible for book entry of the shares of the company.

The shareholder granting a proxy electronically is required to notify the appointed representative thereof. When a proxy is granted in favour of any director, the communication will be understood to have been accomplished when the company receives the electronic proxy.

Electronic proxies, in order to be valid and effective, must be accepted by each proxy holder, to which end they must be printed, signed and presented by the proxy holder appointed in each case, before the personnel of the company responsible for registration of shareholders, **up to the time scheduled for the start of the General Meeting of Shareholders, on first or second call, as appropriate**, with the exception of those that are granted in favour of any director, which will be understood to be accepted at the time they are received by the company.

Electronic proxies will only be considered to be valid if they satisfy all of the conditions established in this procedure and are granted and received by the company within the term established for that purpose, once status as a shareholder of the one granting the proxy is verified.

1.1.2. Delivery or postal correspondence

Shareholders wishing to use this form of proxy must complete and sign the "proxy" subsection of the attendance, proxy and voting card issued by the corresponding depositaries of their shares, or by the company using the mechanism established for that purpose on its website, in the subsection on remote proxies, voting and information.

The proxies must be accepted by the proxy holder, for which reason, except for those granted in favour of any director, they must be signed by each proxy holder to evidence acceptance. The person to whom the vote is delegated may only exercise it by personally attending the Shareholders' Meeting.

The corresponding card, duly completed and signed, must be sent by postal correspondence to the registered office of the company, or through the shareholder services offices.

Also, the proxy card, duly completed and signed, may be presented by a designated proxy holder who physically attends the Shareholders' Meeting, to the personnel responsible for registration of shareholders on the day and at the place of holding the General Meeting of Shareholders, **up to the time scheduled for the start of the Shareholders' Meeting, on first or second call, as appropriate.**

1.1.3.Revocations

Revocation of a proxy and notice thereof to the company may be accomplished using the same means as indicated above for granting the proxy.

1.2 Remote voting

The shareholders may use the following means of remote voting: (i) electronic and (ii) delivery or postal correspondence.

1.2.1.Electronic

Shareholders wishing to use electronic voting must be in possession of an electronic national identity document or electronic user certificate issued by the Spanish National Mint (Fábrica Nacional de Moneda y Timbre, or "FNMT-RCM"), as provided in Electronic Signature Act 59/2003, in its capacity as Certification Services Provider.

The user certificate will be obtained by the shareholder, without charge to the company, and must be current at the time of casting the vote.

A shareholder having the corresponding electronic national identity document or user certificate showing its identity may, by way of the electronic voting service available in the section established for that purpose on the website of the company (*www.ree.es*), cast its vote directly, by completing the "voting form" in accordance with the instructions set forth in that form, and any others that may be specified on each of the corresponding screens of the computer application, being required to make use of the electronic signature by using the corresponding electronic national identity document or user certificate.

In order to be valid and effective, votes cast electronically must be cast after **zero (00:00) hours on 6 March 2018** and must be received by the company **before twenty-four (24:00) hours on the day immediately prior to the date set for the holding of the General Meeting of Shareholders on first call**, that is, before **twenty-four (24:00) hours on 20 March 2018**. Votes received outside the indicated time limits will be taken not to have been cast.

As in the case of electronic proxies, and for the same purpose, a system of electronic time stamping will be implemented, to evidence the time of receipt of the electronic vote and, if applicable, the acceptance or rejection thereof.

Votes cast electronically will only be considered to be valid if they satisfy the conditions established in this procedure and are received by the company within the term established for that purpose, once the status as a shareholder of the one voting is verified.

1.2.2.Delivery or postal correspondence

To cast a remote vote by delivery or postal correspondence shareholders must complete and sign the "remote voting" subsection of the hard-copy attendance, proxy and voting card issued either by the corresponding depositaries, or by the company by way of the mechanism established for that purpose on its website (*www.ree.es*), in the subsection on remote proxies, voting and information.

The duly completed and signed card must be delivered or sent to the company, either at its registered office (Paseo del Conde de los Gaitanes, 177, 28.109 Alcobendas, Madrid) or through the shareholder services offices.

In order to be valid and effective, votes cast by postal correspondence must be received by the company **up to the time scheduled for the start of the Shareholders' Meeting, on first or second call, as appropriate**. Votes received outside the indicated time limits will be taken not to have been cast.

1.2.3 Revocations

A remote vote cast electronically or by delivery or postal correspondence will be revocable by those means.

1.3. Issue of duplicates of the attendance, proxy and voting card

Shareholders not having the corresponding hard-copy attendance, proxy and voting card, whether to be used to physically attend the Annual General Meeting of Shareholders, or to be in a position to grant a proxy or vote by postal correspondence, may obtain a duplicate thereof by way of the section established for that purpose on the website of the company (www.ree.es) in the subsection regarding remote proxies, voting and information.

In order to guarantee the security of the system used and the identity of the shareholder wishing to use this option, the issue of duplicates of cards will require that the shareholder has an electronic national identity document or the corresponding user certificate issued by the Spanish National Mint (FNMT-RCM), on the same terms as set forth in this procedure for the use of electronic proxies and voting.

2. ELECTRONIC REQUEST FOR INFORMATION

Without prejudice to the usual channels of communication and information which the company makes available to its shareholders by way of ordinary email and the shareholder services offices, they may exercise their right of information electronically using the special mechanism established by the company on its website (www.ree.es), in the corresponding subsection on remote proxies, voting and information related to the Annual General Meeting of Shareholders.

Shareholders wishing to use this procedure must have an electronic national identity document or the corresponding user certificate issued by the Spanish National Mint (FNMT-RCM), as referred to in the preceding subsections, for the same purpose of guaranteeing the authenticity and identification of each shareholder.

The company may honour the request for information by sending a response to the email address specified by the requesting shareholder, or by delivery or postal correspondence to the address specified thereby.

3. AVAILABILITY OF THE SERVICE

The company reserves the right to modify, suspend, cancel or restrict this remote proxy, voting and information request procedure when technical or security reasons prevent assurance of the guarantees indicated herein, and that circumstance is publicised in due form, sufficiently in advance, by any means the company deems to be appropriate.

The company will not be liable for such damages as may be caused to the shareholder by breakdowns, overloaded lines, dropped lines, connection failures or any other equivalent or similar occurrences, beyond the control of the company, that prevent use of the procedure for remote proxies, voting and information requests.

4. PROTECTION OF PERSONAL INFORMATION

In accordance with Organic Law 15/1999, dated 13 December, on Protection of Personal Information, the company advises its shareholders that the information of a personal nature obtained throughout the process of remote proxies, voting and information requests, whether originating from their electronic user certificates or from any other device for storage and recovery of data from the terminal equipment of the shareholders, whether with or without their intervention, that is those provided directly by the shareholder, will be incorporated in a database, under the responsibility of the company, for the purpose of managing the procedure for remote proxies, voting and information requests for the Annual General Meeting of Shareholders of the company corresponding to the 2017 financial year, in particular to control, verify and validate the remote proxies and votes, the issuance of duplicates of cards and the requests for information made electronically by the shareholders in the aforesaid General Meeting of Shareholders.

Also, the shareholders expressly consent to the processing and transfer of their personal information, exclusively for the purpose described above, to those authorised entities dedicated to the provision of certification services and to any of the companies comprising the Red Eléctrica Group dedicated to the electricity sector.

The owner of the information is advised that the consent granted above is revocable, and that it may exercise its rights of access, correction, opposition and erasure, applying in writing to the registered office of the company, located at Paseo del Conde de los Gaitanes, 177, 28.109 Alcobendas, Madrid, through the shareholder services offices or by way of the website of the company (www.ree.es).

PRESENCE OF A NOTARY AT THE SHAREHOLDERS' ANNUAL GENERAL MEETING

The Board of Directors has resolved to request the presence of a Notary to draw up the Minutes of the Shareholders' General Meeting.

GENERAL INFORMATION

For all aspects relating to the Shareholders' General Meeting not contained in this call notice, shareholders may consult the company's Articles of Association and the Regulations of the Shareholders' Annual General Meeting available on the company website (www.ree.es).

In addition, as from publication of this notice, a Shareholder Information Office will be made available at the registered office of the company and in the Regional Offices (La Coruña, Barcelona, Bilbao, Seville, Valencia, Zaragoza, Palma de Mallorca and Las Palmas de Gran Canaria) with the following opening hours: Monday through Fridays from 9:00 a.m. to 2:00 p.m.

As from 12 March 2018, an Office will be made available at Hotel Aitana AC (Paseo de la Castellana, 152, Madrid) to facilitate the shareholders the delivery of documentation, with the following opening hours: Monday through Friday from 10:00 a.m. to 2:30 p.m. and from 4:00 p.m. to 7:30 p.m., and Saturdays from 10:00 a.m. to 2:00 p.m.

For further information, please call the Shareholder Hotline: 900 100 182 or send an e-mail to: accionistas@ree.es - www.ree.es.

The Shareholders' Annual General Meeting will be broadcast live in the Internet, with simultaneous translation into English and, once ended, it may be followed on a deferred basis on the website www.ree.es. Moreover, in order to facilitate participation and follow up for impaired hearing persons, translation into Spanish sign language will also be available.

EXPECTED DATE OF THE SHAREHOLDERS' GENERAL MEETING

Shareholders are informed that, in light of previous years' experience, their General Meeting is expected to be held on **SECOND CALL** on **22 March 2018**, at the time and venue stipulated above.

Alcobendas (Madrid), 19 February 2018.
The General Secretary and Secretary of the Board of Directors
Rafael García de Diego Barber