

General Shareholders' Meeting

2 April 2020

Report of the Board of Directors
Proposed Appointment and Re-election
of Directors



MASTER REPORT OF THE BOARD OF DIRECTORS OF IBERDROLA, S.A. REGARDING THE PROPOSED APPOINTMENT AND RE-ELECTION OF DIRECTORS INCLUDED IN ITEMS NUMBER SEVENTEEN TO TWENTY ON THE AGENDA FOR THE 2020 GENERAL SHAREHOLDERS' MEETING

1. Object of the Report.

This report has been prepared by the Board of Directors of IBERDROLA, S.A. ("**Iberdrola**" or the "**Company**") pursuant to the provisions of section 529 *decies* of the *Companies Act (Ley de Sociedades de Capital)* regarding the proposed appointment of Ms Nicola Mary Brewer and Ms Regina Helena Jorge Nunes as new directors, as well as the proposed re-election of Mr Íñigo Víctor de Oriol Ibarra and Ms Samantha Barber as other external director and independent director, respectively.

The appointment of Ms Nicola Mary Brewer and Ms Regina Helena Jorge Nunes is intended to fill the vacancy that will be left with respect to Ms Denise Mary Holt, who tendered her resignation to the Board of Directors in October after reaching seventy years of age, as well as the vacancy that will occur due to the end of the term of office of Ms Inés Macho Stadler, last re-elected as a director at the General Shareholders' Meeting held on 8 April 2016 for the bylaw-mandated four-year term.

In the proposed renewals of the Board of Directors regarding the appointment as directors of Ms Nicola Mary Brewer and Ms Regina Helena Jorge Nunes, as well as those regarding the re-election of Mr Íñigo Víctor de Oriol Ibarra and Ms Samantha Barber as directors of the Company, the Board of Directors has taken into account the conclusions set out in the corresponding proposals (in the case of the three candidates for independent director) and report (in the case of the candidates for other external director) of the Appointments Committee dated today, which are attached as annexes to this document, and which are in favour of the appointments and re-elections of the four candidates.

In general terms, the proposed appointments of Ms Nicola Mary Brewer and of Ms Regina Helena Jorge Nunes as new independent directors are supported by the following arguments: their broad experience and professional background, their training, their knowledge of the operation of the Iberdrola group, and particularly of its businesses in the key British and Brazilian markets, acquired by acting as independent directors at the country subholding companies Scottish Power Ltd. and Neoenergia, S.A., respectively (from which they have announced they will resign prior to the holding of the Company's General Shareholders' Meeting), and their contribution to diversity within the Board of Directors due to their origin and nationality as well as from the viewpoint of gender.

The Appointments Committee also favourably assessed the continuity of Mr Íñigo Víctor de Oriol Ibarra and Ms Samantha Barber as directors based on the positive evaluation of their performance during their entire term, their strategic vision and management capacity, and the continuation of two quite valuable profiles for the Board of Directors, with a broad understanding of the Company and of its group and businesses.

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 four candidates.

The Board of Directors finds that with the aforementioned proposals and report, 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, age and gender 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, and particularly goal five regarding the empowerment of women.

2. Competence, Experience and Merits of Ms Nicola Mary Brewer, Whose Appointment as a Director is Submitted to the Shareholders at the General Shareholders' Meeting.

The competence, experience and merits of Ms Nicola Mary Brewer, whose appointment 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 has the competence, experience and merits required to hold the position of director.

In particular, the Appointments Committee has evaluated the broad experience and professional background of the candidate (especially in the area of international relations), her training, her knowledge of the operation of the Iberdrola group, and particularly of its businesses in the key British market acquired by acting as an independent director at the country subholding company Scottish Power Ltd., as well as her contribution to diversity within the Board of Directors due to her origin and nationality (British) as well as from the viewpoint of gender.

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 its directors and officers, thus making the candidate deserving of the classification of independent director.

3. Competence, Experience and Merits of Ms Regina Helena Jorge Nunes, Whose Appointment as a Director is Submitted to the Shareholders at the General Shareholders' Meeting.

The competence, experience and merits of Ms Regina Helena Jorge Nunes, whose appointment 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 has the competence, experience and merits required to hold the position of director.

In particular, the Appointments Committee has evaluated the broad experience and professional background of the candidate (especially in relation to the financial industry), her training, her knowledge of the operation of the Iberdrola group, and particularly of its businesses in the key Brazilian market acquired by acting as an independent director at the country subholding company Neoenergia, S.A., as well as her contribution to diversity within the Board of Directors due to her origin and nationality (Brazilian) as well as from the viewpoint of gender.

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 its directors and officers, thus making the candidate deserving of the classification of independent director.

4. Competence, Experience and Merits of Mr Íñigo Víctor de Oriol Ibarra, Whose Re-election as a Director is Submitted to the Shareholders at the General Shareholders' Meeting.

The competence, experience and merits of Mr Íñigo Víctor de Oriol Ibarra, 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 Board of Directors has quite favourably assessed the experience and well-versed knowledge of Mr de Oriol Ibarra regarding Iberdrola and its group, and particularly its businesses, acquired during his long professional association with the Company, as well as the good results of the regular evaluations of his performance as a director of Iberdrola, which will allow him to continue contributing quite positively to the operation of the Board of Directors.

The candidate has been proposed based on the personal and professional qualities thereof. Mr Íñigo Víctor de Oriol Ibarra will continue to be assigned to the category of other external director since more than twelve consecutive years have passed since his first appointment as a director of Iberdrola.

5. Competence, Experience and Merits of Ms Samantha Barber, Whose Re-election as a Director is Submitted to the Shareholders at the General Shareholders' Meeting.

The competence, experience and merits of Ms Samantha Barber, 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 made 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.

Ms Samantha Barber has broad experience in the area of corporate social responsibility and in the Scottish market. Her re-election will also contribute to the goal of diversity of gender, origin and nationality within the Board of Directors.

The Board of Directors has quite favourably assessed Ms Barber's experience and in-depth knowledge of Iberdrola and its group, and particularly its businesses, acquired during her prior terms within the Company, which will allow her to continue to contribute quite positively to the operation of the Board of Directors.

The Board of Directors has also taken into account the good results obtained by the candidate in the regular evaluations of her performance 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 its directors and officers, thus making the candidate deserving of the classification of independent director. Notwithstanding the foregoing, it is reported that on 31 July 2020, Ms Barber will reach twelve years in the position of director of the Company, for which reason she will be reclassified as other external director.

6. 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 four candidates allow for a strengthening of the diversity of skills, knowledge, experience, origin, nationality, age and gender 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, and particularly goal five regarding the empowerment of women.

As described in the proposals and in the report of the Appointments Committee, the four 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 values established in the *Purpose and Values of the Iberdrola group*.

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.

As already indicated above, the appointment of Ms Nicola Mary Brewer and Ms Regina Helena Jorge Nunes, as well as the re-election of Ms Samantha Barber, also contribute to maintaining the diversity of gender within the Board of Directors, exceeding the objective assumed by the Company that the number of female directors represents at least 30% of all members of the Board of Directors by 2020, as well as goal five of the Sustainable Development Goals (SDGs) approved by the United Nations, regarding the empowerment of women. Specifically, with the proposed appointments and the re-election of the directors referred to above, half of the non-executive directors will be women.

In particular, after the appointment and re-election of the three female directors, more than 40% of the members of the Board of Directors would be women, which also exceeds the percentage that the National Securities Market Commission is considering including in the next reform of the Good Governance Code of Listed Companies.

Furthermore, the proposed appointments and 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 origins and nationalities.

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.

7. Proposed Resolutions.

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

“ITEM NUMBER SEVENTEEN ON THE AGENDA

Appointment of Ms Nicola Mary Brewer as independent director.

RESOLUTION

To appoint Ms Nicola Mary Brewer as director, at the proposal of the Appointments Committee, for the bylaw-mandated four-year term, with the classification of independent director.

ITEM NUMBER EIGHTEEN ON THE AGENDA

Appointment of Ms Regina Helena Jorge Nunes as independent director.

RESOLUTION

To appoint Ms Regina Helena Jorge Nunes as director, at the proposal of the Appointments Committee, for the bylaw-mandated four-year term, with the classification of independent director.

ITEM NUMBER NINETEEN ON THE AGENDA

Re-election of Mr Íñigo Víctor de Oriol Ibarra as other external director.

RESOLUTION

To re-elect Mr Íñigo Víctor de Oriol Ibarra as director, after a report from the Appointments Committee, for the bylaw-mandated four-year term, with the classification of other external director.

ITEM NUMBER TWENTY ON THE AGENDA

Re-election of Ms Samantha Barber as independent director.

RESOLUTION

To re-elect Ms Samantha Barber as director, at the proposal of the Appointments Committee, for the bylaw-mandated four-year term, with the classification of independent director.

ITEM NUMBER TWENTY-ONE 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.”

8. Composition of the Board of Directors

If all proposed resolutions regarding the appointment and re-election of directors submitted to the shareholders at the General Shareholders' Meeting under items number seventeen to twenty on the agenda were approved, the Company's Board of Directors would be made up of the following fourteen members:

Name	Position	Class
Mr José Ignacio Sánchez Galán	Chairman & CEO	Executive
Mr Íñigo Víctor de Oriol Ibarra	Member	Other external
Ms Samantha Barber	Member	Independent
Ms María Helena Antolín Raybaud	Member	Independent
Ms Georgina Kessel Martínez	Member	Independent
Mr José Walfredo Fernández	Member	Independent
Mr Manuel Moreu Munaiz	Member	Independent
Mr Xabier Sagredo Ormaza	Member	Independent
Mr Juan Manuel González Serna	Lead independent director	Independent
Mr Francisco Martínez Córcoles	Business CEO	Executive
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

In Bilbao, on 24 February 2020

ANNEX

PROPOSED APPOINTMENT OF MS NICOLA MARY BREWER AS INDEPENDENT DIRECTOR OF IBERDROLA, S.A., FORMULATED BY THE APPOINTMENTS COMMITTEE

1. Introduction.

Pursuant to the provisions of sections f) and g) of article 4 of the *Regulations of the Appointments Committee* of IBERDROLA, S.A. (“Iberdrola” or the “Company”), the Appointments Committee (the “Committee”) is responsible for submitting to the Board of Directors proposed appointments of independent directors for submission to a decision by the shareholders at a General Shareholders’ Meeting, as well as for verifying compliance with the specific requirements for independent directors provided by law and the Corporate Governance System, and for gathering adequate information regarding their personal qualities, experience, knowledge and effective availability.

Therefore, the purpose of this document is to gather the results of the work performed by the Committee relating to the selection of Ms Mary Nicola Brewer as a candidate for director, as well as to submit the appointment thereof to the Board of Directors, for submission to the shareholders at the General Shareholders’ Meeting, with the classification of independent director.

2. Professional Profile and Biographical Data of the Candidate.

Born in the United Kingdom in 1957.

Was educated at the Belfast Royal Academy and read English at the University of Leeds, graduating with a BA in 1980, then taking a Doctorate in linguistics in 1988. Leeds granted her an Honorary Doctorate of Laws in 2009.

Noteworthy experience for holding this position within Iberdrola

Energy sector.

Ms Brewer is an independent director at Scottish Power Ltd., the country subholding company of the energy businesses in the United Kingdom. While holding this position, she has obtained a first-hand understanding of the operation of the Iberdrola group and the main challenges and opportunities of the energy sector in a key market.

Noteworthy experience in the area of international relations

Ms Nicola Mary Brewer was a diplomat until 2014, having been the Founding Director of the Diplomatic Academy of the Foreign and Commonwealth Office (“FCO”) of the British government.

In 2009, she succeeded Mr Paul Boateng as British High Commissioner to South Africa, Swaziland and Lesotho, completing her mission in September 2013.

In December 2006, Ms Brewer was appointed by open competition as the first Chief Executive of the newly established Equality and Human Rights Commission, the successor body to the Commission for Racial Equality, the Disability Rights Commission and the Equal Opportunities Commission, taking up her new position in 2007 and standing down in 2009.

In 2004, she was appointed Director-General for Europe at the FCO, leading the FCO's contribution to the UK's 2005 Presidency of the European Union, advising the Foreign Secretary and the Minister on the European Union and other European policy issues.

She served as the FCO's Director for Global Issues from 2001 to 2002, and then as Director-General for Regional Programmes at the Department for International Development (DfID), the DfID board member supervising the UK's overseas bilateral aid programmes.

Ms Brewer joined the FCO in 1983, completing overseas postings in South Africa, India, France and Mexico.

Other information

She was appointed Companion of the Order of St Michael and St George (CMG) in the 2003 New Year Honours and Dame Commander of the Order of St Michael and St George (DCMG) in the 2011 Birthday Honours.

In May 2014 she was appointed Vice-Provost (International) at University College London.

3. Membership on Other Boards of Directors.

Ms Brewer is a non-executive director of Scottish Power Ltd. and of Aggreko plc.

4. Category to Which the Director Candidate Should Belong.

Ms Nicola Mary Brewer has been proposed based on her personal and professional qualities, after verifying that she can discharge her duties without being constrained by relationships with the Company, its significant shareholders or its directors and officers, thus meriting the classification of independent director.

5. 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, with an overall estimation of approximately thirty days per year plus the time required to prepare for each meeting and to provide the dedication necessary for the position, has been verified with the candidate.

6. 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, Ms Nicola Mary Brewer does not hold any shares of the Company.

7. 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*, to select Ms Nicola Mary Brewer as a candidate for director, the Committee has evaluated the needs of the Company and of the Iberdrola group, taking into consideration the specific particularities of the businesses thereof and the territories in which it does business, comparing them to the profile of the candidate.

The Committee believes that the Board of Directors should have members with broad experience in the domestic and international energy industry and in the area of international relations, with a deep and thorough knowledge of the British market and of the Iberdrola group, like Ms Brewer.

The appointment thereof will also contribute to strengthening the current high percentage of independent directors and will encourage a diversity of origin, nationality and gender within the Board of Directors.

8. 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 for director and, specifically, such director's respectability, capability, expertise, competence, experience, qualifications, education, availability and ability to commit to the duties of the position.

In addition, the Committee has verified that the conduct and professional track record of the candidate for director are fully aligned with 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 from or impediment to the holding of the position.

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

9. Conclusion.

The Committee has unanimously decided to propose the appointment of Ms Nicola Mary Brewer as a director of the Company, with the classification of independent director, to fill one of the vacancies that will occur at the next General Shareholders' Meeting.

ANNEX

APPOINTMENT OF MS REGINA HELENA JORGE NUNES AS INDEPENDENT DIRECTOR OF IBERDROLA, S.A. PROPOSED BY THE APPOINTMENTS COMMITTEE

1. Introduction.

Pursuant to the provisions of sections f) and g) of article 4 of the *Regulations of the Appointments Committee* of IBERDROLA, S.A. (“Iberdrola” or the “Company”), the Appointments Committee (the “Committee”) is responsible for submitting to the Board of Directors proposed appointments of independent directors for submission to a decision by the shareholders at a General Shareholders’ Meeting, as well as for verifying compliance with the specific requirements for independent directors provided by law and the Corporate Governance System, and for gathering adequate information regarding their personal qualities, experience, knowledge and effective availability.

Therefore, the purpose of this document is to gather the results of the work performed by the Committee relating to the selection of Ms Regina Helena Jorge Nunes as a candidate for director, as well as to submit the appointment thereof to the Board of Directors, for submission to the shareholders at the General Shareholders’ Meeting, with the classification of independent director.

2. Professional Profile and Biographical Data of the Candidate.

Born in Brazil in 1965.

Degree in Business Administration from Mackenzie University. She attended courses in Trade Finance and Corporate Finance at the School of Continuing Studies at New York University, Leadership at Columbia University and International, Global and Multinational Business Development at INSEAD Fontainebleau.

Noteworthy experience for holding this position within Iberdrola

Energy sector.

Ms Regina Helena Jorge Nunes acts as an independent director at Neoenergia S.A., the country subholding company of the energy businesses in Brazil. While holding this position, she has obtained a first-hand understanding of the operation of the Iberdrola group and the main challenges and opportunities of the energy sector in a key market.

She has been an independent director and member of the audit committee of Companhia Distribuidora de Gás do Rio de Janeiro (CEG), the main activity of which is the distribution and retail sale of natural gas in the State of Rio de Janeiro (Brazil).

Noteworthy experience in the finance sector

She has more than 30 years of experience in the domestic and international financial market.

She is currently a partner of RNA Capital and a member of the risk and capital committee of the Bank of Brazil.

She has been a member of the advisory board of Mercado Eletrônico, a company dedicated to electronic B2B commerce.

She served for 20 years at S&P Global Ratings. She was president of operation in Brazil and Argentina, and was Head of the Southern Cone in Latin America, Deputy-Head in Latin America, board member of BRC Ratings (Colombia) and head of Global Development Markets.

Before joining S&P, she also worked at other financial institutions such as Chase Manhattan and Citibank in the areas of credit and risk analysis. At the Commercial Bank of New York, she led the Credit Areas for Latin America and Trade Finance and Risk Areas focused on Latin America.

For three years, she was an independent consultant in Brazil, having worked on privatisation programmes, investments of international funds in the Brazilian market, M&A and financial engineering projects.

3. Membership on Other Boards of Directors.

Ms Regina Helena Jorge Nunes is a non-executive director of Neoenergia S.A.

4. Category to Which the Director Candidate Should Belong.

Ms Regina Helena Jorge Nunes has been proposed based on her personal and professional qualities, after verifying that she can discharge her duties without being constrained by relationships with the Company, its significant shareholders or its directors and officers, thus meriting the classification of independent director.

5. 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, with an overall estimation of approximately thirty days per year plus the time required to prepare for each meeting and to provide the dedication necessary for the position, has been verified with the candidate.

6. 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, Ms Regina Helena Jorge Nunes does not hold any shares of the Company.

7. 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*, to select Ms Regina Helena Jorge Nunes as a candidate for director, the Committee has evaluated the needs of the Company and of the Iberdrola group, taking into consideration the specific particularities of the businesses thereof and the territories in which it does business, comparing them to the profile of the candidate.

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 a deep and thorough knowledge of the Brazilian market and of the Iberdrola group, like Ms Regina Helena Jorge Nunes.

The appointment thereof will also contribute to strengthening the current high percentage of independent directors and will encourage a diversity of origin, nationality and gender within the Board of Directors.

8. 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 for director and, specifically, such director's respectability, capability, expertise, competence, experience, qualifications, education, availability and ability to commit to the duties of the position.

In addition, the Committee has verified that the conduct and professional track record of the candidate for director are fully aligned with 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 from or impediment to the holding of the position.

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

9. Conclusion.

The Committee has unanimously decided to propose the appointment of Ms Regina Helena Jorge Nunes as a director of the Company, with the classification of independent director, to fill one of the vacancies that will occur at the next General Shareholders' Meeting.

ANNEX

REPORT OF THE APPOINTMENTS COMMITTEE REGARDING THE RE-ELECTION OF MR ÍÑIGO VÍCTOR DE ORIOL IBARRA AS OTHER EXTERNAL 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. (“**Iberdrola**” or the “**Company**”), the Appointments Committee (the “**Committee**”) is responsible for reporting on proposed re-elections of non-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 Corporate Governance System, and for gathering adequate information regarding their personal qualities, experience, knowledge and effective availability.

Mr Íñigo Víctor de Oriol Ibarra was last re-elected as a director of Iberdrola for the bylaw-mandated four-year term at the General Shareholders’ Meeting held on 8 April 2016, having been appointed for the first time on 26 April 2006 and re-elected on 29 March 2007 and 22 June 2012.

Given that the term for which Mr de Oriol Ibarra was appointed as a director of Iberdrola ends during this financial year 2020, the Committee has examined the advisability of his re-election and has performed the verifications and evaluations referred to in the aforementioned article 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 de Oriol Ibarra, 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 other external director.

2. Professional Profile and Biographical Data of the Candidate.

Born in Madrid (Spain) in 1962.

Holding a Bachelor of Arts in International Business from Schiller International University (Madrid), he is a graduate of the Executive Corporate Management programme of IESE Business School, and holds the Certified European Financial Analyst (CEFA) diploma from Instituto Español de Analistas Financieros.

Noteworthy experience for holding this position within Iberdrola

He was chair of Electricidad de La Paz, S.A. (Bolivia), of Empresa de Luz y Fuerza Eléctrica de Oruro, S.A. (Bolivia), and of Iberoamericana de Energía Ibener, S.A. (Chile), as well as a member of the board of Neoenergía, S.A. (Brazil), of Empresa Eléctrica de Guatemala, S.A. and of Empresa de Alumbrado Eléctrico de Ceuta, S.A.

He has also been a director of Corporate Governance for the Americas of Iberdrola, director of Management Control at Amara, S.A., and a financial analyst in the Financial Division and the International Division of the Company.

Noteworthy experience in other industries

He was chair of Empresa de Servicios Sanitarios de Los Lagos, S.A. (ESSAL) in Chile.

3. Membership on Other Boards of Directors.

Mr de Oriol Ibarra is not a member of other boards of directors.

4. Category to Which the Director Candidate Should Belong.

Mr Íñigo Víctor de Oriol Ibarra is assigned to the category of other external director since more than twelve consecutive years have passed since his appointment as a director of the Company.

5. 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, with an overall estimation of approximately thirty days per year plus the time required to prepare for each meeting and to provide the dedication necessary for the position, has been verified with the candidate.

6. 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 Íñigo Víctor de Oriol Ibarra is the holder of 1,230,464 shares of the Company, which represent 0.019% of the share capital.

7. 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 de Oriol Ibarra to the position of director, the Committee has evaluated the needs of the Company and of the Iberdrola 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 a deep and thorough knowledge of the internal operation of the Iberdrola group, like Mr de Oriol Ibarra.

The Appointments 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 and member of some of the consultative committees, as well as the continuation thereof, based on the positive evaluation of his performance during the entire term thereof, his strategic vision and management capacity, and the continuation of a very valuable profile for the Board of extensive, with a broad understanding of the Company and its group and businesses. The Committee thus finds the re-election thereof as a director to be advisable.

8. 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 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 from or impediment to the holding of the position.

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

9. Conclusion.

The Committee has unanimously (except for the candidate for re-election) decided to favourably report on the re-election of Mr Íñigo Víctor de Oriol Ibarra as a director of the Company, with the classification of other external director.

ANNEX

RE-ELECTION OF MS SAMANTHA BARBER AS AN INDEPENDENT DIRECTOR OF IBERDROLA, S.A. PROPOSED 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. (“Iberdrola” or the “Company”), the Appointments Committee (the “Committee”) is responsible for submitting to the Board of Directors proposed 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 Corporate Governance System, and for gathering adequate information regarding their personal qualities, experience, knowledge and effective availability.

Ms Samantha Barber was last re-elected as a director of Iberdrola for the bylaw-mandated four-year term at the General Shareholders’ Meeting held on 8 April 2016, having been appointed for the first time on 31 July 2008 and re-elected on 20 March 2009 and 22 June 2012.

Given that the term for which Ms Barber was appointed as a director of Iberdrola ends during this financial year 2020, the Committee has examined the advisability of her re-election and has performed the verifications and evaluations referred to in the aforementioned article 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 Ms Samantha Barber, as well as to submit 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 Dunfermline (Scotland) in 1969.

She received a Bachelor of Arts in Applied Foreign Languages and European Politics from the University of Northumbria, Newcastle (England, United Kingdom) and has a Post-Graduate degree in EU Law from the University of Nancy (France).

Noteworthy experience for holding this position within Iberdrola

She was a member of the Advisory Council of Scottish Power Ltd. following the integration of the Scottish company into the Iberdrola group.

She is the chair of Scottish Ensemble, member of the Board of Scottish Water and chair of its Remuneration Committee.

Noteworthy experience in other industries

Ms Barber is a mentor member of Critical Eye and member of the GlobalScot Network and of the Advisory Board for the Imperial College London MBA.

She is Vice Chair of the 2020 Group on Climate Change.

She was a consultant within the European Parliament, where she provided support to the Economic and Monetary Affairs Committee, a board member of Business for Scotland, and the chief executive of Scottish Business in the Community.

She was also a member of the Advisory Board of Breakthrough Breast Cancer and of the Board of Directors of Right Track Scotland, an organisation dedicated to advancing educational, training and employment opportunities for youths at risk of social exclusion.

She has experience as an administrator within business organisations promoting corporate social responsibility.

Other information

She was chosen as one of the “Top 100 Women to Watch” according to the FTSE list and Cranfield University, and was a finalist and earned second place in the annual Director of the Year Awards 2012 of IoD Scotland NED.

She performs advisory and business coaching work.

3. Membership on Other Boards of Directors.

Ms Barber is a member of the board of Scottish Water.

4. Category to Which the Director Candidate Should Belong.

Ms Samantha Barber has been proposed based on her personal and professional qualities, after verifying that she can discharge her duties without being constrained by relationships with the Company, its significant shareholders or its directors and officers, thus meriting the classification of independent director. Notwithstanding the foregoing, it is reported that on 31 July 2020, she will reach twelve years in the position of director of the Company, for which reason she will be reclassified as other external director.

5. 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, with an overall estimation of approximately thirty days per year plus the time required to prepare for each meeting and to provide the dedication necessary for the position, has been verified with the candidate.

6. 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, Ms Samantha Barber is the holder of 2,023 shares of the Company, which represent 0.000% of the share capital.

7. 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 Ms Barber to the position of director, the Committee has evaluated the needs of the Company and of the Iberdrola group, taking into consideration the

specific particularities of the businesses thereof and 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 experience in the area of corporate social responsibility, like Ms Barber. It also favourably assesses the continuity thereof, based on the positive evaluation of her performance during her entire term, her strategic vision and management capacity, and the continuation of a quite valuable profile for the Board of Directors, with a broad understanding of the Company and its group and businesses.

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

The re-election thereof will encourage a diversity of origin, nationality and gender within the Board of Directors.

8. 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 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 from or impediment to the holding of the position.

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

9. Conclusion.

The Committee has unanimously decided to propose the re-election of Ms Samantha Barber as a director of the Company, with the classification of independent director.