



# GENERAL SHAREHOLDERS' MEETING

28 April 2023

**SUSTAINABLE  
EVENT**



ERRONKA  
GARBIA

Approved Resolutions



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No se encuentran entradas de índice. **ITEM 1 ON THE AGENDA**

### **Annual financial statements 2022**

#### **RESOLUTION**

To approve the separate annual financial statements of “Iberdrola, S.A.” (balance sheet, profit and loss account, statement of changes in shareholders’ equity, statement of cash flows and notes) and the annual financial statements of the Company consolidated with those of its subsidiaries (consolidated statement of financial position, consolidated statement of profit and loss, consolidated statement of overall profit and loss, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows and consolidated notes) for the financial year ended on 31 December 2022, formulated by the Board of Directors at its meeting held on 21 February 2023.

### **ITEM 2 ON THE AGENDA**

#### **Directors’ reports 2022**

#### **RESOLUTION**

To approve the separate directors’ report of “Iberdrola, S.A.” and the directors’ report of IBERDROLA, S.A. consolidated with that of its subsidiaries for the financial year ended on 31 December 2022, formulated by the Board of Directors at its meeting held on 21 February 2023.

### **ITEM 3 ON THE AGENDA**

#### **Statement of non-financial information 2022**

#### **RESOLUTION**

To approve the *Statement of Non-Financial Information. Sustainability Report* of “Iberdrola, S.A.” consolidated with that of its subsidiaries for the financial year ended on 31 December 2022, formulated by the Board of Directors at its meeting held on 21 February 2023.

### **ITEM 4 ON THE AGENDA**

#### **Corporate management and activities of the Board of Directors in 2022**

#### **RESOLUTION**

To approve the management of the Company and the activities of the Board of Directors of “Iberdrola, S.A.” during the financial year ended on 31 December 2022.



## ITEM 5 ON THE AGENDA

**Amendment of the Preamble to and of the heading of the Preliminary Title of the *By-Laws* in order to conform the text thereof to the current business and the governance and compliance context and to make adjustments of a formal nature**

### RESOLUTION

To amend the Preamble to and the heading of the Preliminary Title of the *By-Laws* in order to conform the text thereof to the current business and the governance and compliance context and to make adjustments of a formal nature. Said Preamble and heading of the Preliminary Title shall hereafter read as follows:

#### **“PREAMBLE**

*Pursuant to the corporate autonomy recognised by law, these *By-Laws* govern the corporate contract by which all shareholders of IBERDROLA, S.A. (the “**Company**”) are bound upon acquiring such status.*

*Having been approved in accordance with applicable law by the shareholders acting at a General Shareholders' Meeting, which is the highest governing body through which shareholders express their contractual will, they go far beyond the minimum requirements established by law and even the typical text of the by-laws of listed companies.*

*Along these lines, the Preliminary Title hereof first defines the fundamental pillars of the Company as an independent and publicly listed entity, the holding company of an international industrial group, with broad geographic diversification of its businesses as a fundamental lever of risk management, and which, based on its multi-level corporate structure, combines a decentralised decision-making system, inspired by the principle of subsidiarity, with robust coordination mechanisms ensuring the global integration of all of the businesses of the companies within the Iberdrola group, all on the basis of an effective system of checks and balances that prevents the centralisation of management power within a single governance body or a single person.*

*The provisions of the *By-Laws* regarding the corporate object, the purpose and values, and the corporate interest and social dividend, beyond the corporate aspects highlighted above, give shape to a company focused on a clear “purpose” and certain clear “values” that make up its corporate philosophy and the ideological and axiological bases on which its corporate enterprise is based.*

*In accordance therewith, the Company is defined by its *By-Laws* as an all-encompassing company, which transcends its nature as purely and merely a mercantile company, which opens to and engages all of its Stakeholders and is fully committed to contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN) and the most demanding environmental, social commitment and corporate governance (ESG) requirements, and in essence affirms itself to be a company and institutional reality, a player in the economic and social environment in which it does business.*

*The *By-Laws* also constitute the foundation on which the Company's Governance and Sustainability System is built and based, that is, its own set of internal regulations, developed under the aforementioned corporate autonomy, to ensure by these rules its *raison d'être* and way of being, the*



*construction of its identity, the achievement and implementation of the Purpose and Values of the Iberdrola Group, the creation of sustainable value that satisfies the corporate interest, and makes feasible and real the social dividend that it shares with all of its Stakeholders.*

*In turn, the Purpose and Values of the Iberdrola Group meet the most demanding standards in the areas of environmental protection and climate action, social commitment, corporate governance and regulatory compliance, within the general framework of respect for and protection of human rights, the social market economy, sustainability and the ethical principles generally accepted in its sphere of activity.*

*Similarly, the By-Laws establish a well-developed Compliance System, which, integrated within the overall governance and sustainability system, is intended to prevent and manage the risk of regulatory or ethical violations or violations of the Governance and Sustainability System.*

*The by-law rules that arise from and are based on the internal sovereignty of the shareholders acting at a General Shareholders' Meeting also recognise the essential function performed by the Board of Directors as a governing body or structure that guides the realisation of the Purpose and Values of the Iberdrola Group, ensures the assembly and coordination of all its Stakeholders within a company made up of them, and directs and supports the driving action of the Company as an enterprise and institutional reality in the communities of which it is a part and in today's globalised society as a whole.*

*To the extent applicable thereto, the By-Laws of the Company and the other provisions of the Company's Governance and Sustainability System bind its shareholders, the members of its Board of Directors and of senior management, as well as the other professionals of the Company and of the other companies of the Iberdrola group, and generally any persons validly connected thereto. All have the duty to comply with them, as well as the right to demand compliance therewith."*

#### **"PRELIMINARY TITLE. "IBERDROLA, S.A." AND THE IBERDROLA GROUP"**

### **ITEM 6 ON THE AGENDA**

#### **Amendment of Articles 4 and 32 of the By-Laws to accommodate the functions of different corporate levels within the structure of the Iberdrola group**

### **RESOLUTION**

To amend Articles 4 and 32 of the *By-Laws* to accommodate the functions of different corporate levels within the structure of the Iberdrola group. Said Articles 4 and 32 shall hereafter read as follows:

#### **"Article 4. The Iberdrola group**

1. *The corporate and governance structure of the Iberdrola group is defined based on the following:*
  - a) *The Company, which is a listed holding company, is the controlling entity of a multinational group of companies (the "Group"), and has duties relating to the establishment and supervision of the policies and strategies covering the Group, the basic guidelines for the management thereof, and decisions on matters of strategic importance at the Group level, as well as the design of its Governance and Sustainability System.*



- b) *Country subholding companies group together the equity stakes in the Group's head of business companies and strengthen the function of strategic supervision, organisation and coordination and further develop them in relation to such countries or businesses as are decided by the Company's Board of Directors, disseminating, implementing and ensuring compliance with policies, strategies and general guidelines at the Group level based on the characteristics and unique aspects of their respective territories, countries and businesses.*

*The listed country subholding companies of the Group enjoy a special framework of strengthened autonomy that contemplates the measures that are appropriate to safeguard the interests of the minority shareholders of said companies.*

- c) *Finally, the head of business companies of the Group are in charge of the day-to-day administration and effective management of the businesses, and of the day-to-day control thereof, without prejudice to observing the corporate autonomy of the subsidiaries thereof in accordance with law.*
2. *All companies of the Group share a common corporate interest as well as the same purpose, corporate values and ethical principles."*

#### **"Article 32. Powers of the Board of Directors**

1. *The Board of Directors has the power to adopt resolutions regarding all matters not assigned by law or the Governance and Sustainability System to the shareholders acting at a General Shareholders' Meeting.*
2. *Although the Board of Directors has the broadest powers and authority to manage and represent the Company, as a general rule of good governance, the Board of Directors shall focus its activities, pursuant to the Governance and Sustainability System, on the strategic definition and supervision of the general guidelines to be followed at the Group level, attending to the following matters, among others:*
  - a) *Establish, within legal limits, the policies, strategies and guidelines covering the Group, entrusting to the decision-making bodies and the management of the head of business companies of the Group the duties of effective administration and day-to-day management of the businesses.*
  - b) *Through the country subholding companies, supervise the general development of the aforementioned policies, strategies and guidelines by the head of business companies in relation to their respective territories, countries or businesses, establishing appropriate mechanisms of coordination and exchange of information in the interest of the Company and of the other companies within the Group.*
  - c) *Decide on matters of strategic importance at the Group level.*
3. *The Board of Directors shall generally entrust to its chairman, to the chief executive officers and to senior management the dissemination, coordination and general implementation of management guidelines covering the Group, acting in furtherance of the interests of each and every one of the companies belonging thereto.*
4. *The Board of Directors shall design, evaluate and continuously review the Governance and Sustainability System, shall approve the Purpose and Values of the Iberdrola Group and shall pay special attention to the approval and updating of the corporate policies, which further*





*develop the principles reflected in these By-Laws and in the other provisions of the Governance and Sustainability System and codify the guidelines that should govern the activities of the Company, its shareholders and the other companies of the Group.*

*In particular, the Board of Directors shall approve and regularly update a climate action plan to achieve neutrality in the emission of greenhouse gases by 2050. This plan shall set out the intermediate objectives, the strategy and the investment plan designed to meet these objectives and shall define the methodologies used to assess the implementation thereof.*

- 5. The Regulations of the Board of Directors shall specify the powers reserved to such body, which may not be entrusted to the representative decision-making bodies or to the senior management of the Company.”*

## ITEM 7 ON THE AGENDA

### Amendment of Article 8 of the *By-Laws* to update references to internal regulations and to the Compliance System

#### RESOLUTION

To amend Article 8 of the *By-Laws* to update references to internal regulations and to the Compliance System. Said Article 8 shall hereafter read as follows:

#### **“Article 8. Applicable Legal Provisions, Governance and Sustainability System and Compliance System**

- 1. The Company is governed by the legal provisions relating to listed companies and other applicable laws and regulations, as well as by its Governance and Sustainability System.*
- 2. The Governance and Sustainability System is the Company’s internal system of rules, which is configured in accordance with applicable law in the exercise of corporate autonomy supported thereby and applies to the entire Group. It is intended to ensure through rule-making the best implementation of the corporate contract that binds its shareholders, and especially the corporate object, the corporate interest and the social dividend, as defined in the preceding articles.*

*For their part, the country subholding companies and head of business companies have their own Governance and Sustainability System, approved within the framework of the performance of their responsibilities and in the exercise of their powers. This System constitutes its internal order and is consistent with that of the Company.*

- 3. The aforementioned Governance and Sustainability System is made up of these By-Laws, the Purpose and Values of the Iberdrola Group, the Code of Ethics, corporate policies, and the other governance, compliance and market abuse prevention rules.*
- 4. The Purpose and Values of the Iberdrola Group synthesises its raison d’être, the ideological and axiological foundation of its corporate enterprise, which, due to its size and importance, is a focal point for many Stakeholders and for the environmental, social and economic environment in which the entities of the Group do business.*



5. *The Purpose and Values of the Iberdrola Group also inspires and takes form in the policies and in the other rules of the Governance and Sustainability System, governing the day-to-day activities of all entities of the Group and guiding their strategy and all of their actions.*
6. *The shareholders acting at a General Shareholders' Meeting and the Board of Directors of the Company, within their respective purview, develop, apply and interpret the rules making up the Governance and Sustainability System in order to ensure compliance at all times with the purposes thereof and, particularly, the fulfilment of the corporate interest.*
7. *Full or summarised versions of the rules making up the Governance and Sustainability System can be viewed on the Company's corporate website.*
8. *Within the framework of the Governance and Sustainability System, the Company also has a Compliance System, consisting of a structured set of rules, procedures and activities intended to prevent and manage the risk of regulatory and ethical breaches or breaches of the Governance and Sustainability System itself, as well as to contribute to the full realisation of the Purpose and Values of the Iberdrola Group and the corporate interest.*

*The country subholding companies and head of business companies also have their own compliance function, which has full responsibility for managing their respective compliance systems.*

9. *The application and further development of the Company's compliance function and Compliance System is the responsibility of the Compliance Unit, an autonomous body with the highest standards of independence and transparency that is linked to the Sustainable Development Committee of the Board of Directors."*

## ITEM 8 ON THE AGENDA

### Engagement dividend: approval and payment

#### RESOLUTION

To approve the payment, as a shareholder engagement dividend linked to participation in the General Shareholders' Meeting, of a cash dividend, to be charged to unrestricted reserves, of €0.005 (gross) per outstanding share of "Iberdrola, S.A." (the "**Company**") subject to the quorum for this General Meeting reaching 70% of the share capital of the Company (the "**Engagement Dividend**").

If the condition established for the payment of the Engagement Dividend is fulfilled, payment thereof will be made as from 2 May 2023 to those with shares of the Company registered in their name in the book-entry registers of "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR) on 21 April 2023 (the "record date").

The withholding required by the legal provisions in effect at any given time shall be made from the gross amounts paid.

To delegate to the Board of Directors, with express power of substitution, the power to deem the condition precedent relating to the minimum quorum to which the Engagement Dividend is subject to have been met, and therefore to proceed with the payment thereof on the date set forth above if it finds that, even though the quorum of 70% of the Company's share capital for this General Shareholders' Meeting has not been met, the participation of the shareholders in these proceedings



has been sufficient to consider, in its opinion, that the goals sought with this instrument to encourage the engagement of the shareholders in the life of the Company have been met, as well as to make all decisions and take all actions necessary or advisable for the payment of the Engagement Dividend, including, in particular and without limitation, setting the terms and conditions of the payment as to all matters not previously provided for, appointing the entity that is to act as payment agent, and signing the corresponding contract under the terms and conditions it deems appropriate, setting up the current accounts for this purpose, making the appropriate communications and notifications, and generally taking any other action necessary or advisable for the successful completion of said payment.

## ITEM 9 ON THE AGENDA

**Allocation of profits/losses and 2022 dividends: approval and supplementary payment that will be made within the framework of the “Iberdrola Retribución Flexible” optional dividend system**

### RESOLUTION

To approve the proposed allocation of profits/losses and payment of dividends for financial year 2022 formulated by the Board of Directors at its meeting held on 21 February 2023, which is described below:

To approve the payment, with a charge to the results for the financial year ended 31 December 2022 and to the balance from prior financial years, of a dividend in the aggregate gross amount equal to the sum of the following amounts (the “**Dividend**”):

- a) €235,060,916.76, which was paid on account of the dividend for financial year 2022 on 31 January 2023 to the holders of 1,305,893,982 shares of “Iberdrola, S.A.” (the “**Company**”) who elected to receive their remuneration in cash within the framework of the second implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2022 by collecting an amount of €0.180 (gross) per share (the total amount paid to said holders will be referred to as the “**Total Interim Dividend**”); and
- b) the determinable amount resulting from multiplying:
  - i. the gross amount per share to be paid by the Company as a supplementary dividend payment for financial year 2022 within the framework of the first implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2023 (the “**Supplementary Dividend**”), and which will be as determined by the Company’s Board of Directors pursuant to the rules set forth in the section “Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 9, 10 and 11 on the agenda pursuant to which the “Iberdrola Retribución Flexible” optional dividend system is implemented” (the “**Common Terms**”); by
  - ii. the total number of shares with respect to which the holders thereof have elected to receive the Supplementary Dividend within the framework of the first implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2023.

The amount of the Supplementary Dividend, and therefore the amount of the Dividend, cannot be determined as of the date of formulation of this proposed resolution.

For the purposes hereof, it is hereby noted that the payment of the Supplementary Dividend shall be made together with the implementation of the increase in share capital submitted for approval of the



shareholders at the General Shareholders' Meeting under item 10 on the agenda, in order to offer the shareholders the ability to receive their remuneration in cash (by collecting the Supplementary Dividend) or in newly-issued bonus shares of the Company (through said increase in share capital).

The collection of the Supplementary Dividend provided for in this resolution is thus configured, in accordance with the provisions of the Common Terms, as one of the alternatives that a shareholder of the Company can choose when receiving their remuneration within the framework of the first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2023. As a result of the foregoing, and as described below in the Common Terms, it shall be deemed that those shareholders choosing to receive their remuneration in cash through the Supplementary Dividend with respect to all or part of their shares expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares and therefore the ability to transfer them on the market or to receive newly-issued bonus shares corresponding to said free-of-charge allocation rights.

The payment of the Supplementary Dividend, which is expected to be made during the month of July 2023, shall be implemented through the participants in "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR), the Board of Directors being hereby authorised to establish the specific date for payment of the Supplementary Dividend, to designate the entity that is to act as paying agent and to take such other steps as may be required or appropriate for the successful completion of the payment.

Also, to delegate to the Board of Directors the power to set the conditions applicable to the payment of the Supplementary Dividend to the extent not provided for in this resolution, including the determination of the specific gross amount of the Supplementary Dividend subject to the aforementioned rules.

Finally, pursuant to the provisions of Section 249 *bis.1*) of the *Companies Act*, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.

The basis for distribution and the resulting proposed distribution (expressed in euros) is as follows:

**BASIS FOR DISTRIBUTION:**

Balance from prior financial years:	10,291,871,698
Profits for financial year 2022:	2,840,450,303
<b>TOTAL BASIS FOR DISTRIBUTION:</b>	<b>13,132,322,001</b>

**DISTRIBUTION:**

To Dividend:	Amount pending determination which will result from adding: (a) the Total Interim Dividend; and (b) the result of multiplying the Supplementary Dividend by the total number of shares with respect to which the holders thereof have elected to receive the Supplementary Dividend within the framework of the first implementation
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of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2023.

To remainder:

Determinable amount that will result from subtracting the amount allocated to the Dividend from the total basis for distribution.

**TOTAL: 13,132,322,001**

On the date that the Board of Directors (or the body acting by delegation therefrom) decides to implement the increase in share capital that is being submitted for approval of the shareholders at the General Shareholders' Meeting under item 10 on the agenda (and therefore, to commence the first implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2023), the minimum amount of the Supplementary Dividend shall be announced. The final amount of the Supplementary Dividend shall be communicated as soon as the Board of Directors (or the body acting by delegation therefrom) determines it in accordance with the provisions of the Common Terms. Furthermore, once the first implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2023 is completed, the Board of Directors (with express power of substitution) shall proceed to specify the aforementioned proposed distribution, determining the final amount of the Dividend and the amount to be allocated to remainder.

The Common Terms include a sample calculation of the Supplementary Dividend, among other figures relating to the implementation of the increase in share capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 10 on the agenda.

## ITEM 10 ON THE AGENDA

**First increase in capital by means of a scrip issue at a maximum reference market value of €2,275 million in order to implement the “Iberdrola Retribución Flexible” optional dividend system**

### RESOLUTION

To increase the share capital of “Iberdrola, S.A.” (the “**Company**”) upon the terms and conditions described in the section below, entitled “Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 9, 10 and 11 on the agenda, pursuant to which the “Iberdrola Retribución Flexible” optional dividend system is implemented” (the “**Common Terms**”), at a maximum reference market value of €2,275 million for the shares to be issued in implementation of said increase.

The increase in share capital shall be implemented together with the supplementary payment of the dividend submitted for approval of the shareholders at the General Shareholders' Meeting under item 9 on the agenda, in order to offer the Company's shareholders the ability to receive their remuneration in cash (receiving said supplementary payment of the dividend) or in newly-issued bonus shares of the Company (through the increase in share capital). The delivery of bonus shares issued within the context of the increase in share capital is thus configured as one of the alternatives that a shareholder can choose when receiving their remuneration, pursuant to the provisions of the Common Terms.



Pursuant to the provisions of Section 297.1.a) of the *Companies Act*, to delegate to the Board of Directors the power to set the date on which the increase in share capital is to be carried out, if at all, and to set the terms and conditions applicable to all matters not included in this resolution.

Pursuant to the provisions of Section 249 *bis.l)* of the *Companies Act*, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.

This increase in share capital is expected to be implemented together with the supplementary payment of the dividend contemplated in item 9 on the agenda during the month of July 2023.

## ITEM 11 ON THE AGENDA

**Second increase in capital by means of a scrip issue at a maximum reference market value of €1,500 million in order to implement the “Iberdrola Retribución Flexible” optional dividend system**

### RESOLUTION

To increase the share capital of “Iberdrola, S.A.” (the “**Company**”) upon the terms and conditions described in the section below, entitled “Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 9, 10 and 11 on the agenda, pursuant to which the “Iberdrola Retribución Flexible” optional dividend system is implemented” (the “**Common Terms**”), at a maximum reference market value of €1,500 million for the shares to be issued in implementation of said increase.

The increase in share capital is expected to be implemented together with the payment of the interim dividend amount for financial year 2023, if any, to be approved by the Company’s Board of Directors (the “**Interim Dividend**”) in order to offer the Company’s shareholders the ability to receive their remuneration in cash (by collecting the Interim Dividend) or in newly-issued bonus shares of the Company (through the increase in share capital). The delivery of bonus shares issued within the context of the increase in share capital is thus configured as one of the alternatives that a shareholder can choose when receiving their remuneration, pursuant to the provisions of the Common Terms.

Pursuant to the provisions of Section 297.1.a) of the *Companies Act*, to delegate to the Board of Directors the power to set the date on which the increase in share capital is to be carried out, if at all, and to set the terms and conditions applicable to all matters not included in this resolution.

Pursuant to the provisions of Section 249 *bis.l)* of the *Companies Act*, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.

This increase in share capital is expected to be implemented together with the Interim Dividend payment during the month of January 2024.



## COMMON TERMS AND CONDITIONS OF THE DIVIDEND PAYMENT AND INCREASE IN SHARE CAPITAL RESOLUTIONS PROPOSED UNDER ITEMS 9, 10 AND 11 ON THE AGENDA PURSUANT TO WHICH THE “IBERDROLA RETRIBUCIÓN FLEXIBLE” OPTIONAL DIVIDEND SYSTEM IS IMPLEMENTED

### 1. Main characteristics of the “Iberdrola Retribución Flexible” optional dividend system

The purpose of the resolutions for the allocation of profits/losses and dividend payment and of the increase in share capital resolutions proposed under items 9, 10 and 11 on the agenda is to implement the “Iberdrola Retribución Flexible” optional dividend system for financial year 2023 pursuant to which the shareholders of “Iberdrola, S.A.” (the “**Company**”) are offered the ability to receive their remuneration in cash or in newly-issued bonus shares.

For this purpose, there shall be two implementations of said optional dividend system in each of which dividend payments shall be made (the “**Dividend Payments**”, and individually, a “**Dividend Payment**”) along with the implementations of the increases in share capital (the “**Increases in Capital**”, and individually, an “**Increase in Capital**”) submitted for approval of the shareholders at the General Shareholders' Meeting under items number 10 and 11 on the agenda:

- (i) The first implementation, which is expected to take place during the month of July 2023 (the “**First Implementation**”), shall be carried out through the supplementary payment of the dividend for financial year 2022 contemplated in item 9 on the agenda (the “**Supplementary Dividend**”) together with the implementation of the Increase in Capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 10 on the agenda.
- (ii) The second implementation, which is expected to take place during the month of January 2024 (the “**Second Implementation**”, and collectively with the First Implementation, the “**Implementations**” and each of the Implementations, individually, an “**Implementation**”), shall be carried out through the payment of an interim amount of the dividend for financial year 2023 (the “**Interim Dividend**”) to be approved, if appropriate, by the Board of Directors pursuant to the provisions of section 2.2 below, together with the implementation of the Increase in Capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 11 on the agenda.

The Supplementary Dividend and the Interim Dividend shall hereinafter be referred to collectively as the “**Dividends**” and each of them individually as a “**Dividend**”.

In each of the Implementations, the shareholders may choose from among the following options for remuneration upon the terms and conditions established by the Board of Directors (with express power of substitution):

- (a) Receiving their remuneration in cash by collecting the Dividend in question (whether with respect to all of their shares or a portion thereof), for which purpose the shareholders shall be required to make an express election in this regard.
- (b) Receiving their remuneration in newly-issued bonus shares of the Company. To this end, shareholders must refrain from transferring their free-of-charge allocation rights on the market. In this case, upon completion of the trading period for the free-of-charge allocation rights and implementation of the Increase in Capital, the shareholders shall receive such number of new shares (as they are proportionately entitled to receive), entirely as bonus shares.



- (c) Transferring all or part of their free-of-charge allocation rights on the market during the trading period pursuant to the provisions of section 5 below. In this case, the consideration for such rights will depend on market conditions in general and on the listing price of such rights in particular.

The final amount of each of the Dividend Payments and of each of the Increases in Capital shall be determined by the Company's Board of Directors (or the body acting by delegation therefrom) within the context of each of the Implementations and pursuant to the provisions of the sections below.

Within the year following the date of approval of the resolutions included in items 10 and 11 on the agenda, each of the Implementations may be made by the Board of Directors (with express power of substitution) at its sole discretion, and therefore without having to once again obtain the approval of the shareholders at a General Shareholders' Meeting, and based on the legal and financial conditions existing at the time of each of the Implementations, in order to offer the Company's shareholders a flexible and efficient remuneration formula.

The shareholders may only elect remuneration option (a) above (i.e. receiving the Dividend in question) during the "**Common Election Period**". The Common Election Period will begin on the same day as the trading period for the free-of-charge allocation rights, and the Board of Directors (with express power of substitution) must establish the specific term of the Common Election Period, which may in no event exceed the term of said trading period.

Based on their preferences and needs, the Company's shareholders may combine any of the alternatives mentioned in paragraphs (a) through (c) above. In any event, the election of one of the remuneration options automatically excludes the ability to choose either of the other two options regarding the same shares, for which reason the ability to combine options referred to above will only be possible with respect to different groups of shares.

As described below (see section 3 below), if the requirements of Section 277 of the *Companies Act* to pay the Interim Dividend (the "**Requirements**") are not met within the framework of the Second Implementation, the Company shall make an irrevocable commitment to acquire the free-of-charge allocation rights arising from the second Increase in Capital at a guaranteed fixed price upon the terms and conditions described below (the "**Purchase Commitment**" and the "**Fixed Purchase Price**", respectively). In this case, the shareholders may monetise their free-of-charge allocation rights by transferring them to the Company at the Fixed Purchase Price and thus receive a cash amount equal to the one that the Company would have paid as an Interim Dividend.

The Company assumes no liability for the choices made by the holders of the free-of-charge allocation rights (or for a failure to choose, if an express and valid communication is not received from said holders).

It is also stated for the record that the only period authorised for the holders of free-of-charge allocation rights to communicate to the entities with which their rights are deposited their preferences regarding the remuneration options is the Common Election Period, regardless of whether they are institutional or minority holders of rights. The Company assumes no liability for a breach of this period by the depositaries (whether due to not accepting communications during a portion of the Common Election Period or for accepting them after the passage of said period, or for any other reason), for which reason any claim in this regard must be addressed by the shareholders or holders of free-of-charge allocation rights to the depositary in question.





## 2. Amount of the Dividends

### 2.1. Gross amount per share to be paid to the shareholders as a Supplementary Dividend in the First Implementation

The gross amount to be paid to the shareholders as a Supplementary Dividend for each share of the Company with the right to receive it shall be determined within the context of the First Implementation by the Board of Directors (with express power of substitution), subject to the terms and conditions set forth in item 9 on the agenda and in this section (the “**Supplementary Dividend**”).

During the Common Election Period for the First Implementation, the Company’s shareholders shall have the ability to expressly choose to receive the Supplementary Dividend with respect to all or part of the shares they own and that are outstanding on the relevant date upon the terms set by the Board of Directors (with express power of substitution) and pursuant to applicable securities clearing and settlement rules from time to time in effect. If they choose to receive the Supplementary Dividend with respect to all or part of their shares, the shareholders shall expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares.

The free-of-charge allocation rights acquired on the market during the trading period established for this purpose by the Board of Directors (or the body acting by delegation therefrom) shall not give the acquiring parties the right to choose to receive the Supplementary Dividend. Therefore, the new holders of these rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may receive the newly-issued bonus shares of the Company to which they are entitled.

After the Common Election Period for the First Implementation has ended, the Board of Directors (with express power of substitution) shall determine the aggregate gross amount in euros corresponding to the Dividend Payment for the First Implementation (equal to the final amount of the Supplementary Dividend) and shall make payment thereof through the participants in “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.” (Sociedad Unipersonal) (“**IBERCLEAR**”), the Board of Directors being hereby authorised for such purpose (with express power of substitution) to establish the specific date on which the Dividend Payment should occur, to designate the entity that is to act as paying agent, and to take such other steps as may be required or appropriate for the successful completion of the Dividend Payment. Furthermore, after calculating said aggregate gross amount corresponding to the Dividend Payment for the First Implementation, the Board of Directors (with express power of substitution) shall, if applicable, rescind the resolution on payment of the Supplementary Dividend with respect to the amounts that were not paid to those shareholders who elected (expressly or implicitly) to receive newly-issued bonus shares of the Company or who sold their free-of-charge allocation rights on the market.

Moreover, after calculating the aggregate gross amount of the Supplementary Dividend, the aggregate total amount paid as a dividend with a charge to the results for the financial year ended 31 December 2022 pursuant to the provisions of item 9 on the agenda shall be determined and, in view of said amount, the amount of the total basis for distribution established in said item on the agenda to be allocated to remainder shall be specified, and the resulting



proposed allocation of profits/losses and payment of the dividend for financial year 2022 shall be completed.

Section 4.1 below includes the formula for calculating the gross amount per share corresponding to the Supplementary Dividend.

## 2.2. Gross amount per share to be paid to the shareholders as an Interim Dividend in the Second Implementation

The gross amount to be paid as an Interim Dividend, if any, for each share of the Company with the right to receive it shall be as determined by the Board of Directors pursuant to the corresponding resolution to be adopted prior to 31 December 2023, which will be subject in any event to confirmation that the Requirements have been met (the “**Interim Dividend**”).

During the Common Election Period for the Second Implementation, the Company's shareholders shall have the ability to expressly choose to receive the Interim Dividend with respect to all or part of the shares they own and that are outstanding on the relevant date upon the terms set by the Board of Directors (with express power of substitution) and pursuant to applicable securities clearing and settlement rules from time to time in effect. If they choose to receive the Interim Dividend with respect to all or part of their shares, the shareholders shall expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares.

The free-of-charge allocation rights acquired on the market during the trading period established for this purpose by the Board of Directors (or the body acting by delegation therefrom) shall not give the acquiring parties the right to choose to receive the Interim Dividend. Therefore, the new holders of these rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may choose to receive the newly-issued bonus shares to which they are entitled at the end of the aforementioned trading period.

After the Common Election Period for the Second Implementation, the Board of Directors (with express power of substitution) shall determine the aggregate gross amount in euros corresponding to the Dividend Payment for the Second Implementation and shall make payment thereof through the participants in IBERCLEAR. To this end, the Board of Directors (with express power of substitution) shall establish the specific date on which the Dividend Payment should occur, shall designate the entity that is to act as paying agent, and shall take such other steps as may be required or appropriate for the successful completion of the Dividend Payment. Furthermore, after calculating said aggregate gross amount corresponding to the Dividend Payment for the Second Implementation, the Board of Directors (with express power of substitution) shall, if applicable, rescind the resolution on payment of the Interim Dividend with respect to the amounts that were not paid to those shareholders who elected (expressly or implicitly) to receive newly-issued bonus shares of the Company or who sold their free-of-charge allocation rights on the market.

Without prejudice to the foregoing, if the Requirements are not met to pay the Interim Dividend within the framework of the Second Implementation, the Company shall make the Purchase Commitment in order for the shareholders to be able to monetise their free-of-charge allocation



rights by transferring them to the Company at the Fixed Purchase Price upon the terms and conditions described in section 3 below.

Section 4.1 below includes the formula for calculating the gross amount per share corresponding to the Interim Dividend.

### 3. Purchase Commitment within the framework of the Second Implementation

If the Requirements are not met to pay the Interim Dividend within the framework of the Second Implementation (which circumstance shall be communicated to the market), the Company shall make the Purchase Commitment upon the terms described in this section in order to ensure that the shareholders can receive all or part of their remuneration in cash.

The Fixed Purchase Price shall be calculated by applying the formula used to determine the gross amount per share of the Interim Dividend (see section 4.1 below), such that the amount that would be received by shareholders choosing this option would be equal to the amount they would have received if it had been possible to pay the Interim Dividend. The Fixed Purchase Price shall be calculated prior to the commencement of the trading period for the free-of-charge allocation rights of the second Increase in Capital and shall be published as soon as it is determined.

The Purchase Commitment assumed by the Company shall cover the free-of-charge allocation rights received by those who are registered as being entitled thereto in the book-entry registers of IBERCLEAR on the relevant date pursuant to the securities clearing and settlement rules from time to time in effect. The free-of-charge allocation rights acquired on the market during the trading period established for this purpose by the Board of Directors (or the body acting by delegation therefrom) shall not give the acquiring parties the right to enforce the Purchase Commitment or, therefore, to receive the Fixed Purchase Price. Therefore, the new holders of these rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may choose to receive the newly-issued bonus shares to which they are entitled at the end of the aforementioned trading period.

The Purchase Commitment shall be in effect and may be accepted during such term as is established for these purposes by the Board of Directors (with express power of substitution), and which must in any case be included within the trading period for the free-of-charge allocation rights.

In relation to the foregoing, the Company is authorised to acquire said free-of-charge allocation rights, with a maximum limit of all rights issued in relation to the second Increase in Capital, but must in any case comply with the legal requirements applicable from time to time.

The acquisition by the Company of the free-of-charge allocation rights as a result of the Purchase Commitment shall be carried out with a charge to the reserves contemplated in Section 303.1 of the *Companies Act*.

The Company shall waive the new shares corresponding to the free-of-charge allocation rights that it has acquired by application of the Purchase Commitment. In such an event, pursuant to the provisions of Section 311 of the *Companies Act*, there will be an incomplete allocation of the Increase in Capital corresponding to the Second Implementation, and the share capital shall be increased solely by the amount corresponding to the free-of-charge allocation rights that have not been waived.



#### 4. Common characteristics of the Increases in Capital

The amount of each of the Increases in Capital shall be the amount resulting from multiplying: (a) the nominal value of each share of the Company, equal to seventy-five euro cents; by (b) the total determinable number of new shares of the Company to be issued, in accordance with the formula set forth in section 4.1 below, on the date of each of the Implementations (the new shares of the Company issued by way of implementation of each of the Increases in Capital shall be collectively referred to as the “**New Shares**”, and each one, individually, as a “**New Share**”).

Both Increases in Capital shall be carried out, if at all, by means of the issuance and flotation, on their respective dates of Implementation, of the New Shares, which shall be ordinary shares having a nominal value of seventy-five euro cents each, of the same class and series as those currently outstanding, represented by book entries.

The Increases in Capital shall be entirely carried out with a charge to the reserves contemplated in Section 303.1 of the *Companies Act*. When implementing each of the Increases in Capital, the Board of Directors, with express power of substitution shall determine the reserve(s) to be used and the amount of such reserve(s) in accordance with the balance sheet used as a basis for the transaction.

The New Shares shall be issued at par, i.e. at their nominal value of seventy-five euro cents, without a share premium, and shall be allocated without charge to the shareholders of the Company who have opted for this remuneration alternative.

Pursuant to the provisions of Section 311 of the *Companies Act*, the possibility of an incomplete allocation of the Increases in Capital is contemplated in the event that the Company, a company within its group, a shareholder or a third party waives all or part of the free-of-charge allocation rights to which they are entitled at the time of implementation of each of the Increases in Capital, for which reason, in the event of such waiver, the share capital shall be increased by the corresponding amount. For these purposes, it shall be deemed that those who have chosen to receive their remuneration in cash by means of collecting the Dividend in question with respect to all or part of their shares expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares, upon the terms and conditions set forth herein.

##### 4.1 New Shares to be issued in each of the Increases in Capital

The maximum number of New Shares to be issued in each of the Increases in Capital shall be the number resulting from the application of the following formula, with the resulting number being rounded to the next lower integer:

$$\text{NNS} = \text{TNShrs.} / \text{Num. rights}$$

where:

NNS = Maximum number of New Shares to be issued within the framework of the relevant Increase in Capital;

TNShrs. = Number of shares of the Company outstanding on the date that the Board of Directors (with express power of substitution) resolves to implement the relevant Increase in Capital. In this regard, those shares of the Company that have previously been retired by virtue



of the implementation of the resolution approving the reduction in share capital by means of the retirement of own shares submitted to the shareholders for approval at the General Shareholders' Meeting under item 12 on the agenda, even if the corresponding public instrument formalising the reduction in share capital has not been executed or is pending registration with the Commercial Registry, shall not be deemed to be outstanding shares of the Company; and

Num. rights = Number of free-of-charge allocation rights required for the allocation of one New Share within the framework of the relevant Increase in Capital, which number will result from the application of the following formula, with the result being rounded to the next higher integer:

Num. rights = TNShrs. / Provisional number of shares

where:

Provisional number of shares = Amount of the Option / ListPri.

For these purposes, "**Amount of the Option**" shall mean the maximum reference market value of the relevant Increase in Capital to be set by the Board of Directors (with express power of substitution) and which shall not be greater than the amount referred to in the proposed Increase in Capital resolutions submitted for the approval of the shareholders at the General Shareholders' Meeting under items 10 and 11 on the agenda (i.e. €2,275 and €1,500 million, respectively).

For its part, "**ListPri**" shall be the arithmetic mean of the average weighted listing prices of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (Sistema de Interconexión Bursátil) (Continuous Market) for the five trading sessions determined by the Board of Directors (or the body acting by delegation therefrom) to set the number of free-of-charge allocation rights needed for the allocation of one New Share in the relevant Increase in Capital, with the result being rounded to the closest one-thousandth part of one euro.

The maximum number of new shares to be issued thus calculated shall be rounded to obtain a whole number of shares (with the result being rounded to the next lower integer) and a ratio for the conversion of rights into shares that is also an integer (with the result being rounded to the next higher integer). In addition, and for the same purposes, the Company (or any company within its group that holds shares of the Company) shall waive the corresponding free-of-charge allocation rights as provided in section 4.2 below.

Furthermore, the gross amount per share of the Dividend in question, or if the Requirements are not met in the Second Implementation, the Fixed Purchase Price per free-of-charge allocation right will be that which results from the application of the following formula, rounding the result to the closest one-thousandth part of one euro:

Dividend (or, if applicable, Fixed Purchase Price) = ListPri / (Num. rights +1)



## 4.2 Free-of-charge allocation rights

In each of the Increases in Capital, each outstanding share of the Company on the date of Implementation of the corresponding Increase in Capital (TNShrs.) shall grant its holder one free-of-charge allocation right.

The number of free-of-charge allocation rights required to receive one New Share in each of the Increases in Capital shall be automatically determined according to the ratio existing between the number of outstanding shares of the Company on the date of Implementation of the relevant Increase in Capital (TNShrs.) and the provisional number of New Shares, calculated by using the formula contained in section 4.1 above. Specifically, the holders of free-of-charge allocation rights shall be entitled to receive one New Share for the number of free-of-charge allocation rights held by them, which shall be determined as provided in section 4.1 above (Num. rights).

In the event that the number of free-of-charge allocation rights required for the allocation of one New Share (Num. rights) multiplied by the number of New Shares to be issued (NNS) results in a number that is lower than the number of outstanding shares of the Company on the date of Implementation of the corresponding Increase in Capital (TNShrs.), the Company (or any company within its group that holds shares of the Company) shall waive a number of free-of-charge allocation rights equal to the difference between both figures for the sole purpose that the number of New Shares be a whole number and not a fraction.

The free-of-charge allocation rights shall be allocated to those who are registered as being entitled thereto in the book-entry registers of IBERCLEAR on the relevant date pursuant to the securities clearing and settlement rules from time to time in effect. In this regard, the Company will waive the free-of-charge allocation rights corresponding to the shares of the Company that have been retired prior to the date of Implementation of the corresponding Increase in Capital if said shares have not yet been removed from the book-entry registers of IBERCLEAR because the corresponding public instrument formalising the implementation of the resolution on the reduction in share capital, the approval of which is submitted to the shareholders at the General Shareholders' Meeting under item 12 on the Agenda, has not yet been executed or is still pending registration.

The free-of-charge allocation rights shall be transferable upon the same terms as the shares from which they derive and may be traded on the market during such term as is established by the Board of Directors (with express power of substitution) in implementing the relevant Increase in Capital, which term shall not be less than fourteen calendar days. During such term, a sufficient number of free-of-charge allocation rights may be acquired on the market in the proportion required to receive New Shares. Notwithstanding the foregoing, the free-of-charge allocation rights acquired on the market during the trading period established for this purpose shall not give the acquiring party the right to choose to receive the corresponding Dividend (or, if applicable, to enforce the Purchase Commitment and receive the Fixed Purchase Price). Therefore, the new holders of these free-of-charge allocation rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may choose to receive the newly-issued bonus shares to which they are entitled at the end of the aforementioned trading period.



Therefore, during the trading period for the free-of-charge allocation rights, subject to any other terms and conditions established by the Board of Directors (with express power of substitution), the holders of the free-of-charge allocation rights may choose between:

- (a) receiving their remuneration in New Shares, in which case, at the end of the period for trading the free-of-charge allocation rights, they shall be allocated the New Shares to which they are entitled pursuant to the terms and conditions of the implementation of the Increase in Capital in question;
- (b) transferring all or part of their free-of-charge allocation rights on the market, in which case the consideration that the holders of free-of-charge allocation rights will receive for the sale thereof will depend on market conditions in general and on the listing price of said rights in particular; or
- (c) only during the Common Election Period determined by the Board of Directors (with express power of substitution), receiving their remuneration in cash by collecting the corresponding Dividend (or, if applicable, by collecting the Fixed Purchase Price), for which purpose the shareholders shall be required to make an express election in this regard. The shareholders may choose to receive their cash remuneration with respect to all or part of their shares.

In this case, it shall be deemed that those choosing to receive their remuneration in cash with respect to all or part of their shares expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares and the ability to transfer them on the market. To this end, the participants in IBERCLEAR will block said free-of-charge allocation rights, which may not be transferred on the market and which shall automatically expire at the end of the trading period, without the holders thereof being entitled to receive New Shares.

As mentioned above, the free-of-charge allocation rights acquired on the market during the trading period established for this purpose shall not give the acquiring parties the right to choose to receive the Dividend (nor, if applicable, the Fixed Purchase Price). Therefore, the new holders of these rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may choose to receive the newly-issued bonus shares to which they are entitled at the end of the aforementioned trading period.

Based on their preferences and needs, the Company's shareholders may combine any of the alternatives mentioned in paragraphs (a) through (c) above. In any event, the election of one of the remuneration options automatically excludes the ability to choose either of the other two options regarding the same shares, for which reason the ability to combine options referred to above will only be possible with respect to different groups of shares.

The Company assumes no liability for the choices made by the holders of the free-of-charge allocation rights (or for a failure to choose, if an express and valid communication is not received from said holders).

It is also stated for the record that the only period authorised for the holders of free-of-charge allocation rights to communicate to the entities with which their rights are deposited their preferences regarding the remuneration options is the Common Election Period, regardless of



whether they are institutional or minority holders of rights. The Company assumes no liability for a breach of this period by the depositaries (whether due to not accepting communications during a portion of the Common Election Period or for accepting them after the passage of said period, or for any other reason), for which reason any claim in this regard must be addressed by the shareholders or holders of free-of-charge allocation rights to the depositary in question.

#### **4.3 Balance sheet for the transaction and reserve with a charge to which the Increases in Capital are carried out**

The balance sheet used as a basis for the two Increases in Capital is the one for the financial year ended 31 December 2022, duly audited and submitted to the shareholders for approval at this General Shareholders' Meeting under item 1 on the agenda.

The Increases in Capital shall be entirely carried out with a charge to the reserves contemplated in Section 303.1 of the *Companies Act*. When implementing each of the Increases in Capital, the Board of Directors (with express power of substitution) shall determine the reserve(s) to be used and the amount of such reserve(s) in accordance with the balance sheet used as a basis for the transaction.

#### **4.4 Representation of the New Shares**

The New Shares will be represented by book entries, the book-entry registration of which is entrusted to IBERCLEAR and its participants.

#### **4.5 Rights attaching to the New Shares**

As from the date on which the relevant Increase in Capital is declared to be subscribed and paid up, the New Shares shall grant the holders thereof the same financial, voting and like rights as the ordinary shares of the Company then outstanding.

#### **4.6 Shares on deposit**

Once the period for trading the free-of-charge allocation rights during each of the Increases in Capital has ended, the New Shares that could not be allocated for reasons not attributable to the Company shall be kept on deposit for those who provide evidence that they are the lawful holders of the corresponding free-of-charge allocation rights. Once three years have passed from the end of each of the periods for trading the free-of-charge allocation rights, the New Shares issued by virtue of the relevant Increase in Capital that are still pending allocation may be sold in accordance with the provisions of Section 117 of the *Companies Act*, at the expense and peril of the interested parties. The cash amount from such sale shall be deposited with Banco de España or with Caja General de Depósitos at the disposal of the interested parties.

#### **4.7 Application for admission to trading**

The Company shall make application for trading the New Shares to be issued as a consequence of each of the Increases in Capital on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market), and shall carry out such acts and formalities as are required and submit the documents needed to the appropriate bodies for admission to trading of the





New Shares issued as a result of each of the approved Increases in Capital, with an express statement for the record of the Company's submission to the rules that may now or hereafter exist with respect to Stock Exchange matters, and especially regarding trading, continued trading and removal from trading on official markets.

Any subsequent request for removal from trading of the shares of the Company shall be adopted with the same formalities as those that apply to the application for trading and, in such event, the interests of the shareholders opposing or not voting on the resolution to remove shall be safeguarded, in compliance with the requirements set out in applicable law at such time.

#### **5. Application of the “Iberdrola Retribución Flexible” optional dividend system. Implementations**

Within a period of one year from the date of approval of this resolution, the Board of Directors (with express power of substitution) may set the date on which each Implementation must be carried out and set the terms and conditions thereof as to all matters not provided for in this resolution (including, in particular, the Amount of the Option corresponding to each of the Implementations and the Supplementary Dividend).

Furthermore, it is expected that prior to 31 December 2023, the Board of Directors will determine the Interim Dividend to be paid for purposes of the Second Implementation as well as the other conditions applicable to the Interim Dividend, pursuant to the provisions of Section 277 of the *Companies Act*. To this end, and in accordance with the provisions of Section 161 of the *Companies Act*, the shareholders acting at this General Shareholders' Meeting hereby instruct the Board of Directors, if the Requirements are met, to approve the payment of the Interim Dividend and set the terms and conditions applicable to the corresponding Dividend Payment, all in order to carry out the Second Implementation.

Notwithstanding the foregoing, if the Board of Directors (with express power of substitution) does not deem it advisable to carry out one or both Implementations, in whole or in part, within the aforementioned period, it may refrain from doing so, with the duty to inform the shareholders thereof at the next General Shareholders' Meeting.

Specifically, the Board of Directors (with express power of substitution) shall analyse and take into account the market conditions, the circumstances of the Company itself or those deriving from an event that has social or financial significance for the Company, and if these or other factors make it inadvisable, in its opinion, to carry out one or both Implementations, it may refrain from doing so. In addition, the resolutions approved by the shareholders at this General Shareholders' Meeting relating to the Supplementary Dividend and to the Increases in Capital shall be deprived of any and all effect in the event that the Board of Directors (or the body acting by delegation therefrom) does not exercise the powers delegated thereto or, in the case of the Second Implementation, does not approve the payment of the Interim Dividend or honour the Purchase Commitment, within a period of one year from approval of the resolutions.

Once the period for trading the free-of-charge allocation rights corresponding to each of the Increases in Capital has ended, the following shall apply:



- (a) The New Shares shall be allocated to those who, according to the book-entry registers maintained by IBERCLEAR and its participants, are the holders of free-of-charge allocation rights in the proportion resulting from section 4 above due to not having waived them on the terms provided above.
- (b) The period for trading the free-of-charge allocation rights shall be declared to have ended and the appropriation of the account(s) with a charge to which the relevant Increase in Capital will be implemented shall be formalised on the books in the respective amount, with which appropriation the Increase in Capital will be paid up.
- (c) The Company shall pay the Supplementary Dividend or the Interim Dividend (or, if the Requirements are not met within the framework of the Second Implementation, the Fixed Purchase Price), as applicable, to the shareholders that have expressly chosen this remuneration option within the period and subject to the terms and conditions determined for these purposes by the Board of Directors (with express power of substitution), pursuant to the provisions of section 2 above.

Likewise, once each of the periods for trading the free-of-charge allocation rights has ended, the Board of Directors (with express power of substitution) shall adopt the resolutions required to amend the *By-Laws* so that they reflect the new amount of the share capital and the number of shares resulting from the implementation of the relevant Increase in Capital, and to make application for trading of the resulting New Shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market).

## 6. Delegation to carry out each of the Implementations

In particular, and by way of example only, the following powers are delegated to the Board of Directors (with express power of substitution):

- (a) To set the date on which each of the Implementations must be carried out, which shall in any case be within a period of one year from the approval of this resolution, and to determine the specific schedule for each of the Implementations.
- (b) As regards each of the Implementations, to set the Amount of the Option, the amount of the Supplementary Dividend (in the case of the First Implementation), the number of New Shares and the number of free-of-charge allocation rights necessary for the allocation of one New Share, applying the rules established by this resolution for such purpose.
- (c) To determine the reserve(s), among those contemplated in this resolution, with a charge to which each of the Increases in Capital will be implemented.
- (d) To designate the company or companies that will assume the duties of agent and/or financial adviser in connection with each of the Implementations, and sign all required contracts and documents for such purpose. In particular, to appoint the entity that must act as paying agent in each of the Dividend Payments.
- (e) To set the duration of the periods for trading the free-of-charge allocation rights corresponding to each of the Increases in Capital.



- (f) As regards each of the Implementations, to set the specific duration of the Common Election Period and the terms and conditions under which the shareholders may state their preferences regarding the receipt of their remuneration (in cash or in New Shares).
- (g) After the Common Election Period for each Implementation has ended, to determine the aggregate gross amount in euros corresponding to the Dividend Payment in question and to make payment thereof through the participants in IBERCLEAR.
- (h) To declare the Increases in Capital to be closed and implemented, for such purpose setting the number of New Shares actually allocated in each of them, and therefore the amount by which the Company's share capital must be increased in accordance with the rules established by the shareholders at this General Shareholders' Meeting, as well as declare, if applicable, the existence of an incomplete allocation of each of the Increases in Capital.
- (i) To rescind the resolution on payment of the corresponding Dividend with respect to the amounts that were not paid to those shareholders who elected (expressly or implicitly) to receive New Shares.
- (j) In the case of the First Implementation, to determine the aggregate total amount to be paid as a dividend with a charge to the results for the financial year ended 31 December 2022 pursuant to the provisions of item 9 on the agenda (i.e. the final amount of the Supplementary Dividend), to specify, in view of said amount, the amount of the total basis for distribution established in said item on the agenda to be allocated to remainder, and to complete the resulting proposed allocation of profits/losses and payment of the dividend for financial year 2022.
- (k) In the case of the First Implementation and if the Board of Directors, with express power of substitution, does not deem it appropriate to implement the First Implementation, in whole or in part, during said period, to determine the aggregate total amount that has been paid as a dividend with a charge to the results for the financial year ended 31 December 2022 (which shall be equal to the total amount paid on account of the dividend for said financial year), to specify the amount of the total basis for distribution established in said item on the agenda to be allocated to remainder, and to complete the resulting proposed allocation of profits/losses and payment of the dividend for financial year 2022.
- (l) To amend the article of the *By-Laws* setting the share capital such that it reflects the amount of share capital and the number of outstanding shares resulting from the implementation of the relevant Increase in Capital.
- (m) To waive, if appropriate, and in each of the Increases in Capital, free-of-charge allocation rights to subscribe New Shares for the sole purpose of facilitating that the number of New Shares be a whole number and not a fraction, as well as any free-of-charge allocation rights allocated to shares of the Company that have been retired prior to the date of implementation of the corresponding Increase in Capital if said shares have not yet been removed from the book-entry registers of IBERCLEAR because the corresponding public instrument formalising the implementation of the resolution approving the reduction in share capital, the approval of which is submitted to the shareholders at the General Shareholders' Meeting under item 12 on the agenda, has not yet been executed or is still pending registration.
- (n) If the Purchase Commitment must be honoured within the framework of the Second Implementation due to the Requirements for the payment of the Interim Dividend not having been met, to determine the acquisition by the Company of the corresponding free-of-charge allocation rights, set the period of time during which the Purchase Commitment will be in effect



(within the limits established in the resolutions), honour the Purchase Commitment by paying the corresponding amounts to the shareholders who have accepted said commitment, waive the free-of-charge allocation rights owned by the Company at the end of the trading period of the Second Implementation as a result of the Purchase Commitment, and thus the New Shares corresponding to such rights, and take any other measures or actions needed to fully honour the Purchase Commitment.

- (o) To take all steps required for the New Shares to be included in the book-entry registers of IBERCLEAR and admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (Continuous Market) after each of the Increases in Capital.
- (p) To take any actions that are necessary or appropriate to implement and formalise each of the Increases in Capital before any Spanish or foreign public or private entities or agencies, including acts for purposes of representation, supplementation, or correction of defects or omissions that might prevent or hinder the full effectiveness of the foregoing resolutions.
- (q) To approve and implement such technical or other mechanisms as IBERCLEAR and the IBERCLEAR participants may deem necessary or appropriate in order to make any corresponding payment on account.

## 7. Sample calculation relating to the First Implementation

Set out below, solely for purposes of facilitating an understanding of the application hereof, is a sample calculation, in the case of the First Implementation, of the maximum number of new shares to be issued in the increase in share capital submitted for the approval of the shareholders at the General Shareholders' Meeting under item 10 on the agenda, of the maximum nominal value of such increase, of the number of free-of-charge allocation rights required for the allocation of one new share and of the Dividend (which in this First Implementation would be the Supplementary Dividend).

The results of these calculations are not representative of those that might be obtained, which, in the case of the First Implementation, will depend on the different variables used in the formulas (basically, the listing price of the Company's shares at that time (ListPri) and the Amount of the Option, as determined by the Board of Directors (with express power of substitution) in exercise of the power delegated by the shareholders at the General Shareholders' Meeting).

Solely for the purposes of this example:

- The Amount of the Option is €2,026 million.
- The TNShrs. is 6,240,000,000<sup>1</sup>.
- A ListPri of €10.710 is assumed (solely for the purposes of this example, the listing price of the Company's shares at the closing of the trading session of 8 March 2023 has been used as a reference).

<sup>1</sup> For purposes of this example, it is assumed that this would be the total number of shares of the Company outstanding after the implementation of the reduction in share capital provided for in the resolution corresponding to item 12 on the agenda if it is implemented in the total maximum amount thereof (i.e. 6,240,000,000 outstanding shares of the Company).



Therefore:

Provisional number of shares = Amount of the Option / ListPri	$2,026,000,000 / 10.710 = 189,169,000.933707 \approx 189,169,000$ shares  (rounded downwards)
Num. rights = TNShrs. / Provisional number of shares	$6,240,000,000 / 189,169,000 = 32.9863772605448000 \approx 33$ rights  (rounded upwards)
NNS = TNShrs. / Num. rights	$6,240,000,000 / 33 = 189,090,909.090909 \approx 189,090,909$ shares  (rounded downwards)
Dividend = ListPri / (Num. rights + 1)	$10.710 / (33 + 1) = 0.315$ euro

Therefore:

- (i) The maximum number of shares to be issued in the First Implementation would be 189,090,909.
- (ii) The maximum nominal amount of the increase in share capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 10 on the agenda would be €141,818,181.75 (189,090,909 x 0.75).
- (iii) 33 free-of-charge allocation rights (or old shares) would be necessary for the allocation of one new share<sup>2</sup>.
- (iv) In this example, the Supplementary Dividend would be equal to €0.315 (gross) per share.

## ITEM 12 ON THE AGENDA

### Reduction in capital by means of the retirement of a maximum of 206,364,000 own shares (3.201% of the share capital)

#### RESOLUTION

##### 1. Reduction in share capital by means of the retirement of own shares

To reduce the share capital of "Iberdrola, S.A." (the "**Company**") by a maximum of €154,773,000.00 through the retirement of a maximum of 206,364,000 own shares, each with a nominal value of €0.75, representing not more than 3.201% of the share capital at the time of approval of the corresponding resolution by the shareholders at the General Shareholders' Meeting (the "**Reduction in Capital**").

<sup>2</sup> In this example, the Company (or a company of its group that holds shares of the Company) would be required to waive 3 free-of-charge allocation rights.



The Reduction in Capital shall be implemented by means of:

- i. The acquisition of shares for their retirement through:
  - (i) the implementation of a programme for the buy-back of own shares, targeted at all the shareholders, approved by the Board of Directors at its meeting held on 14 March 2023<sup>3</sup> (the “**Buy-back Programme**”), which will be launched following the call to the General Shareholders' Meeting; and
  - (ii) the settlement of certain derivatives acquired by the Company prior to the date on which the Board of Directors (or the body acting by delegation therefrom) launches the Buy-back Programme (the “**Settlement of Derivatives**”).
- ii. The retirement of own shares held in treasury following the close of the trading session on the day prior to the date on which the Board of Directors (or the body acting by delegation therefrom) launches the Buy-back Programme (the “**Treasury Shares**”).

The Company shall communicate both the approval and the launch of the Buy-back Programme to the market by issuing the corresponding notices of other relevant information, which shall be published on the corporate website ([www.iberdrola.com](http://www.iberdrola.com)) and on the website of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) ([www.cnmv.es](http://www.cnmv.es)).

The terms and conditions of the Buy-back Programme (including the setting of the maximum number of shares to be acquired within the framework thereof and its effective period), the maximum potential amount of the Settlement of Derivatives, and the final figures for the Treasury Shares and the Reduction in Capital shall be set by the Company's Board of Directors (with express power of substitution).

Once the Board of Directors (or the body acting by delegation therefrom) has determined the final amount of the Reduction in Capital, Article 10 of the By-Laws setting the share capital would be amended such that it reflects the new amount of share capital and the new number of outstanding shares.

## 2. Procedure for acquisition of the shares that will be retired

The total number of shares that the Company will be able to retire will be the result of adding: (a) the shares acquired through the Buy-back Programme and the Settlement of Derivatives; and (b) the Treasury Shares. This number will be a maximum of 206,364,000 own shares, each with a nominal value of €0.75, representing not more than 3.201% of the Company's share capital (the “**Maximum Limit**”).

As provided in the resolution of the Board of Directors approved at its meeting held on 14 March 2023, own shares shall be acquired within the framework of the Buy-back Programme subject to the terms as to price and volume established in the Regulations.

<sup>3</sup> Pursuant to: (i) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures (the “**Regulations**”); and (ii) the authorisation granted by the shareholders at the General Shareholders' Meeting held on second call on 17 June 2022 under item 19 on the agenda.



In order to observe the Maximum Limit in any case, an overall limitation would apply to the maximum number of shares to be retired that have been acquired in implementation of the Buy-back Programme and pursuant to the Settlement of Derivatives (the “**Overall Limit**”).

If the shares acquired in implementation of the Buy-back Programme and pursuant to the Settlement of Derivatives exceeds the Overall Limit, all of the own shares acquired in implementation of the Buy-back Programme would first be retired. On the other hand, a number equal to the difference between the Overall Limit and the shares actually acquired in implementation of the Buy-back Programme would be retired from the own shares acquired pursuant to the Settlement of Derivatives. In this way, the remainder of any own shares acquired as a result of the Settlement of Derivatives would not be subject to retirement on occasion of the Reduction in Capital and would remain in treasury, always within the limits provided by applicable law.

Furthermore, pursuant to Section 340.3 of the Companies Act, if the Company does not acquire the maximum number of 206,364,000 own shares (taking into account Treasury Shares and shares acquired through the Buy-back Programme and the Settlement of Derivatives), the share capital shall be understood to be reduced by the sum of:

- i. the Treasury Shares; plus
- ii. the amount corresponding to the sum of the shares effectively acquired under the Buy-back Programme and the Settlement of Derivatives.

In contrast, in the event that: (a) the number of shares acquired under the Buy-back Programme and the Settlement of Derivatives in addition to (b) the Treasury Shares (together, the “**Shares Subject to Retirement**”) exceeds the maximum number of own shares covered by the Reduction in Capital (206,364,000 shares), the difference between the number of Shares Subject to Retirement and the 206,364,000 shares covered by the Reduction in Capital shall not be retired.

### 3. Procedure for the reduction and reserves with a charge to which it is carried out

Pursuant to the provisions of Section 342 of the *Companies Act*, the Reduction in Capital must be implemented within one month following the expiration of the Buy-back Programme.

The Reduction in Capital does not entail a return of contributions to the shareholders because the Company itself is the holder of the shares being retired, and it shall be carried out with a charge to unrestricted reserves by funding a retired capital reserve in an amount equal to the nominal value of the retired shares; such reserve may only be used by complying with the same requirements as those applicable to a reduction in share capital, as provided by Section 335 c) of the *Companies Act*.

Therefore, in accordance with the provisions of such section, creditors of the Company will not be entitled to assert the right of objection contemplated by Section 334 of the *Companies Act* in connection with the Reduction in Capital.

### 4. Ratification of the resolutions of the Board of Directors

To ratify both the resolutions of the Board of Directors regarding the approval of the Buy-back Programme as well as the actions, statements and formalities regarding the public communication of the Buy-back Programme to date.



## 5. Delegation of powers

To delegate to the Board of Directors, with express power of substitution, the powers necessary to implement this resolution within a period not to exceed one month following the expiration of the Buy-back Programme, with authority to establish any terms that are not expressly set forth in this resolution or that are a consequence hereof. In particular, and by way of example only, the following powers are delegated to the Board of Directors, with express power of substitution:

- (a) To perform any acts, make any statements or take any steps that may be required in connection with the public communication of the Buy-back Programme and with the formalities, if any, that must be carried out at Spanish regulatory agencies and Stock Exchanges; and negotiate, agree to and sign all contracts, agreements, commitments or instructions that may be necessary or appropriate for the successful completion of the Buy-back Programme.
- (b) To cause all announcements required by law to be published, acquire the shares under the Buy-back Programme and retire them within one month following the expiration of the Buy-back Programme, in accordance with the terms approved herein.
- (c) To declare the approved Reduction in Capital to be completed and implemented, establishing, for such purpose, the final number of shares that must be retired and, as a result, the amount by which the share capital of the Company must be reduced in accordance with the terms established in this resolution.
- (d) To set the final amount of the Reduction in Capital based on the provisions of this resolution and establish any other terms that may be required to implement it, including, without limitation, the setting of the unrestricted reserves account that will be used to fund the retired capital reserve, all in accordance with the terms and conditions set forth above.
- (e) To amend Article 10 of the *By-Laws* setting the share capital such that it reflects the amount of share capital and the number of outstanding shares resulting from the implementation of the Reduction in Capital.
- (f) To take such steps and carry out such formalities as may be required and submit such documents as may be necessary to the competent bodies such that, once the shares of the Company have been retired and the notarial instrument for the Reduction in Capital has been executed and registered with the Commercial Registry, the retired shares are delisted from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market), and they are removed from the corresponding book-entry registers of "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR).
- (g) To perform all acts that may be necessary or appropriate to implement and formalise the Reduction in Capital before any Spanish or foreign public or private entities and agencies, including acts for purposes of representation, supplementation, or correction of defects or omissions that might prevent or hinder the full effectiveness of the foregoing resolutions.

Pursuant to the provisions of Section 249 *bis.1*) of the *Companies Act*, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.





## ITEM 13 ON THE AGENDA

### Consultative vote on the *Annual Director Remuneration Report 2022*

#### RESOLUTION

To approve, on a consultative basis, the *Annual Director Remuneration Report* for financial year 2022.

## ITEM 14 ON THE AGENDA

**Strategic bonus for professionals of the companies of the Iberdrola group linked to the Company's performance during the 2023-2025 period, to be paid on a fractional and deferred basis through the delivery of shares.**

#### RESOLUTION

Pursuant to the provisions of Section 219 of the *Companies Act* and Article 48.4 of the *By-Laws* of "Iberdrola, S.A." (the "**Company**"), to approve the establishment of a strategic bonus to be paid on a fractional and deferred basis through the delivery of shares of the Company and aimed at the executive directors, management personnel and other professionals of the Company and of those companies belonging to the group of which the Company is the controlling entity within the meaning established by law (the "**Iberdrola Group**"), other than the country subholding companies whose shares are traded on stock exchanges and the companies of the Iberdrola Group that carry out regulated activities in Spain (the "**2023-2025 Strategic Bonus**"), in accordance with the following terms:

#### 1. Description

The 2023-2025 Strategic Bonus is a long-term incentive linked to the Company's performance in relation to the development of the Outlook 2023-2025 approved by the Board of Directors and any updates thereof presented to investors (the "**Outlook**"). The Company's performance at 31 December 2025 will be evaluated based on the following financial, business and sustainable development parameters, which anticipate an ambitious and challenging scenario for a company that is not content to simply continue with its profitable growth, financial strength and commitment to the Sustainable Development Goals, but seeks to further strengthen its leadership within the electricity sector in the energy transition and in decarbonisation:

1. Surpass the current Outlook. A target consolidated net profit for the Iberdrola Group in 2025 of €5,400 million is established, representing an increase of approximately 25% over the Iberdrola Group's record consolidated net profit in 2022. This parameter shall be deemed to have not been met if the consolidated net profit for financial year 2025 does not reach €5,000 million.
2. Increase the Company's total shareholder return over the 2023-2025 period compared to the total shareholder return of the Euro Stoxx Utilities Index. The objective is to again outperform the Euro Stoxx Utilities Index by 5 percentage points over the 2023-2025 period, an ambitious target considering the geographic diversification of the businesses of the Iberdrola Group's companies. This parameter shall be deemed to have not been met if the Company's total shareholder return is at least 5 percentage points less than that of the Euro Stoxx Utilities Index.



### 3. Parameters relating to financial targets:

- a. Maintain financial strength as measured by the Company's long-term credit rating. The objective is to maintain the following long-term credit ratings for the Company by year-end 2025 according to at least two of the three rating agencies: BBB+ according to Standard & Poor's, Baa1 according to Moody's and BBB+ according to Fitch Ratings. This parameter shall be deemed to have not been met if the Company's long-term credit rating according to at least two of the three agencies is below BBB+ according to Standard & Poor's, Baa1 according to Moody's or BBB+ according to Fitch Ratings.
- b. Increase ESG financing, understood as all financial instruments (loans, credit facilities, bonds, commercial paper, etc.) issued in accordance with the green financing frameworks of the Company or its subsidiaries or linked to sustainability goals. It is established as a target that new ESG financing issued by the Iberdrola Group between 2023 and 2025 should represent at least 80% of the total new financing issued by the Iberdrola Group during this period. This parameter shall be deemed to have not been met if the new ESG financing issued by the Iberdrola Group between 2023 and 2025 represents less than 80% of the total financing issued by the Iberdrola Group during this period.

### 4. Parameters relating to the Sustainable Development Goals ("SDGs"):

- a. Reduction in the intensity of specific CO<sub>2</sub> emissions of the Iberdrola Group, as a benchmark linked to SDGs 7 (*Affordable and clean energy*) and 13 (*Climate action*). This parameter shall be deemed to have been met if, taking into account a normal rainfall period, a level equal to or less than 70 grCO<sub>2</sub>/kWh in the intensity of own CO<sub>2</sub> emission is reached by 2025. This target represents a demanding 27% reduction compared to the intensity of the Iberdrola Group's 2021 specific CO<sub>2</sub> emissions and an even greater reduction compared to the 200 grCO<sub>2</sub>/kWh of the average specific CO<sub>2</sub> emissions intensity in 2021 of all electricity companies included in the Euro Stoxx Utilities Index. This parameter shall be deemed to have not been met if the intensity of specific CO<sub>2</sub> emissions for 2025 exceeds 88 grCO<sub>2</sub>/kWh.
- b. Increase the number of suppliers subject to sustainable development policies and standards, such as having: (i) a human rights strategy; (ii) a suppliers' code of conduct; (iii) health and safety standards (SDG 3); and (iv) a global environmental sustainability strategy, including strategies on water (SDG 6), energy (SDG 7) and biodiversity (SDGs 14 and 15).

The goal is established for at least 85% of the Iberdrola Group's main suppliers (those invoicing the Iberdrola Group more than one million euros) to be subject to these policies by 2025, which represents a 6.25% increase over year-end 2022. This parameter shall be deemed to have not been met if the percentage is less than 80% by year-end 2025 (corresponding to the percentage of main sustainable suppliers of the Iberdrola Group at year-end 2022).

- c. Increase the number of women in senior positions within the Iberdrola Group, corresponding to SDGs 5 (*Gender equality*) and 10 (*Reduced inequalities*).

The goal is established for at least 30% of senior positions within the Iberdrola Group to be held by women by 2025, which represents a 15.38% increase over year-end 2022. This parameter shall be deemed to have not been met if the percentage is less than 26% by year-



end 2025 (corresponding to the percentage of women in senior positions of the Iberdrola Group at year-end 2022).

The specific weight of each of these parameters in the overall evaluation of performance over the 2023-2025 period will be:

- 30% for the Iberdrola Group's consolidated net profit parameter.
- 20% for the Company's total shareholder return parameter.
- 20% for the parameters relating to financial targets. The first indicator (maintaining financial strength) shall be given a weighting of 15 percentage points, while the second indicator (ESG financing) shall be given a weighting of 5 percentage points.
- 30% for the parameters relating to the SDGs. Each of the three indicators shall contribute 10 percentage points.

## 2. Beneficiaries

The 2023-2025 Strategic Bonus is aimed at executive directors, management personnel and other professionals of the Company and of the other companies of the Iberdrola Group (other than country subholding companies with shares traded on stock exchanges and the companies of the Iberdrola Group that carry out regulated activities in Spain) who, due to their position or responsibility, are deemed to contribute decisively to the creation of sustainable value and are included in the 2023-2025 Strategic Bonus during its term, pursuant to the resolutions adopted by the Board of Directors in execution thereof, with a maximum of 300 beneficiaries, as was the case with the previous 2020-2022 Strategic Bonus.

## 3. Amount

The maximum number of shares to be delivered to all the beneficiaries of the 2023-2025 Strategic Bonus shall be equal to the 14,000,000 shares established in the 2020-2022 Strategic Bonus, equal to 0.22% of the share capital at the time of the adoption of this resolution, of which 2,500,000 shares, equal to 0.04% of the share capital, shall correspond to the executive directors who act as such at any given time.

## 4. Term of the 2023-2025 Strategic Bonus

The 2023-2025 Strategic Bonus has a duration of 6 years, of which the period covering financial years 2023 to 2025 shall constitute the period for evaluating the level of performance in relation to the parameters to which the 2023-2025 Strategic Bonus is linked and the period covering financial years 2026 to 2028 constituting the period for payment thereof, which shall occur through the deferred delivery of shares during such 3-year period.

## 5. Evaluation, payment, cancellation and clawback

The Board of Directors, following a report from the Remuneration Committee, shall be responsible for evaluating the Company's performance with respect to the targets mentioned in section 1 of this resolution.



The benchmark parameters mentioned in said section are formulated in consideration of the current situation and circumstances of the Company.

In this regard, the overall performance evaluation should take into account any circumstances occurring after the approval of this 2023-2025 Strategic Bonus that have a material impact on the Outlook or on the main economic, financial and developmental variables of the Company (including a material change in the Outlook, a change in the macroeconomic, political and regulatory assumptions considered in the design thereof, corporate transactions, mergers, spin-offs, acquisitions or extraordinary dividends).

At the end of the evaluation period, the 2023-2025 Strategic Bonus shall accrue annually in equal instalments in the first half of 2026 and in the first quarter of 2027 and 2028. Each annual accrual and the corresponding payment thereof must be approved by the Board of Directors, following a report from the Remuneration Committee.

In this regard, during 2027 and 2028 and on the occasion of each delivery of shares, there shall be an evaluation as to whether it is appropriate to confirm or cancel, in whole or in part, the payment corresponding to each financial year, and also whether to demand the partial or total clawback of shares already delivered (or the amount thereof in cash) in the event of a material restatement of the financial statements on which the Board of Directors based the evaluation of the performance level, provided that such restatement is confirmed by the external auditors and is not due to a change in accounting rules.

The documentation developing the 2023-2025 Strategic Bonus shall also provide for the corresponding malus and clawback clauses establishing those situations in which the delivery to the beneficiary of the shares pending payment may be cancelled and the total or partial clawback of shares already delivered (or the amount thereof in cash) may be demanded. This documentation may also contemplate extraordinary and justified cases of early termination of the 2023-2025 Strategic Bonus and the ability in such cases for the Board of Directors to approve the payment of the 2023-2025 Strategic Bonus in cash on an exceptional basis, for which purpose the closing price of the shares on the first working day of the evaluation period shall be taken as the reference value of the shares.

Executive directors who are beneficiaries of the 2023-2025 Strategic Bonus may not transfer the shares delivered for a period of three years unless they directly or indirectly hold a number of shares equal to twice their annual fixed remuneration or unless authorised by the Board of Directors in exceptional circumstances.

## **6. Delegation of powers**

To delegate to the Board of Directors, with express power of substitution, the powers required to implement, develop, formalise, execute and liquidate the 2023-2025 Strategic Bonus, adopting such resolutions and signing such public or private documents as may be necessary or appropriate for the full effect effectiveness thereof, including the power to cure, correct, amend or supplement this resolution. In particular, and by way of example only, pursuant to the provisions of Section 249.bis.l) of the Companies Act, the following powers are delegated to the Board of Directors, with express power of substitution, so that it may in turn delegate such powers:



- a) to designate the beneficiaries of the 2023-2025 Strategic Bonus, either at the time of establishment thereof or subsequently, and to determine the maximum number of shares allocated to each beneficiary;
- b) to revoke previous designations and allocations of shares, when appropriate;
- c) to set the terms and conditions of the 2023-2025 Strategic Bonus as to all matters not provided for in this resolution and to prepare the corresponding rules thereof, all within the framework of the contracts in effect with the beneficiaries, including, among other aspects, cases of early termination;
- d) to formalise and implement the 2023-2025 Strategic Bonus in the manner it deems appropriate, taking all action required for the best implementation thereof;
- e) to draft and sign and to submit as many public or private communications and documents as are necessary or appropriate to any public or private entity for the implementation and execution of the 2023-2025 Strategic Bonus;
- f) to engage in any action, statement or procedure with respect to any public or private body, entity or public registry to obtain any authorisation or verification required for the implementation and execution of the 2023-2025 Strategic Bonus;
- g) to designate any banking institution(s), depositaries or custodians that are to provide their services to the Company in relation to the formalisation and administration of the 2023-2025 Strategic Bonus and to negotiate, agree to and sign the corresponding agreements with the banking institution(s) thus selected, as well as such other contracts or agreements as may be appropriate with any other entities and, if applicable, with the beneficiaries, for the implementation and execution of the 2023-2025 Strategic Bonus, on such terms and conditions as it deems appropriate;
- h) to evaluate the level of performance in relation to the parameters to which the 2023-2025 Strategic Bonus is linked and proceed to the payment thereof, for which purposes it may obtain the advice of an independent expert; and
- i) in general, to take as many actions and sign as many documents as may be necessary or appropriate for the validity, effectiveness, implementation, development, execution, payment and success of the 2023-2025 Strategic Bonus.

## **ITEM 15 ON THE AGENDA**

### **Re-election of Ms María Helena Antolín Raybaud as an external director**

#### **RESOLUTION**

To re-elect Ms María Helena Antolín Raybaud as a director, following a report from the Appointments Committee, for the by-law mandated four-year term and with the classification of other external director.



## **ITEM 16 ON THE AGENDA**

### **Ratification and re-election of Mr Armando Martínez Martínez as an executive director**

To ratify the appointment of Mr Armando Martínez Martínez as a director (appointed on 25 October 2022 on an interim basis (co-option) by resolution adopted by the Board of Directors, after a report from the Appointments Committee), and to re-elect him, also after a report from the Appointments Committee, for the bylaw-mandated four-year term, with the classification of executive director.

## **ITEM 17 ON THE AGENDA**

### **Re-election of Mr Manuel Moreu Munaiz as an independent director**

#### **RESOLUTION**

To re-elect Mr Manuel Moreu Munaiz as a director, upon a proposal of the Appointments Committee, for the by-law mandated four-year term and with the classification of independent director.

## **ITEM 18 ON THE AGENDA**

### **Re-election of Ms Sara de la Rica Goiricelaya as an independent director**

#### **RESOLUTION**

To re-elect Ms Sara de la Rica Goiricelaya as a director, upon a proposal of the Appointments Committee, for the by-law mandated four-year term and with the classification of independent director.

## **ITEM 19 ON THE AGENDA**

### **Re-election of Mr Xabier Sagredo Ormaza as an independent director**

#### **RESOLUTION**

To re-elect Mr Xabier Sagredo Ormaza as a director, upon a proposal of the Appointments Committee, for the by-law mandated four-year term and with the classification of independent director.

## **ITEM 20 ON THE AGENDA**

### **Re-election of Mr José Ignacio Sánchez Galán as an executive director**

#### **RESOLUTION**

To re-elect Mr José Ignacio Sánchez Galán as a director, after a report from the Appointments Committee, for the by-law mandated four-year term and with the classification of executive director.

## **ITEM 21 ON THE AGENDA**

### **Setting of the number of members of the Board of Directors at fourteen**

#### **RESOLUTION**

To set the number of members of the Board of Directors at fourteen.



## ITEM 22 ON THE AGENDA

### Delegation of powers to formalise and to convert the resolutions adopted into a public instrument

#### RESOLUTION

Without prejudice to the powers delegated in the preceding resolutions, to authorise the Board of Directors, the Executive Committee, the executive chairman, the chief executive officer, the general secretary and secretary of the Board of Directors and the deputy secretary of the Board of Directors of "Iberdrola, S.A." (the "**Company**") such that any of them, acting severally, may:

- (a) Formalise and convert into public instruments the resolutions adopted by the shareholders at this General Shareholders' Meeting, further developing, clarifying, specifying, interpreting, completing and correcting them, carrying out such acts or legal transactions as may be necessary or appropriate for the implementation thereof, execute such public or private documents as they deem necessary or appropriate for the full effectiveness thereof, and correct all omissions, defects or errors, whether substantive or otherwise, that might prevent the recording thereof with the Commercial Registry.
- (b) Approve or vote in favour of the approval of the annual financial information for the financial year ended 31 December 2022 of the country subholding companies and the other subsidiaries of the Company, which form part of the scope of consolidation of its annual financial statements.
- (c) Deposit with the Commercial Registry the separate annual financial statements of the Company and the annual financial statements thereof consolidated with those of its subsidiaries, as well as the corresponding directors' and audit reports.
- (d) Deposit the *Statement of Non-Financial Information. Sustainability Report* for the financial year ended 31 December 2022 with the Commercial Registry as well as with the bodies it deems appropriate.
- (e) Prepare the restated text of the By-Laws, including the amendments approved at this General Shareholders' Meeting, as well as any textual adjustments required to align the content thereof.
- (f) In the exercise of the powers vested therein by the Governance and Sustainability System, approve the appropriate changes in the other internal rules and policies of the Company to conform the text thereof to the changes made to the *By-Laws*.
- (g) Manage the payment of the engagement dividend referred to in item 8 on the agenda.
- (h) Implement the resolutions regarding shareholder remuneration referred to in items 9, 10 and 11 on the agenda, in accordance with the provisions of the *Shareholder Remuneration Policy*.
- (i) Implement the resolution regarding the reduction in capital referred to in item 12 on the agenda, in accordance with the provisions of the *Shareholder Remuneration Policy*.
- (j) Register with the Commercial Registry the resolutions regarding the composition of the Board of Directors referred to in items 15 to 21 on the agenda.
- (k) In compliance with the provisions of Article 16 of the *Regulations for the General Shareholders' Meeting*, donate to a non-profit organisation or allocate to any other social objective deemed



appropriate any remaining promotional materials or gifts of symbolic value delivered to encourage shareholder participation in the General Meeting.

- (l) In accordance with the provisions of the Company's *Sustainable Management Policy*, obtain and become aware of the opinions and expectations of its shareholders and its other Stakeholders affected by the General Shareholders' Meeting regarding the organisation of the event and, if applicable, identify opportunities for improvement for the holding of subsequent meetings.
- (m) Determine all other circumstances that may be required, adopt and implement the necessary resolutions, publish the notices and provide the guarantees that may be appropriate for the purposes established by law, as well as formalise the required documents, carry out all necessary proceedings and comply with all requirements under the law for the full effectiveness of the resolutions adopted by the shareholders at this General Shareholders' Meeting.
- (n) Delegate all or any of the powers enumerated in this resolution and those expressly granted thereto by the shareholders at this General Shareholders' Meeting in the resolutions adopted under the foregoing items on the agenda, to the extent allowed by law, to the persons they deem appropriate.

In Bilbao, on 14 March 2023.