



Amendments of the *By-Laws*

Current text of the <i>By-Laws</i>	Proposed amendments
PREAMBLE	PREAMBLE
Pursuant to the corporate autonomy recognised by law, these <i>By-Laws</i> govern the corporate contract by which all shareholders of IBERDROLA, S.A. (the " Company ") are bound upon acquiring such status.	Pursuant to the corporate autonomy recognised by law, these <i>By-Laws</i> govern the corporate contract by which all shareholders of IBERDROLA, S.A. (the " Company ") are bound upon acquiring such status.
Having been approved in accordance with applicable law by the shareholders acting at a General Shareholders' Meeting, which is the highest governing body through which shareholders express their contractual will, they go far beyond the minimum requirements established by law and even the typical text of the by-laws of listed companies.	Having been approved in accordance with applicable law by the shareholders acting at a General Shareholders' Meeting, which is the highest governing body through which shareholders express their contractual will, they go far beyond the minimum requirements established by law and even the typical text of the by-laws of listed companies.
Along these lines, the preliminary title hereof first defines the fundamental pillars of the Company as an independent entity of an open nature, the holding company of an international industrial group that combines a decentralised decision-making structure, inspired by the principle of subsidiarity, with robust coordination mechanisms ensuring the global integration of all of the businesses of the Company's group, all on the basis of an effective system of checks and balances that prevents the centralisation of management power within a single governance body or a single person.	Along these lines, the preliminary title hereof first defines the fundamental pillars of the Company as an independent entity of an open nature, the holding company of an international industrial group that combines a decentralised decision-making structure, inspired by the principle of subsidiarity, with robust coordination mechanisms ensuring the global integration of all of the businesses of the Company's group, all on the basis of an effective system of checks and balances that prevents the centralisation of management power within a single governance body or a single person.
The provisions of the <i>By-Laws</i> regarding the corporate object, the purpose and values, and the corporate interest and social dividend, beyond the corporate aspects highlighted above, give shape to an electric power company focused on a clear " <i>purpose</i> " and certain clear " <i>values</i> " that make up its corporate philosophy and its ideological and axiological bases on which its corporate enterprise is based; thus they portray an integral company, which transcends its nature as purely and merely a mercantile company, which opens to and engages all of its Stakeholders and is fully committed to contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations and the most demanding environmental, social commitment and good governance (ESG) requirements, and ultimately distinguish it as a company and institutional reality, a player in the economic and social environment in which it does business.	The provisions of the <i>By-Laws</i> regarding the corporate object, the purpose and values, and the corporate interest and social dividend, beyond the corporate aspects highlighted above, give shape to an electric power company focused on a clear " <i>purpose</i> " and certain clear " <i>values</i> " that make up its corporate philosophy and its ideological and axiological bases on which its corporate enterprise is based; thus they portray an integral company, which transcends its nature as purely and merely a mercantile company, which opens to and engages all of its Stakeholders and is fully committed to contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations and the most demanding environmental, social commitment and good governance (ESG) requirements, and ultimately distinguish it as a company and institutional reality, a player in the economic and social environment in which it does business.



<p>In the case of the Company, the <i>By-Laws</i> thereof define and ultimately constitute the foundation on which is built and based the Governance and Sustainability System, that is, its own set of internal regulations, developed under the aforementioned corporate autonomy, to ensure by these rules its <i>raison d'être</i> and <i>way of being</i>, the construction of its identity, the achievement and implementation of the <i>Purpose and Values of the Iberdrola group</i>, the creation of sustainable value that satisfies the corporate interest, and makes feasible and real the <i>social dividend</i> that it shares with all of its Stakeholders.</p>	<p>In the case of the Company, the <i>By-Laws</i> thereof define and ultimately constitute the foundation on which is built and based the Governance and Sustainability System, that is, its own set of internal regulations, developed under the aforementioned corporate autonomy, to ensure by these rules its <i>raison d'être</i> and <i>way of being</i>, the construction of its identity, the achievement and implementation of the <i>Purpose and Values of the Iberdrola group</i>, the creation of sustainable value that satisfies the corporate interest, and makes feasible and real the <i>social dividend</i> that it shares with all of its Stakeholders.</p>
	<p><u>In turn, the <i>Purpose and Values of the Iberdrola group</i> meet the most demanding standards in the areas of environmental protection and climate action, social commitment, and corporate governance, within the general framework of respect for and protection of human rights, the social market economy, and the ethical principles generally accepted in its sphere of activity.</u></p>
<p>The by-law rules that arise from and are based on the internal sovereignty of the shareholders acting at a General Meeting also recognise the essential function performed by the Board of Directors as a governing body or structure that guides the realisation of the <i>Purpose and Values of the Iberdrola group</i>, ensures the assembly and coordination of all its Stakeholders within a company made up of them, and ultimately directs and supports the driving action of the Company as an enterprise and institutional reality in the communities of which it is a part and in today's globalised society as a whole.</p>	<p>The by-law rules that arise from and are based on the internal sovereignty of the shareholders acting at a General Meeting also recognise the essential function performed by the Board of Directors as a governing body or structure that guides the realisation of the <i>Purpose and Values of the Iberdrola group</i>, ensures the assembly and coordination of all its Stakeholders within a company made up of them, and ultimately directs and supports the driving action of the Company as an enterprise and institutional reality in the communities of which it is a part and in today's globalised society as a whole.</p>
<p>To the extent applicable thereto, the <i>By-Laws</i> and the other provisions of the Company's Governance and Sustainability System bind its shareholders, the members of the Board of Directors and of senior management, and the other professionals of the Company and its group, as well as, generally, any persons validly connected thereto. All have the duty to comply with them, as well as the right to demand compliance therewith.</p>	<p>To the extent applicable thereto, the <i>By-Laws</i> and the other provisions of the Company's Governance and Sustainability System bind its shareholders, the members of the Board of Directors and of senior management, and the other professionals of the Company and its group, as well as, generally, any persons validly connected thereto. All have the duty to comply with them, as well as the right to demand compliance therewith.</p>
<p>PRELIMINARY TITLE. IBERDROLA, S.A. AND ITS GROUP</p>	<p>PRELIMINARY TITLE. IBERDROLA, S.A. AND ITS GROUP</p>
<p>Article 7. Social Dividend</p>	<p>Article 7. Social Dividend</p>
<p>1. The performance of the activities included in the corporate object, particularly the Company's innovation and digital transformation strategy, must be focused on the sustainable creation of value, in accordance with the <i>Purpose and Values of the</i></p>	<p>1. The performance of the activities included in the corporate object, particularly the Company's innovation and digital transformation strategy, must be focused on the sustainable creation of value, in accordance with the <i>Purpose and Values of the</i></p>



<p><i>Iberdrola group</i> and with the commitments made in its <i>Code of Ethics</i>.</p>	<p><i>Iberdrola group</i> and with the commitments made in its <i>Code of Ethics</i>.</p>
<p>2. The Company conceives of the social dividend as the direct, indirect or induced contribution of value of its activities for all Stakeholders, particularly through its contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations.</p>	<p>2. The Company conceives of the <u>recognises and seeks to obtain a</u> social dividend as consisting of the direct, indirect or induced contribution of value of its activities for all Stakeholders, particularly through its contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations <u>and its commitment to best environmental, social and corporate governance (ESG) practices.</u></p>
<p>3. The statement of non-financial information formulated by the Board of Directors and approved by the shareholders at the General Shareholders' Meeting presents the Company's performance in the social, environmental and sustainability areas, as well as the social dividend generated and shared with its Stakeholders.</p>	<p>3. The statement of non-financial information formulated by the Board of Directors and approved by the shareholders at the General Shareholders' Meeting presents the Company's performance in the social, environmental and sustainability areas, as well as the social dividend generated and shared with its Stakeholders.</p>
<p>4. The Company shall promote the public dissemination of its non-financial information and of the social dividend generated, especially among its Stakeholders.</p>	<p>4. The Company shall promote the public dissemination of its non-financial information and of the social dividend generated, especially among its Stakeholders.</p>
<p>TITLE II. GENERAL SHAREHOLDERS' MEETING</p>	<p>TITLE II. GENERAL SHAREHOLDERS' MEETING</p>
<p>Article 16. Shareholder Participation</p>	<p>Article 16. Shareholder Participation</p>
<p>The Board of Directors shall adopt appropriate measures to encourage maximum participation of the shareholders at the General Shareholders' Meeting, including, if appropriate, the payment of attendance bonuses pursuant to a predefined and public policy.</p>	<p>The Board of Directors shall adopt appropriate measures to encourage maximum participation of the shareholders at the General Shareholders' Meeting, including, if appropriate, the payment of attendance bonuses <u>financial incentives for participation (such as attendance bonuses or the payment of an engagement dividend subject to a specified minimum quorum being reached at the General Shareholders' Meeting)</u> pursuant to a predefined and public policy.</p>