



General Shareholders' Meeting

Report on Related-Party Transactions with Directors and Significant Shareholders
Financial Year 2017 / 2018



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REPORT ON RELATED-PARTY TRANSACTIONS WITH DIRECTORS AND SIGNIFICANT SHAREHOLDERS

Pursuant to the provisions of paragraph c) of article 14.3 of the *Regulations for the General Shareholders' Meeting* and paragraph b) of article 8 of the *Regulations of the Appointments Committee*, the Appointments Committee of IBERDROLA, S.A. ("**Iberdrola**" or the "**Company**") has approved this report on transactions by the Company or the companies within its group with directors or shareholders with a shareholding interest deemed to be legally significant at any particular time or that have proposed the appointment of any of the directors of the Company, or with their respective related persons, analysed during financial year 2017.

During said financial year, the Committee has reported on a single transaction, by Iberdrola QSTP, LLC and Qatar Foundation, a party related to the significant shareholder of the Company Qatar Investment Authority, on the terms described below:

In the resolutions adopted in writing and without a meeting on 11 December 2017, the Committee analysed and reported favourably on a transaction consisting of the performance by Iberdrola QSTP, LLC, a wholly-owned company of the Iberdrola group, of an advanced power management project for Qatar Foundation, a party related to the significant shareholder of the Company Qatar Investment Authority.

The transaction consisted of an advanced power management project for three buildings in the Qatar Science & Technology Park, for the amount of 150,000 euros (the "**Transaction**").

Pursuant to the provisions of articles 43.1 of the *Regulations of the Board of Directors* and 8 of the *Regulations of the Appointments Committee*, given that Iberdrola QSTP, LLC forms part of the Iberdrola group and Qatar Foundation is a party related to Qatar Investment Authority, which holds an interest in Iberdrola that is legally considered to be significant, the proposed transaction was deemed to be a related-party transaction and thus subject to the prior authorisation of the Board of Directors, or in urgent cases of the Executive Committee, after a report from the Committee.

After analysing said transaction and receiving a report on the Transaction issued by the Innovation, Sustainability and Quality Division of the Company, subject to the authorisation of the Board of Directors of Iberdrola, the Committee concluded that the terms and conditions of the transaction were on fair market terms, issuing a favourable report.

During financial year 2017, the Committee has not analysed any other transaction between the Company or the companies of its group with directors or shareholders having a shareholding interest deemed to be legally significant at any particular time or that have proposed the appointment of any of the directors of the Company, or with their respective related persons.