



On the other hand, the knowledge of Mr José W. Fernández and Ms Denise Holt in the regulatory area of the energy sector, and particularly their experience in very significant markets for the group like the United States of America, Latin America and the United Kingdom, contribute to strengthening the necessarily international perspective that the Board of Directors must have in its analysis and deliberations.

These profiles are suitably supplemented by the technical experience of Mr Manuel Moreu Munaiz and his broad knowledge in the areas of industrial engineering and new technologies in the energy sector, as well as the academic perspective of the new candidate for director, Ms Sara de la Rica Goiricelaya, an internationally recognised professor of economics.

The Board of Directors has also taken into account the good results obtained by all of the candidates in the regular evaluations of their performance (as directors of Iberdrola in the case of the proposed ratifications and/or re-elections, and in the case of the new candidate for director Ms de la Rica Goiricelaya during the period in which she has been a director of Iberdrola España, S.A. (Sociedad Unipersonal)) in which an independent expert has participated and which corroborates this conclusion.

In all cases, the Board of Directors has quite favourably assessed the experience and in-depth knowledge of the businesses of the group and of the operation thereof obtained during their prior terms at Iberdrola and/or at companies of its group.

The six candidates have been proposed based on their personal and professional conditions. In particular, the Appointments Committee has verified that all of them can perform their duties without being constrained by relationships with the Company, its significant shareholders or its directors and officers, thus making them deserving of the classification of independent directors.

The Board of Directors believes that the appointment of Ms Sara de la Rica Goiricelaya, the ratification and re-election of Mr Xabier Sagredo Ormazá and the re-election of Ms María Helena Antolín Raybaud, Mr José W. Fernández, Ms Denise Holt and Mr Manuel Moreu Munaiz as independent directors of Iberdrola will contribute to strengthening the high level of independence of its management body, thus strengthening the effectiveness of the functions that the Corporate Governance System vests therein, and particularly those relating to defining the strategy of the Iberdrola group and supervision of the implementation and coordination thereof by the executive directors and the management team.

6. Contribution of the Proposed Candidates to the Diversity of Knowledge, Experience, Origin, Nationality and Gender within the Board of Directors

Together, the six candidates contribute to bolstering the high percentage of independent directors within the Company's Board of Directors and to achieving the diversity of knowledge, experience, origin, nationality and gender in its composition that is required for the better performance of its duties.

As described in the proposals of the Appointments Committee, the six candidates have knowledge and experience in the main countries and sectors in which the group does or will do business, and they are respectable and qualified persons, widely recognised for their expertise, competence, experience, qualifications, training, availability and commitment to their duties. All of them are irreproachable professionals, whose professional conduct and background is aligned with the principles set forth in the *Code of Ethics* and with the *Purpose and Values of the Iberdrola group*.

Specifically, the various professional profiles and backgrounds of the candidates for re-election ensure plural viewpoints and guarantee an enriching debate and a decision-making process without implicit biases.

The proposed appointment of Ms Sara de la Rica Goiricelaya and re-elections of Ms María Helena Antolín Raybaud and Ms Denise Holt also contribute to increasing the diversity of gender with the Board of Directors, exceeding the objective assumed by the Company that the number of female directors represent at least thirty per cent 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 appointment of the three female directors referred to above, half of the non-executive directors will be women.

Finally, the re-election and appointment of the six directors, with four distinct nationalities (Spanish, French, English and U.S.), contribute to strengthening the diversity of origins and nationalities. 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 TWELVE ON THE AGENDA

Appointment of Ms Sara de la Rica Goiricelaya as independent director.

RESOLUTION

To appoint Ms Sara de la Rica Goiricelaya as director, upon the proposal of the Appointments Committee, for the by-law mandated four-year term, with the classification of independent director.

ITEM NUMBER THIRTEEN ON THE AGENDA

Ratification of the interim appointment (co-option) and re-election of Mr Xabier Sagredo Ormaza as independent director.

RESOLUTION

To ratify the appointment of Mr Xabier Sagredo Ormaza as independent director appointed on an interim basis by resolution of the Board of Directors adopted at the meeting held on 19 February 2019 and to re-elect him upon a proposal of the Appointments Committee for the by-law-mandated four-year term, with the classification of independent director.

ITEM NUMBER FOURTEEN ON THE AGENDA

Re-election of Ms María Helena Antolín Raybaud as independent director.

RESOLUTION

To re-elect Ms María Helena Antolín Raybaud as director, upon the proposal of the Appointments Committee, for the by-law mandated four-year term, with the classification of independent director.

ITEM NUMBER FIFTEEN ON THE AGENDA

Re-election of Mr José W. Fernández as independent director.

RESOLUTION

To re-elect Mr José Walfredo Fernández as director, upon the proposal of the Appointments Committee, for the by-law mandated four-year term, with the classification of independent director.

ITEM NUMBER SIXTEEN ON THE AGENDA

Re-election of Ms Denise Holt as independent director.

RESOLUTION

To re-elect Ms Denise Mary Holt as director, upon the proposal of the Appointments Committee, for the by-law mandated four-year term, with the classification of independent director.

ITEM NUMBER SEVENTEEN ON THE AGENDA

Re-election of Mr Manuel Moreu Munaiz as independent director.

RESOLUTION

To re-elect Mr Manuel Moreu Munaiz as director, upon the proposal of the Appointments Committee, for the by-law mandated four-year term, with the classification of independent director.

ITEM NUMBER EIGHTEEN ON THE AGENDA

Re-election of Mr Ignacio Sánchez Galán as executive director.



RESOLUTION

To re-elect Mr Ignacio Sánchez Galán as director, after a report from the Appointments Committee, for the by-law mandated four-year term, with the classification of executive director."

* * *

Bilbao, 19 February 2019.



ANNEX

REPORT OF THE APPOINTMENTS COMMITTEE REGARDING THE RE-ELECTION OF MR IGNACIO SÁNCHEZ GALÁN AS EXECUTIVE 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 executive directors that the Board of Directors resolves to submit for the approval of the shareholders at a General Shareholders' Meeting.

Mr Ignacio Sánchez Galán was last re-elected as a director of Iberdrola for the bylaw-mandated four-year term at the General Shareholders' Meeting held on 27 March 2015. Based on the fact that the term for which Mr Sánchez Galán was appointed a director of Iberdrola ends during this financial year 2019, the proposal signed by all of the Company's independent directors on 18 December 2018, and the contents of the report prepared by PricewaterhouseCoopers Asesores de Negocios, S.L. ("**PwC**"), the Committee has examined the advisability of his re-election. This report sets out the results of the work performed by the Committee relating to said examination.

2. Professional Profile and Biographical Data of the Candidate

Married and with four children, Ignacio Galán graduated as an Industrial Engineer from the Engineering School (ICAI) of Universidad Pontificia Comillas (Madrid). He also graduated in Business Administration and Foreign Trade from ICADE at Universidad Pontificia Comillas (Madrid) and in General Business Administration and Foreign Trade from the School of Industrial Organisation (EOI) in Madrid.

He has received honorary doctorate degrees from the universities of Salamanca, Edinburgh, and Strathclyde (Glasgow). He has been on the faculty of Escuela Técnica Superior de Ingeniería (ICAI), and is currently a visiting professor at the University of Strathclyde, chairman of the Social Council of the University of Salamanca and a member of the Dean's Advisory Council of the Massachusetts Institute of Technology (MIT).

In 2017 he was named Best Chief Executive Officer (CEO) within the utilities category (for the eleventh time) according to the prestigious Institutional Investor Research Group; in 2011 he was named Best CEO of European utilities and of Spanish listed companies in investors relations, according to the Thomson Extel Survey; and he has received the Award for Best CEO in Investor Relations by IR Magazine on three successive occasions (2003-2005). Furthermore, in 2017 he received the Vocento Award for Business Leadership; in 2014, he received the international Responsible Capitalism award in London; in 2008, he was named Business Leader of the Year by the Spain-United States Chamber of Commerce and was awarded the 2008 International Economy Prize by Fundación Cristóbal Gabarrón; and in 2006 he received the Best CEO of the Year Award as part of the Platts Global Energy Awards.

He speaks English, French, Italian and Portuguese.

Noteworthy experience in the energy and industrial engineering sector

In the industrial engineering sector, he has served as chief operating officer of Industria de Turbo Propulsores, S.A. (ITP) and as chairman of the European aerospace consortium Eurojet, headquartered in Germany. He has also held various management positions at Sociedad Española del Acumulador Tudor, S.A. (now, Exide Group), engaged in the manufacture and sale of batteries. He is a member of the utilities group of the World Economic Forum (Davos), which he has chaired between 2014 and 2016, and of the Steering Committee of the European Round Table of Industrialists and of the J.P. Morgan International Council.

Noteworthy experience in other industries

He has been chief executive officer of Airtel Móvil, S.A. (now, Vodafone España, S.A.U.) and a member of the Supervisory Board of Nutreco Holding N.V., a listed company in The Netherlands, active in the food industry. He was a founding partner and director of the Matarromera group, dedicated to viticulture and the production of wine and oil.

Other information:

In addition to the awards mentioned above, in 2018 he was designated Universal Spaniard 2018 by Fundación Independiente; in 2018 he was made an Honorary Member of the Spanish Institute of Engineering and was awarded the Silver Cross of Merit of the Guardia Civil; in 2016 he received the Medal of Honour of the Royal National Academy of Medicine; in 2014 he was distinguished by Queen Elizabeth II with the title Commander of the Most Excellent Order of the British Empire for his work to promote the British energy sector and trade and investment relations between the United Kingdom and Spain; in 2013 he was awarded the Gold Medal of the City of Salamanca; in 2011 he received the title of Lagun Onari (Friend of the Basques) bestowed by the Basque Government; in 2010 he was appointed as a



member of GlobalScot, an international Scottish government network of business leaders who are most keenly committed to the economic development of Scotland; in 2009 he was awarded the Gold Medal of the Province of Salamanca and was named Consul of Bilbao by the Bilbao Chamber of Commerce, Industry and Shipping; and in 2007 he was awarded the Police Merit medal.

3. Membership on Other Boards of Directors

Mr Ignacio Sánchez Galán is chairman of the boards of directors of Scottish Power Limited, Avangrid, Inc. and Neoenergia, S.A., the country subholding companies performing the function of organisation and strategic coordination of the businesses of the Iberdrola group in the United Kingdom, the United States of America and Brazil, respectively.

4. Category to Which the Director Candidate Should Belong

Mr Ignacio Sánchez Galán should be assigned to the category of executive director, as he is the chief executive of the Company.

5. Availability

The effective availability of the candidate for director to provide the dedication required to hold 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 Ignacio Sánchez Galán is the holder of 9,991,715 shares of the Company, which represents 0.153% of the share capital.

7. Verification of Compliance with the Requirements to Be a Director of the Company

The Committee very favourably values the profile, skills and experience of the candidate for director and, specifically, such director's respectability, capability, expertise, competence, experience, qualifications, availability and ability to commit to the duties of the position, which were verified in each of the annual reports on the individual performance thereof, in which the Committee had the assistance of an independent expert (PwC).

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 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.

8. Verification of the Suitability of the Candidate to Continue Performing the Executive Duties thereof

The Committee has analysed the report prepared by PwC, the conclusions of which it shares, and which show the suitability of Mr Ignacio Sánchez Galán to continue performing his duties as chief executive of Iberdrola.

In this regard, the Committee notes his activities during the term now ending, the suitability of his professional profile to the particularities of the businesses of the Iberdrola group, his knowledge of the industries in which it operates and the international nature thereof, appropriately combining the abilities and skills needed to lead the function of supervision that Iberdrola's governance model vests in the Board of Directors.

9. Conclusion

The Committee has unanimously concluded to favourably report on the re-election of Mr Ignacio Sánchez Galán as director of the Company, with the classification of executive director.



ANNEX

PROPOSED APPOINTMENT OF MS SARA DE LA RICA GOIRICELAYA AS INDEPENDENT DIRECTOR OF IBERDROLA, S.A., FORMULATED BY THE APPOINTMENTS COMMITTEE

1. Introduction

Pursuant to the provisions 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.

For these purposes, the purpose of this document is to gather the results of the work performed by the Committee relating to the selection of Ms de la Rica Goiricelaya as a candidate for director, as well as to propose the appointment thereof to the Board of Directors with the classification of independent director.

Said proposal was prepared to fill the vacancy that will occur at the next General Shareholders' Meeting, after the end of the by-law mandated term as a director of Iberdrola of Mr Ángel Acebes Paniagua, who has stated that he does not wish to be proposed for re-election, on 27 March 2019.

2. Professional Profile and Biographical Data of the Candidate

Born in Bilbao, Spain, in 1963.

With a PhD in Economics from the University of the Basque Country and Professor at this institution, she has dedicated a large portion of her professional life to the study of and search for solutions on issues such as immigration, the labour market, gender equality and poverty. She is known for her work leading the Global Labour Report of the Basque Country, which fleshes out the reality and evolution of the Basque labour market.

She regularly publishes academic articles in domestic and international magazines, dealing with economic subjects, mainly related to labour, and participates in conferences and seminars and supervises graduate students in their dissertations.

She has been a director of Fundación ISEAK since 1 January 2019. The mission of the foundation is to contribute to the improvement of decision-making on public policies, mainly of a social nature, as well as the enrichment of public debate. Issues with a socio/economic profile, as well as the labour market, poverty and inequality, education, urban policy and gender inequality are analysed. She is also a member of the Scientific Advisory Board of Fundación Gadea, of the Advisory Board of the National Quality Assessment and Certification Agency (*Agencia Nacional de Evaluación de la Calidad y Acreditación*) (ANECA), of the Scientific Committee of the Basque Institute responsible for the Evaluation of the Educational System (IVEI-ISEI) and an Honorary Member of the Spanish Economics Association.

She is also an associate researcher at international bodies like CreAM (Centre for Research and Analysis of Migration - London) and IZA (Institute for the Study of the Labour Market - Bonn).

She is also a member of the Board of Directors of Basquetour, Turismoaren Euskal Agentzia, Agencia Vasca de Turismo, S.A., the government-owned company of the Department of Tourism, Trade and Consumption of the Basque Government, created to lead the promotion and implementation of the competitiveness strategy of Basque tourism.

Noteworthy experience for holding the positions thereof at Iberdrola:

Energy and industrial engineering sectors

Ms de la Rica Goiricelaya has held the position of independent director of Iberdrola España, S.A. (Sociedad Unipersonal), the country subholding company of the energy businesses in Spain. During this period, she has been able to obtain a first-hand understanding of the operation of the Iberdrola group and the main challenges and opportunities of the energy sector.



Other information:

She is the former President of the European Society for Population Economics and a member of its Executive Committee, Chairwoman of the Committee on the Situation of Women in Economics (COSME), and member of the Economic and Social Council (CES). She has also been the Secretary of the Spanish Economics Association (AEE).

She has worked in editorial boards and/or research project review boards.

In 2018 she was given the "2018 Basque Economist" (Economistak Saria 2018) Award by the Basque Association of Economists (*Colegio Vasco de Economistas*).

3. Membership on Other Boards of Directors

She is a member of the Board of Directors of Basquetour, Turismoaren Euskal Agentzia, Agencia Vasca de Turismo, S.A.

4. Category to Which the Director Candidate Should Belong

Ms Sara de la Rica Goiricelaya 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

The effective availability of the candidate to provide the dedication required to hold 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, Ms Sara de la Rica Goiricelaya is the holder of 7,631 shares of the Company, which represents 0.0% of the share capital.

7. Compliance with the Provisions of the Board of Directors Diversity and Director Candidate Selection Policy

Pursuant to the provisions of the *Board of Directors Diversity and Director Candidate Selection Policy*, in order to determine the appropriateness of appointing Ms de la Rica Goiricelaya 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 director.

Based on the experience acquired by the candidate as a director of Iberdrola España, S.A. (Sociedad Unipersonal), the country subholding company that groups together the energy businesses of the Iberdrola group in Spain, and the proven performance shown in the holding of such position, as well as her knowledge in the area of economics, particularly in issues that are quite significant to the group, like the result of her works regarding the labour market and gender equality, the Committee finds that her profile is appropriate to fill the needs identified in relation to the composition of the Board of Directors.

His appointment will also contribute to maintaining the current high percentage of independent directors and will strengthen the diversity of gender within the Board of Directors.

8. Verification of Compliance with the Requirements to Be a Director of the Company

The Committee very favourably values the profile, skills and experience of the candidate for director and, specifically, such director's respectability, capability, expertise, competence, experience, qualifications, 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 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 Sara de la Rica Goiricelaya as a director of the Company, with the classification of independent director, to fill the vacancy that will occur at the next General Shareholders' Meeting, after the end of the by-law mandated term as a director of Iberdrola of Mr Ángel Acebes Paniagua on 27 March 2019.



ANNEX

PROPOSED RATIFICATION AND RE-ELECTION OF MR XABIER SAGREDO ORMAZA AS INDEPENDENT DIRECTOR OF IBERDROLA, S.A., FORMULATED 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 ratifications and re-elections 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.

Ms Xabier Sagredo Ormaza was appointed as "other external" director for the bylaw-mandated four-year term at the General Shareholders' Meeting held on 8 April 2016. Mr Sagredo was then classified as an "other external" director for not meeting the requirements set forth in law and in the Corporate Governance System to be classified as an independent director or a proprietary director. Specifically, Mr Sagredo was not classified as an independent director due to his connection to Kutxabank, S.A., a shareholder of Iberdrola owning an interest legally deemed to be significant. However, in April 2017 this entity reduced its shareholder to below 3%, and thus its participation in the shares of the Company ceased to be deemed significant pursuant to the provisions of law.

Within the framework of the annual review of the classification of all directors in February 2019, as more than a year had passed since the shareholder with which Mr Sagredo was linked, Kutxabank, S.A., ceased to be the holder of a shareholding in Iberdrola deemed to be significant under the law, the Appointments Committee proposed to the Board of Directors that he be reclassified as an independent director.

In order to allow for such reclassification, which requires that the Appointments Committee propose the appointment of the director classified as independent, it is expected that Mr Sagredo will submit his resignation at the meeting of the Board of Directors to be held on 19 February 2019 so that immediately afterwards, at the same meeting, he can be appointed on an interim basis as an independent director upon a proposal of this Committee. Pursuant to the provisions of law, the shareholders acting at the first General Shareholders' Meeting held after the appointment are to ratify him in the position and, if appropriate, re-elect him.

In this regard, the purpose of this document is to gather the results of the work performed by the Committee relating to the potential ratification and re-election of Mr Sagredo, as well as to propose the ratification and re-election thereof to the Board of Directors with the classification of independent director.

2. Professional Profile and Biographical Data of the Candidate

Born in Portugalete, in 1972.

He has a degree in Economics and Business from Universidad del País Vasco, with a major in Finance, and holder of postgraduate degrees in various areas.

He is chair of the Board of Trustees of Bilbao Bizkaia Kutxa Fundación Bancaria-Bilbao Bizkaia Kutxa Banku Fundazioa, of BBK Fundazioa and of Fundación Eragintza. He is also a trustee of Biocruces Sanitary Research Institute, of the Bilbao Museum of Fines Arts and of the Guggenheim Foundation, at which he also serves as member of the Executive Committee. In addition, he is a member of the Orkestra Basque Institute of Competitiveness and of the Board of Directors of the Management Council of Universidad de Deusto, and is a visiting professor at various institutions.

Noteworthy experience for holding this position within Iberdrola:

Energy and industrial engineering sector

He has been a director of Iberdrola Generación, S.A. and a member of its Audit and Compliance Committee. He has also been a director of Iberdrola Distribución Eléctrica, S.A., at which he has held the position of chair of the Audit and Compliance Committee.



Other sectors

He has been the director of the Expansion and Assets area of the credit institution Ipar Kutxa, managing director of the concessionaire Transítia, and a member of the Board of the Bilbao Port Authority.

In addition, he has been chair and vice-chair of the Board of Directors of Caja de Ahorros Bilbao Bizkaia Kutxa, Aurrezki Kutxa eta Bahitetxea (BBK), and chair of its Audit Committee.

3. Membership on Other Boards of Directors

Mr Xabier Sagredo Ormaza is chair of the Board of Trustees of Bilbao Bizkaia Kutxa Fundación Bancaria.

4. Category to Which the Director Candidate Should Belong

Mr Xabier Sagredo Ormaza has been proposed in view of his personal and professional qualities and can perform his 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

The effective availability of the candidate for director to provide the dedication required to hold 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 of the date of this report, Mr Xabier Sagredo Ormaza does not directly or indirectly hold any shares of the Company.

7. Compliance with the Provisions of the Board of Directors Diversity and Director Candidate Selection Policy

Pursuant to the provisions of the *Board of Directors Diversity and Director Candidate Selection Policy*, in order to determine the appropriateness of ratifying and re-electing Mr Sagredo Ormaza 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 has concluded that the technical knowledge and the experience of Mr Xabier Sagredo Ormaza in new energy generation technologies, as well as his career as a businessman and board member of listed companies, justify his re-election as a director.

The ratification and re-election thereof will also contribute to maintaining the current high percentage of independent directors and will encourage diversity of origin and nationality within the Board of Directors.

8. Verification of Compliance with the Requirements to Be a Director of the Company

The Committee very favourably values the profile, skills and experience of the candidate for director and, specifically, such director's respectability, capability, expertise, competence, experience, qualifications, availability and ability to commit to the duties of the position, which were verified in each of the annual reports on the individual performance thereof, in which the Committee had the assistance of an independent expert.

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 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 Mr Xabier Sagredo Ormaza as a director of the Company, with the classification of independent director.



ANNEX

PROPOSED RE-ELECTION OF MS MARÍA HELENA ANTOLÍN RAYBAUD AS INDEPENDENT DIRECTOR OF IBERDROLA, S.A., FORMULATED 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 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.

Ms María Helena Antolín Raybaud was last re-elected as a director of Iberdrola for the bylaw-mandated four-year term at the General Shareholders' Meeting held on 27 March 2015. Given that the term for which Ms Antolín Raybaud was appointed a director of Iberdrola ends during this financial year 2019, 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.

For these purposes, 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 Antolín Raybaud, as well as to propose the re-election thereof to the Board of Directors with the classification of independent director.

2. Professional Profile and Biographical Data of the Candidate

Born in Toulon, France, in 1966.

Degree in International Business and Business Administration from Eckerd College, St. Petersburg, Florida (United States of America), and holds a Master of Business Administration from Anglia University, Cambridge (United Kingdom) and from Escuela Politécnica de Valencia (Spain).

She has spent her professional career in the industrial sector, and is currently a Board member, vice chair and member of the Management Committee of Grupo Antolin Irausa, S.A.

Noteworthy experience for holding the positions thereof at Iberdrola:

Energy and industrial engineering sectors

She has experience as a member of the board of companies in the energy and industrial sectors, including as independent external director of Iberdrola Renovables, S.A. and as a member of its Related-Party Transactions Committee between 2007 and 2010. She is also a member of the Management Board of the Spanish Association of Automotive Equipment and Component Manufacturers (*Asociación Española de Fabricantes de Equipos y Componentes para Automoción*) (Sernauto) since 2011.

She has been in charge of the corporate Industrial, Strategy and Marketing, Communication and Institutional Relations divisions of Grupo Antolin Irausa, S.A., where she is currently vice chair of the Board of Directors and member of the Executive Committee.

Prior experience in relation to the committee of which the candidate is a member

She has domestic and international experience in areas related to her position as member of the Appointments Committee. At Grupo Antolin Irausa, S.A., she has held the positions of director of Human Resources and head of Total Quality.

As corporate director, she has performed duties at the global level within the group, where she began her career holding successive positions of responsibility at subsidiaries located in Germany, France and Italy.

Other information:

She is the president of the Spanish Association of Automotive Equipment and Component Manufacturers (*Asociación Española de Fabricantes de Equipos y Componentes para Automoción*) (Sernauto), vice president of the Excellence in Management Club (*Club de Excelencia en la Gestión*), a member of the Advisory Committee of Sabadell Urquijo Banca



Privada, and a board member of France Foreign Trade (*Comercio Exterior de Francia*), Spain section and a member of the Plenary Committee of the Chamber of Commerce of Spain.

3. Membership on Other Boards of Directors

She is vice chair of the Board of Directors of Grupo Antolin Irausa, S.A.

4. Category to Which the Director Candidate Should Belong

Ms María Helena Antolín Raybaud has been proposed based on her personal and professional qualities and 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

The effective availability of the candidate for re-election to provide the dedication required to hold 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, Ms María Helena Antolín Raybaud is the holder of 3,413 shares of the Company, which represents 0.0% of the share capital.

7. Compliance with the Provisions of the Board of Directors Diversity and Director Candidate Selection Policy

Pursuant to the provisions of the *Board of Directors Diversity and Director Candidate Selection Policy*, in order to determine the appropriateness of re-electing Ms Antolín Raybaud 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 has concluded that her business career within Grupo Antolin and her training in the area of business management and administration give Ms Antolín Raybaud extensive knowledge in the areas of business management, at both the domestic and international level, and allow her to contribute her practical knowledge and personal experience as a businesswoman in the decision-making process of the Company's Board of Directors.

The re-election thereof will also contribute to maintaining the current high percentage of independent directors and will encourage diversity of gender, origin and nationality within the Board of Directors.

8. Verification of Compliance with the Requirements to Be a Director of the Company

The Committee very favourably values the profile, skills and experience of the candidate for director and, specifically, such director's respectability, capability, expertise, competence, experience, qualifications, availability and ability to commit to the duties of the position, which were verified in each of the annual reports on the individual performance thereof, in which the Committee had the assistance of an independent expert.

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 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, who has abstained) decided to propose the re-election of Ms María Helena Antolín Raybaud as a director of the Company, with the classification of independent director.



ANNEX

PROPOSED RE-ELECTION OF MR JOSÉ W. FERNÁNDEZ AS INDEPENDENT DIRECTOR OF IBERDROLA, S.A., FORMULATED 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 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.

Mr José W. Fernández was last re-elected as a director of Iberdrola for the bylaw-mandated four-year term at the General Shareholders' Meeting held on 27 March 2015. Given that the term for which Mr Fernández was appointed a director of Iberdrola ends during this financial year 2019, 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.

For these purposes, the purpose of this document is to gather the results of the work performed by the Committee relating to the potential re-election of Mr José W. Fernández, as well as to propose the re-election thereof to the Board of Directors with the classification of independent director.

2. Professional Profile and Biographical Data of the Candidate

Born in Cienfuegos, Cuba in 1955, he is a U.S. citizen.

Degree in History from Dartmouth University (New Hampshire, United States of America), and Juris Doctor from Columbia University (New York, United States of America). He spent a large portion of his career as an attorney specialising in international commercial matters. He has also had a significant career in the institutional area, serving as Assistant Secretary of State for Economic, Energy and Business Affairs for the United States of America.

He divides his time between his position at Iberdrola and his work as a partner of Gibson, Dunn & Crutcher.

Noteworthy experience for holding the positions thereof at Iberdrola:

Energy sector

He was Assistant Secretary of State for Economic, Energy and Business Affairs for the United States of America (2009-2013), where he led the department responsible for supervising the energy security policy of the country, in addition to other policies such as international investment and trade and development and debt policy. He has also been an independent director at Iberdrola USA, Inc. (now Avangrid, Inc.), the country subholding company of Iberdrola that carries out the organisation and strategic coordination of the group's businesses in the United States of America.

Other sectors

He is a partner in the New York office of Gibson, Dunn & Crutcher, specialising in international mergers and acquisitions and finance in the emerging markets of Latin America, the Middle East, Africa and Asia. He has served on the boards of Dartmouth College, NPR Station WBGO-FM, the Middle East Institute, and Ballet Hispanico of New York and of non-governmental institutions such as Acción International. He is currently a member of the board of directors of the Council of the Americas and the Center for American Progress, among others.

Other information:

He has been the State Department's representative on the Committee on Foreign Investment in the United States. Among other acknowledgements, he was named one of the "World's Leading Lawyers" by Chambers Global for his M&A work, an "Expert" by the International Financial Law Review and one of the "World's Leading Privatization Lawyers" by Euromoney. In 2013 he was named "Embajador de la Marca España" (Ambassador of the Spain Brand) by a company made up of various agencies of the Spanish government and noteworthy Spanish companies, due to his work promoting commercial relations between the United States of America and Spain.



3. Membership on Other Boards of Directors

Mr José W. Fernández does not belong to other boards of directors of listed or unlisted companies.

4. Category to Which the Director Candidate Should Belong

Mr José W. Fernández has been proposed in view of his personal and professional qualities and can perform his 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

The effective availability of the candidate for director to provide the dedication required to hold 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 of the date of this report, Mr José W. Fernández does not directly or indirectly hold any shares of the Company.

7. Compliance with the Provisions of the Board of Directors Diversity and Director Candidate Selection Policy

Pursuant to the provisions of the *Board of Directors Diversity and Director Candidate Selection Policy*, in order to determine the appropriateness of re-electing Mr José W. Fernández 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 has concluded that the knowledge of the operation of U.S. government administrations, and particularly of the U.S. market, generally allows Mr José W. Fernández to contribute a complete view of this key market for Iberdrola.

The re-election thereof will also contribute to maintaining the current high percentage of independent directors and will encourage diversity of origin and nationality within the Board of Directors.

8. Verification of Compliance with the Requirements to Be a Director of the Company

The Committee very favourably values the profile, skills and experience of the candidate for director and, specifically, such director's respectability, capability, expertise, competence, experience, qualifications, availability and ability to commit to the duties of the position, which were verified in each of the annual reports on the individual performance thereof, in which the Committee had the assistance of an independent expert.

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 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 Mr José W. Fernández as a director of the Company, with the classification of independent director.



ANNEX

PROPOSED RE-ELECTION OF MS DENISE HOLT AS INDEPENDENT DIRECTOR OF IBERDROLA, S.A., FORMULATED 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 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.

Ms Denise Holt was last re-elected as a director of Iberdrola for the bylaw-mandated four-year term at the General Shareholders' Meeting held on 27 March 2015. Given that the term for which Ms Holt was appointed a director of Iberdrola ends during this financial year 2019, 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.

For these purposes, 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 Holt, as well as to propose the re-election thereof to the Board of Directors with the classification of independent director.

2. Professional Profile and Biographical Data of the Candidate

Born in Vienna, Austria, in 1949.

Degrees in Spanish Philology, French Philology, and Political Sciences from the University of Bristol and Doctor of Laws from the same university (England, United Kingdom).

A career diplomat, a large part of her professional life has been linked to the diplomatic service of the United Kingdom, which has given her broad international experience in territories like Brazil, Mexico and Spain.

In the business area, she has developed her experience in the finance, health and energy sectors. She divides her time between her role as director at Iberdrola and her activities at international bodies, academic institutions and her position of director at HSBC Bank plc.

Noteworthy experience for holding the positions thereof at Iberdrola:

Energy sector.

She has knowledge and experience in the energy sector from serving as a director at Scottish Power Renewable Energy Ltd. between 2011 and 2012, and at Scottish Power Networks Holdings Ltd. between 2012 and 2014.

Other sectors

She also has experience as a member of boards of directors of international companies and institutions in other sectors, including finance and health.

In the financial area, she has been an independent director and member of the Audit Committee of HSBC Bank UK plc., and chair and independent director of M&S Financial Services Ltd.; and in the health area, she has been an independent director of Nuffield Health and a member of the Quality and Safety and Compensation Committees of the Board of Directors of this entity.

Her broad experience as a manager thanks to her extensive diplomatic career should be noted. She has been first secretary of the Embassy of the United Kingdom in Brazil (1990-1993), director of Human Resources (1999-2002), of Migration (2005-2007) and of the Overseas Territories (2005-2007) at the UK Foreign and Commonwealth Office, and British ambassador of the United Kingdom to Mexico (2002-2005), and to Spain and Andorra (2007-2009).

Other information:

The former president of the Anglo-Spanish Society and of the Institute of Latin American Studies at the University of London, Ms Holt currently presides over the Cañada Blanch Centre for Contemporary Spanish Studies of the London



School of Economics and Political Science and is a member of the Board of the University of Sussex. She has also been chair of the Nominations Committee of the British Alzheimer's Society. For her contribution to the British diplomatic service, she was elevated to Dame Commander of the Order of St Michael and St George (DCMG).

3. Membership on Other Boards of Directors

Ms Denise Holt is an independent director of HSBC Bank UK plc. and of M&S Financial Services Ltd..

4. Category to Which the Director Candidate Should Belong

Ms Denise Holt has been proposed based on her personal and professional qualities and 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

The effective availability of the candidate for re-election to provide the dedication required to hold 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, Ms Denise Holt is the holder of 568 shares of the Company, which represents 0.0% of the share capital.

7. Compliance with the Provisions of the Board of Directors Diversity and Director Candidate Selection Policy

Pursuant to the provisions of the *Board of Directors Diversity and Director Candidate Selection Policy*, in order to determine the appropriateness of re-electing Ms Holt 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 has concluded that the in-depth knowledge of Ms Denise Holt of the UK market and of the businesses carried out by the Iberdrola group in that territory, her extensive experience in the area of international relations thanks to her preparation, extensive diplomatic career and ability to contribute to debates with her knowledge of the financial sector, together with her performance as a director through the date hereof, make her ideal to continue holding the position of director.

The re-election thereof will also contribute to maintaining the current high percentage of independent directors and will encourage diversity of gender, origin and nationality within the Board of Directors.

8. Verification of Compliance with the Requirements to Be a Director of the Company

The Committee very favourably values the profile, skills and experience of the candidate for director and, specifically, such director's respectability, capability, expertise, competence, experience, qualifications, availability and ability to commit to the duties of the position, which were verified in each of the annual reports on the individual performance thereof, in which the Committee had the assistance of an independent expert.

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 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 Denise Holt as a director of the Company, with the classification of independent director.



ANNEX

PROPOSED RE-ELECTION OF MR MANUEL MOREU MUNAIZ AS INDEPENDENT DIRECTOR OF IBERDROLA, S.A., FORMULATED 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 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.

Mr Manuel Moreu Munaiz was last re-elected as a director of Iberdrola for the bylaw-mandated four-year term at the General Shareholders' Meeting held on 27 March 2015. Given that the term for which Mr Moreu Munaiz was appointed a director of Iberdrola ends during this financial year 2019, 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.

For these purposes, the purpose of this document is to gather the results of the work performed by the Committee relating to the potential re-election of Mr Moreu Munaiz, as well as to propose the re-election thereof to the Board of Directors with the classification of independent director.

2. Professional Profile and Biographical Data of the Candidate

Born in Pontevedra, in 1953.

He has a Doctorate in naval engineering from Escuela Técnica Superior de Ingenieros Navales (ETSIN) of the Universidad Politécnica de Madrid, and has a Master's degree in Oceanic Engineering from the Massachusetts Institute of Technology (MIT).

During his career, he has combined his work as a director of companies in various sectors (especially offshore engineering) with intensive teaching and publishing. He has been a member of the board of Gamesa Corporación Tecnológica, S.A., Iberdrola Renovables, S.A., Metalships and Docks, S.A., Rodman Polyships, S.A. and Neumáticas de Vigo, S.A. (NEUVISA).

Noteworthy experience for holding this position within Iberdrola:

Energy and industrial engineering sector

He has been a member of the Board of Directors of Iberdrola Renovables, S.A. (2007-2011), and a board member and member of the Audit and Compliance Committee of Gamesa Corporación Tecnológica, S.A. (2013-2015).

In 1981 he founded Seaplace, S.L., an engineering firm specialising in the design and calculation of fixed and floating offshore structures for the petroleum, energy and aquaculture industries, among other activities.

Other sectors

He is also a director of Tubacex, S.A., a member of the Spanish Committee of Lloyd's Register EMEA and the sole director of HI Iberia Ingeniería y Proyectos, S.L. (a consulting firm dedicated to the development of software, simulations and business models) and Howard Ingeniería y Desarrollo, S.L. (technology and communications sector). He has also served as head of the Technical Department of Sociedad Española de Clasificación y Registro de Buques, Artefactos Flotantes e Ingenios Oceánicos, S.A. (Fidenavis), a company dedicated to maritime transport activities.

Other information:

He has been an associate professor of the Escuela Técnica Superior de Ingenieros Navales of the Universidad Politécnica de Madrid (ETSIN) and for the Repsol's Masters programme in oil.

He has been chairman of the Engineering Institute of Spain (*Instituto de Ingeniería de España*) since 2012 and dean of the Colegio Oficial de Ingenieros Navales y Oceánicos de Madrid y de España.

