



SHAREHOLDER'S GUIDE OF IBERDROLA, S.A.

2014 General Shareholders' Meeting

INTRODUCTION

This *Shareholder's Guide* has been approved by the Board of Directors of IBERDROLA, S.A. (the “**Company**”), at its meeting of 18 February 2014 in order to promote the informed and responsible participation of the shareholders at the next General Shareholders' Meeting and to adopt appropriate measures to facilitate the effective exercise of the powers and duties of the shareholders at such meeting in accordance with law and with the Corporate Governance System of the Company.

This document, which shall be construed in accordance with law and with the Corporate Governance System, is available on the Company's corporate website (www.iberdrola.com) and at the [Office of the Shareholder](#).

CALL TO THE GENERAL SHAREHOLDERS' MEETING

When will the General Shareholders' Meeting be held?

The General Shareholders' Meeting has been called to be held on Friday 28 March 2014, at 11:30 on first call or, in the event that the required quorum is not met, on second call the next day, at the same time. However, it is anticipated that the General Shareholders' Meeting will be held on first call.

Where will the General Shareholders' Meeting be held?

The General Shareholders' Meeting will be held at Palacio Euskalduna, in Bilbao, avenida Abandoibarra número 4.

Where can the announcement of call to meeting be found?

The announcement of call to the General Shareholders' Meeting published on 21 February 2014 can be found in the Official Bulletin (*Boletín Oficial*) of the Commercial Registry (*Registro Mercantil*) (www.boe.es/diario_borme), on the website of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (www.cnmv.es), and on the Company's corporate website (www.iberdrola.com).

DOCUMENTATION AVAILABLE TO THE SHAREHOLDERS

What other documentation has the Company published with regard to the General Shareholders' Meeting?

In addition to the announcement of call to meeting, from the date of its publication the Company makes the following information and documents continuously available to the shareholders on its corporate website (www.iberdrola.com):

- (a) The full text of the proposed resolutions relating to the items included in the agenda of the call to meeting, together with the reports of the Board of Directors that are legally required or that are otherwise deemed appropriate.
- (b) The *Annual Financial Report* of the Company for the financial year 2013, which comprises:
 - (i) the individual accounts of the Company and those consolidated with its subsidiaries for the financial year 2013;
 - (ii) the individual management reports of the Company and those consolidated with its subsidiaries for the financial year 2013;
 - (iii) the relevant audit reports; and
 - (iv) the declaration of responsibility of the directors as provided in article 35 of the Securities Market Act.
- (c) Other annual reports for the financial year 2013 approved by the Company's Board of Directors:
 - (i) the *Annual Corporate Governance Report*;
 - (ii) the *Annual Director's Remuneration Report*;
 - (iii) the *Annual Activities Report of the consultative committees of the Board of Directors*; and
 - (iv) the *Sustainability Report*.
- (d) The professional and biographical profile of Ms Georgina Yamilet Kessel Martínez, and the report prepared by the Board of Directors providing its rationale regarding the proposal for her ratification and re-election as an external independent director.

- (e) Information concerning the total number of shares and voting rights on the date of publication of the announcement of the call to meeting.
- (f) The model form of attendance, proxy, and absentee voting card that the Company makes available to the depositaries to facilitate the issuance of such cards.
- (g) The current texts of the documents that form the Corporate Governance System of the Company, including the *By-Laws*, the *Regulations for the General Shareholders' Meeting* and the *Regulations of the Board of Directors*.
- (h) This *Shareholder's Guide*.

In addition, the Company's corporate website has a Quick Shareholder's Guide (www.iberdrola.com/guiarapidadelaccionista/en), which provides simple and intuitive access to relevant information, including information related to the holding of the General Shareholders' Meeting.

How can the Company's shareholders access such documents?

In addition to the aforementioned documents being available on the Company's corporate website (www.iberdrola.com), the shareholders are entitled to examine at the registered office and to request the delivery or immediate and free shipping (which may be sent by email with return receipt if the shareholder accepts this medium) of copies of:

- (a) The annual accounts and individual management reports of the Company and consolidated with its subsidiaries, together with the respective audit reports for the financial year 2013.
- (b) The proposed resolutions and the mandatory directors' reports.
- (c) The remaining documents that must necessarily be made available to the shareholders.

Does the Company publish an English translation of the documents?

An English translation of the main documents relating to the General Shareholders' Meeting will be included the Company's corporate website (www.iberdrola.com) as soon as possible after the publication of the announcement of the call to meeting. In the event of any discrepancy between the English translation and the Spanish version, the latter shall prevail.

SUPPLEMENT TO THE CALL TO MEETING AND WELL-FOUNDED PROPOSED RESOLUTIONS

Who has the right to request the publication of a supplement to the call to meeting and to submit well-founded proposed resolutions?

Shareholders representing at least 5% of the share capital may, on the terms provided for by law and the Corporate Governance System:

- (a) Request the publication of a supplement to the call to the General Shareholders' Meeting, including one or more items on the agenda of the call to meeting, accompanied by the rationale therefor or, if applicable, by a well-founded proposed resolutions.
- (b) Submit well-founded proposed resolutions on matters that are already included or must be included in the agenda of the announcement of the call to meeting.

How should such rights be exercised?

Such rights must be exercised by duly authenticated notice addressed to the attention of the secretary of the Board of Directors of the Company, and which must be received at the registered office within five calendar days of the publication of the announcement of the call to meeting, on the terms provided by law and the Corporate Governance System.

RIGHT TO RECEIVE INFORMATION PRIOR TO THE GENERAL SHAREHOLDERS' MEETING

Can the shareholders request information prior to the General Shareholders' Meeting?

As from the date of publication of the announcement of call to the General Shareholders' Meeting, the shareholders may request in writing the information or clarifications that they deem necessary or ask the questions, also in writing, they deem relevant regarding:

- (a) The matters contained in the agenda of the call to meeting.
- (b) The information accessible to the public that has been provided by the Company to the National Securities Market Commission since the holding of the last General Shareholders' Meeting, i.e. since 22 March 2013.
- (c) The audit reports on the individual annual accounts and management reports of the Company and on those consolidated with its subsidiaries for the financial year 2013.

The Company shall not be required to respond to requests for information or clarifications if, prior to the request being made, the requested information is clearly and directly available to all shareholders on the corporate website (www.iberdrola.com) in question-and-answer format, or in the other cases provided for by law or the Corporate Governance System.

Until which date prior to the General Shareholders' Meeting may the right to receive information be exercised?

The shareholders may exercise the right to receive information prior to the General Shareholders' Meeting until the seventh calendar day before, and including, the date provided for the holding of the meeting on first call, i.e. until **24:00 on 21 March 2014**.

How should the right to receive information prior to the General Shareholders' Meeting be exercised?

Requests for information may be submitted at the registered office or mailed to the Company addressed to the attention of the [Office of the Shareholder](#), or sent through the corporate website (www.iberdrola.com) with the shareholder's recognised electronic signature using the electronic national identity document (*DNI*) or an electronic certificate issued for this purpose by the Royal Spanish Mint (*Fábrica Nacional de Moneda y Timbre*) and in respect of which no revocation has been recorded.

Where will the Company send the information?

The reply to requests for information will be sent to the postal or e-mail address provided by the shareholder.

RIGHT TO ATTEND THE MEETING

Who has the right to attend the General Shareholders' Meeting?

Shareholders whose shares have been registered in their name in the respective book-entry prior to **24:00 on 23 March 2014** (if the General Shareholders' Meeting is held, as anticipated, on first call) or on 24 March 2014 (if the General Shareholders' Meeting is held on second call).

Do shareholders have to attend in person?

Shareholders may exercise their right to attend personally or through a [proxy-holder](#).

What documents should the shareholders bring in order to attend the General Shareholders' Meeting in person?

Shareholders may enter the General Shareholders' Meeting by exhibiting any of the following documents (hereinafter, collectively, the "**cards**"):

- (a) The attendance, proxy, and absentee voting card or form issued or used by [financial intermediaries or the managing entities or depositaries of the shares](#) mentioned in this *Shareholder's Guide*.
- (b) A validation certificate issued by a broker or financial institution that is the depositary or manager of the shares.
- (c) Any other equivalent evidence or document that the Company considers to be sufficiently valid for such purpose, provided there are no reasonable doubts regarding the identity of the shareholder and the number of shares held by such shareholder.

For purposes of evidencing the identity of the shareholders or of whomever validly represents them, the Company may ask attendees, at the entrance to the Palacio Euskalduna and when presenting their card, to exhibit their national identity document (*DNI*) or any other official identification document generally accepted for such purpose that the Company deems appropriate.

Persons attending on behalf of corporate shareholders may be required to provide evidence of their representative authority by producing the duly registered notarial instrument whereby they are appointed as representatives or granted a general power of attorney, or whereby they are granted a special power of attorney for this General Shareholders' Meeting, or any other document that serves as evidence of such authority pursuant to law.

From what time can shareholders enter the premises where the General Shareholders' Meeting is being held?

From 10:00 on the day of the Meeting.

Can shareholders access the General Shareholders' Meeting after the time set for commencement specified in the announcement of the call to meeting?

Shareholders and proxy-holders arriving after the time of commencement of the meeting set in the call to the General Shareholders' Meeting (i.e. after 11:30) may enter the meeting as invitees but may not exercise the rights of a shareholder present in person or by proxy during the proceedings of the General Shareholders' Meeting.

What should shareholders who do not receive or lose their card do?

In such cases, shareholders may contact their depositary entity in order to receive a new card or the [Office of the Shareholder](#) to receive information about alternative accreditation systems.

What should shareholders do to change their personal data contained in the card?

They should contact their depositary entity.

Notwithstanding the above, even if the shareholder's postal address as it appears on the card is not up-to-date, the card shall be considered valid provided the shareholder's name and surname, or company name, and fiscal identification number match those recorded in the registers of of the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal ("Iberclear").

RIGHT TO PROXY REPRESENTATION

Can shareholders who are unable or unwilling to attend the General Shareholders' Meeting in person do so through a proxy representative?

Each shareholder having the right to attend may be represented at the General Shareholders' Meeting by another person by granting a proxy by any of the means provided by law and the Corporate Governance System.

Shareholders may authorise or provide for the appointment of a substitute proxy in the event of absence of the first proxy-holder or in cases in which the proxy-holder is affected by a conflict of interest, and may also authorise the proxy-holder to do so with the same requirements established for proxy-granting provided for by law, by the Corporate Governance System, or by this *Shareholder's Guide*.

Can any person be designated as a proxy-holder?

Yes, whether or not they are shareholders.

It should be noted that any proxy that does not include the name of the representative shall be deemed to have been granted to the chairman of the Board of Directors, applying the rules laid out in this *Shareholder's Guide* for [cases of conflict of interest](#).

If the proxy is granted or deemed to have been granted in accordance with the Company's Corporate Governance System to a member of the Board of Directors of the Company, to the secretary thereof, or to any senior officer, notice of the delegation of proxy to the proxy-holder shall be deemed to have been given through receipt by the Company of such proxy.

It shall not be necessary for the members of the Board of Directors or for its secretary or senior officers to sign the card or to provide individualised evidence of their acceptance of each of the proxies they receive, since they have already stated their personal decision to accept and exercise, in the absence of a reason for abstention or conflict of interest, all proxies granted to them individually.

How should proxy-holders be accredited to access the General Shareholders' Meeting?

Regardless of the medium the shareholder uses to notify the Company of the proxy granted, the proxy-holder must be identified as such and provide documents to prove the proxy-holder's identity at the registration tables available on the day of the General Shareholders' Meeting from one and-a-half hours before the time set for the commencement of the meeting, i.e. from 10:00.

For this purpose, the proxy-holders must present themselves at the registration tables sufficiently in advance that the requirements set forth in [Annex 1](#) of this Guide may be verified, and the shareholders and their proxy-holders may be included in the list of attendees.

What is the scope of the proxy representation?

Unless expressly stated otherwise by the shareholder, the proxy relates to all items included in the agenda on the day of the announcement of the call, and also covers those permitted by law to be considered by the shareholders at the General Shareholders' Meeting, even if not included in the agenda.

What should proxy-holders do in case of conflict of interest?

In the event that the proxy-holder is affected by a conflict of interest in connection with any item on the agenda, the proxy-holder must inform the shareholder of such circumstance in detail prior to the proxy-holder's appointment. The proxy-holder may only cast a vote in connection with the items with respect to which the conflict exists if the proxy-holder has received specific voting instructions from the shareholder.

If the conflict is subsequent to the granting of the proxy, and the proxy-holder did not warn the shareholder of the possible existence thereof, the proxy-holder must promptly notify the shareholder thereof. In such case, the proxy-holder shall only vote in connection with such items if the proxy-holder has received specific new voting instructions.

Unless otherwise expressly indicated by the shareholder, if the proxy-holder is affected by a conflict of interest and has no specific voting instructions, or if the proxy-holder has them, the proxy-holder prefers not to exercise the proxy with respect to the items involved in the conflict, the shareholder shall be deemed to have appointed the following persons as proxy-holders for such items, severally and successively, in the following order (in the event that any of them is, in turn, affected by a conflict of interest): first, the chair of the General Shareholders' Meeting, second, the secretary thereof, and finally, the Secretary of the Board of Directors, if any.

What happens if the proxy-holder does not attend the General Shareholders' Meeting?

If the card contains a proxy granted to a person other than a member of the Board of Directors or the secretary of the Board of Directors or the senior officers, and such person does not attend the General Shareholders' Meeting in person, such proxy shall be cancelled.

If the card contains a proxy granted by name to any of the members of the Board of Directors other than the chairman thereof, or the secretary of the Board of Directors, or a senior officer, and the person appointed as proxy does not attend the General Shareholders' Meeting in person, the chairman of the Board of Directors shall automatically be deemed to have been appointed as proxy in the alternative.

In all cases in which, in accordance with the *Shareholder's Guide*, a proxy is deemed to have been granted to the chairman of the Board of Directors, if the chairman does not attend the General Shareholders' Meeting in person, the proxy shall be deemed to have been granted to whoever acts as secretary for the General Shareholders' Meeting, in accordance with the rules established in the *Regulations for the General Shareholders' Meeting*.

How should the proxy-holder vote?

The proxy-holder must vote on the resolutions submitted to the General Shareholders' Meeting following the instructions given by the shareholder.

If the shareholder granting the proxy does not provide otherwise, the shareholder shall be deemed to have specifically instructed the proxy-holder to vote in favour of each of the proposals made by the Board of Directors in connection with the items included in the agenda of the call to meeting.

RIGHT TO VOTE

How many votes correspond to each share?

Each share with voting rights whose holder is present at the General Shareholders' Meeting in person or by proxy shall carry the right to one vote, without prejudice to the grounds for restriction or exclusion of votes because of a conflict of interest or for other reasons provided by law or the Company's Corporate Governance System.

Can absentee votes be cast prior to the General Shareholders' Meeting, without needing to attend in person?

Shareholders may exercise their voting rights prior to the General Shareholders' Meeting by casting an absentee vote, as provided in this *Shareholder's Guide*.

Unless expressly stated otherwise by the shareholder, absentee votes shall be deemed to refer to all the items included in the agenda of the call to the General Shareholders' Meeting and to be in favour of the proposals made by the Board of Directors.

Shareholders who cast their votes via the absentee voting system shall be considered present for purposes of the constitution of the General Shareholders' Meeting. As regards the proposed resolutions referred to in the next paragraph, the shares of shareholders that object to the additional proxy provided for therein shall be counted as shares present that abstain in connection with such proposals.

As regards resolutions not proposed by the Board of Directors or relating to items not included in the agenda of the call to meeting, shareholders casting an absentee vote shall be deemed to have granted a proxy to the chairman of the Board of Directors, and the rules regarding conflicts of interest, direction of the vote, and absence of the proxy-holder contained in this *Shareholder's Guide* shall apply, unless otherwise expressly stated by the shareholder.

RULES COMMON TO PROXIES AND ABSENTEE VOTING

How should proxies and absentee voting be exercised?

The Company makes the following options available for entitled shareholders who wish to attend the General Shareholders' Meeting and to cast their votes by proxy or through the absentee voting system in connection with the proposed resolutions relating to items included in the agenda of the announcement of the call to meeting:

- (a) Deliver the card in advance at the premises provided by the Company during the days announced on the corporate website (www.iberdrola.com).
- b) Submit the card by mail addressed to the Company at postal box 1,113, 48008 Bilbao.
- c) Complete the proxy or absentee voting form available on the corporate website (www.iberdrola.com), by electronic or telematic means with the recognised electronic signature based on the electronic national identity document or an electronic certificate issued by the Royal Spanish Mint for which no revocation has been recorded.
- d) Deliver the card to the office of the depositary acting as broker in accordance with the provisions of the *Shareholder's Guide* for delivery thereof to the Company.

The electronic document completed by the shareholder on the Company's corporate website (www.iberdrola.com) using the shareholder's electronic signature as provided above shall be deemed to be an unalterable copy of the card in electronic format.

The shareholder is solely responsible for custody of the shareholder's electronic signature.

The Company reserves the right to modify, suspend, cancel, or restrict electronic means when technical or security reasons require that it do so to safeguard the corporate interest.

The Company shall not be liable for damage that may be occasioned to shareholders as a result of failures, overloads, fallen lines, connection failures, or any other contingency of the same or similar nature beyond the Company's control that prevents the use of electronic information, voting, and proxy-granting mechanisms.

What period do shareholders have to grant proxies and cast absentee votes?

To be valid, the proxy granted or absentee vote cast must be received by the Company before 24:00 on the day immediately preceding the day established for holding the General Shareholders' Meeting on first call, i.e. **before 24:00 on 27 March 2014** or, if not held on first call, before 24:00 on the day preceding the day established for holding the General Shareholders' Meeting on second call.

Before the end of the prescribed period, the shareholder may, through the corporate website (www.iberdrola.com) and with its recognised electronic signature, modify, view, or cancel the proxy granted or the absentee vote cast previously by electronic means, following the instructions contained within the aforementioned corporate website and provided that it is technically feasible to do so.

Notwithstanding the foregoing, both the chairman of the Board of Directors and the secretary of the Board of Directors may accept the proxies and absentee votes received by the Company after the expiration of the period provided in this section provided that the means available to the Company permit such acceptance and before the list of attendees has been closed.

How may a proxy or absentee vote be revoked?

A proxy granted and an absentee vote cast may be deprived of effect by subsequent express revocation by the shareholder, carried out by the same means used to grant the proxy or cast the absentee vote, within the [period](#) established in this *Shareholder's Guide*.

In cases in which the shareholder, prior to the holding of the General Shareholders' Meeting, sends or delivers the card with the intention of attending the General Shareholders' Meeting in person, but ultimately does not attend, the shareholder shall be deemed to have granted the shareholders' proxy to the chairman of the Board of Directors.

The proxy and absentee vote shall be revoked if the shareholder granting the proxy or casting the absentee vote attends the General Shareholders' Meeting in person.

Attendance at the General Shareholders' Meeting of a director who has granted proxy representation to another person or cast an absentee vote shall not imply the revocation thereof, unless the director concerned expressly states so and without prejudice to such director acting as proxy-holder for other shareholders.

How are questions regarding proxy representation and absentee voting resolved?

In order to ensure the exercise of shareholders' rights, the Company must in all cases preserve the intent and the interest of the shareholder in exercising the shareholder's economic, voting, and related rights in connection with the General Shareholders' Meeting, applying the priority and conflict resolution rules provided in [Annex 1](#) of this Guide.

INSTRUCTIONS RECEIVED THROUGH FINANCIAL INSTITUTIONS ACTING AS INTERMEDIARIES, MANAGERS, OR DEPOSITARIES

How may financial institutions acting as intermediaries, managers, or depositaries notify the Company of their clients' instructions?

The cards as well as shareholders' instructions generally received by the Company from the financial institutions mentioned in this section shall be accepted regardless of the means through which they are received (personal delivery, postal correspondence, fax, *swift*, or e-mail). The same shall apply to other communications, letters, and writings that such institutions may send to the Company concerning the direction of the instructions of the shareholders exercising their rights at the General Shareholders' Meetings through them. If the instructions are all sent together, the institutions may indicate to the Company the direction of the vote that must be attributed to all or part of the shares to which such instructions refer.

In the event that an institution sends the Company the card in respect of one or more shareholders, duly identified therein, with the signature or the manual or mechanical seal of the institution or the seal affixed by means of data transmission, it shall be deemed, unless otherwise stated by the shareholder, that the shareholder has instructed the institution to represent the shareholder and to exercise the shareholder's voting rights in the direction specified on such card, or in the absence thereof, in the direction established in accordance with the Company's Corporate Governance System.

If an institution acts on behalf of several customers, the institution may transmit to the Company separate instructions for each customer or group of customers and cast a vote in different directions, where appropriate, under the responsibility of the institution, thus respecting the voting intention of each shareholder.

What rules will be applied to interpret the instructions received through these entities?

In the event that the instructions received by the Company from the institutions pose interpretation problems with respect to compliance with the periods established in this *Shareholder's Guide* for the exercise of proxy representation or absentee voting rights, the nature thereof as a proxy or vote, or in the absence of specific, express, or clear instructions on the card, the Company shall use its best efforts to obtain all necessary information from the institutions to ensure that, unless otherwise expressly stated by the shareholder or the institution on the same card, it may be deemed that: (a) the shareholder has granted a proxy to the chairman of the Board of Directors, (b) the proxy covers proposed resolutions not made by the Board of Directors or related to issues not included in the agenda of the announcement of the call to meeting, and (c) the rules concerning the direction of the vote and conflict of interest –including the rules regarding the appointment of a substitute proxy– established in this *Shareholder's Guide* and in the Company's Corporate Governance System apply.

What period do such entities have to notify the Company of their customers' instructions?

In order to be valid, the cards and instructions that the above-referenced financial institutions send to the Company must be received before 24:00 on the day immediately prior to the date set for the holding of the General Shareholders' Meeting on first call, i.e. **before 24:00 on 27 March 2014**, or, in the event that the meeting is not held on first call, before 24:00 on the day preceding the date set for the holding of the General Shareholders' Meeting on second call.

Notwithstanding the foregoing, the chairman of the Board of Directors and the secretary of the Board of Directors, acting severally, may accept the proxies and absentee votes received by the Company after the expiration of the period provided in this section provided that the means available to the Company so permit and before the list of attendees has been closed.

CHAIRMANSHIP AND COMPOSITION OF THE BOARD AT THE GENERAL SHAREHOLDERS' MEETING

Who forms the Presiding Table at the General Shareholders' Meeting?

The Presiding Table shall be made up of the chair and the secretary of the General Shareholders' Meeting, as well as the other members of the Board of Directors who attend the meeting in person.

Who chairs the General Shareholders' Meeting?

The chair of the General Shareholders' Meeting shall be the chairman of the Board of Directors or, in the absence thereof, the vice-chair of the Board of Directors, and in the absence of both, the person designated by the Board.

Who serves as secretary at the General Shareholders' Meeting?

The secretary of the General Shareholders' Meeting shall be the secretary of the Board of Directors and, in the absence thereof, the deputy secretary of the Board of Directors, and in the absence of both, the person designated by the Board.

ESTABLISHMENT OF A QUORUM FOR THE GENERAL SHAREHOLDERS' MEETING

What is the quorum needed to validly hold a General Shareholders' Meeting and be able to approve the items on the agenda?

In view of the agenda of the call to meeting, as well as the provisions of law and the *By-Laws*, the General Shareholders' Meeting is validly held on first call with the attendance of 50% of the subscribed capital with voting rights.

REQUESTS TO MAKE PRESENTATIONS AT THE GENERAL SHAREHOLDERS' MEETING

Can the shareholders or their proxy-holders make presentations during the General Shareholders' Meeting?

The shareholders duly registered in the list of attendees of the General Shareholders' Meeting or their proxy-holders may take the floor during the meeting to propose resolutions or to request information or clarifications relating to:

- (a) The matters on the agenda in the announcement of the call to meeting.
- (b) The matters that, although not included in the agenda of the call to meeting, may be dealt with at the General Shareholders' Meeting because it is so allowed by law.
- (c) Publicly available information that has been provided by the Company to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) since the holding of the last General Shareholders' Meeting, i.e. since 22 March 2013.
- (d) The auditor's reports on the annual accounts and individual management reports of the Company and those consolidated with its subsidiaries for the financial year 2013.

When should the shareholders or their proxy-holders submit their presentation requests?

Requests by shareholders or their proxy-holders to make presentations must be made before the beginning of the presentation period, at the time indicated by the chair of the General Shareholders' Meeting. It is suggested that such requests be submitted as soon as possible after entering Palacio Euskalduna to facilitate preparation of the list of participants.

How should the shareholders or their proxy-holders submit their presentation requests?

Requests by shareholders or their proxy-holders to make presentations must be made to the Office of the Shareholder, which shall be available for this purpose at Palacio Euskalduna beginning at 10:00 on the day of the General Shareholders' Meeting, or to whomever the chair of the General Shareholders' Meeting instructs for such purposes, with evidence of their name and surname, and company name in case the shareholder represents a legal entity, as well as the number of shares owned or represented.

If the shareholders or proxy-holders wish their presentation to be recorded verbatim in the minutes of the meeting, they must provide the full text to the Office of the Shareholder at the time of accreditation.

When will the presentations of the shareholders or their proxy-holders occur?

Presentations by shareholders or their duly accredited proxy-holders shall occur at the time that the chair of the General Shareholders' Meeting declares the commencement of the presentation period open, and in the order in which they are called by the secretary of the General Shareholders' Meeting.

No shareholder or proxy-holder may make a presentation without having been granted the floor.

What rules should the shareholders or their proxy-holders follow in making their presentations?

Shareholders and their proxy-holders shall make reasonable use of their right to participate, both in relation to the length of their presentation, which should be brief and concise, and the content thereof and respect for the proceedings and the other attendees. Participants shall have a maximum of five minutes to make their presentation, without prejudice to the powers of the chair of the General Shareholders' Meeting to limit or extend such period and the chair's other powers of management. The shareholders and their proxy-holders may take the floor only once, and may not make additional presentations once the shareholder presentation period has ended.

How will the questions of the shareholders and their proxy-holders be answered?

The chair of the General Shareholders' Meeting may reply to the various questions of the shareholders and their proxy-holders collectively and in a summarised manner, or resolve that the information be sent in writing to the interested shareholder within seven days of the holding of the General Shareholders' Meeting, in accordance with the law.

VOTING PROCEDURE

When are the proposals put to a vote?

Once the period for presentations by shareholders and proxy-holders and response by the chair of the General Shareholders' Meeting has ended, there shall be put to a vote the proposed resolutions on the matters included in the agenda of the call to meeting, as well as any proposed resolutions put forward by the shareholders during the shareholder and proxy-holder presentation period at the General Shareholders' Meeting and which may properly be admitted for processing and put to a vote in accordance with the law and the Company's Corporate Governance System.

How are the proposals put to a vote?

The chair of the General Shareholders' Meeting shall decide, organise, and direct the proceedings and voting systems, as well as the counting of the votes cast and the announcement of the result, in accordance with the law and the Company's Corporate Governance System.

Shareholders and their proxy-holders have the right to record their vote against or in favour, in blank, or their abstention with the notary (or, in the absence thereof, with the secretary of the General Shareholders' Meeting) to be recorded in the minutes of the meeting.

When will the results of voting be announced?

In order to expedite the meeting, the chair of the General Shareholders' Meeting may declare proposed resolutions to have been approved or rejected, in whole or in part, as the case may be, if the chair determines at the time of voting that there is a sufficient number of votes to approve or reject all or part of the proposed resolutions, taking into particular account the absentee votes and the voting instructions contained in the proxies received by the members of the Board of Directors.

INFORMATION FOR HOLDERS OF ADRs AND CDIs

How can holders of ADRs exercise their voting and information rights at the General Shareholders' Meeting?

Registered holders of American Depositary Receipts ("ADRs") representing ordinary shares of the Company will receive, through JPMorgan Chase Bank, N.A., the voting instructions card by means of which they will be able to exercise their voting rights at the General Shareholders' Meeting.

If they wish to ask any questions in connection with the General Shareholders' Meeting, holders of ADRs may send them by e-mail to the Company, to investor.relations@iberdrola.es, or by post to Tomas Redondo 1, E-28033 Madrid, Spain, to the attention of the [Office of the Shareholder](#).

How can holders of CDIs exercise their voting and information rights at the General Shareholders' Meeting?

Holders of CREST Depositary Interests ("CDIs") representing ordinary shares of the Company will receive from Equiniti Limited the voting instructions card by means of which they will be able to instruct the depositary of the CDIs to exercise their voting rights in their name at the Company's General Shareholders' Meeting.

In addition, holders of CDIs may request the documents and information relating to the General Shareholders' Meeting (or a summary thereof) by writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, prior to the holding thereof.

If they wish to ask any questions in connection with the General Shareholders' Meeting, holders of CDIs may send them by e-mail to the Company, to investor.relations@iberdrola.es, or by post to Tomas Redondo 1, E-28033 Madrid, Spain, to the attention of the [Office of the Shareholder](#).

INFORMATION FOR PROXY ADVISORS

How can proxy advisors contact the Company?

Aware of the significance of the activity carried out by proxy advisors, the Company makes available to them ongoing communication channels in order to answer any questions they may have in connection with the Company's Corporate Governance System, the agenda for the General Shareholders' Meeting, the proposed resolutions, and the other documents and information published on occasion of the call to meeting.

For such purpose, proxy advisors may contact the Corporate Governance Division by telephone at (34) 944 663 977, by sending an e-mail to gobierno.corporativo@iberdrola.es, or by postal correspondence addressed to IBERDROLA, S.A., Plaza Euskadi número 5, 48009 Bilbao.

ATTENDANCE BONUS

Will an attendance bonus be paid to the shareholders that attend the General Shareholders' Meeting?

The Company, through the respective depositaries, shall pay an attendance bonus in the gross amount of 0.005 euro per share to the shareholders present in person or by proxy at the General Shareholders' Meeting who have provided due evidence of their

attendance thereat in person or by proxy. In case of doubt, the chairman of the Board of Directors, the secretary of the Board of Directors, and the chief financial officer, acting severally, are authorised by the Board of Directors to adopt the appropriate decisions in order to preserve such economic right of the shareholders.

GUARANTEES AND ADDITIONAL INFORMATION FOR SHAREHOLDERS

How will discrepancies between the shares that shareholders have registered under their name with Iberclear and those listed on the card be resolved?

If the Company becomes aware from information provided by Iberclear or by other valid means that more Company shares are registered in the name of a shareholder in the respective book-entry register than those shown on the card, the vote or proxy shall be deemed to apply equally with respect to the new shares acquired, in the absence of evidence showing otherwise. This rule shall not apply to cards issued by entities that are holders of the Company's shares in their capacity as global custodians acting on behalf of their end-client investors.

If the Company becomes aware, by the same means, that a shareholder has transferred all or part of the shares thereof, the number of shares taken into account for purposes of voting and proxy-granting shall be reduced accordingly, and the voting instructions set forth on the card shall be proportionately adjusted to such limit.

What is the purpose of the Electronic Shareholders' Forum?

Pursuant to the provisions of law and the Corporate Governance System, an Electronic Shareholders' Forum has been made available on the corporate website (www.iberdrola.com), the regulations for which have been published on such website.

The purpose of the Electronic Shareholders' Forum is to facilitate communication between shareholders of the Company from the time of the announcement of the call to meeting until the General Shareholders' Meeting is held.

Use of the Electronic Shareholders' Forum shall conform to the legal purpose thereof and to the guarantees and operating rules established by the Company. Duly authorised shareholders and groups of shareholders shall have access thereto.

Communications sent to the Electronic Shareholders' Forum shall not be deemed valid for purposes of exercising the right to request the Company to publish a supplement to the announcement of the call to meeting, to receive information, to proxy representation, to vote, to make presentations, or to any other rights that may be exercised in connection with the General Shareholders' Meeting.

How does one access the Electronic Shareholders' Forum?

In order to be able to access and use the Electronic Shareholder Forum, the above-mentioned shareholders and voluntary shareholder associations must register as "Registered Users" by filling in the respective registration form, providing evidence of their status as shareholders of the Company or as a duly organised voluntary shareholder association registered with the CNMV in the manner spelled out in such form.

In the case of shareholders that are legal entities and voluntary shareholder associations, due evidence must be provided in the form, in the manner established for such purpose, of the authority of the person seeking to access the Electronic Shareholder Forum.

What kind of communications can be sent through the Electronic Shareholders' Forum?

Users of the Electronic Shareholder Forum may only send, for publication therein, communications for the following purposes:

- (a) Proposals intended to be submitted as a supplement to the agenda announced in the call to the General Shareholders' Meeting.
- (b) Requests of support for such proposals.
- (c) Initiatives to reach the percentage required to exercise a minority right provided for in the law or in the Company's Corporate Governance System.
- (d) Proxy offers or solicitations.

How can one find out the quorum and the results of the votes at the General Shareholders' Meeting?

Both the quorum for the establishment of the Meeting and the outcome of the votes will be available on the corporate website (www.iberdrola.com) within five days of the end of the General Shareholders' Meeting.

How can one access the resolutions adopted at the General Shareholders' Meeting?

The resolutions approved at the General Shareholders' Meeting will be available on the corporate website (www.iberdrola.com) within five days of the end of the General Shareholders' Meeting. For further information, you may contact the Office of the Shareholder (accionistas@Iberdrola.com).

What other measures are established by the Company to guarantee the rights and interests of shareholders and transparency at the General Shareholders' Meeting?

The Board of Directors has been advised by its legal counsel concerning the call to the General Shareholders' Meeting and has resolved to request the presence of a notary to prepare minutes of the General Shareholders' Meeting.

In addition, Deloitte Advisory, S.L. will review compliance with the procedures relating to proxy-granting, absentee voting, list of shares and shareholders present in person and by proxy, quorum, calculation, processing and counting of the proxies and votes of the shareholders at the General Shareholders' Meeting, as well as compliance with the Company's Corporate Governance System generally as regards the proceedings of the General Shareholders' Meeting.

Ms María Enciso Alonso-Muñumer has issued a favourable legal opinion concerning the legal validity of this *Shareholder's Guide* and the conformity hereof to the Company's Corporate Governance System.

How does the Company treat the personal data of its shareholders?

The personal data that shareholders provide to the Company (upon the exercise or delegation of their rights to receive information, to attend, to proxy representation, and to vote at the General Shareholders' Meeting) or that are provided by the financial institutions and by the investment services companies that are depositaries or custodians of the shares held by such shareholders, as well as by the entities in charge of the book-entry registers pursuant to securities market regulations, will be processed by the Company in order to manage the development, compliance with, and supervision of the existing shareholding relationship (in particular, but not limited to, the call to and holding of the General Shareholders' Meeting and the dissemination thereof).

To such end, the data will be kept in a computer file for which the Company is responsible. Such data will be provided to the notary public solely in connection with the drawing up of the notarial minutes of the General Shareholders' Meeting.

If the shareholder includes personal data of other individuals on the card, the shareholder shall be responsible for informing such persons of the details set forth above and for complying with any other requirements that may apply for the proper assignment of personal data to the Company, without the Company having to take any other additional action in terms of information or consent.

How can the rights of access, rectification, objection, and cancellation of personal data be exercised?

The owner of the data shall, in all cases and whenever legally admissible, have the rights of access, rectification, objection, or erasure of the data collected by the Company. Such rights may be exercised, on such terms and conditions and in compliance such requirements as are established by applicable law for such purpose, by means of a letter addressed to IBERDROLA, S.A. at Plaza Euskadi número 5, 48009 Bilbao.

What communication channels does the Company make available to institutional investors?

Institutional investor shareholders who wish to do so may contact the Investor Relations Office by telephone at (34) 900 100 019 or by fax at (34) 917 842 064 regarding any issue relating to the General Shareholders' Meeting. The Investor Relations Office may take the necessary measures to adapt information, proxy-granting, and voting means and instruments to the characteristics of such shareholders, respecting in all cases the principle of equal treatment.

What services does the Office of the Shareholder provide?

Prior to the holding of the General Shareholders' Meeting, the Office of the Shareholder shall be available to the shareholders to provide them with such additional information as they may request and is admissible.

In addition, proxy-holders of shareholders and individuals seeking to attend the meeting on behalf of institutional shareholders must go to the Office of the Shareholder for purposes of demonstrating in advance the adequacy of the documents they wish to use to prove their representative powers.

The Company shall set up an Office of the Shareholder in a visible place at Palacio Euskalduna, for the purpose of:

- (a) Answering questions regarding the proceedings raised by the shareholders prior to the commencement of the meeting, without prejudice to shareholders' rights to take the floor, make proposals, and vote, in accordance with the law and the Company's Corporate Governance System.
- (b) Assisting and informing attendees, especially shareholders who wish to take the floor, preparing for such purpose a list of those who previously state their wish to make presentations in accordance with the requirements established in this *Shareholder's Guide*, as well as collecting the written text of their presentations.
- (c) Providing to attending shareholders who so request the full text of the proposed resolutions regarding each of the items on the agenda of the call to meeting, as well as the reports and other documents made available to the shareholders in connection therewith. Excepted therefrom are the proposals made immediately prior to or during the General Shareholders' Meeting.

In any event, the formal exercise by shareholders of the rights to [receive information](#), [proxy-granting](#) and [absentee voting](#) through electronic or telematic means shall require compliance with the aforementioned requirements set forth in this *Shareholder's Guide*.

What measures does the Company take to facilitate the observation and dissemination of the General Shareholders' Meeting?

A brochure containing information regarding the proceedings of the General Shareholders' Meeting will be made available to the shareholders in attendance, as well as the proposed resolutions relating to the items on the agenda of the call to meeting, in order to facilitate the observation of the General Shareholders' Meeting.

An audiovisual recording will be made of the proceedings of the General Shareholders' Meeting for live retransmission through such media as the Company may determine, and will be available to the public on the corporate website (www.iberdrola.com) in the absence of technical incidents beyond the Company's control. By entering the premises where the General Shareholders' Meeting is held, attendees consent to the processing of their personal data (including voice, name, and image) through such media.

Observing the General Shareholders' Meeting through an audiovisual retransmission thereof does not give shareholders any rights other than those established by applicable law and the Company's Corporate Governance System.

The following are also provided for:

- (a) Simultaneous interpretation of presentations made in Spanish into Euskera (Basque), English, Portuguese, and Spanish sign language, as well as consecutive interpretation into Spanish of the presentations of shareholders wishing to speak in such languages during the General Shareholders' Meeting.
- (b) The broadcast of and the provision of information regarding the holding of the General Shareholders' Meeting on the social media in which the Company participates.

Once the meeting has been called to order, the use by the shareholders of voice amplification systems, mobile telephones, recording and audiovisual transmission cameras and, generally, any instrument that may alter the conditions of visibility, sound, light, transparency, and speed of the proceedings or prejudice the orderly conduct thereof is forbidden.

What accessibility measures does the Company provide to its shareholders?

The Company will provide appropriate means for all attendees with reduced mobility to facilitate access to and exit from the premises where the General Shareholders' Meeting will be held.

For purposes of access to the information concerning the General Shareholders' Meeting through the corporate website (www.iberdrola.com), the shareholders are informed that such website has been developed in compliance with priority guidelines 1 and 2 of the web content accessibility guide 1.0 (WCAG) established by the World

Wide Web Consortium (W3C), as certified by the Double A + Euracert seal awarded by Technosite, in order to enable all shareholders, regardless of disability, age, or the use of unconventional technology, to access and browse the corporate website.

How can additional information be obtained regarding the General Shareholders' Meeting?

For more information regarding the General Shareholders' Meeting, please visit the corporate website (www.iberdrola.com) or contact the Office of the Shareholder by any of the following means:

- (a) Phone: + (34) 900 100 019 (hours: Monday to Friday, from 9:00 to 19:00).
- (b) Address: Plaza Euskadi número 5, 48009 Bilbao and calle Tomás Redondo número 1, 28033 Madrid.
- (c) E-mail: accionistas@iberdrola.com.

The Office of the Shareholder will be in operation at Palacio Euskalduna (avenida Abandoibarra, número 4) during the General Shareholders' Meeting.

* * *

Annex 1

Rules of Interpretation for Proxy-granting and Absentee Voting

The validity of both proxy-granting and absentee voting is subject, as appropriate, to verification by the Company of the represented shareholder's status and number of shares, whether through the files provided by Iberclear or through other means that allow the Company to verify the legitimacy and validity of the proxy or absentee vote as well as the number of shares held by the shareholder.

(a) *Order of priority of alternative means for granting proxies or casting absentee votes*

- (i) If the shareholder grants a proxy by electronic means and also by postal correspondence, the latter shall prevail, regardless of the respective dates on which they were granted and received by the Company.

For these purposes, proxy representation granted by card delivered to the premises provided by the Company or to the office of the depositary shall be considered to be the same as proxy representation granted by postal correspondence.

- (ii) If the shareholder casts an absentee vote via electronic means and postal correspondence, the latter shall prevail, regardless of the respective dates on which they were cast and received by the Company.

For these purposes, an absentee vote cast by card delivered to the premises provided by the Company or to the office of the depositary entity shall be considered to be the same as a vote sent by postal correspondence.

(b) *Priority between proxy representation and absentee vote*

- (i) If the shareholder grants proxy representation, and later casts an absentee vote, the latter shall prevail. Conversely, if the shareholder first casts an absentee vote and later grants proxy representation, the latter shall prevail. If the date of issuance of the proxy representation or absentee vote cannot be verified, the valid date shall be that of registration of the cards by the Company.

- (ii) Proxy representation shall be deemed to be granted if:

- The card contains the signature not only in the proxy section but also in any others, including the voting section.
- The card contains the signature in sections other than the proxy and voting sections.

- The card contains the signature of the represented shareholder but not the proxy-holder.
 - Due to an error in the editing or printing of the card, or for any other reason, the card does not contain separate sections for proxy-granting and voting, and the text thereof does not allow for a deduction as to whether the shareholder granted proxy representation or cast an absentee vote.
- (iii) The absentee vote shall be deemed cast if the card contains the signature not only in the voting section, but also in any other section or place other than the proxy section.

(c) *Rules for determining the proxy-holder*

- (i) Proxy representation shall be deemed to have been granted in favour of the chairman of the Board of Directors if:
- The card contains no express mention of the name of the person in favour of whom proxy representation has been granted or contains an expression that does not allow the determination of the identity of such person.
 - The card appoints the shareholder as proxy-holder.
 - The card appoints the Board of Directors or one or more of its members or the secretary as proxy-holder, without express mention of their names.
- (ii) Proxy representation shall be deemed to have been granted in favour of the financial institutions acting as intermediaries, managers, and depositaries if the card indicates as proxy-holder the "bank" or contains another similar expression. In this case, if the card has not been issued by a financial institution acting as intermediary, manager, or depositary, the proxy representation shall be deemed to have been granted in favour of the chairman of the Board of Directors.

(d) *Rules for interpreting voting instructions*

- (i) A shareholder granting a proxy or casting an absentee vote shall be deemed to give specific instructions to vote for, or shall be deemed to vote for, respectively, the proposals made by the Board of Directors if the shareholder does not provide otherwise on the card, provided that such document gives the shareholder the ability to specify the direction of the vote.

- (ii) A shareholder granting a proxy shall be deemed to instruct the proxy-holder to abstain in the following cases:
- in connection with proposed resolutions that have not been submitted by the Board of Directors or with issues not included in the agenda of the call to meeting, if the shareholder expressly specifies on the card that in these cases the shareholder DOES NOT grant a proxy to the chairman of the Board of Directors.
 - in connection with items included in the agenda in respect of which the proxy-holder is affected by a conflict of interest, if the shareholder expressly states on the card that, in these cases, the shareholder DOES NOT authorise the substitution of the proxy.
- (iii) A shareholder casting an absentee vote shall be deemed to abstain in connection with proposed resolutions that have not been submitted by the Board of Directors or with items not included in the agenda of the call to meeting if the shareholder expressly specifies on the card that, in these cases, the shareholder DOES NOT grant a proxy to the chairman of the Board of Directors.
- (iv) The direction of the vote of a shareholder who grants a proxy or casts an absentee vote shall only be deemed to be a blank vote in respect of one or more items on the agenda of the call to meeting when the shareholder expressly provides so by checking the respective box on the card.
- (v) If there are contradictory instructions on the card in connection with one or more items on the agenda (for example, because the boxes to vote “in favour” and “against” are both checked), the shareholder shall be deemed to abstain or to instruct the proxy-holder to abstain in connection with that item or those items on the agenda.
- (vi) Any text inserted by the shareholder, whether or not relating to the agenda, that does not constitute express voting instructions on the items appearing on the agenda shall not be taken into account when interpreting the voting instructions given. Notwithstanding the foregoing, for cards with errors in editing or printing or error in the transcription of the text thereof, text entered by the shareholder shall be taken into account if it can clarify the voting instructions thereof.
- (vii) If, owing to an editing or printing error or error in the transcription of the agenda of the call to meeting on the card, it omits part of the items of the agenda:
- On the cards containing instructions to vote in favour of the proposals of the Board of Directors in connection with all items of the agenda

included in the blank form or instructions, the shareholder shall be deemed to grant a proxy or vote also in favour of the other matters included in the agenda of the call to meeting and not included in the card.

- On the cards containing instructions to vote against or to abstain in connection with the proposals of the Board of Directors relating to all or any of the items on the agenda of the call to meeting, the shareholder shall be deemed to abstain with respect to the other matters included in the agenda of the call to meeting and not included in the card.

(viii) If, owing to an editing or printing error or error in the transcription of the agenda of the call to meeting on the card, the card omits some or all of the subsections into which one or more items of the agenda are divided, the instruction given on the item of the agenda shall be deemed to apply to all the subsections.

(e) *Multiple cards of the same shareholder or proxy-holder*

- (i) If a single shareholder grants proxy representation to different persons through cards corresponding to different shares or submits to the Company one or more cards granting proxy representation and one or more cards casting an absentee vote, corresponding to different shares, the Company shall decide the validity of the proxy representation or absentee vote in accordance with the rules laid out in this *Shareholder's Guide*.
- (ii) If a proxy-holder represents different shareholders, he/she may cast votes in different directions in accordance with the respective instructions given by each shareholder. The Company may require the proxy-holder to justify the diversity of instructions.

(f) *Gaps, errors, defects, or omissions in the cards*

If the card has gaps, errors, defects, or omissions other than those provided for in the rules set forth in the preceding sections, the Company may or may not accept the card as valid and shall determine the direction of the instructions received taking into account all the interpretation standards included in this Shareholder's Guide and in the Company's Corporate Governance System, complying with the principles of corporate interest, legal security, and safeguarding of shareholders' rights.

As regards proxy-granting and absentee voting by shareholders acting through [financial institutions that are intermediaries, managers or depositaries](#), the special rules established in this *Shareholder's Guide* shall have priority in application.