



Grupo Red Eléctrica

Board of Directors

25 May 2021

General Shareholder's Meeting:
Report and proposal for the ratification
and appointment of Mr. Ricardo García
Herrera as proprietary director



1. Background and justification

On 22 December 2020 and following a favourable report on the proposed appointment as proprietary director of Mr. Ricardo García Herrera, representing Sociedad Estatal de Participaciones Industriales (SEPI), issued by the Appointments and Remuneration Committee on 21 December 2020, in accordance with the provisions of articles 244 and 529 decies of the Spanish Companies Act (LSC), articles 20, 21 and 24 of the Bylaws and articles 7, 18, 21, 22 and 23 of the Board of Directors' Regulations, the Board of Directors of the Company approved, among others, the following resolution:

"In accordance with the provisions of articles 244 and 529 decies of the Spanish Companies Act, 20, 21 and 24 of the Bylaws and 7, 18, 21, 22 and 23 of the Regulations of the Board of Directors, to appoint Mr. Ricardo García Herrera as proprietary director of Red Eléctrica Corporación, S.A., in representation of Sociedad Estatal de Participaciones Industriales (SEPI), until the first General Shareholders' Minutes is held, in order to fill the only vacancy existing in the Board of Directors as a result of the resignation tendered by Mr. Antonio Gómez Expósito from the post of proprietary director, representing Sociedad Estatal de Participaciones Industriales (SEPI), to which he was appointed for a term of four years by resolution of the Ordinary General Shareholders' Minutes held on 22 March 2019, resignation which became effective at the meeting of the Board of Directors held on 22 December 2020, all in accordance with the proposal made by Sociedad Estatal de Participaciones Industriales (SEPI) and with the report issued by the Appointments and Remuneration Committee".

In accordance with the provisions of article 529 decies of the LSC, and articles 18, 21 and 23 of the Board Regulations, proposals for the appointment of proprietary directors, including by co-optation procedure, shall be made at the proposal of the Board of Directors and, in the event that they are appointed by the co-optation procedure, they shall hold office until the date of the first General Shareholders' Meeting, which may ratify them or appoint other directors.

Given that the Board of Directors is expected to resolve to call the Ordinary General Shareholders' Meeting of the Company for the 2020 financial year at its meeting to be held today, 25 May 2021, and taking into account that the validity of Mr. García Herrera's term of office as director will end on the date of the aforementioned General Shareholders' Meeting, scheduled for 28 and 29 June 2021, on first and second call, respectively, it is necessary for the Board of Directors to issue the mandatory report and proposal on the ratification and appointment as proprietary director of Mr. Ricardo García Herrera, to be submitted to the aforementioned Ordinary General Shareholders' Meeting in 2021.

Previously, in order to comply with the provisions of article 529 decies of the LSC, the Appointments and Remuneration Committee must prepare the corresponding report, if appropriate, to be attached to the report and the proposal of the Board of Directors for the ratification and appointment of Mr. Ricardo García Herrera as member of the Board of Directors of the Company, as proprietary director, representing Sociedad Estatal de Participaciones Industriales (SEPI), for submission to the next Ordinary General Shareholders' Meeting.

The procedure and requirements for the appointment of proprietary directors of the Company are regulated in the LSC in articles 529 decies to 529 duodecies and 529 quindecies, in articles 20 and 24 of the Bylaws and in articles 7, 18, 21, 22 and 23 of the Board of Directors' Regulations. These rules establish the evaluation criteria, conditions and circumstances to be taken into consideration for the appointment of proprietary directors.



2. Corporate profile of the director

In order to issue the reports and make the corresponding proposal, the Board of Directors and the Appointments and Remuneration Committee, within the scope of their respective powers, have followed the procedure established in the corporate rules for the appointment of directors of the Company and have analysed the corporate criteria, which define the profile and requirements deemed appropriate to hold the position of director, and the individual competence matrix of the Board of Directors, which reflects the competencies, experience, knowledge, professionalism, suitability, independence of judgement, qualities and skills that, in accordance with the Corporate Governance Policy (last updated by the Board of Directors at the meeting held on 24 November 2020), the members of the Board of Directors must possess. This facilitates the supervision of the balance, diversity and overall and individual quality of the Board of Directors at all times and the definition of the profile and requirements that are considered appropriate, at this time, to hold the position of director of the Company, in this case, as proprietary director.

It should also be noted that the Appointments and Remuneration Committee, at its meeting held on 25 May 2021, reported favourably to the Board of Directors on the proposed ratification and appointment as proprietary director of Mr. Ricardo García Herrera, to be submitted to the aforementioned Ordinary General Shareholders' Meeting in 2021.

The aforementioned Committee already reported favourably to the Board in December 2020 on the proposed appointment as proprietary director of Mr. Ricardo García Herrera, considering his profile suitable to fill the vacancy of proprietary director, representing Sociedad Estatal de Participaciones Industriales (SEPI), following analysis of the applicable legal and corporate regulations; and the Board of Directors, at its meeting of 22 December 2020, approved his appointment, by co-optation, until the date of the next General Shareholders' Meeting.

Subsequently, and in view of the new report of the aforementioned Committee, the Board will issue its report and formulate its proposal, for which purpose it must once again assess the circumstances and professional career of the current proprietary director, Mr. García Herrera.

At this meeting, and with regard to the corporate profile of Mr. García Herrera, the Board, in agreement with the Appointments and Remuneration Committee, for the reasons set out below, ratifies the reasons and grounds set out in its report issued on 22 December 2020, given that, in view of the short time elapsed, there have been no significant changes to assess.

3. Professional career and new evaluation of circumstances

Firstly, it should be noted that, following his appointment as proprietary director, the Board of Directors of the Company, at its meeting held on 26 January 2021, agreed to appoint Mr. García Herrera as a member of the Appointments and Remuneration Committee, a position he continues to hold at present.

Outside the Red Eléctrica Group, having once again analysed the professional profile of the proprietary director, Mr. Ricardo García Herrera, published on the corporate website (which can be consulted via the following link -[D. Ricardo García Herrera](#)-), the Board and the Appointments and Remuneration Committee consider that the profile of the aforementioned proprietary director continues to be adequate to fill the vacancy that will arise on the date of the next General Shareholders' Meeting, and meets the requirements of the Regulations of the Board of Directors of the Company and the LSC for the performance of the office of proprietary director. The main aspects of his professional career are highlighted below.

Mr. Ricardo García Herrera, born 26 April 1958, holds a PhD in Physical Sciences from the Complutense University of Madrid, a degree in Physical Sciences (specialising in Physics of the Atmosphere) from the Complutense University



of Madrid and a degree in the General Management Programme from the Institute of Higher Business Studies (IESE) of the University of Navarra.

He is currently Professor of Atmospheric Physics at the Complutense University of Madrid, researcher at IGEO, Institute of Geosciences (CSIC-UCM), President of the Specialised Group Atmosphere and Ocean of the Royal Spanish Physical Society, evaluator of the Austrian Climate and Energy Fund (since 2007) and member of the Editorial Board of the 'Advances in Global Change Research' series of Springer (since 2005).

He has been, among other positions, President of the State Meteorological Agency (2010-2012), Director General of Prevention and Health Promotion of the Community of Madrid (1991-1995), Director General of Public Health of the Basque Government (1987-1991), member of the Executive Committee of the World Meteorological Organization (2010-2012), Member of the Board of Directors of AENA (2010-2012), Vice-Chairman of the Board of the European Centre for Medium-Range Weather Forecasts (2011-2012), Spanish representative on the EUMETSAT Board (2010-2012), Spanish representative on the Steering Committee of the ESF-MedCLIVAR project (2006-2010).

In addition, at the Complutense University of Madrid he has been, among other positions, Director of the General Foundation of the Complutense University (2015-2019), Director of the Department of Astrophysics and Atmospheric Sciences (2013-2015), Co-Coordinator of the Master in Geophysics and Meteorology (2006-2010) and full professor of the aforementioned University for more than 20 years (1988-2010).

In the field of research, he has been principal investigator of numerous national and international projects. He has directed and developed studies and work on climate variability and change and has analysed the impact of climate on different socio-economic sectors.

In the field of the energy sector, among other works, he has carried out studies on the modelling of the variability of wind and solar resources, both on a meteorological scale and in the long term; on the impact of extremes (heat waves and droughts) on energy demand, as well as on the relationship between meteorological extremes and the production of wind energy. In addition, his research projects include the impact of meteorology on air quality on a European scale, and he has been one of the pioneers in the analysis of the impact of weather extremes on health.

In addition, he is the author of more than 180 articles in international journals included in the Science Citation Index (SCI), contributing author and reviewer of the 4th report of the Intergovernmental Panel on Climate Change (IPCC), co-convenor of different sessions of the European Geophysical Union and the European Meteorological Society, guest editor of different special issues of prestigious journals included in the SCI, and has been invited speaker at international conferences, among others, at the Royal Meteorological Society, Oxford University, Durham University, the Bermuda Biological Station, the National Oceanic and Atmospheric Administration (NOAA) and the Biennial Meeting of the Royal Spanish Society of Physics.

After analysing and reassessing his professional career, the Board and the Appointments and Remuneration Committee highlight his extensive experience and knowledge in sustainability (ESG), in the environmental aspect (E) thereof; in particular, in the fields of climatology, climate change and meteorology; in this regard, it should be noted the key importance of sustainability for the Red Eléctrica Group in the deployment of its new Strategic Plan 2021-2025, where it appears as a pillar of its outline, and the special relevance that the investor world also attaches to it, so that the contribution of Mr. García Herrera to the Board of Directors in this area is of the utmost interest.

On the other hand, the Board and the Committee significantly value the knowledge of the proposed director on renewable energies, which is key to achieving the Energy Transition in Spain, placed at the centre of the new Strategic Plan of the Red Eléctrica Group; as demonstrated, among others, by the studies and research that the director has led on the variability of wind and solar resources, both on a meteorological and long-term scale, and on the impact of climatology on wind energy production and energy demand.

Lastly, the Board and the Committee also highlight his extensive experience and career as a teacher and researcher in both public and private organisations of the highest prestige, as well as in the field of public health, due to the positions he has held in the public sector as a specialist; and precisely, at the head of different public administrations, such as the Community of Madrid or the Basque Government, he has held positions of maximum responsibility, leading and managing teams in these organisations within the scope of his corresponding responsibilities, competencies that are also highly valued by the Board and the Committee.



Finally, the Board and the Committee also highlight Mr. García Herrera's previous experience as a director, a circumstance that is highly appreciated in the field of good corporate governance.

4. Category assigned to the director

From the information available to the Board and the Committee, and in view of current legislation and the Regulations of the Board of Directors, Mr. García Herrera should be classified as a proprietary director, representing Sociedad Estatal de Participaciones Industriales (SEPI), in compliance with the provisions of the Spanish Companies Act (LSC) and the Regulations of the Board of Directors.

Furthermore, the Board and the Committee consider that the profile of the director being analysed meets the necessary requirements of impartiality, objectivity and professional prestige of the position, and fulfils the conditions of recognised solvency, competence and experience required by the Regulations of the Board of Directors for the performance of the post of external director, in this case, as proprietary director.

Lastly, it should be noted that, prior to his appointment, as is customary, Mr. García Herrera must renew his declaration that he is not subject to any legal or regulatory incompatibilities or incompatibilities in accordance with corporate regulations and that he has no conflicts of interest for the performance of his duties as a proprietary director of the Company.

5. Report and Proposal for ratification and appointment

Consequently, having concluded the corresponding analysis of the competence, experience and merits of the proposed candidate and without prejudice to the necessary renewal of the formal declaration of Mr. García Herrera regarding the non-existence of legal, regulatory and corporate incompatibilities for holding office as proprietary director, in view of the favourable report issued by the Appointments and Remuneration Committee at its meeting held on 25 May 2021 on the proposal for ratification and appointment of Mr. Ricardo García Herrera as proprietary director of Red Eléctrica Corporación, S.A., in representation of Sociedad Estatal de Participaciones Industriales (SEPI), for the four-year term established in the Bylaws, the Board of Directors issues this report and makes the following proposal for submission to the Ordinary General Shareholders' Meeting, in accordance with the provisions of articles 529 decies to 529 duodecies and 529 quindecies of the LSC, articles 20 and 24 of the Bylaws and articles 7, 18, 21, 22 and 23 of the Board of Directors' Regulations:

To ratify the appointment of Mr. Ricardo García Herrera as proprietary director of Red Eléctrica Corporación, S.A., resolved by the Board of Directors at the meeting held on 22 December 2020, and, consequently, to proceed with his appointment as proprietary director, representing Sociedad Estatal de Participaciones Industriales (SEPI), for the term of four years established in the Bylaws, in accordance with the provisions of article 529 decies of the Spanish Companies Act.