



# **GENERAL SHAREHOLDERS' MEETING**

**28 April 2023**

**SUSTAINABLE  
EVENT**



**Amendments to the  
*Regulations of the Board of Directors*  
from 17 June 2022 to 14 March 2023**



- **Amendments to the *Regulations of the Board of Directors* approved on 26 July 2022.**  
Amendment of Article 32 of the *Regulations of the Board of Directors*.
- **Amendments to the *Regulations of the Board of Directors* approved on 25 October 2022.**  
Amendment of Articles 12, 13, 23, 24, 25, 26, 32, 33 and 37 of the *Regulations of the Board of Directors*.
- **Amendments to the *Regulations of the Board of Directors* approved on 20 December 2022.**  
Amendment of Articles 7, 8, 10, 13, 34 and 39 of the *Regulations of the Board of Directors*.
- **Amendments to the *Regulations of the Board of Directors* approved on 14 March 2023.**  
Amendment of Articles 12, 32 and 34 of the *Regulations of the Board of Directors*.

The annex discloses the current literal transcription of the amended articles of the *Regulations of the Board of Directors* and highlights the amendments to the text in force on 17 June 2022.





## Annex

### Article 7.- Governance and Sustainability System

1. The Board of Directors shall at all times comply with the provisions of the Governance and Sustainability System, without prejudice to the powers that it vests therein to further develop, apply and integrate the rules of which it consists, in order to at all times ensure the achievement of its purposes, and particularly the corporate interest.
2. For purposes of maintaining the proper unity and coherence of the Governance and Sustainability System, the Board of Directors may, on its own initiative, approve reforms that simultaneously affect several documents of the Governance and Sustainability System where the approval thereof is within the purview of the Board of Directors, in which case there shall be no need for a prior proposal or report from any other body.
3. The Board of Directors shall always act in accordance with the provisions of the *Purpose and Values of the Iberdrola group Group*, which reflect its raison d'être and the key values that inspire and guide the strategy of the Group and all of its actions.

### Article 8.- Corporate Interest

1. The Board of Directors shall carry out its duties with unity of purpose and independent judgement, always in pursuit of the corporate interest, which is understood as the common interest of all shareholders of an independent company focused on the sustainable creation of value by engaging in the activities included in its corporate object, taking into account other Stakeholders related to its business activity and its institutional reality, in accordance with the *Purpose and Values of the Iberdrola group Group* and with the commitments made in the *Code of Ethics*.
2. The Board of Directors shall endeavour to ensure that the chairman of the Board of Directors, as well as the Executive Committee and the chief executive officer, pursue the corporate interest.

### Article 10.- Social Dividend

The Board of Directors and its delegated bodies shall perform their duties while endeavouring to ensure that the social dividend, which is conceived, consistently with the *Purpose and Values of the Iberdrola group Group* and the *Code of Ethics*, as the direct, indirect or induced contribution of value of the Company's activities for all Stakeholders, particularly by contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

### Article 12.- Structure

Management of the Company is vested in a Board of Directors, its chairman (who shall have the status of executive chairman), an executive committee called the Executive Committee (*Comisión Ejecutiva Delegada*), and, ~~if so resolver by the Board of Directors~~, a chief executive officer (*consejero delegado*), who shall report to the Board of Directors and who shall be subordinate to the executive chairman.

### Article 13.- 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 *By-Laws* to the shareholders acting at a General Shareholders' Meeting.
2. The Board of Directors has the broadest powers and authority to manage and represent the Company.
3. Notwithstanding the foregoing, pursuant to the Governance and Sustainability System, the Board of Directors shall focus its activity on approving the strategic goals of at the Group level, on defining its organisational model and on supervising compliance therewith and further development thereof. The Board of Directors may rely on the Executive Committee to perform this supervisory duty.

Without prejudice to the non-delegable powers provided for by law and the Governance and Sustainability System, the Board of Directors shall generally entrust the duties of strategic supervision, organisation and strategic coordination of at the Group level to the chairman of the Board of Directors, to the chief executive officer and to the management team, who shall disseminate, implement and supervise monitor the general overall strategy and basic guidelines established by the Board of Directors for the management thereof.

4. The Board of Directors shall supervise the activities of the chairman of the Board of Directors, of the chief executive officer and of the Executive Committee, and shall guarantee the effectiveness of the checks and balances system provided for by law and the Governance and Sustainability System.
5. The main function of the Company is to act as the parent company of the Group. In this regard, the Board of Directors shall decide on the creation of country subholding companies in the territories or countries or in relation to the businesses it considers appropriate. Country The country subholding companies group together the equity stakes in the Groups's head of business companies of the Group and carry-out strengthen the function of strategic supervision, organisation and coordination and further develop them in relation to one-or-more the territories, countries and/or businesses decided by the Board of Directors, disseminating, implementing and ensuring compliance with the policies, strategies and general guidelines of covering the Group based on the characteristics and unique-aspects particularities of their respective territories, countries and/or businesses. Also, to centralise the provision of services common to their subsidiaries, in accordance with the provisions of applicable law and especially the legal provisions regarding the separation of regulated activities.

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6. The Board of Directors shall design, evaluate and review the Governance and Sustainability System on an ongoing basis. In particular, it shall approve the *Purpose and Values of the Iberdrola group Group* and shall attend to the approval and update of the corporate policies, which shall further develop the principles reflected in the *By-Laws* and other elements of the Governance and Sustainability System and codify the guidelines that should govern the activities of the Company and of the *other* companies within the Group, as well as its directors, management personnel and other professionals. *The These* corporate policies shall group together those relating to environmental, social and corporate governance and regulatory compliance aspects.
7. The Board of Directors, within its powers regarding approval of *the* strategic goals *of at* the Group level and the definition of its organisational model, shall occupy itself with the following matters, among others:
  - a. Establish, within legal limits, the *Group-level* policies and strategies *of the group* and the basic guidelines for the management thereof, entrusting to the management decision-making bodies and to the management of the head of business companies of the Group the duties of *day-to-day effective* administration and *effective day-to-day* management of *each business the businesses*.
  - b. Supervise, with the support of the Executive Committee, the chairman of the Board of Directors, the chief executive officer and the management team, as well as *with that of* the country subholding companies within their respective *territories, countries or businesses*, the general development of such policies, strategies and guidelines by the head of business companies of the Group, establishing appropriate mechanisms for the *coordination and* exchange of information in the interest of the Company and of the *other* companies included within the Group.
  - c. Agree with each of the listed country subholding companies of the Group on their respective special framework of strengthened autonomy and ensure compliance therewith.
  - d. Decide on matters of strategic importance at the Group level.
8. In particular, the Board of Directors, acting upon its own initiative or at the proposal of the corresponding internal decision-making body, shall occupy itself with the matters set forth below (as an example only):
  - A) With respect to the engagement of the shareholders in corporate life and with the General Shareholders' Meeting:
    - a. Lead the strategy of engaging the shareholders in corporate life and establishing a policy that actively promotes it.
    - b. Call the General Shareholders' Meeting, set the form of holding and the agenda of the call to meeting, formulate the corresponding proposed resolutions regarding each of the items on said agenda and approve the rules for implementation of the provisions of the Governance and Sustainability System relating to the holding thereof.
    - c. Propose the amendment of the *By-Laws* and the *Regulations for the General Shareholders' Meeting* to the shareholders at a General Shareholders' Meeting.
    - d. Submit to a decision by the shareholders at a General Shareholders' Meeting the assignment to dependent entities of core activities theretofore carried out by the Company, even though the Company retains full control of such entities.
    - e. Submit to a decision by the shareholders at a General Shareholders' Meeting transactions for the acquisition or disposition of essential operating assets.
    - f. Submit to a decision by the shareholders at a General Shareholders' Meeting transactions having an effect equivalent to the liquidation of the Company.
    - g. Carry out the resolutions approved by the shareholders at a General Shareholders' Meeting and perform any duties that the shareholders have entrusted thereto.
    - h. Approve a policy on the payment of financial incentives for participation in the General Shareholders' Meeting.
    - i. Generally, submit to the shareholders at a General Shareholders' Meeting all those matters within its purview under applicable law.
  - B) With respect to the policies and strategies of the Company and of the *other companies of the* Group and the corporate and governance structure thereof:
    - a. Approve the *Purpose and Values of the Iberdrola group Group*.
    - b. Establish the general policies and strategies of the Company and of *those that cover* the Group:



- c. Approve the strategic or business plan, as well as the management goals and annual budgets, the investment and financing policy, the corporate responsibility policy and the shareholder remuneration policy.
  - d. Define the corporate and governance structure of the Group.
  - e. Establish the policy for the control and management of risks, including tax risks, and the supervision of the internal information and control systems.
  - f. Determine the Company's tax strategy and approve investments or transactions with particular tax risks due to the elevated amount or special characteristics thereof.
  - g. Establish the shareholders remuneration policy and propose to the shareholders acting at a General Shareholders' Meeting the decisions it deems most appropriate regarding the application of results and the distribution of dividends, as well as approve the payment of interim dividends. The Board of Directors may also propose other modes of shareholder remuneration.
  - h. Establish the policy regarding own shares.
  - i. Oversee that the country subholding companies comply with the legal provisions on regulated activities within their respective jurisdictions.
  - j. Take note of mergers, split-offs, concentrations or overall assignments of assets and liabilities affecting any of the country subholding companies or head of business companies of the Group.
  - k. Approve the creation or acquisition of equity interests in special purpose entities or entities registered in countries or territories that are considered to be tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, might diminish the transparency of the Group.
  - l. Upon a proposal of the Audit and Risk Supervision Committee, approve the *General Framework for Relations of Coordination and Information among the Audit Committees of Iberdrola, S.A. and its group Group*, as well as the *Basic Internal Audit Regulations*.
- C) With respect to the organisation of the Board of Directors and the delegation of powers and the granting of powers of representation:
- a. Approve and amend these *Regulations*.
  - b. Define the structure of general powers to be granted by the Board of Directors or by the delegated management decision-making bodies and the general rules governing the powers-of-attorney granted by the companies of the Group.
  - c. Supervise the effective operation of the committees it has created and the activities of the delegated decision-making bodies and of the members of senior management that it has appointed.
  - d. Under the coordination of the Appointments Committee, perform an annual evaluation of its operation and of its committees, and based on the results thereof design an action plan that corrects any detected deficiencies.
- D) With respect to the information to be provided by the Company:
- a. Manage the provision of information regarding the Company to the shareholders and the markets in general, pursuant to standards of equal treatment, transparency and truthfulness.
  - b. Prepare the annual financial statements, the director's report and the proposed allocation of the Company's profits or losses, as well as the consolidated annual financial statements and directors' report.
  - c. Approve the financial information that the Company must periodically make public due to its status as listed company, ensuring that such documents provide a true and fair view of the assets and liabilities, the financial position and the results of the Company in accordance with the provisions of law.
  - d. Prepare the statement of non-financial information and appoint the independent assurance provider responsible for assurance of the information included therein.
  - e. Approve the annual corporate governance report, the integrated report, the annual director remuneration report and any other report that the Board of Directors deems advisable in order to better inform shareholders and investors or that is required by law.
- E) With respect to the directors and members of senior management:
- a. Designate directors to fill vacancies by interim appointment (co-option) procedure and propose to the shareholders at a General Shareholders' Meeting the appointment, ratification, re-election or removal of directors.

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- b. Designate and renew internal positions within the Board of Directors and the members of and positions on the committees established within the Board of Directors.
- c. Propose to the shareholders at the General Shareholders' Meeting the approval of the *Director Remuneration Policy* upon the terms established by law and the Governance and Sustainability System, and make decisions regarding the remuneration thereof within the framework of the By-Laws and the provisions of said policy.
- d. Appoint the directors that are to perform executive duties and remove them, setting the remuneration to which they are entitled by reason of their executive duties and the other terms of their contracts, conforming to the *Director Remuneration Policy* approved by the shareholders at the General Shareholders' Meeting.
- e. Approve the plan for succession and temporary replacement of the chairman of the Board of Directors and of the chief executive officer.
- f. Approve, upon a proposal of the ~~chief executive chairman~~ of the ~~Company~~ Board of Directors, the determination and modification of the Company's organisational chart.
- g. Approve, upon a proposal of the chairman of the Board of Directors, the appointment and removal of the chief executive officer as well as the establishment of the basic terms of the chief executive officer's contract.
- h. ~~f.~~ Approve, upon a proposal of the chairman of the Board of Directors, the appointment and removal of the members of senior management and other executives required by law, as well as the establishment of the basic terms of their contracts, including their remuneration and the compensation or severance payments in the event of removal.

As an exception to the foregoing, following a report from the Appointments Committee, the Audit and Risk Supervision Committee shall, if applicable, submit to the Board of Directors a proposal supported by the corresponding report regarding the selection, appointment or removal of the director of the Internal Audit Area.

~~Members of senior management shall be all those~~ Those members of senior management who report directly to the Board of Directors, to the chairman thereof or to the chief executive officer of the Company, as well as any other ~~member of management that~~ person who the Board of Directors acknowledges as such upon a proposal of the chairman thereof ~~or the chief executive officer~~, and in any event the director of the Internal Audit Area, shall form part of senior management.

- i. ~~g.~~ Decide on the authorisation or release from obligations arising from the duty of loyalty established by law (unless the decision regarding the authorisation or release legally corresponds to the shareholders acting at a General Shareholders' Meeting).

F) Other powers:

- a. Approve or delegate Related-Party Transactions (as this term is defined in Article 48) or submit them for approval by the shareholders at the General Shareholders' Meeting, as appropriate, in accordance with the provisions of law and the Governance and Sustainability System.
  - b. Approve and regularly update a climate action plan to achieve neutrality in the emission of greenhouse gases by 2050, following a report from the Sustainable Development Committee. 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.
  - c. Declare its position regarding all takeover bids for securities issued by the Company.
  - d. Decide on proposals submitted thereto by the Executive Committee, the chairman of the Board of Directors, the chief executive officer, the lead independent director and the committees of the Board of Directors.
  - e. Make decisions regarding any other matter within its purview that the Board of Directors believes to be in the interest of the Company or that these Regulations reserve to the Board as a whole. Those powers reserved by law or the Governance and Sustainability System for direct exercise by the Board of Directors may not be delegated.
9. Notwithstanding the foregoing, when there are urgent and duly justified circumstances, and the law so permits, the Executive Committee or the ~~chief executive officer~~ chairman of the Board of Directors may make decisions regarding those matters referred to in the preceding sections, which must be ratified at the first meeting of the Board of Directors held after the making thereof.
10. In connection with such matters included in this article as may be appropriate, the Board of Directors shall act in coordination with the management decision-making bodies of the other companies forming part of the Group, acting in the common interest of all of them.

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### Article 23.- Chairman of the Board of Directors

1. The chairman of the Board of Directors shall be appointed from among the directors after a report from the Appointments Committee, and shall have the status of president of the Company and of chair of all of the corporate decision-making bodies of which the chairman is a member, which he shall permanently represent with the broadest powers.
2. The chairman of the Board of Directors shall be responsible for carrying out the resolutions thereof and of the other collective decision-making bodies that he presides over, being authorised in urgent cases to adopt such measures as the chairman deems advisable in furtherance of the corporate interest pursuant to law and the Governance and Sustainability System.
3. The chairman of the Board of Directors ~~undertakes~~ holds the ~~senior management and power~~ of representation of the Company in the chairman's individual capacity, the senior management thereof, and the leadership of the Board of Directors. He exercises the following powers in addition to the powers conferred by law and the Governance and Sustainability System:
  - a. To call and preside over meetings of the Board of Directors and the Executive Committee, setting the agenda for the meetings and directing the discussion and debate.
  - b. To stimulate and organise the debate and active participation of the directors during meetings, safeguarding their freedom to take positions and express their opinion.
  - c. To ensure, with the collaboration of the secretary, that the directors receive in advance information sufficient to deliberate on the items on the agenda.
  - d. To chair the General Shareholders' Meeting and direct the discussion and debate therein.
  - e. To bring to the Board of Directors those proposals that the chairman deems appropriate for the efficient running of the Company, particularly those corresponding to the operation of the Board of Directors itself and other corporate decision-making bodies, as well as to propose the persons, if any, who will hold office as vice-chair or vice-chairs, chief executive officer and secretary and, if applicable, deputy secretary or deputy secretaries of the Board of Directors and of the committees of the Board of Directors.
  - f. With the support of the Secretary of the Board of Directors, to provide new directors with an *Orientation Programme* and the information needed to perform their duties, as well as to promote access by all directors to training materials and sessions that allow them to continuously refresh their knowledge.
  - g. To promote the work of the consultative committees of the Board of Directors and ensure that they carry out their duties and responsibilities efficiently and with due coordination, having an appropriate organisation for such purposes.
  - h. When they so deem appropriate, based on the results of the annual evaluation coordinated by the Appointments Committee, individually discuss with all or some of the directors the results of their personal evaluation, and any measures to be adopted to improve the performance thereof.
4. The Board of Directors may appoint one or more honorary chairmen of the Company.

### Article 24.- Vice-Chair or Vice-Chairs of the Board of Directors

1. The Board of Directors, upon a proposal of its chairman and after a report from the Appointments Committee, may elect from among its members one or more vice-chairs who shall temporarily replace the chairman of the Board of Directors, with all of the powers and duties thereof and in the order set forth in this article, in the event of ~~non-occasional and unexpected vacancy, absence, illness or incapacity~~ occasional and unexpected vacancy, absence, illness or incapacity. If the chairman of the Board of Directors gives advance notice of the chairman's desire to cease holding the position, or in the event of non-occasional and unexpected unavailability, the succession plan approved by the Board of Directors shall apply.
2. If there is more than one vice-chair, the one that is expressly appointed by the Board of Directors for such purpose shall replace the chairman; in default of the foregoing, the vice-chair having the longest length of service in office; and, in case of equal lengths, the oldest.
3. If a vice-chair has not been appointed, the chairman shall be replaced by the lead independent director; or in the absence thereof, by the director with the longest length of service in office; and in case of equal lengths length, by the oldest.

### Article 25.- Chief Executive Officer

1. The Board of Directors ~~may~~ shall appoint a chief executive officer (*consejero delegado*) with the favourable vote of at least two-thirds of its members, with the powers it deems appropriate and which may be delegated pursuant to law and the Governance and Sustainability System.
2. The chief executive officer shall be appointed upon a proposal of the chairman and after a report from the Appointments Committee. If such position is held by the chairman himself, the proposal shall come from the Appointments Committee.

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3. The chief executive officer shall exercise the power to represent the Company in an individual capacity.
4. In the event of the ~~non-~~occasional and unexpected vacancy, absence, illness or incapacity of the chief executive officer, the duties thereof shall be temporarily assumed by the chairman of the Board of Directors. ~~If both positions are held by the same person or if~~ If the latter cannot assume them for any ~~other~~ reason, by the vice-chair or director designated in accordance with the provisions of sections 2 and 3, respectively, of the preceding article, who shall call an urgent meeting of the Board of Directors ~~to deliberate and decide upon the appointment, if appropriate, of one or more chief executive officers~~. ~~If the chief executive officer gives advance notice of the chief executive officer's desire to cease holding the position, or in the event of non-occasional and unexpected unavailability, the succession plan approved by the Board of Directors shall apply.~~

#### Article 26.- Checks and Balances System: Lead Independent Director

1. The Governance and Sustainability System shall provide the measures necessary to ensure that neither the chairman of the Board of Directors, nor the chief executive officer or the Executive Committee, have a decision-making power that is not subject to appropriate checks and balances.
2. The Board of Directors shall adopt the measures necessary to ensure that the chairman of the Board of Directors, the chief executive officer and the Executive Committee are under its effective supervision.
3. The appointment of an executive director as chairman of the Board of Directors shall require the favourable vote of at least two-thirds of the members of the Board of Directors.
4. If the chairman of the Board of Directors has the status of executive director, the Board of Directors, upon a proposal of the Appointments Committee and with the abstention of the executive directors, must necessarily appoint from among the independent directors a lead independent director (*consejero coordinador*), who shall be especially empowered, when the lead independent director deems it appropriate, to:
  - a. Chair the meetings of the Board of Directors in the absence of the chairman and of the vice-chairs.
  - b. Ask the chairman of the Board of Directors to call a meeting thereof and to participate with the chairman in the planning of the annual schedule of meetings.
  - c. Participate in the preparation of the agenda for each meeting of the Board of Directors and request the inclusion of matters on the agenda for meetings of the Board of Directors that have already been called.
  - d. Coordinate, gather and reflect the concerns of the non-executive directors.
  - e. Direct the periodic evaluation of the chairman of the Board of Directors and lead any process for the succession thereof.
5. The lead independent director may also maintain contacts with shareholders and proxy advisors when so decided by the Board of Directors, ~~the chairman thereof~~ or the ~~delegated bodies thereof~~ Executive Committee. In this case, the statements of the lead independent director shall only bind the Company when they are expressly supported by a resolution of the Board of Directors ~~or such bodies~~, ~~the chairman thereof~~ or the Executive Committee.
6. The revocation of any of the foregoing powers shall require a prior report from the Appointments Committee, unless they are powers recognised under the law, in which case they may not be revoked.

#### Article 32.- Appointments Committee

1. The Board of Directors shall create a permanent Appointments Committee, which shall be an internal informational and consultative body without executive duties, with information, advisory and proposal-making powers within its scope of action.
2. The Appointments Committee shall be composed of a minimum of three and a maximum of five directors appointed by the Board of Directors upon a proposal of the Appointments Committee, from among the non-executive directors, and the majority thereof must be classified as independent.
3. The Board of Directors shall appoint a chair of the Appointments Committee from among the independent directors forming part thereof, as well as its secretary, who need not be a director and who, in any event, must comply with the directors' obligations established in these *Regulations* that may apply due to the nature thereof.
4. The Board of Directors shall endeavour to ensure that the members of the Appointments Committee have such expertise, qualifications and experience as are required by the duties they are called upon to perform, particularly in the following areas: corporate governance, strategic analysis and evaluation of human resources and capital, selection of directors and management personnel, and performance of senior management duties.
5. Members of the Appointments Committee shall be appointed for a maximum term of four years, and may be re-elected on one or more occasions for terms of the same maximum length.
6. The Appointments Committee shall have the powers set forth in law, in its own regulations, and in any event the following:

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- a. Report on and review the criteria that should be followed in composing the Board of Directors and in selecting candidates, and particularly the necessary competence, knowledge and experience, and assess the time and dedication required for the proper performance of their work. In the exercise of this power, the Appointments Committee shall take into account, regarding non-external directors, the relation between the number of proprietary directors and the number of independent directors, such that the composition of the Board of Directors reflects, as far as possible, the ratio of the Company's voting share capital represented by proprietary directors to the rest of the share capital.
- b. Regularly review, evaluate compliance with and propose the amendment of the *Board of Directors Diversity and Member Selection Policy*.
- c. Ensure that when new vacancies are filled or new directors are appointed, the selection procedures are free from any implied bias entailing any kind of discrimination and, in particular, from any bias that may hinder the selection of female directors.
- d. Establish a goal for representation by the less represented gender on the Board of Directors and prepare guidance on how to reach this objective.
- e. Bring proposed appointments of independent directors to the Board of Directors for the designation thereof by the interim appointment (co-option) procedure or for submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as proposed re-elections or removals of such directors by the shareholders at the General Shareholders' Meeting, and report on proposed removals of such directors made by the Board of Directors.
- f. Report on proposed appointments of ~~the directors~~ other than independent directors for the designation thereof by the interim appointment (co-option) procedure or for the submission of such proposals to a decision by the shareholders at the General Shareholders' Meeting, as well as the proposed re-elections or removals of such directors by the shareholders at the General Shareholders' Meeting.
- g. Report on and make proposals for appointment to internal positions on the Board of Directors and proposals relating to the appointment of the members that must make up each of the committees, verifying and confirming compliance with the requirements of expertise and experience in connection with the powers of the committee in question and, in particular, those of the Audit and Risk Supervision Committee.
- h. Establish and supervise an annual programme for continuous evaluation and review of the qualifications and, if applicable, independence of the directors, as well as of ongoing compliance thereby with the requirements of respectability, capability, expertise, competence, availability and commitment to their duties as directors and as members of a given committee, and propose to the Board of Directors such measures as it deems advisable in this regard, with the power to collect any information or documentation that it deems necessary or appropriate for such purposes.
- i. Coordinate the evaluation of the operation of the Board of Directors and of the committees thereof, and submit to the full board the results of said evaluation together with a proposed action plan or with recommendations to correct any potential detected deficiencies or to improve the operation of the Board of Directors or the committees thereof.
- j. Examine and organise the succession of the chairman of the Board of Directors and of the chief executive officer of the Company and, if applicable, make proposals to the Board of Directors for such succession to occur in an orderly and well-planned fashion, in accordance with the succession ~~plan~~ plans approved by the Board of Directors.
- k. Supervise the process of selecting candidates ~~for to hold the position of chief executive officer and to be~~ members of senior management of the Company and report on the proposals of the ~~Company's chief executive chairman of the Board of Directors~~ regarding the appointment or removal of ~~the chief executive officer and of the~~ members of senior management.
- l. Report on or prepare ~~the Company's~~ proposals regarding the appointment or removal of ~~the independent external directors of the both unlisted country subholding companies as well as and of the other companies within the Group and of those~~ in which ~~it the Company has an interest and whose a direct or indirect owner is interest and that are not controlled by~~ a country subholding company ~~without prejudice to respecting~~.
- m. ~~Acknowledge the independence and uniqueness (upon appointment or removal of the terms provided by law) of those that are listed external directors of both the head of business companies and have corporate governance rules of the other companies in which the country subholding companies that assign such powers to their own appointments committee or equivalent body are not controlled by head of business companies have a direct or indirect interest.~~
- n. Issue such other reports and take such other actions as may also fall within its purview pursuant to the Governance and Sustainability System or as may be requested by the Board of Directors or the chairman thereof.

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7. The chair of the committee may request, through the secretary of the Board of Directors, the attendance of any director, member of senior management or professional of the Group as well as of any member of the management decision-making bodies of the companies in which the Company has an interest whose appointment has been proposed by the Company, provided that there is no legal impediment thereto. The secretary of the Board of Directors shall evaluate the suitability of the appearances requested based on the matters to be discussed, the powers of the committee, the identity of the person whose attendance is requested and the meeting schedules of the corporate decision-making bodies from time to time in effect.

### Article 33.- Remuneration Committee

1. The Board of Directors shall create a permanent Remuneration Committee, which shall be an internal informational and consultative body without executive duties, with information, advisory and proposal-making powers within its scope of action.
2. The Remuneration Committee shall be composed of a minimum of three and a maximum of five directors appointed by the Board of Directors upon a proposal of the Appointments Committee, from among the non-executive directors, and the majority thereof must be classified as independent.
3. The Board of Directors shall appoint a chair of the Remuneration Committee from among the independent directors forming part thereof, as well as its secretary, who need not be a director and who, in any event, must comply with the directors' obligations established in these Regulations that may apply due to the nature thereof.
4. The Board of Directors shall endeavour to ensure that the members of the Remuneration Committee have such expertise, qualifications and experience as are required by the duties they are called upon to perform, and particularly regarding corporate governance and the design of remuneration policies and plans for directors and senior management.
5. Members of the Remuneration Committee shall be appointed for a maximum term of four years, and may be re-elected on one or more occasions for terms of the same maximum length.
6. The Remuneration Committee shall have the powers set forth in law, in its own regulations, and in any event the following:
  - a. Propose to the Board of Directors the policies and standards on remuneration of the directors and members of senior management and periodically review them, proposing any amendment and update thereof to the Board of Directors and reporting thereto on any issues that might arise regarding the interpretation or application of said policies and standards.
  - b. Propose to the Board of Directors the system and the amount of annual director remuneration, as well as the individual remuneration of executive directors and other basic terms of their contracts, including fixed remuneration, annual or multi-year variable remuneration, incentive plans and strategic bonuses, and any compensation or severance payments that may have been contractually agreed to or determined in the event of cessation of office, in any event pursuant to the provisions of the Governance and Sustainability System and particularly of the *Director Remuneration Policy* approved by the shareholders at the General Shareholders' Meeting.
  - c. Report on and submit to the Board of Directors the proposals of the ~~Company's chief executive regarding~~ **chairman of the Board of Directors regarding the structure of the remuneration of the chief executive officer and the terms of the contract thereof** and the structure of the remuneration payable to the members of senior management and the basic terms of their contracts.
  - d. Report on incentive plans and pension supplements for the Group's workforce, excluding those of the listed country subholding companies and the subsidiaries thereof.
  - e. Report, prior to the approval thereof by the Board of Directors, on the internal regulations governing incentive plans and strategic bonuses to the extent they affect executive directors and members of senior management.
  - f. Conduct a periodic review of the general remuneration programmes for the Group's workforce, evaluating the adequacy and results thereof.
  - g. Ensure compliance with the remuneration programmes of the Company and report on the documents to be approved by the Board of Directors regarding remuneration, including the annual director remuneration report and the applicable sections of the Company's annual corporate governance report.
  - h. Issue such other reports and take such other actions as may also fall within its purview pursuant to the Governance and Sustainability System or as may be requested by the Board of Directors or the chairman thereof.
7. The chair of the committee may also request, through the secretary of the Board of Directors, the attendance of any director, member of senior management or professional of the Group as well as of any member of the management decision-making bodies of the companies in which the Company has an interest whose appointment has been proposed by the Company, provided that there is no legal impediment thereto. The secretary of the Board of Directors shall evaluate the suitability of the appearances requested based on the matters to be discussed, the powers of the committee, the identity of the person whose attendance is requested and the meeting schedules of the corporate decision-making bodies from time to time in effect.

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### Article 34.- Sustainable Development Committee

1. The Board of Directors shall create a permanent Sustainable Development Committee, which shall be an internal informational and consultative body without executive duties, with information, advisory and proposal-making powers within its scope of action.
2. The Sustainable Development Committee shall be composed of a minimum of three and a maximum of five directors appointed by the Board of Directors upon a proposal of the Appointments Committee, from among the non-executive directors, and the majority thereof must be classified as independent.
3. The Board of Directors shall appoint the chair of the Sustainable Development Committee from among the directors forming part thereof, as well as its secretary, who need not be a director and who, in any event, must comply with the directors' obligations established in these *Regulations* that may apply due to the nature thereof.
4. The Board of Directors shall endeavour to ensure that the members of the Sustainable Development Committee have such expertise, qualifications and experience as are required by the duties they are called upon to perform.
5. Members of the Sustainable Development Committee shall be appointed for a maximum term of four years, and may be re-elected on one or more occasions for terms of the same maximum length.
6. The Sustainable Development Committee shall have the powers set forth in the regulations thereof, and in any event the following:
  - a. Conduct a periodic review of the Governance and Sustainability System, with special emphasis on the environmental, social and corporate governance and regulatory compliance policies, and also propose to the Board of Directors, for the approval thereof or for submission to the shareholders at a General Shareholders' Meeting, such amendments and updates as may contribute to the development and ongoing improvement thereof.
  - b. Monitor the Company's corporate governance and sustainable development strategies.
  - c. Monitor compliance with legal requirements and with the rules and regulations of the Governance and Sustainability System.
  - d. Supervise the Company's actions relating to sustainable development, and particularly that its environmental and social practices conform to the strategy and policies approved by the Board of Directors, and report thereon to the Board of Directors and to the Executive Committee, as appropriate.
  - e. Report on the climate action plan prior to the approval thereof by the Board of Directors, as well as monitor and review the level of achievement thereof and of subsequent updates.
  - f. Inform the Board of Directors of the information it receives on the measures and procedures adopted within the Group to implement and monitor compliance with the provisions of the *Policy on Respect for Human Rights*.
  - g. Determine the general guidelines, standards and principles that should govern the preparation of the statement of non-financial information, verify that the content thereof conforms to the Company's sustainable development strategy and that it includes a statement regarding the level of achievement of the climate action plan approved by the Board of Directors after a report from the committee, and of any updates thereof.
  - h. Report to the Board of Directors regarding the statement of non-financial information, taking into account the report in turn prepared by the Audit and Risk Supervision Committee.
  - i. Inform the Board of Directors of the information it receives through the Foundations Committee ~~of the Group~~ regarding the annual programmes of activities of the foundations and their respective budgets, as well as the conduct of general interest and sustainable development activities by ~~entities in the nature of~~ foundations linked to the Group to which such activities have been entrusted ~~by the country subholding companies~~.
  - j. Monitor the Company's actions relating to corporate reputation and report thereon to the Board of Directors and to the Executive Committee, as appropriate.
  - k. Report on the Company's annual corporate governance report prior to the approval thereof, obtaining for such purpose the reports of the Audit and Risk Supervision Committee, the Appointments Committee and the Remuneration Committee with respect to the sections of such report that are within its powers.
  - l. Issue its prior opinion on the annual report on the effectiveness's ~~compliance system~~ **Compliance System** prepared by the Compliance Unit, and submit it to the Board of Directors.
  - m. Report on proposed amendments of the *Regulations of the Board of Directors*, the *Regulations of the Compliance Unit* and the *Code of Ethics*.
  - n. Receive information from the Compliance Unit regarding proposed amendments of the *Code of Ethics* and regarding any significant issue in connection with promoting awareness of and compliance with the *Code of Ethics*.
  - o. Use the Compliance Unit to review the Company's internal policies and procedures in order to prevent improper conduct and identify policies or procedures that may be more effective in promoting the highest ethical standards.

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- p. Review and validate the annual operating budget of the Compliance Unit, for submission thereof to the Board of Directors through the chairman of the Board for final approval, as well as its annual activity plan, and endeavour to ensure that the Compliance Unit has the material and human resources required to perform its duties.
  - q. Issue such other reports and take such other actions as may also fall within its purview pursuant to the Governance and Sustainability System or as may be requested by the Board of Directors or the chairman thereof.
7. The chair of the committee may also request, through the secretary of the Board of Directors, the attendance of members of the Foundations Committee ~~of the Iberdrola Group~~, of any director, member of senior management or professional of the Group, of any member of the management decision-making bodies of the companies forming part of the Group whose appointment has been proposed by the Company, and of any director, member of senior management or professional of ~~entities in the nature of~~ foundations linked to the Group, provided there is no legal impediment thereto. The secretary of the Board of Directors shall evaluate the suitability of the appearances requested based on the matters to be discussed, the powers of the committee, the identity of the person whose attendance is requested and the meeting schedules of the corporate decision-making bodies from time to time in effect.

### Article 37.- Conduct of Meetings

1. In order for resolutions of the Board of Directors to be valid, at least a majority of the directors must be present at the meetings at which they are adopted, in person or by proxy.
2. The directors must attend the meetings of the Board of Directors and, when unable to attend in person, must give a proxy to another director, together with appropriate instructions. Non-executive directors may only give a proxy to other non-executive directors. They may not grant a proxy in connection with matters in respect of which the director is in any conflict of interest situation. The proxy granted shall be a special proxy for each meeting of the Board of Directors, and may be communicated by any of the means provided for the call of meetings.
3. On an exceptional basis, based on the circumstances in each case, the chairman of the Board of Directors may authorise the attendance at the meeting of one or more directors by using remote connection systems that permit the recognition and identification thereof, permanent communication with the place where the meeting is held, and their participation therein and the casting of votes, all in real time. Directors connected remotely shall be deemed for all purposes to have attended the meeting of the Board of Directors.
4. When so required by the circumstances, the chairman of the Board of Directors may adopt any measures necessary to ensure the confidentiality of the information, of the deliberations and of the resolutions adopted during the meetings of the Board of Directors.
5. The chairman may invite all those who can help improve the information provided to the directors to attend the meetings of the Board of Directors, while avoiding the attendance thereof during the decision-making portion of the meetings. The chairman may authorise the remote attendance thereof using the communication systems described in section 3 above, if he so deems appropriate. The secretary shall record the entries and exits of guests at each meeting in the minutes.
6. Resolutions shall be adopted by absolute majority of votes cast in person or by proxy, unless other majorities are provided by law or the Governance and Sustainability System. In the event of a tie, the chairman of the Board of Directors shall have the tie-breaking vote.
7. Notwithstanding the foregoing:
  - a. **The appointment of an executive director as chairman of the Board of Directors shall require the favourable vote of at least two-thirds of the members of the Board of Directors.**
  - b. ~~a-~~ The permanent delegation of powers and the appointment of directors to exercise such powers, as well as approval of the contracts the Company signs with the executive directors, shall require the favourable vote of at least two-thirds of the directors.
  - c. ~~b-~~ An amendment of these *Regulations* shall require the favourable vote of at least two-thirds of the directors represented in person or by proxy at the meeting.
8. If directors or the secretary state their concern regarding a proposal or, in the case of directors, regarding the status of the Company, and such concerns are not resolved at the meeting of the Board of Directors, a description thereof shall be reflected in the minutes at the request of those stating their concerns.
9. The minutes shall be approved by the Board of Directors at the end of the meeting or at the next meeting. In this latter case, any portion of the minutes may be approved at the end of the corresponding meeting, provided that the text to which it refers has been published on the directors' website prior to the meeting or has been read aloud prior to the adjournment of the meeting.

### Article 39.- Powers of Information and Inspection

1. A director shall have the broadest powers to obtain information regarding any aspect of the Company, to examine its books, records, documents and other background information on corporate transactions, to inspect all of its facilities and to communicate with the members of senior management of the Company.

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2. The exercise of the aforementioned powers shall first be channelled through the secretary of the Board of Directors, who shall act on behalf of the chairman.
3. In order to improve their knowledge of the Group, presentations may be made to the directors in connection with the business that it is engaged in. In addition, at each meeting of the Board of Directors, a specific portion of the meeting may be devoted to a presentation on matters that are significant for the Group, including those relating to the Sustainable Development Goals (SDGs) approved by the United Nations (UN) and the fight against climate change.
4. The Company shall make available to the directors a specific software application (directors' website) to facilitate the performance of their duties and the exercise of their powers of information, as well as access to the *Orientation Programme* and to training materials addressed to the directors.

Such information as is deemed appropriate for preparation of the meetings of the Board of Directors and the committees thereof, in accordance with the agenda included in the calls to meeting, as well as materials relating to director training programmes and the presentations mentioned in the preceding section, shall be posted on the directors' website. Generally, the communications and forms that the directors must deliver to the Company shall be sent through the directors' website. Said communications and forms shall have the same effects as if an original signed copy had been sent.

In addition, the directors shall be given access through the directors' website to the minutes of the meetings of the Board of Directors and the committees thereof, as well as such other information that the Board of Directors resolves to include. All of the foregoing is deemed to be without prejudice to the measures that may be necessary or appropriate to adopt in order to maintain the confidentiality of the information included in the directors' website.