



# GENERAL SHAREHOLDERS' MEETING 18 June 2021

## **Report of the Board of Directors**

Ratification of appointment  
and re-election of directors



**IBERDROLA**

**SUSTAINABLE  
EVENT**





## MASTER REPORT OF THE BOARD OF DIRECTORS OF IBERDROLA, S.A. REGARDING THE PROPOSED RATIFICATION OF THE APPOINTMENT AND RE-ELECTION OF DIRECTORS INCLUDED IN ITEMS NUMBER TWENTY TO TWENTY-TWO ON THE AGENDA FOR THE 2021 GENERAL SHAREHOLDERS' MEETING

### 1. Object of the report

This explanatory report is made by the Board of Directors of IBERDROLA, S.A. (the “**Company**” or “**Iberdrola**”) in accordance with the provisions of Section 529 *decies* of the *Companies Act (Ley de Sociedades de Capital)* in relation to the proposed re-elections as directors of Mr Juan Manuel González Serna and Mr Francisco Martínez Córcoles, with the classification of independent and executive director, respectively, as well as the proposed ratification of the interim appointment (co-option) of Mr Ángel Jesús Acebes Paniagua and the re-election thereof as independent director.

In the proposals regarding the re-election of Mr Juan Manuel González Serna as independent director, as well as the ratification of the interim appointment (co-option) of Mr Ángel Jesús Acebes Paniagua and the re-election thereof as independent director, the Board of Directors has taken into account the conclusions set forth in the corresponding proposals of the Appointments Committee dated 10 May 2021, which are attached as annexes to this report, in favour of the ratification of the interim appointment of Mr Acebes Paniagua and the re-election of the two candidates as independent directors of the Company.

The Board of Directors shares the conclusions set forth in the report of the Appointments Committee dated 10 May 2021, which is attached as an annex to this document, in favour of the re-election of Mr Francisco Martínez Córcoles as executive director of Iberdrola, which generally highlights his in-depth and well-versed knowledge of the businesses of the Company and its group and his tremendous decision-making abilities, as reflected in the excellent results of the Iberdrola group.

The Appointments Committee also favourably assessed the continuity of Mr Juan Manuel González Serna, Mr Francisco Martínez Córcoles and Mr Ángel Jesús Acebes Paniagua, as directors based on the corresponding positive evaluation of their performance and dedication to the position during their entire term, their strategic vision and decision-making capacity, and the continuation of three quite valuable profiles for the Board of Directors, with a broad understanding of the Company, of the Iberdrola group and of the businesses thereof.

In the case of Mr Ángel Jesús Acebes Paniagua, who was already a director of the Company between 2012 and 2019, the Appointments Committee also took into account the good results obtained by Mr Acebes Paniagua in the evaluations of his performance as a director of the Company and his dedication to the position during his prior term as a member of Iberdrola's Board of Directors.

The proposals and the reports of the Appointments Committee, which are attached as annexes to this document, contain the information required by article 14.2.d) of the *Regulations for the General Shareholders' Meeting* in relation to the three candidates.



With the proposed re-elections of directors submitted to the shareholders at the General Shareholders' Meeting, the Board of Directors would be comprised of fourteen directors, ten of whom will have the status of independent director (71.43% of the total directors), two of whom will have that of executive directors (14.28% of the total) and two of other external (14.28% of the total).

The Board of Directors, with the advice of the Appointments Committee, finds that with the process of selecting the three candidates does not suffer from implicit biases that might entail discrimination of any kind, and with the aforementioned proposals and report prepared by said committee, weighed as a whole, there is a strengthening and consolidation on the one hand of the high level of independence of the Board of Directors, and on the other of the diversity of skills, knowledge, experience, origin, nationality and age within the Board of Directors required for the best performance of the duties entrusted thereto, in accordance with the Sustainable Development Goals (SDGs) approved by the United Nations.

## **2. Competence, experience and merits of Mr Juan Manuel González Serna, whose re-election as a director is submitted to the shareholders at the General Shareholders' Meeting**

The competence, experience and merits of Mr Juan Manuel González Serna, whose re-election as a director is submitted to the shareholders at the General Shareholders' Meeting, are described in detail in the proposal of the Appointments Committee attached to this report.

Based on the information set out in the proposal submitted by the Appointments Committee, the Board of Directors has been able to verify that the candidate continues to have the competence, experience and merits required to hold the position of director.

Specifically, the Appointments Committee has quite favourably assessed the broad experience and professional track record of the candidate in business management and his proven entrepreneurial capacity (he founded Grupo Siro in 1991), as well as his training and his in-depth and well-versed knowledge of the Company, of the Iberdrola group and of the businesses thereof acquired during his prior term within the Company, as well as at other companies of the group, which will allow him to continue to contribute quite positively to the operation of this corporate decision-making body.

The Board of Directors has also taken into account the good results obtained by Mr González Serna in the regular evaluations of his performance as a director of Iberdrola, which will allow him to continue contributing quite positively to the operation of this corporate decision-making body, and has also favourably assessed the commitment thereof to the inclusion of disadvantaged and excluded groups and those with differing abilities, which is in line with Iberdrola's social commitment as stated in the Governance and Sustainability System.

The candidate has been proposed based on the personal and professional qualities thereof. In particular, the Appointments Committee has verified that the candidate can perform the duties thereof without being constrained by relationships with the Company, its significant shareholders or the members of its management team, thus making the candidate deserving of the classification of independent director.



### **3. Competence, experience and merits of Mr Juan Francisco Martínez Córcoles, whose re-election as a director is submitted to the shareholders at the General Shareholders' Meeting**

The competence, experience and merits of Mr Francisco Martínez Córcoles, whose re-election as a director is submitted to the shareholders at the General Shareholders' Meeting, are described in detail in the attached report issued by the Appointments Committee.

Based on the information set out in said report, the Board of Directors has been able to verify that the candidate continues to have the competence, experience and merits required to hold the position of director.

Specifically, the Appointments Committee has quite favourably assessed the professional experience and track record of the candidate as well as his in-depth and well-versed knowledge of the Company and of the Iberdrola group, and particularly the businesses thereof, acquired during his long professional career with the Company and its group.

The Board of Directors has also taken into account the good results obtained by Mr Martínez Córcoles in the regular evaluations of his performance as a director of Iberdrola, which will allow him to continue contributing quite positively to the operation of this corporate decision-making body.

The candidate has been proposed based on the personal and professional qualities thereof, and will continue to be assigned the status of executive director, based on the executive duties he will continue to perform within the Company.

The foregoing, as well as the reasons advocated by the Appointments Committee for such re-election (which appear in the attached report and which this body endorses), leads the Board of Directors to believe that the re-election of Mr Francisco Martínez Córcoles as an executive director of the Company is justified and appropriate, and is convinced that such re-election will provide a continuation of the management of Iberdrola and the group performed so far.

It is also appropriate to note, as stated for the record by the Appointments Committee, that the reasons stated in such attached report, and particularly the skills and experience of Mr Martínez Córcoles, his ability to continue to contribute very positively to the operation of the Board of Directors and the maintenance of a very valuable profile due to his in-depth knowledge of the Company and its group, and particularly its businesses, support the proposed re-election of Mr Francisco Martínez Córcoles even if, during his new term as director, he ceases to hold the position of Business CEO and may be assigned to the classification of other external director.

### **4. Competence, experience and merits of Mr Ángel Jesús Acebes Paniagua, the ratification of whose interim appointment and re-election as a director is submitted to the shareholders at the General Shareholders' Meeting**

The competence, experience and merits of Mr Ángel Jesús Acebes Paniagua, the ratification of whose interim appointment and re-election as a director is submitted to the shareholders at the General Shareholders' Meeting, are described in detail in the proposal of the Appointments Committee attached to this report.

Based on the information set out in the proposal submitted by the Appointments Committee, the Board of Directors has been able to verify that the candidate continues to have the competence, experience and merits required to hold the position of director.



In particular, the Appointments Committee has very favourably assessed the candidate's extensive experience and professional career – especially in the public sector, which gives him tremendous knowledge in the regulatory and public institutional sector as well as in the private sector due to having provided advice as a lawyer to companies in the energy and the industrial and technology sectors – as well as his training and his in-depth and well-versed knowledge of the Company, of the Iberdrola group and of the businesses thereof, which will allow him to continue to contribute quite positively to the operation of this corporate decision-making body.

The Board of Directors has also taken into account the good results obtained by Mr Acebes Paniagua in the regular evaluations of his performance as a director of the Company, with respect to both his last appointment as well as his prior term as a director of Iberdrola.

The candidate has been proposed based on the personal and professional qualities thereof. In particular, the Appointments Committee has verified that the candidate can perform the duties thereof without being constrained by relationships with the Company, its significant shareholders or the members of its management team, thus making the candidate deserving of the classification of independent director.

#### **5. Contribution of the proposed candidates to the diversity of skills, knowledge, experience, origin, nationality, age and gender within the Board of Directors**

Considered as a whole, the three candidates allow for a strengthening of the diversity of skills, knowledge, experience, origin, nationality and age in the composition of the Board of Directors required for the best performance of the duties thereof, in accordance with the Sustainable Development Goals (SDGs) approved by the United Nations.

As described in the proposals and in the report of the Appointments Committee attached hereto, the three candidates have knowledge and experience in the main countries and sectors in which the Company's group does business, and they are respectable and qualified persons, widely recognised for their expertise, competence, experience, qualifications, training, availability and commitment to the duties of director.

All of them are irreproachable professionals, whose conduct and professional track record is aligned with the principles set forth in the *Code of Ethics* and with the corporate purpose and values of the Iberdrola group established in the *Purpose and Values of the Iberdrola group*. The Appointments Committee has also verified that none of the candidates have directly or indirectly incurred any grounds for disqualification, prohibition, conflict or opposition of interests to the corporate interest provided for generally or in the Governance and Sustainability System for holding the position of director.

Specifically, the various professional profiles and backgrounds of the candidates ensure the contribution of multiple viewpoints and guarantee an enriching debate and a decision-making process without implicit biases, and positively contribute to the operation of the Board of Directors.

Furthermore, the proposed re-elections of the directors achieve a diverse and balanced composition of the Board of Directors as a whole, based on the nature and complexity of the businesses of the Iberdrola group, as well as the social and environmental context in which it has a presence, and contribute to strengthening the diversity of skills, knowledge and experience, as well as of origins, nationalities and age.



Finally, it is stated for the record that all of the candidates have sufficient knowledge of the Spanish and English languages to be able to perform their duties.

## **6. Proposed resolutions**

The proposed resolutions submitted to the shareholders for approval at the General Shareholders' Meeting read as follows:

### ***“ITEM NUMBER TWENTY ON THE AGENDA***

***Re-election of Mr Juan Manuel González Serna as independent director.***

#### **RESOLUTION**

*To re-elect Mr Juan Manuel González Serna as director, upon the proposal of the Appointments Committee, for the by-law mandated four-year term, with the classification of independent director.*

### ***ITEM NUMBER TWENTY-ONE ON THE AGENDA***

***Re-election of Mr Francisco Martínez Córcoles as executive director.***

#### **RESOLUTION**

*To re-elect Mr Francisco Martínez Córcoles as a director, after a report from the Appointments Committee, for the by-law mandated four-year term, with the classification of executive director.*

### ***ITEM NUMBER TWENTY-TWO ON THE AGENDA***

***Ratification and re-election of Mr Ángel Jesús Acebes Paniagua as independent director.***

#### **RESOLUTION**

*To ratify the appointment of Mr Ángel Jesús Acebes Paniagua as a director appointed on an interim basis by resolution of the Board of Directors, upon a proposal of the Appointments Committee, adopted at the meeting held on 20 October 2020 and to re-elect him, also upon a proposal of the Appointments Committee, for the bylaw-mandated four-year term, with the classification of independent director.*

### ***ITEM NUMBER TWENTY-THREE 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.”*



## 7. Composition of the Board of Directors

If all proposed resolutions regarding the ratification of the interim appointment of Mr Acebes Paniagua and the re-elections of Mr Juan Manuel González Serna, Mr Francisco Martínez Córcoles and Mr Ángel Jesús Acebes Paniagua as directors of the Company submitted to the shareholders at the General Shareholders' Meeting under items number twenty to twenty-two on the agenda are approved, the Company's Board of Directors would be made up of the following fourteen members:

Name	Position	Classification
Mr José Ignacio Sánchez Galán	Chairman & CEO	Executive
Mr Juan Manuel González Serna	Vice-Chair	Independent
Mr Íñigo Víctor de Oriol Ibarra	Member	Other external
Ms Samantha Barber	Member	Other external
Ms María Helena Antolín Raybaud	Member	Independent
Mr José Walfredo Fernández	Member	Independent
Mr Manuel Moreu Munaiz	Member	Independent
Mr Xabier Sagredo Ormaza	Member	Independent
Mr Anthony L. Gardner	Member	Independent
Ms Sara de la Rica Goiricelaya	Member	Independent
Ms Nicola Mary Brewer	Member	Independent
Ms Regina Helena Jorge Nunes	Member	Independent
Mr Francisco Martínez Córcoles	Member	Executive
Mr Ángel Jesús Acebes Paniagua	Member	Independent

In Bilbao, on 11 May 2021





## ANNEX

### PROPOSED RE-ELECTION OF MR JUAN MANUEL GONZÁLEZ SERNA AS INDEPENDENT DIRECTOR OF IBERDROLA, S.A. FORMULATED BY THE APPOINTMENTS COMMITTEE

#### 1. Introduction

Pursuant to the provisions of Article 5, sections d) and e), of the *Regulations of the Appointments Committee* of IBERDROLA, S.A. ("**Company**"), the Appointments Committee (the "**Committee**") is responsible for proposing re-elections of independent directors for submission to a decision by the shareholders at a General Shareholders' Meeting, as well as for verifying that the director to be re-elected continues to comply with the general requirements for all directors of the Company, pursuant to the provisions of law and the Governance and Sustainability System, and for gathering adequate information regarding their personal qualities, experience, knowledge and effective availability.

Mr Juan Manuel González Serna was last re-elected as a director of Iberdrola for the bylaw-mandated four-year term at the General Shareholders' Meeting held on 31 March 2017. Given that the term for which Mr González Serna was appointed as a director of the Company ends during this financial year 2021, the Committee has examined the advisability of his re-election and has performed the verifications and evaluations referred to in the aforementioned Article 5, sections d) and e), of the regulations.

Therefore, the purpose of this document is to gather the results of the work performed by the Committee relating to the potential re-election of Mr Juan Manuel González Serna, as well as to propose to the Board of Directors, for submission to the shareholders at the General Shareholders' Meeting, the re-election thereof with the classification of independent director.

#### 2. Professional profile and biographical data of the candidate

Born in Madrid (Spain) in 1955.

He has a degree in Law, Economics and Business Studies from the Instituto Católico de Administración y Dirección de Empresas (ICADE) of the Comillas Pontifical University of Madrid and a Master's in Business Administration (MBA) from the Escuela de Dirección del Instituto de Estudios Superiores de la Empresa (IESE Business School) of the University of Navarra.

##### Noteworthy experience for holding this position within the Company

He has been an independent director of "Iberdrola España, S.A.U." (Sociedad Unipersonal) and of "Iberdrola Renovables, S.A.", as well as chair of the appointments and remuneration committee of the latter company.

##### Noteworthy experience in other industries

He founded Grupo Siro, a business group in the food sector, in 1991.

He has extensive experience in the food, financial, venture capital and health sectors.





He has been a member of the board of “Banco Urquijo Sabadell Banca Privada, S.A.” and of “Sociedad para el Desarrollo Industrial de Castilla y León, Sociedad de Capital Riesgo, S.A.” (SODICAL, now “Ade Capital Social, Sociedad de Capital Riesgo de Régimen Común, S.A.”).

***Other current positions and professional activities. Membership on other boards of directors***

He is the chairman of the “Ceralto Siro Foods, S.L.”, a business group in the food sector, and a member of the Governing Board of the Spanish Commercial Coding Association (Asociación Española de Codificación Comercial) (AECOC). He is a member of the advisory board of Rabobank in Spain and Europe and a director of Profesionales de la Medicina y de la Empresa, S.A. (Grupo HM Hospitales).

Mr González Serna is also a founding trustee and chairman of Fundación Grupo SIRO as well as a member of the executive committee and trustee of Fundación SERES, an honorary member of the General Assembly of the Spanish Paralympics Committee, a trustee of Fundación Casa Ducal de Medinaceli, and honorary president of the Empresa Familiar de Castilla y León association.

**3. Category to which the director candidate should belong**

Mr González Serna has been proposed based on his personal and professional qualities, after verifying that he can discharge his duties without being constrained by relationships with the Company, its significant shareholders or the members of its management team, thus meriting the classification of independent director.

**4. Availability**

Before the beginning of each financial year, the Board of Directors prepares a schedule of regular meetings, both of the full Board and of its committees, accommodating the needs of the Company to the agreed dedication of the directors.

Based on the schedule, the effective availability of the candidate to prepare for each meeting of the Board of Directors and to provide the dedication necessary for holding the position of director has been verified with the candidate.

**5. Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company of which the director candidate is a holder**

As at the date of this proposal, Mr Juan Manuel González Serna is the holder of 473,957 shares of the Company (of which 425,706 shares are in the name of his controlled company “Pastas de La Carolina, S.L.” and 48,251 are held directly), which represent approximately 0.007% of the share capital.

**6. Compliance with the provisions of the *Board of Directors Diversity and Member Selection Policy***

Pursuant to the provisions of the *Board of Directors Diversity and Member Selection Policy*, in order to determine the appropriateness of re-electing Mr Juan Manuel González Serna to the position of director, the Committee has evaluated the needs of the Company and of its group, taking into consideration the specific particularities of the businesses thereof and of the territories in which it does business, comparing them to the profile of the candidate for re-election.



The Committee believes that the Board of Directors should have members with extensive experience in business management and proven entrepreneurial skills, like those of Mr Juan Manuel González Serna, who funded Grupo Siro in 1991, as well as in-depth and well-versed knowledge of the Company, its group and its businesses, like that of Mr González Serna.

The Committee has taken into account quite positively the commitment of Mr Juan Manuel González Serna to the inclusion of disadvantaged and excluded groups and those with differing abilities, which is in line with Iberdrola's social commitment as stated in the Governance and Sustainability System.

The Committee also quite favourably assesses the knowledge and experience of the candidate for re-election acquired during his distinguished professional career and particularly as a director of the Company and member of some of the consultative committees, as well as the continuation thereof, based on the positive evaluation of his performance and his dedication to the position during the entire term thereof, his strategic vision and decision-making capacity, and the continuation of a very valuable profile for the Board of Directors, with a broad understanding of the internal operation of the Company and its group.

Specifically, the Committee believes that the good results obtained by Mr González Serna in the evaluations ensures his positive contribution to the Board of Directors and to the achievement of an enriched debate therein.

The re-election thereof will also contribute to strengthening the current high percentage of independent directors within the Company's Board of Directors.

The Commission therefore considers the re-election of Mr Juan Manuel González Serna as a director to be appropriate.

## **7. Verification of compliance with the requirements to be a director of the Company**

The Committee quite favourably values the profile, skills and experience of the candidate, and specifically such director's respectability, capability, expertise, competence, experience, qualifications, education, availability and ability to commit to the duties of the position, which were verified in each of the annual evaluations of the individual performance thereof.

In addition, the Committee has verified that the conduct and professional track record of the candidate continue to be fully aligned with the purpose and the principles contained in the *Code of Ethics* and with the corporate values set out in the *Purpose and Values of the Iberdrola group* and that the candidate has not directly or indirectly incurred any grounds for disqualification, prohibition, conflict or opposition of interests to the corporate interest provided for generally or in the Governance and Sustainability System for holding the position of director.

Therefore, it is deemed to have been verified that the candidate meets the general requirements for all directors of the Company as provided by law and the Governance and Sustainability System.

## **8. Conclusion**

The Committee has unanimously decided to propose the re-election of Mr Juan Manuel González Serna as a director of the Company, with the classification of independent director.



## ANNEX

### REPORT OF THE APPOINTMENTS COMMITTEE REGARDING THE RE-ELECTION OF MR FRANCISCO MARTÍNEZ CÓRCOLES AS EXECUTIVE DIRECTOR OF IBERDROLA, S.A.

#### 1. Introduction

Pursuant to the provisions of Article 5, sections d) and e), of the *Regulations of the Appointments Committee* of IBERDROLA, S.A. (“**Company**”), the Appointments Committee (the “**Committee**”) is responsible for reporting on proposed re-elections of executive directors for submission to a decision by the shareholders at a General Shareholders’ Meeting, as well as for verifying that the director to be re-elected continues to comply with the general requirements for all directors of the Company, pursuant to the provisions of law and the Governance and Sustainability System, and for gathering adequate information regarding their personal qualities, experience, knowledge and effective availability.

Mr Francisco Martínez Córcoles was last re-elected as a director of Iberdrola for the bylaw-mandated four-year term at the General Shareholders’ Meeting held on 31 March 2017. Given that the term for which Mr Martínez Córcoles was appointed as a director of the Company ends during this financial year 2021, the Committee has examined the advisability of his re-election and has performed the verifications and evaluations referred to in the aforementioned Article 5, sections d) and e), of the regulations.

Therefore, the purpose of this report is to gather the results of the work performed by the Committee relating to the potential re-election of Mr Francisco Martínez Córcoles, as well as to report to the Board of Directors, for submission to the shareholders at the General Shareholders’ Meeting, on the re-election thereof with the classification of executive director.

#### 2. Professional profile and biographical data of the candidate

Born in Alicante (Spain) in 1956.

He has a degree in Industrial Engineering (specialisation Electrical Engineering) from Comillas Pontifical University (Madrid) and a Master’s degree in Business Administration (MBS) from Escuela de Dirección del Instituto de Estudios Superiores de la Empresa (IESE Business School) of the University of Navarra.

##### Noteworthy experience for holding this position within the Company

In June 2014 he was appointed Business CEO (*director general de Negocios*) of the Iberdrola group, with overall responsibility for all of the group’s businesses worldwide.

He spent his professional career at “Compañía Sevillana de Electricidad, S.A.” until joining “Hidroeléctrica Española, S.A.”, and then, after the merger with “Iberduero, S.A.”, the Company, where he has been director of the Production Market, director of the Wholesale Energy Markets Business Unit, and general director of the Liberalised Business, with overall responsibility for all of the Generation, Retail and Energy Management Businesses of the Iberdrola group.



He has held the position of chairman of “Elektro Holding, S.A.”, “Iberdrola Generación, S.A.” (Sociedad Unipersonal), “Iberdrola Generación México, S.A de C.V.” and “Scottish Power Generation Holdings Ltd.” and has been a member of the board of “Compañía Operadora del Mercado Eléctrico Español, S.A.”, “Elcogas, S.A.” and “Iberdrola Ingeniería y Construcción, S.A.” (Sociedad Unipersonal).

He was also a member of the board of directors of the Spanish Electric Industry Association (*Asociación Española de la Industria Eléctrica*) (UNESA).

#### Noteworthy experience in other industries

He began his professional career at the systems division of Arthur Andersen.

He has been a member of the advisory board of the International University of Bremen (Germany) and vice president of the energy and natural resources committee of the Spanish Institute of Engineering.

#### Other current positions and professional activities. Membership on other boards of directors

Currently, he is the Business CEO of the Iberdrola group, chairman of the board of directors of “Iberdrola España, S.A.” (Sociedad Unipersonal) and of “Iberdrola Energía Internacional, S.A.” (Sociedad Unipersonal), as well as a director of “Iberdrola México, S.A. de C.V.”

He is also a member of merit of the National Association of Engineers of Escuela Técnica Superior de Ingeniería (ICAI).

#### Other information

He has been awarded the 17<sup>th</sup> Annual Javier Benjumea Prize of the National Association of Engineers of Escuela Técnica Superior de Ingeniería (ICAI) and the Gold Medal of the Spanish Nuclear Sociedad (*Sociedad Nuclear Española*) (SNE).

### **3. Category to which the director candidate should belong**

Mr Martínez Córcoles should be assigned the status of executive director, based on the executive duties he is expected to continue performing within the Company.

If Mr Francisco Martínez Córcoles ceases to hold office as Business CEO during his term, he would be classified as “other external director”.

### **4. Availability**

Before the beginning of each financial year, the Board of Directors prepares a schedule of regular meetings, both of the full Board and of its committees, accommodating the needs of the Company to the agreed dedication of the directors.

Based on the schedule, the effective availability of the candidate to prepare for each meeting of the Board of Directors and to provide the dedication necessary for holding the position of director has been verified with the candidate.



## 5. Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company of which the director candidate is a holder

As at the date of this report, Mr Francisco Martínez Córcoles is the holder of 745,286 shares of the Company, which represents approximately 0.012% of the share capital.

## 6. Compliance with the provisions of the *Board of Directors Diversity and Member Selection Policy*

Pursuant to the provisions of the *Board of Directors Diversity and Member Selection Policy*, in order to determine the appropriateness of re-electing Mr Francisco Martínez Córcoles to the position of director, the Committee has evaluated the needs of the Company and of its group, taking into consideration the specific particularities of the businesses thereof and of the territories in which it does business, comparing them to the profile of the candidate for re-election.

The Committee believes that the Board of Directors should have members with broad experience in the domestic and international energy industry and in the financial industry with an in-depth and well-versed thorough knowledge of the internal operation of the Company and of its Group, and particularly its businesses, like that of Mr Martínez Córcoles.

The candidate's extensive experience as an executive officer of the Company, his holding of the position of Business CEO of the Iberdrola group, and his presence on the boards of directors of various international companies of the group in Brazil, Mexico and the United Kingdom, have allowed Mr. Martínez Córcoles to acquire a tremendous knowledge of the operation of the businesses of the Company's group as well as significant international experience.

The Committee also quite favourably assesses the knowledge and experience of the candidate for re-election acquired during his distinguished professional career and as a director of the Company, as well as the continuation thereof, based on the positive evaluations of his performance and his dedication to the position during the entire term thereof as a member of the Board of Directors and his strategic vision and tremendous management and decision-making capacity, which is reflected in the magnificent results of the Company and its group, with the re-election thereof providing continuity to the management of the Company and of the Iberdrola group until now.

The re-election of Mr Martínez Córcoles is also a positive contribution to the operation of Board of Directors and the contribution thereof to an enriching debate within this body, and will maintain a very valuable profile for the Board of Directors, with in-depth knowledge of the Company and its group, and particularly its businesses.

The Committee thus finds the re-election thereof as a director to be advisable.

## 7. Verification of compliance with the requirements to be a director of the Company

The Committee quite favourably values the profile, skills and experience of the candidate, and specifically such director's respectability, capability, expertise, competence, experience, qualifications, education, availability and ability to commit to the duties of the position, which were verified in each of the annual evaluations of the individual performance thereof.

In addition, the Committee has verified that the conduct and professional track record of the candidate continue to be fully aligned with the purpose and the principles contained in the



*Code of Ethics* and with the corporate values set out in the *Purpose and Values of the Iberdrola group* and that the candidate has not directly or indirectly incurred any grounds for disqualification, prohibition, conflict or opposition of interests to the corporate interest provided for generally or in the Governance and Sustainability System for holding the position of director.

Therefore, it is deemed to have been verified that the candidate meets the general requirements for all directors of the Company as provided by law and the Governance and Sustainability System.

## 8. Conclusion

The Committee has unanimously concluded to favourably report on the re-election of Mr Francisco Martínez Córcoles as a director of the Company, with the classification of executive director.

In addition, the Commission notes for the record that the grounds set forth above, and particularly the skills and experience of Mr Martínez Córcoles, his ability to continue to contribute very positively to the operation of the Board of Directors and the maintenance of a very valuable profile due to his in-depth knowledge of the Company and its group, and particularly its businesses, and endorses this report in favour of the re-election of Mr Martínez Córcoles even if, during his new term as director, he ceases to hold the position of Business CEO and falls within the classification of other external director.





## ANNEX

### PROPOSED RATIFICATION AND RE-ELECTION OF MR ÁNGEL JESÚS ACEBES PANIAGUA AS INDEPENDENT DIRECTOR OF IBERDROLA, S.A. FORMULATED BY THE APPOINTMENTS COMMITTEE

#### 1. Introduction

Pursuant to the provisions of Article 5, sections d) and e), of the *Regulations of the Appointments Committee* of IBERDROLA, S.A. (“**Company**”), the Appointments Committee (the “**Committee**”) is responsible for proposing re-elections of independent directors for submission to a decision by the shareholders at a General Shareholders’ Meeting, as well as for verifying that the director to be re-elected continues to comply with the general requirements for all directors of the Company, pursuant to the provisions of law and the Governance and Sustainability System, and for gathering adequate information regarding their personal qualities, experience, knowledge and effective availability.

By resolution of the Board of Directors dated 20 October 2020, Mr Ángel Jesús Acebes Paniagua was appointed as a director of the Company on an interim basis (co-option) until the first General Shareholders’ Meeting to be held thereafter. Given that the term for which Mr Acebes Paniagua was appointed a director of Iberdrola ends on the day of the General Shareholders’ Meeting, which is expected to be held on 18 June 2021, the Committee has examined the advisability of the re-election thereof and has performed the verifications and evaluations referred to in the aforementioned Article 5, sections d) and e), of the regulations.

Mr Acebes Paniagua had previously been appointed director of the Company on an interim basis (co-option) by resolution of its Board of Directors on 24 April 2012 and ratified and re-elected as a director at the General Shareholders’ Meeting held on 22 June 2012, and last re-elected on 27 March 2015.

Therefore, the purpose of this document is to gather the results of the work performed by the Committee relating to the potential ratification of the interim appointment (co-option) and re-election of Mr Ángel Jesús Acebes Paniagua, as well as to propose to the Board of Directors, for submission to the shareholders at the General Shareholders’ Meeting, the ratification of the interim appointment and the re-election thereof as a director of the Company, with the classification of independent director.

#### 2. Professional profile and biographical data of the candidate

Born in Ávila (Spain) in 1958.

Degree in Law from the University of Salamanca.

##### Noteworthy experience for holding this position within the Company

Mr Ángel Jesús Acebes Paniagua has advised companies in the energy and industrial and technology sectors, among others.

He was an independent director of the Company between 2012 and 2019, and was also a member of the Executive Committee and of the Appointments Committee during a portion of this period.





After the IPO of “Bankia, S.A.” he was a director of Banco Financiero y de Ahorros, S.A. (“BFA”), acting as chairman of its audit and compliance committee. By virtue of these positions, he dealt with entities in which BFA had an interest that do business in the energy, industrial and technology sectors.

Mr Acebes Paniagua also has significant knowledge of the regulatory area due to his work as a member of the Council of Ministers of the Government of Spain, as a senator and as a national deputy.

#### Noteworthy experience in other industries

From 2008 to 2011 Mr Ángel Jesús Acebes Paniagua served on the board of “Caja Madrid Cibeles, S.A.”, which manages the investments of the Caja Madrid group in other companies with activities in the financial and insurance sectors as well as the retail banking sector outside of Spain.

In the institutional area, as has been Minister for Public Administrations (1999-2000), Minister of Justice (2000-2002) and Minister of the Interior (2002-2004) of the Spanish Government, which gives him in-depth knowledge regarding the operation of public institutions and relations therewith and regarding the regulatory area.

He also has more than twenty years of experience in the practice of law. He was a practicing lawyer from 1982 to 1994, specializing in commercial law. He returned to legal practice in 2008 and founded “MA Abogados Estudio Jurídico, S.L.P.”, a law firm with offices in six Spanish autonomous communities, which provides legal advice in areas that include corporate law, corporate governance, competition, mergers and acquisitions, and regulated industries.

#### Other current positions and professional activities. Membership on other boards of directors

Mr Acebes Paniagua is chairman and founding partner of “MA Abogados Estudio Jurídico, S.L.P.” as well as sole director and professional partner of “Doble A Estudios y Análisis, S.L.P.”, a company dedicated to providing legal advice.

He is a trustee of Fundación para el Análisis y Estudios Sociales (FAES) and Fundación Universitaria Teresa de Ávila.

### **3. Category to which the director candidate should belong**

Mr Acebes Paniagua has been proposed based on his personal and professional qualities, after verifying that he can discharge his duties without being constrained by relationships with the Company, its significant shareholders or the members of its management team, thus meriting the classification of independent director.

### **4. Availability**

Before the beginning of each financial year, the Board of Directors prepares a schedule of regular meetings, both of the full Board and of its committees, accommodating the needs of the Company to the agreed dedication of the directors.

Based on the schedule, the effective availability of the candidate to prepare for each meeting of the Board of Directors and to provide the dedication necessary for holding the position of director has been verified with the candidate.



## 5. Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company of which the director candidate is a holder

As at the date of this proposal, Mr Ángel Jesús Acebes Paniagua is the holder of 7,246 shares of the Company, which represent approximately 0.0001% of the share capital.

## 6. Compliance with the provisions of the *Board of Directors Diversity and Member Selection Policy*

Pursuant to the provisions of the *Board of Directors Diversity and Member Selection Policy*, in order to determine the appropriateness of ratifying the interim appointment (co-option) and re-election of Mr Ángel Jesús Acebes Paniagua to the position of director, the Committee has evaluated the needs of the Company and of its group, taking into consideration the specific particularities of the businesses thereof and of the territories in which it does business, comparing them to the profile of the candidate for re-election.

The Committee believes that the Board of Directors should have members with extensive experience in the public sector and in providing legal advice to companies in the energy and the industrial and technology sectors, with in-depth and well-versed knowledge of the Company and its group and the businesses thereof, like that possessed by Mr Ángel Jesús Acebes Paniagua.

Mr Acebes Paniagua's extensive experience and track record in the public sector also gives him a great knowledge of public institutions and the regulatory sector, which are significant elements in the businesses of both the Company and its group. Mr Ángel Jesús Acebes Paniagua has also advised companies in the energy and industrial and technology sectors.

The Commission also quite favourably values the knowledge and experience of the candidate for re-election acquired throughout his long professional career, and particularly as a director of the Company between 2012 and 2019 and member of the Executive Committee thereof and of the Committee, as well his continuity thereon, based on the positive evaluation of his performance and his dedication to the position during that period and since his interim appointment as a director of the Company on 20 October 2020, of his strategic vision and decision-making capacity and of his continuing to have a very valuable profile for the Board of Directors with extensive knowledge of the internal operation of the Company and its group.

Specifically, the Committee believes that the good results obtained by Mr Acebes Paniagua in the evaluations ensures his positive contribution to the Board of Directors and to the achievement of an enriched debate therein.

The re-election thereof will also contribute to strengthening the current high percentage of independent directors within the Company's Board of Directors.

Therefore, the Committee considers it appropriate to ratify the interim appointment (co-option) of Mr Ángel Jesús Acebes Paniagua and the re-election thereof as a director.

## 7. Verification of compliance with the requirements to be a director of the Company

The Committee quite favourably values the profile, skills and experience of the candidate, and specifically such director's respectability, capability, expertise, competence, experience, qualifications, education, availability and ability to commit to the duties of the position, which were verified in assessments of the individual performance thereof.



In addition, the Committee has verified that the conduct and professional track record of the candidate continue to be fully aligned with the purpose and the principles contained in the *Code of Ethics* and with the corporate values set out in the *Purpose and Values of the Iberdrola group* and that the candidate has not directly or indirectly incurred any grounds for disqualification, prohibition, conflict or opposition of interests to the corporate interest provided for generally or in the Governance and Sustainability System for holding the position of director.

Therefore, it is deemed to have been verified that the candidate meets the general requirements for all directors of the Company as provided by law and the Governance and Sustainability System.

## 8. Conclusion

The Committee has unanimously (with the abstention of the candidate for re-election) decided to propose the ratification of the interim appointment (co-option) and the re-election of Mr Ángel Jesús Acebes Paniagua as a director of the Company, with the classification of independent director.