



# GENERAL SHAREHOLDERS' MEETING 18 June 2021

## Proposed Resolutions



## PROPOSED RESOLUTIONS

### ITEM NUMBER ONE ON THE AGENDA

#### Annual financial statements 2020.

##### RESOLUTION

To approve the separate annual financial statements of IBERDROLA, S.A. (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows and notes) and the annual financial statements of the Company consolidated with those of its subsidiaries (consolidated statement of financial position, consolidated statement of profit and loss, consolidated statement of overall profit and loss, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and consolidated notes) for the financial year ended on 31 December 2020, formulated by the Board of Directors at its meeting held on 23 February 2021.

### ITEM NUMBER TWO ON THE AGENDA

#### Directors' reports 2020.

##### RESOLUTION

To approve the separate directors' report of IBERDROLA, S.A. and the directors' report of IBERDROLA, S.A. consolidated with that of its subsidiaries for the financial year ended on 31 December 2020, formulated by the Board of Directors at its meeting held on 23 February 2021.

### ITEM NUMBER THREE ON THE AGENDA

#### Statement of non-financial information 2020.

##### RESOLUTION

To approve the consolidated *Statement of Non-Financial Information. Sustainability Report* of IBERDROLA, S.A. consolidated with that of its subsidiaries for the financial year ended on 31 December 2020, formulated by the Board of Directors at its meeting held on 23 February 2021.

### ITEM NUMBER FOUR ON THE AGENDA

#### Corporate management and activities of the Board of Directors in 2020.

##### RESOLUTION

To approve the management of the Company and the activities of the Board of Directors of IBERDROLA, S.A. during the financial year ended on 31 December 2020.



## ITEM NUMBER FIVE ON THE AGENDA

**Amendment of the Preamble and of Articles 1, 4, 8, 9, 12, 14, 15, 17, 19, 21, 23, 24, 27, 30, 31, 32, 33, 35, 36, 37, 38, 42, 43, 44, 45, 46, 47 and 49 of the *By-Laws* to update the name of the Governance and Sustainability System and make other technical improvements.**

### RESOLUTION

Amendment of the Preamble and of Articles 1, 4, 8, 9, 12, 14, 15, 17, 19, 21, 23, 24, 27, 30, 31, 32, 33, 35, 36, 37, 38, 42, 43, 44, 45, 46, 47 and 49 of the *By-Laws* to update the name of the Governance and Sustainability System and make other technical improvements. The Preamble and Articles 1, 4, 8, 9, 14, 15, 21, 30, 31, 37, 38, 42, 43, 44, 45, 46, 47 and 49 shall hereafter read as follows:

#### ***"PREAMBLE***

*Pursuant to the corporate autonomy recognised by law, these By-Laws govern the corporate contract by which all shareholders of IBERDROLA, S.A. (the "**Company**") are bound upon acquiring such status.*

*Having been approved in accordance with applicable law by the shareholders acting at a General Shareholders' Meeting, which is the highest governing body through which shareholders express their contractual will, they go far beyond the minimum requirements established by law and even the typical text of the by-laws of listed companies.*

*Along these lines, the preliminary title hereof first defines the fundamental pillars of the Company as an independent entity of an open nature, the holding company of an international industrial group that combines a decentralised decision-making structure, inspired by the principle of subsidiarity, with robust coordination mechanisms ensuring the global integration of all of the businesses of the Company's group, all on the basis of an effective system of checks and balances that prevents the centralisation of management power within a single governance body or a single person.*

*The provisions of the By-Laws regarding the corporate object, the purpose and values, and the corporate interest and social dividend, beyond the corporate aspects highlighted above, give shape to an electric power company focused on a clear "purpose" and certain clear "values" that make up its corporate philosophy and its ideological and axiological bases on which its corporate enterprise is based; thus they portray an integral company, which transcends its nature as purely and merely a mercantile company, which opens to and engages all of its Stakeholders and is fully committed to contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations and the most demanding environmental, social commitment and good governance (ESG) requirements, and ultimately distinguish it as a company and institutional reality, a player in the economic and social environment in which it does business.*

*In the case of the Company, the By-Laws thereof define and ultimately constitute the foundation on which is built and based the Governance and Sustainability System, that is, its own set of internal regulations, developed under the aforementioned corporate autonomy, to ensure by these rules its raison d'être and way of being, the construction of its identity, the achievement and implementation of the Purpose and Values of the Iberdrola group, the creation of sustainable value that satisfies the corporate interest, and makes feasible and real the social dividend that it shares with all of its Stakeholders.*



*The by-law rules that arise from and are based on the internal sovereignty of the shareholders acting at a General Meeting also recognise the essential function performed by the Board of Directors as a governing body or structure that guides the realisation of the Purpose and Values of the Iberdrola group, ensures the assembly and coordination of all its Stakeholders within a company made up of them, and ultimately directs and supports the driving action of the Company as an enterprise and institutional reality in the communities of which it is a part and in today's globalised society as a whole.*

*To the extent applicable thereto, the By-Laws and the other provisions of the Company's Governance and Sustainability System bind its shareholders, the members of the Board of Directors and of senior management, and the other professionals of the Company and its group, as well as, generally, any persons validly connected thereto. All have the duty to comply with them, as well as the right to demand compliance therewith."*

**"Article 1. Company Name**

*The name of the Company is IBERDROLA, S.A."*

**"Article 4. The Iberdrola group**

1. *The Company is configured as a listed holding company and is the controlling entity of a multinational group of companies (the "Group").*
2. *The corporate and governance structure of the Group is defined based on the following:*
  - a) *The Company has duties relating to the establishment, supervision and implementation of the policies and strategies of the Group, of the basic guidelines for the management thereof, and of decisions on matters of strategic importance at the Group level, as well as the design of the Governance and Sustainability System.*
  - b) *Country subholding companies group together the equity stakes in the Group's head of business companies and carry out the function of organisation and coordination in relation to such countries and/or businesses as are decided by the Company's Board of Directors, disseminating, implementing and ensuring compliance with the policies, strategies and general guidelines of the Group based on the characteristics and unique aspects of their respective countries and/or businesses.*

*The listed country subholding companies of the Group enjoy a special framework of strengthened autonomy that contemplates the measures that are appropriate to safeguard the interests of the minority shareholders of said companies.*

- c) *Finally, the head of business companies of the Group are in charge of the day-to-day administration and effective management of each of the Group's businesses within one or more countries, and of the day-to-day control thereof, without prejudice to observing the corporate autonomy of the subsidiaries of the head of business companies in accordance with law.*
3. *All companies of the Group share the same corporate interest as well as the same purpose, corporate values and ethical principles."*

**“Article 8. Applicable Legal Provisions, Governance and Sustainability System and Compliance System**

1. *The Company is governed by the legal provisions relating to listed companies and other applicable laws and regulations, as well as by its Governance and Sustainability System.*
2. *The Governance and Sustainability System is the Company's internal system of rules, which is configured in accordance with applicable law in the exercise of corporate autonomy supported thereby and applies to the entire Group. It is intended to ensure through rule-making the best implementation of the corporate contract that binds its shareholders, and especially the corporate object, the corporate interest and the social dividend, as defined in the preceding articles.*
3. *The Company's Governance and Sustainability System is made up of these By-Laws, the Purpose and Values of the Iberdrola group, the Code of Ethics, the corporate policies and other governance and compliance rules.*
4. *The Purpose and Values of the Iberdrola group sets out its raison d'être, the ideological and axiological foundation of its corporate enterprise, which, due to its size and importance, is a focal point for many Stakeholders and for the economic and social environment in which its component entities do business.*
5. *The Purpose and Values of the Iberdrola group also inspires and takes form in the corporate policies and in the other rules of the Governance and Sustainability System, governing the day-to-day activities of all entities of the Group and guiding their strategy and all of their actions.*
6. *The shareholders acting at a General Shareholders' Meeting and the Board of Directors of the Company, within their respective purview, develop, apply and interpret the rules making up the Governance and Sustainability System in order to ensure compliance at all times with the purposes thereof and, particularly, the fulfilment of the corporate interest.*
7. *Full or summarised versions of the rules making up the Governance and Sustainability System can be viewed on the Company's corporate website.*
8. *The Company also has a Compliance System, consisting of a structured set of rules, procedures and activities intended to prevent and manage the risk of regulatory and ethical breaches or breaches of the Governance and Sustainability System itself, as well as to contribute to the full realisation of the Purpose and Values of the Iberdrola group and the corporate interest.*
9. *The application and further development of the Company's compliance function and Compliance System is the responsibility of the Compliance Unit, an autonomous body linked to the Sustainable Development Committee of the Board of Directors.”*

**“Article 9. Stakeholder Engagement, Corporate Websites and Presence on Social Media**

1. *The Company and the other entities belonging to the Group seek to engage all Stakeholders in its corporate enterprise in accordance with a policy on relations based on the principles of transparency and active listening, which allows for continuing to respond to their legitimate interests and to effectively disclose information regarding the*



*activities and businesses of the Group. The Company's Board of Directors is responsible for approving this policy and coordinating and supervising the application thereof.*

- 2. The Company's corporate website, its presence on social media and its digital communication strategy generally are channels of communication serving the Stakeholder engagement policy. The ultimate goal thereof is to encourage the stakeholders' engagement, reinforce their sense of belonging, strengthen the Iberdrola brand and favour the development of the businesses of the Group and the digital transformation thereof.*
- 3. The Board of Directors shall promote the use of the corporate website to facilitate the exercise of the shareholders' rights to receive information and to participate in connection with the General Shareholders' Meeting and the corporate governance of the Company, upon the terms provided by law and the Governance and Sustainability System.*
- 4. The corporate websites and the presence on social media of the country subholding companies and of the head of business companies contribute to the Company's digital communication strategy and are one of the principal means for engaging their respective Stakeholders. The structure and content thereof shall conform to the Company's Stakeholder engagement policy and to the general guidelines approved by its Board of Directors.*
- 5. All companies of the Group shall promote the accessibility of their respective corporate websites."*

#### **"Article 14. Shareholders and the Governance and Sustainability System**

- 1. The ownership of shares entails consent to the Governance and Sustainability System and the duty to respect and comply with the legally adopted decisions of the governance bodies of the Company.*
- 2. Shareholders must exercise their rights vis-à-vis the Company and the other shareholders, and must comply with their duties, acting with loyalty, in good faith and transparently, within the framework of the corporate interest as the paramount interest ahead of the private interest of each shareholder and in accordance with the Governance and Sustainability System."*

#### **"Article 15. General Shareholders' Meeting**

- 1. The shareholders, meeting at a General Shareholders' Meeting, shall decide, by the majorities required in each case and in accordance with law and the Governance and Sustainability System, on the matters within their purview.*
- 2. Resolutions that are duly adopted at a General Shareholders' Meeting shall bind all shareholders, including shareholders who are absent, dissent, abstain from voting or lack the right to vote, without prejudice to the rights they may have to challenge such resolutions.*
- 3. The General Shareholders' Meeting is governed by the provisions of law, these By-Laws, the Regulations for the General Shareholders' Meeting, other applicable provisions of the Governance and Sustainability System and other implementing rules approved by the Board of Directors within the scope of its powers."*



**“Article 21. Establishment of a Quorum for the General Shareholders’ Meeting**

1. *The General Shareholders’ Meeting shall be validly established with the minimum quorum required by law, taking into account the matters appearing on the agenda.*
2. *Notwithstanding the provisions of the preceding section, shareholders representing two-thirds of subscribed share capital with voting rights must be in attendance at the first call to the General Shareholders’ Meeting, and shareholders representing sixty per cent of such share capital must be in attendance at the second call, in order to adopt resolutions regarding a change in the object of the Company, transformation, total split-off, dissolution of the Company and the amendment of this section 2.*
3. *The absence of shareholders occurring once a quorum for the General Shareholders’ Meeting has been established shall not affect the validity of the meeting.*
4. *If the attendance of shareholders representing a particular minimum percentage of share capital or the consent of specific interested shareholders is required pursuant to law or the Governance and Sustainability System, in order to adopt a resolution regarding one or more items on the agenda, and such percentage is not reached or such shareholders are not present in person or by proxy, the shareholders at the General Shareholders’ Meeting shall limit themselves to deliberating and deciding on those items on the agenda that do not require such percentage of share capital or the consent of such shareholders.”*

**“Article 30. Management and Representation of the Company**

1. *The Company is managed and represented by the Board of Directors, its chairman and, if applicable and if so approved by the Board of Directors, by an executive committee called the Executive Committee (Comisión Ejecutiva Delegada) and, also if so decided by the Board of Directors, by one or more chief executive officers (consejeros delegados).*
2. *Each of these bodies shall have the powers set forth in these By-Laws, the Regulations of the Board of Directors and other applicable provisions of the Governance and Sustainability System, without prejudice to the provisions of law.”*

**“Article 31. Regulation of the Board of Directors**

*The Board of Directors shall be governed by the provisions set forth in the law, these By-Laws, the Regulations of the Board of Directors and other applicable provisions of the Governance and Sustainability System.”*

**“Article 37. Committees of the Board of Directors**

1. *The Board of Directors must have an Audit and Risk Supervision Committee, an Appointments Committee and a Remuneration Committee (or a single Appointments and Remuneration Committee), on a permanent basis.*
2. *The Board of Directors may also have an executive committee, called the Executive Committee (Comisión Ejecutiva Delegada), a consultative committee called the Sustainable Development Committee, and may create any other consultative committees with the powers that the Board of Directors determines, all of a voluntary nature.*



3. *The committees shall be governed by the provisions of the Governance and Sustainability System, including the specific regulations thereof, when available, which must be approved by the Board of Directors and, by way of supplement and to the extent not incompatible with the nature thereof, by the provisions regarding the operation of the Board of Directors."*

**"Article 38. Executive Committee**

1. *If created, the Executive Committee shall have all the powers inherent to the Board of Directors, except for those powers that may not be delegated pursuant to law or the Governance and Sustainability System.*
2. *The Executive Committee shall be composed of the number of directors decided by the Board of Directors upon a proposal of the Appointments Committee, with a minimum of four and a maximum of eight.*
3. *The appointment of the members of the Executive Committee and the delegation of powers thereto shall be carried out by the Board of Directors with the favourable vote of at least two-thirds of the members thereof. The renewal thereof shall be carried out at the time and in the form and numbers decided by the Board of Directors with such majority.*
4. *The chairman of the Board of Directors and the chief executive officers shall in all cases form part of the Executive Committee.*
5. *Meetings of the Executive Committee shall be chaired by the chairman of the Board of Directors, and in the absence thereof, by one of the vice-chairs who are members of the Executive Committee, if any, or by the lead independent director (consejero coordinador), if a member of the Executive Committee. In the absence of all of the foregoing, they shall be chaired by the director member of the Executive Committee having the longest length of service in office, and in the case of equal length of service, by the oldest. The secretary of the Board of Directors or, in the absence thereof, any of the deputy secretaries or, in the absence of all of them, the director that the Executive Committee appoints from among its members in attendance shall serve as secretary.*
6. *Resolutions of the Executive Committee shall be adopted by an absolute majority of votes cast in person or by proxy. In the event of a tie, the chair of the Executive Committee shall have the tie-breaking vote.*

**"Article 42. Chairman and Vice-Chair or Vice-Chairs**

1. *The Board of Directors, after a report from the Appointments Committee, shall appoint a chairman from among its members. The Board of Directors may also appoint one or more honorary chairs of the Company.*
2. *The chairman of the Board of Directors shall have the status of president of the Company and of chair of all of the corporate decision-making bodies of which the chairman is a member, which he shall permanently represent with the broadest powers, having the duty to carry out the resolutions thereof and being authorised in urgent cases to adopt such measures as the chairman deems advisable in furtherance of the corporate interest.*





3. *The chairman of the Board of Directors undertakes the senior management and representation of the Company, as well as leadership of the Board of Directors.*
4. *The chairman of the Board of Directors may exercise the powers conferred upon him by law and the Governance and Sustainability System, and particularly the following:*
  - a) *To call and preside over meetings of the Board of Directors and the Executive Committee, setting the agenda for the meetings and directing the discussion and debate.*
  - b) *To chair the General Shareholders' Meeting and perform thereat the duties assigned thereto by the Governance and Sustainability System.*
  - c) *To bring to the Board of Directors those proposals that the chairman deems appropriate for the efficient running of the Company, particularly those relating to the operation of the Board of Directors itself and other governance decision-making bodies, as well as to propose the persons, if any, who will hold office as vice-chair, chief executive officer, secretary and deputy secretary of the Board of Directors and of the committees thereof, without prejudice to the reporting powers belonging to the Appointments Committee.*
  - d) *To ensure, with the collaboration of the secretary of the Board of Directors, that the directors receive in advance information sufficient to deliberate on the items on the agenda.*
  - e) *To stimulate the debate and active participation of the directors during meetings, safeguarding their freedom to take positions.*
5. *The Board of Directors, upon a proposal of its chairman and after a report from the Appointments Committee, may elect from among its members one or more vice-chairs, who shall temporarily replace the chairman of the Board of Directors in the event of vacancy, absence, illness or incapacity.*
6. *If there is more than one vice-chair of the Board of Directors, the chairman of the Board of Directors shall be replaced by the vice-chair that is expressly appointed by the Board of Directors for such purpose; in default of the foregoing, by the vice-chair having the longest length of service in office; in case of equal length of service, by the oldest. If a vice-chair has not been appointed, the chairman shall be replaced by the lead independent director; in the absence thereof, by the director with the longest length of service in office, and in case of equal length, by the oldest.*
7. *If the chairman must be replaced on a definitive basis due to removal, notice of resignation, disability or death, the preceding sections shall apply and the vice-chair or director appointed as a provisional replacement shall lead the process for electing a new chairman, in accordance with the succession plan approved by the Board of Directors.*
8. *The same procedure shall be followed to decide the removal of a vice-chair."*

**"Article 43. Chief Executive Officer**

1. *The Board of Directors, upon a proposal of the chairman thereof, after a report from the Appointments Committee and with the favourable vote of at least two-thirds of the*



*directors, may appoint one or more chief executive officers (consejeros delegados) with the powers it deems appropriate and which may be delegated pursuant to law and the Governance and Sustainability System.*

2. *In the event of vacancy, absence, illness or incapacity of all of the chief executive officers, the duties entrusted thereto shall be temporarily assumed by the chairman of the Board of Directors or, in the absence thereof, by the vice-chair or director designated in accordance with the provisions of section 6 of the preceding article, who shall call a meeting of the Board of Directors to deliberate and decide upon the appointment, if appropriate, of one or more new chief executive officers.”*

**“Article 44. Secretary and Deputy Secretary or Deputy Secretaries of the Board of Directors**

1. *The Board of Directors, upon a proposal of the chairman thereof and after a report from the Appointments Committee, shall appoint a secretary, who need not be a director, and, if appropriate, one or more deputy secretaries, who also need not be directors, and who shall replace the secretary in the event of vacancy, absence, illness or incapacity. The same procedure shall be followed to decide the removal of the secretary and, if applicable, each deputy secretary.*
2. *If there is more than one deputy secretary, the secretary of the Board of Directors shall be replaced by the corresponding one among them in accordance with the order established at the time of their appointment. In the absence of a secretary and deputy secretaries, the director that the Board of Directors itself appoints from among the attendees at the meeting in question shall serve as such.*
3. *The secretary of the Board of Directors shall perform the duties assigned thereto by law and the Governance and Sustainability System.*
4. *The secretary of the Board of Directors or, if applicable, the deputy secretary or one of the deputy secretaries if several, may also hold the position of general secretary if so decided by the Board of Directors, with the duties assigned thereto by the Governance and Sustainability System.”*

**“Article 45. Checks and Balances System: Lead Independent Director**

1. *The Governance and Sustainability System shall provide the measures necessary to ensure that neither the chairman of the Board of Directors nor the Executive Committee nor the chief executive officers have a decision-making power that is not subject to appropriate checks and balances.*
2. *The Board of Directors shall adopt the measures necessary to ensure that both the chairman of the Board of Directors and the Executive Committee and the chief executive officers are under its effective supervision.*
3. *The appointment of an executive director as chairman of the Board of Directors shall require the favourable vote of at least two-thirds of the directors.*
4. *If the chairman of the Board of Directors has the status of executive director, the Board of Directors, upon a proposal of the Appointments Committee and with the abstention of the executive directors, must necessarily appoint from among the independent directors a lead independent director (consejero coordinador), who shall be specially empowered, when the lead independent director deems it appropriate, to:*



- a) *Ask the chairman of the Board of Directors to call a meeting thereof and to participate with the chairman in the planning of the annual schedule of meetings.*
  - b) *Participate in the preparation of the agenda for each meeting of the Board of Directors and request the inclusion of matters on the agenda for meetings of the Board of Directors that have already been called.*
  - c) *Coordinate, gather and reflect the concerns of the non-executive directors.*
  - d) *Direct the periodic evaluation of the chairman of the Board of Directors and lead any process for the succession thereof.*
5. *The lead independent director may also maintain contacts with shareholders when so decided by the Board of Directors."*

**"Article 46. General Duties of Directors**

1. *The directors must carry out their office and comply with the duties imposed by law and the Governance and Sustainability System with the diligence of a prudent businessperson, taking into account the nature of the office and the duties assigned to each of them. The directors must also carry out their office with the loyalty of a faithful representative, acting in good faith and in the best interest of the Company.*
2. *The Regulations of the Board of Directors shall elaborate upon the specific obligations of directors stemming from the duties established by law, and particularly those of confidentiality, non-competition and loyalty, with special focus on conflict of interest situations.*
3. *The Company may obtain an insurance policy that covers the civil liability of the directors in the performance of their duties."*

**"Article 47. Term of Office**

1. *Directors shall serve in their position for a term of four years, so long as the shareholders acting at a General Shareholders' Meeting do not resolve to remove them and they do not resign from their position.*
2. *Directors must submit their resignation from the position and formally resign from their position upon the occurrence of any of the instances of disqualification, lack of competence, structural and permanent conflict of interest, or prohibition against performing the duties of director provided by law or the Governance and Sustainability System.*
3. *Directors may be re-elected to one or more terms of four years."*

**“Article 49. Powers of Information and Inspection**

1. *A director shall have the broadest powers to obtain information regarding any aspect of the Company, to examine its books, records, documents and other background information on corporate transactions, to inspect all of its facilities and to communicate with the members of senior management of the Company.*
2. *The exercise of the aforementioned powers shall be channelled through the secretary of the Board of Directors, who shall act on behalf of the chairman thereof pursuant to the provisions of the Governance and Sustainability System.”*

Articles 12, 17 and 33 shall read as proposed under item number seven on the agenda, Article 19, 23, 24 and 27 as proposed under item number eight on the agenda, Article 32 as proposed item number nine on the agenda and Articles 35 and 36 as proposed under item ten on the agenda, which includes in all cases the update of the name of the Governance and Sustainability System.

**ITEM NUMBER SIX ON THE AGENDA**

**Amendment of Article 10 of the *By-Laws* in order to reflect the amount of share capital resulting from the reduction therein by means of the retirement of a maximum of 178,156,000 own shares (2.776% of the share capital).**

**RESOLUTION**

1. **Reduction in capital by means of the retirement of both currently existing own shares held in treasury and of own shares to be acquired through the settlement of derivatives acquired prior to the formulation of this proposed resolution through a buy-back programme for the retirement thereof**

To reduce the share capital of IBERDROLA, S.A. (the “**Company**”) by the amount resulting from the sum of:

- i. 117,081,459.00 euros, through the retirement of 156,108,612 currently existing own shares in treasury after the close of the trading session on 10 May 2021, each with a nominal value of 0.75 euro, acquired under the authorisation granted by the shareholders at the General Shareholders’ Meeting held on 13 April 2018 under item twelve on the agenda and within the limits established by Section 146 and related provisions and Section 509 of the *Companies Act* (the “**Existing Treasury Shares**”); and
- ii. the aggregate nominal value, up to the maximum amount of 16,535,541.00 euros, of the own shares of the Company, each with a nominal value of 0.75 euro, up to a limit of 22,047,388 own shares (the “**Overall Limit**”), that are acquired for their retirement both through the settlement, no later than 10 June 2021, of the derivatives acquired by the Company prior to 11 May 2021 (the “**Derivatives**”) and under the programme for the buy-back of up to 15 million own shares that will be in effect until no later than 10 June 2021 and that was approved by the Board of Directors on 11 May 2021 (the “**Buy-back Programme**”), under (a) the provisions of *Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and of Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to*



*buy-back programmes and stabilisation measures; and (b) the aforementioned authorisation granted by the shareholders at the General Shareholders' Meeting held on 13 April 2018 under item twelve on the agenda.*

Consequently, the maximum amount of the reduction in capital (the “**Reduction in Capital**”) shall be 133,617,000.00 euros, through the retirement of a maximum of 178,156,000 own shares, each with a nominal value of 0.75 euro, representing not more than 2.776% of the share capital at the time this resolution is approved.

As set out below, the final amount of the Reduction in Capital will be set by the Company's Board of Directors (with express power of substitution) depending upon the final number of shares acquired both as a result of the settlement of the Derivatives and within the framework of the Buy-back Programme, provided they do not exceed the Overall Limit. If the Overall Limit is exceeded, there will be a retirement of all of the shares acquired pursuant to the Buy-back Programme, as well as of the number of shares acquired as a result of the settlement of the Derivatives equal to the difference between the Overall Limit and the shares acquired in implementation of the Buy-back Programme. In this latter case, the remaining treasury shares acquired as a result of the settlement of the Derivatives will not be retired on occasion of the Reduction in Capital.

Once the Board of Directors (or the body acting by delegation therefrom) has determined final figure of the Reduction in Capital, Article 10 of the *By-Laws* setting the share capital will be amended such that it reflects the new amount of share capital and the new number of outstanding shares.

## **2. Procedure for acquisition of the shares that will be retired under the Buy-back Programme**

Without prejudice to the Existing Treasury Shares, and in accordance with the resolution approved by the Board of Directors at its meeting of 11 May 2021, the Company may acquire a maximum number of 15 million own shares by way of implementation of the Buy-back Programme for all of the shareholders and for their retirement, each of such own shares having a nominal value of 0.75 euro and representing a maximum of 0.234% of the share capital of the Company on the date of approval of this resolution, which number is within the legal limit and the limit provided for in the authorisation for the acquisition of own shares granted by the shareholders at the General Shareholders' Meeting held on 13 April 2018 under item twelve on the agenda.

As provided in the aforementioned resolution of the Board of Directors, the own shares shall be acquired subject to such terms as to price and volume as are established in Article 5 of *Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse* and in Articles 2, 3 and 4 of *Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures*.

In accordance with the foregoing, pursuant to Section 340.3 of the *Companies Act*, if the Company fails to acquire the maximum number of 22,047,388 own shares, each with a nominal value of 0.75 euro, both through the settlement, no later than 10 June 2021, of the Derivatives and under the Buy-back Programme, it shall be understood that the share capital is reduced by the sum of (i) the amount corresponding to the Existing Treasury Shares, and (ii) the amount corresponding to the sum of the shares effectively acquired





within the framework of the Buy-back Programme and pursuant to the settlement of the Derivatives no later than 10 June 2021.

### **3. Procedure for the reduction and reserves with a charge to which it is carried out**

Pursuant to the provisions of Section 342 of the *Companies Act*, the Reduction in Capital must be implemented within one month following the expiration of the Buy-back Programme.

The Reduction in Capital does not entail a return of contributions to the shareholders because the Company itself is the holder of the shares being retired, and it shall be carried out with a charge to unrestricted reserves by funding a retired capital reserve in an amount equal to the nominal value of the retired shares; such reserve may only be used by complying with the same requirements as those applicable to a reduction in share capital, as provided by Section 335 c) of the *Companies Act*.

Therefore, in accordance with the provisions of such section, creditors of the Company will not be entitled to assert the right of objection contemplated by Section 334 of the *Companies Act* in connection with the Reduction in Capital.

### **4. Ratification of the resolutions of the Board of Directors**

To ratify the resolutions of the Board of Directors regarding the approval of the Buy-back Programme and the establishment of the terms and conditions thereof, including the determination of the maximum number of shares to be acquired within the framework and the effective period thereof, as well as to ratify the acts, statements and formalities carried out through the date hereof in connection with the public communication of the Buy-back Programme.

### **5. Delegation of powers**

To delegate to the Board of Directors, with express power of substitution, the powers necessary to implement this resolution within a period not to exceed one month following the expiration of the Buy-back Programme, with authority to establish any terms that are not expressly set forth in this resolution or that are a consequence hereof. In particular, and by way of example only, the following powers are delegated to the Board of Directors, with express power of substitution:

- (a) To modify the maximum number of shares that may be bought back by the Company, within the limits set in this resolution and by law, as well as any other terms and conditions of the Buy-back Programme, all in accordance with the provisions of *Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and in Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures*.
- (b) To perform any acts, make any statements or take any steps that may be required in connection with the public communication of the Buy-back Programme and with the formalities, if any, that must be carried out at Spanish regulatory agencies and Stock Exchanges; negotiate, agree to and sign all contracts, agreements, commitments or instructions that may be necessary or appropriate for the successful completion of the Buy-back Programme.





- (c) To cause all announcements required by law to be published, acquire the shares under the Buy-back Programme and retire them within one month following the expiration of the Buy-back Programme, in accordance with the terms approved herein.
- (d) To declare the approved Reduction in Capital to be completed and implemented, establishing, for such purpose, the final number of shares that must be retired and, as a result, the amount by which the share capital of the Company must be reduced in accordance with the rules specified in this resolution.
- (e) To set the final amount of the Reduction in Capital based on the provisions of this resolution and establish any other terms that may be required to implement it, all in accordance with the terms and conditions set forth above.
- (f) To amend Article 10 of the By-Laws setting the share capital such that it reflects the amount of share capital and the number of outstanding shares resulting from the implementation of the Reduction in Capital.
- (g) To take such steps and carry out such formalities as may be required and submit such documents as may be necessary to the competent bodies such that, once the shares of the Company have been retired and the notarial instrument for the Reduction in Capital has been executed and registered with the Commercial Registry, the retired shares are delisted from the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market), and they are removed from the corresponding book-entry records of "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR).
- (h) To perform all acts that may be necessary or appropriate to implement and formalise the Reduction in Capital before any Spanish or foreign public or private entities and agencies, including acts for purposes of representation, supplementation or correction of defects or omissions that might prevent or hinder the full effectiveness of the foregoing resolutions.

Pursuant to the provisions of Section 249 bis I) of the *Companies Act*, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.

## ITEM NUMBER SEVEN ON THE AGENDA

**Amendment of Articles 12, 17, 28, 33, 39, 40 and 41 of the *By-Laws* to conform the text thereof to the new legal provisions as regards the encouragement of long-term shareholder engagement.**

### RESOLUTION

Amendment of Articles 12, 17, 28, 33, 39, 40 and 41 of the *By-Laws* to conform the text thereof to the new legal provisions as regards the encouragement of long-term shareholder engagement. Said articles shall hereafter read as follows:

#### ***"Article 12. Shareholder Status***

1. *Each share of the Company confers upon its legitimate holder the status of shareholder, and vests such holder with the rights and obligations established by law*



*and by the Governance and Sustainability System. The shareholders also participate indirectly, through the Company, in the other companies of the Group.*

2. *The Company shall acknowledge as shareholders any parties that appear entitled to have shareholder status as owner in the entries of the corresponding book-entry register.*
3. *The Company may, as legally allowed, access the information needed to fully identify its shareholders and the ultimate beneficial owners, within the meaning provided by law, including addresses and means of contact for communication with them."*

**"Article 17. Powers of the Shareholders Acting at a General Shareholders' Meeting**

1. *The shareholders acting at a General Shareholders' Meeting shall decide the matters assigned thereto by law, the Regulations for the General Shareholders' Meeting or other rules of the Governance and Sustainability System, and particularly regarding the following:*
  - a) *The approval of the annual financial statements, the directors' report, the allocation of profits or losses and corporate management.*
  - b) *The approval of the statement of non-financial information.*
  - c) *The appointment, re-election and removal of directors, as well as the ratification of directors designated by interim appointment to fill vacancies.*
  - d) *The approval of the director remuneration policy.*
  - e) *The approval of the establishment of systems for remuneration of the directors consisting of the delivery of shares or of rights therein or remuneration based on the value of the shares.*
  - f) *Releasing the directors from the prohibitions arising from the duty of loyalty, when authorisation is attributed by law to the shareholders acting at a General Shareholders' Meeting, as well as from the obligation not to compete with the Company.*
  - g) *The appointment, re-election and removal of the statutory auditors.*
  - h) *The amendment of these By-Laws.*
  - i) *An increase or reduction in share capital.*
  - j) *The delegation to the Board of Directors of the power to increase share capital, in which case it may also grant thereto the power to exclude or limit pre-emptive rights, upon the terms established by law.*
  - k) *The delegation to the Board of Directors of the power to carry out an increase in share capital already approved by the shareholders at a General Shareholders' Meeting, within the periods set forth by law, indicating the date or dates of execution and establishing the conditions for the increase as to all matters not provided for by the shareholders. In this case, the Board of Directors may make use of such delegation in whole or in part, or may refrain from using it, in view of market conditions or the condition of the Company itself, or of*



*particularly relevant facts or circumstances that justify such decision, and shall report thereon to the shareholders at the first General Shareholders' Meeting held after the end of the period granted for the use of such delegation.*

- l) The exclusion or limitation of pre-emptive rights.*
  - m) The authorisation for the derivative acquisition of the Company's own shares.*
  - n) The transformation, merger, split-off or overall assignment of assets and liabilities and the transfer of the registered office abroad.*
  - o) The dissolution of the Company and the appointment and removal of the liquidators.*
  - p) The approval of the final liquidation balance sheet.*
  - q) The issuance of debentures and other negotiable securities and the delegation to the Board of Directors of the power to issue them, as well as the power to exclude or limit pre-emptive rights, upon the terms established by law.*
  - r) The commencement of derivative liability actions against directors, statutory auditors and liquidators.*
  - s) The approval and amendment of the Regulations for the General Shareholders' Meeting.*
  - t) The authorisation of related-party transactions in an amount or with a value equal to or greater than that determined by law.*
  - u) The transfer to controlled entities of core activities that were previously carried out by the Company itself, even if the Company maintains full control thereof.*
  - v) The acquisition, transfer or contribution of key assets from or to another company.*
  - w) The approval of transactions having an effect equivalent to liquidation of the Company.*
- 2. The shareholders at a General Shareholders' Meeting shall also decide on any matter that the Board of Directors or shareholders submit for the consideration thereof, upon the terms and with the requirements established by law and the Governance and Sustainability System."*

#### **"Article 28. Conflicts of Interest**

- 1. A shareholder may not exercise the shareholder's right to vote at a General Shareholders' Meeting, either in person or by proxy, with respect to the adoption of a resolution to:*
  - a) Relieve the shareholder of an obligation or grant the shareholder a right.*
  - b) Provide the shareholder with any kind of financial assistance, including the provision of guarantees in favour thereof.*



- c) *Release the shareholder, if a director, from obligations arising from the duty of loyalty established in accordance with the provisions of law.*
- d) *Approve a related-party transaction that affects the shareholder, unless the corresponding proposed resolution has been approved in accordance with the provisions of law.*
- 2. *The provisions of the preceding section shall also apply when the resolutions affect, in the case of an individual shareholder, the entities or companies controlled thereby, and in the case of corporate shareholders, the entities or companies belonging to their group (within the meaning indicated in Article 29.3 below), even if these latter companies or entities are not shareholders.*
- 3. *If the shareholder subject to any of the voting prohibitions above attends the General Shareholders' Meeting, such shareholder's shares shall be deducted from those in attendance for purposes of determining the number of shares upon which the majority needed for the adoption of the relevant resolutions shall be calculated."*

**"Article 33. Composition of the Board of Directors and Appointment of Directors**

- 1. *The Board of Directors shall be composed of a minimum of nine and a maximum of fourteen directors, who shall be appointed or ratified by the shareholders acting at a General Shareholders' Meeting, subject to the provisions of law and the requirements established by the Governance and Sustainability System.*
- 2. *The determination of the number of directors shall be within the purview of the shareholders acting at a General Shareholders' Meeting, for which purpose the shareholders may establish such number either by express resolution or indirectly through the filling of vacancies or the appointment of new directors within the aforesaid minimum and maximum numbers.*
- 3. *The following may not be appointed as directors:*
  - a) *Legal entities.*
  - b) *Persons who hold the position of director or who are members of senior management of domestic or foreign companies competing with the Company in the energy industry or other industries, or such persons, if any, as are proposed by them in their capacity as shareholders.*
  - c) *Persons serving as directors in more than five companies, of which no more than three may have shares trading on domestic or foreign stock exchanges.*
  - d) *Persons who, during the two years prior to their appointment, have occupied high-level positions in Spanish government administrations that are incompatible with the simultaneous performance of the duties of a director of a listed company under Spanish national or autonomous community law, or positions of responsibility with entities regulating the energy industry, the securities markets or other industries in which the Group operates.*
  - e) *Persons who are under any other circumstance of disqualification or prohibition governed by provisions of a general nature, including those who have interests in any way opposed to those of the Company or the Group.*



4. *The appointment, ratification, re-election and removal of directors must comply with the provisions of law and the Governance and Sustainability System. Resolutions proposed to the shareholders at a General Shareholders' Meeting regarding the appointment, ratification and re-election of directors must be accompanied by a report providing the rationale for the proposal."*

**"Article 39. Audit and Risk Supervision Committee**

1. *The Board of Directors shall create a permanent Audit and Risk Supervision Committee, an internal informational and consultative body without executive duties, with information, advisory and proposal-making powers within its scope of action.*
2. *The Audit and Risk Supervision Committee shall be composed of a minimum of three and a maximum of five directors appointed by the Board of Directors upon a proposal of the Appointments Committee from among the non-executive directors who are not members of the Executive Committee. A majority of such directors shall be independent.*
3. *The Board of Directors shall appoint a chair of the Audit and Risk Supervision Committee from among the independent directors forming part thereof, as well as its secretary, who need not be a director. The chair of the Audit and Risk Supervision Committee shall hold office for a maximum period of four years, after which period the chair may not be re-elected until the passage of at least one year from ceasing to act as such, without prejudice to the continuance or re-election thereof as a member of the committee.*
4. *The Audit and Risk Supervision Committee shall have the powers set forth in the Regulations of the Board of Directors and in its own regulations, and in any case those provided by law, except the power to report to the Board of Directors regarding the content of the statement of non-financial information, which is assigned to the Sustainable Development Committee, without prejudice to any powers that may be assigned by rules or regulations to the Audit and Risk Supervision Committee in relation to the process of preparation and submission thereof."*

**"Article 40. Appointments Committee and Remuneration Committee**

1. *The Board of Directors shall create a permanent Appointments Committee and a permanent Remuneration Committee (or a single Appointments and Remuneration Committee, in which case reference in these By-Laws to the Appointments Committee and the Remuneration Committee shall be deemed made to the same committee), which shall be internal informational and consultative bodies without executive duties, with information, advisory and proposal-making powers within their respective scopes of action.*
2. *The Appointments Committee and the Remuneration Committee shall each be composed of a minimum of three and a maximum of five directors, appointed by the Board of Directors upon a proposal of the Appointments Committee from among the non-executive directors, and the majority of their respective members must be classified as independent*
3. *The Board of Directors shall appoint the chairs of both committees from among the independent directors forming part of each of them, as well as their secretaries, who need not be directors.*





4. *The Appointments Committee and the Remuneration Committee shall have the powers set forth in the Regulations of the Board of Directors and in their own regulations and in any event those established by law as well as those corresponding to each of them due to the nature thereof."*

**"Article 41. Sustainable Development Committee**

1. *If created, the Sustainable Development Committee shall be deemed an internal informational and consultative body without executive duties, with information, advisory and proposal-making powers within its scope of action.*
2. *The Sustainable Development Committee shall be composed of a minimum of three and a maximum of five directors, appointed by the Board of Directors upon a proposal of the Appointments Committee from among the non-executive directors, and the majority thereof must be classified as independent.*
3. *The Board of Directors shall appoint a chair of the Sustainable Development Committee from among the independent directors forming part thereof, as well as its secretary, who need not be a director.*
4. *The Sustainable Development Committee shall have the powers set forth in the Regulations of the Board of Directors and in its own regulations.*

*In particular, the Sustainable Development Committee shall have the power to report on the content of the statement of non-financial information, without prejudice to the powers that may be assigned by rules or regulations to the Audit and Risk Supervision Committee in relation to the process of preparation and submission thereof."*

## ITEM NUMBER EIGHT ON THE AGENDA

**Amendment of Articles 18, 19, 20, 22, 23, 24, 26 and 27 of the By-Laws to regulate remote attendance at the General Shareholders' Meeting.**

### RESOLUTION

Amendment of Articles 18, 19, 20, 22, 23, 24, 26 and 27 of the By-Laws to regulate remote attendance at the General Shareholders' Meeting. Said articles shall hereafter read as follows:

**"Article 18. Call to and Methods of Holding a General Shareholders' Meeting**

1. *A General Shareholders' Meeting must be called by the Board of Directors through an announcement published as much in advance as required by law, and which shall state the manner in which it will be held.*
2. *A General Shareholders' Meeting may be held in the following ways: in person only, in person with the ability to attend remotely, or, if there are reasons that make it advisable, exclusively by remote means. In all cases, shareholders may grant a proxy and cast an absentee vote pursuant to the provisions of these By-Laws, the Regulations for the General Shareholders' Meeting and the implementing rules approved by the Board of Directors within the scope of its powers.*





3. *The announcement of the call to meeting shall be disseminated through the following media, at a minimum:*
  - a) *The Official Bulletin of the Commercial Registry (Boletín Oficial del Registro Mercantil) or one of the more widely circulated newspapers in Spain.*
  - b) *The website of the National Securities Market Commission (Comisión Nacional del Mercado de Valores).*
  - c) *The Company's corporate website."*

#### **"Article 19. Shareholders' Right to Receive Information**

1. *From the date of publication of the call to the General Shareholders' Meeting through and including the fifth day prior to the date set for the meeting to be held on first call, the shareholders may request in writing the information or clarifications that they deem are required or ask written questions that they deem relevant, regarding (i) the matters contained in the agenda of the call to meeting; (ii) 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; and (iii) the audit report.*
2. *Shareholders attending the General Shareholders' Meeting may request such information or clarifications as they deem appropriate regarding the matters set forth in the preceding section within the period and on the terms determined by the Board of Directors in accordance with the provisions of law and the Governance and Sustainability System.*
3. *The Board of Directors shall be required to provide the information validly requested in the form and within the periods set forth in the law, in these By-Laws, in the Regulations for the General Shareholders' Meeting and in the implementing rules approved by the Board of Directors within the scope of its powers, except in cases in which it is unnecessary for the protection of shareholder rights, there are objective reasons to believe that it might be used for ultra vires purposes or that publication of the information might prejudice the Company or related companies. The information requested may not be denied if the request is supported by shareholders representing at least twenty-five per cent of the share capital.*
4. *The announcement of the call to the General Shareholders' Meeting shall state the means whereby any shareholder may obtain from the Company, without charge and on an immediate basis, the documents that must be submitted for the approval of the shareholders at such General Shareholders' Meeting, as well as, if applicable, the directors' report and the audit report.*
5. *The Company shall make available to its shareholders the information and documentation required in accordance with the provisions of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers."*

#### **"Article 20. Place of the Meeting**

1. *The General Shareholders' Meeting shall be held at the place indicated in the call to meeting within the municipal territory of Bilbao.*



2. *If the General Shareholders' Meeting is held exclusively by remote means, the place of the meeting shall be deemed to be the registered office."*

**"Article 22. Right to Attend**

1. *The holders of at least one voting share may attend the General Shareholders' Meeting and take part in deliberations thereat, with the right to be heard and to vote.*
2. *The General Shareholders' Meeting may be attended in person by going to the place where the meeting is held or, if so indicated in the call to meeting, to other places provided for such purpose by the Company and that are connected with the principal meeting place by systems that allow for recognition and identification of the attendees, permanent communication among them, and participation and voting, all in real time. Attendees at any of such places shall be considered to be attendees at the same individual meeting, which shall be deemed to be held at the principal location thereof.*
3. *The General Shareholders' Meeting may be attended remotely using the systems determined by the Board of Directors, which must allow for the identification of attendees, the exercise of their rights and the proper conduct of the meeting.*
4. *In order to exercise the right to attend, shareholders must cause the shares to be registered in their name in the corresponding book-entry register at least five days prior to the day on which the General Shareholders' Meeting is to be held.*
5. *The chair of the General Shareholders' Meeting may authorise the in-person or remote attendance of management personnel, professionals of the companies of the Group and other persons related to the Company. The chair may also grant in-person or remote access to the media, to financial analysts and to any other person the chair deems appropriate, as well as authorise the simultaneous or delayed broadcast thereof, although the shareholders acting thereat may revoke such authorisation."*

**"Article 23. Right to Proxy Representation**

1. *All shareholders having the right to attend may be represented at the General Shareholders' Meeting by proxy through another person, whether or not such person is a shareholder, by complying with the requirements of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.*
2. *Proxy representatives may participate in the General Shareholders' Meeting in person or remotely, as provided in the call to meeting.*
3. *Proxies must be given in writing or by remote means of communication (such as by telephone or by postal or electronic correspondence), in which case the provisions of Article 27 below for the casting of absentee votes shall apply to the extent applicable.*
4. *Proxy and voting instructions of shareholders acting through intermediary and management institutions or depositaries shall be governed by the provisions of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.*
5. *In cases of absence of identification of the proxy representative, absence of express instructions for the exercise of voting rights, submission of items not included on the*



*agenda of the call to the General Shareholders' Meeting or a conflict of interest affecting the proxy representative, the rules established in this regard in the Governance and Sustainability System and in the implementing rules approved by the Board of Directors within the scope of its powers shall apply to the proxy.*

6. *The chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from either of them, shall be responsible for verifying the identity of the shareholders and their representatives, verifying the ownership and status of their rights, and recognising the validity of the attendance, proxy and absentee voting card or the instrument or means evidencing attendance or representation by proxy, including any means provided for authentication and participation by remote means."*

**"Article 24. Presiding Committee, Chair of and Secretary for the General Shareholders' Meeting**

1. *The Presiding Committee (Mesa) of the General Shareholders' Meeting shall be made up of the chair of and the secretary for the General Shareholders' Meeting and the other members of the Board of Directors present at the meeting, who may attend in person or remotely.*
2. *Without prejudice to other powers that may be assigned thereto by these By-Laws or the Governance and Sustainability System, the Presiding Committee shall assist the chair of the General Shareholders' Meeting in carrying out the duties thereof.*
3. *The chairman of the Board of Directors or, in the absence thereof, the vice-chair, shall act as chair of the General Shareholders' Meeting. If there are several vice-chairs, they shall act in the order set forth in Article 42.6 below. In the absence of all of the foregoing, the person appointed by the Presiding Committee shall act as chair of the General Shareholders' Meeting.*
4. *The secretary of the Board of Directors or, in the absence thereof, the deputy secretary, shall act as secretary for the General Shareholders' Meeting. If there are several deputy secretaries, they shall act in the order set forth in Article 44.2 below. In the absence of all of the foregoing, the person appointed by the Presiding Committee shall act as secretary for the General Shareholders' Meeting."*

**"Article 26. Deliberations and Voting**

1. *The chair of the General Shareholders' Meeting shall: direct the meeting; accept new proposed resolutions relating to matters on the agenda; organise the deliberations and presentations, granting the floor to shareholders attending in person and who so request it and taking the floor away or refusing to grant it when the chair deems that a particular matter has been sufficiently debated, is not included in the agenda or hinders the progress of the meeting; indicate the time and establish, pursuant to the Regulations for the General Shareholders' Meeting, the system or procedure for voting; decide on the suspension or limitation of political rights, especially the voting rights attaching to shares, pursuant to law and these By-Laws; approve the polling and vote counting system; announce the voting results; temporarily suspend or propose a continuation of the General Shareholders' Meeting; close the meeting; and, in general, exercise all powers, including those of order and discipline, that are required for the proper conduct of the proceedings.*



2. *The chair of the General Shareholders' Meeting may entrust the management of the meeting to a director the chair deems appropriate, or to the secretary for the General Shareholders' Meeting, who shall carry out this duty on behalf of the chair, with the chair having the right to retake it at any time. In the event of temporary absence or supervening incapacity of the chair or the secretary for the General Shareholders' Meeting, the appropriate persons under sections 3 and 4 of Article 24, respectively, shall assume the duties thereof.*
3. *Proposed resolutions shall be voted upon by the shareholders at the General Shareholders' Meeting pursuant to the provisions of the following articles and the Regulations for the General Shareholders' Meeting."*

**"Article 27. Absentee Voting**

1. *Shareholders may cast their absentee vote in writing or by remote means of communication (such as by telephone or by postal or electronic correspondence) on proposed resolutions relating to the items on the agenda of the call to meeting by complying with the requirements of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.*
2. *Shareholders that have cast their absentee vote shall be deemed present for purposes of the establishment of a quorum for the General Shareholders' Meeting.*
3. *Absentee votes must be received by the Company before 24:00 on the day immediately prior to the day set for the holding of the General Shareholders' Meeting upon first call or upon second call, as applicable.*
4. *The Board of Directors is authorised to develop the rules, means and procedures for absentee voting, including applicable rules on priority and conflict.*

*Specifically, the Board of Directors may reduce the advance period set forth in section 3 above for receipt by the Company of absentee votes, and accept and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation therefrom to accept, any absentee votes received after such period, to the extent permitted by the means available.*

5. *The chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from either of them, shall be responsible for verifying and recognising the validity of the absentee votes cast in accordance with the provisions set forth in the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.*
6. *The provisions of the preceding sections of this article shall not apply to shareholders or their proxy representatives if they attend the General Shareholders' Meeting remotely. The casting of votes by those attending remotely during the General Shareholders' Meeting shall be governed by the provisions of these By-Laws, the Regulations for the General Shareholders' Meeting and the implementing rules approved by the Board of Directors within the scope of its powers."*



## ITEM NUMBER NINE ON THE AGENDA

**Amendment of Article 32 of the *By-Laws* to include the approval of a climate action plan.**

### RESOLUTION

Amendment of Article 32 of the *By-Laws* to include the approval of a climate action plan. Said article shall hereafter read as follows:

#### ***“Article 32. Powers of the Board of Directors***

1. *The Board of Directors has the power to adopt resolutions regarding all matters not assigned by law or the Governance and Sustainability System to the shareholders acting at a General Shareholders' Meeting.*
2. *Although the Board of Directors has the broadest powers and authority to manage and represent the Company, as a general rule of good governance, the Board of Directors shall focus its activities, pursuant to the Governance and Sustainability System, on the definition and supervision of the general guidelines to be followed by the Company and the Group, attending to the following matters, among others:*
  - a) *Establish, within legal limits, the policies, strategies and guidelines of the Group, entrusting to the decision-making bodies and the management of the head of business companies of the Group the duties of day-to-day administration and effective management of each of the businesses.*
  - b) *Supervise the general development of the aforementioned policies, strategies and guidelines by the country subholding companies and by the head of business companies of the Group, establishing appropriate mechanisms of coordination and exchange of information in the interest of the Company and of the companies belonging to the Group.*
  - c) *Decide on matters of strategic importance at the Group level.*
3. *The Board of Directors shall generally entrust to its chairman, to the chief executive officers and to senior management the dissemination, coordination and general implementation of the Group's management guidelines, acting in furtherance of the interests of each and every one of the companies belonging thereto.*
4. *The Board of Directors shall design, evaluate and continuously review the Governance and Sustainability System, shall approve the Purpose and Values of the Iberdrola group and shall pay special attention to the approval and updating of the corporate policies, which further develop the principles reflected in these By-Laws and in the other provisions of the Governance and Sustainability System and codify the guidelines that should govern the activities of the Company, its shareholders and the Group.*

*In particular, the Board of Directors shall approve and regularly update a climate action plan to achieve neutrality in the emission of greenhouse gases by 2050. This plan shall set out the intermediate objectives, the strategy and the investment plan designed to meet these objectives and shall define the methodologies used to assess the implementation thereof.*





5. *The Regulations of the Board of Directors shall specify the powers reserved to such body, which may not be entrusted to the representative decision-making bodies or to the senior management of the Company."*

## ITEM NUMBER TEN ON THE AGENDA

**Amendment of Articles 35 and 36 of the By-Laws to update the rules on the ways of holding meetings of the Board of Directors and of its committees.**

### RESOLUTION

Amendment of Articles 35 and 36 of the By-Laws to update the rules on the ways of holding meetings of the Board of Directors and of its committees. Said articles shall hereafter read as follows:

#### **"Article 35. Meetings of the Board of Directors**

1. *The Board of Directors shall meet with the frequency that the chairman of the Board of Directors deems appropriate, and at least the number of times and in the cases provided for by law and the Regulations of the Board of Directors. Meetings shall generally take place in person at the Company's registered office or at the place, in Spain or abroad, indicated in the call to meeting, which shall be made in accordance with the provisions of law and the Governance and Sustainability System.*
2. *If so decided by the chairman of the Board of Directors, a meeting may be called to be held at several connected places or on-line by using remote communication systems that permit the recognition and identification of the attendees, permanent communication among them and participation in discussion and the casting of votes, all in real time, which meeting shall be deemed to be held at the registered office. The directors in attendance at any of such interconnected places shall be deemed for all purposes to have attended the same individual meeting of the Board of Directors.*
3. *Without prejudice to the foregoing, the Board of Directors shall be deemed to have validly met without the need for a call to meeting if all of the directors are present in person or by proxy and unanimously agree to hold the meeting and to the items of the agenda to be dealt with thereat."*

#### **"Article 36. Quorum for the Meeting and Majorities Required to Adopt Resolutions**

1. *The establishment of a quorum within the Board of Directors and the adoption of resolutions thereby shall require the attendance at the meeting, in person or by proxy, of a majority of the directors.*
2. *All of the directors may cast their vote and give their proxy in favour of another director, provided, however, that non-executive directors may only do so in favour of another non-executive director. The proxy granted shall be a special proxy for the Board meeting in question and may be communicated by any means allowing for the receipt thereof.*
3. *The chairman of the Board of Directors, as the person responsible for the efficient operation thereof, shall stimulate the debate and active participation of the directors during its meetings, safeguarding their freedom to make decisions and express their opinion.*





4. *Unless higher majorities are provided for by law or the Governance and Sustainability System, resolutions shall be adopted by absolute majority of votes cast in person or by proxy at the meeting. In the event of a tie, the chairman of the Board of Directors shall have the tie-breaking vote.*
5. *The chairman of the Board of Directors may invite to meetings all those persons who may contribute to improving the information provided to the directors.*
6. *The Board of Directors and its committees may adopt resolutions by vote in writing without a meeting.”*

## ITEM NUMBER ELEVEN ON THE AGENDA

**Amendment of Articles 53 and 54 of the *By-Laws* and addition of six new articles numbered from 55 to 60, reorganising the chapters of Title V, to establish the regulations for the preparation, verification and approval of the annual financial and non-financial information.**

### RESOLUTION

Amendment of Articles 53 and 54 of the *By-Laws* and addition of six new articles numbered from 55 to 60, reorganising the chapters of Title V, to establish the regulations for the preparation, verification and approval of the annual financial and non-financial information. Said articles shall hereafter read as follows:

#### **“Article 53. Financial Year**

*The financial year shall commence on 1 January of each year and shall end on 31 December of each year.”*

#### **“Article 54. Preparation**

*Within the first three months of the year, the Board of Directors shall prepare the annual financial statements, the directors’ report and the proposed allocation of profits or losses, and the consolidated annual financial statements and directors’ report for the previous financial year.”*

#### **“Article 55. Verification**

1. *The separate and consolidated annual financial statements and directors’ reports must be audited by an external auditor, the appointment or re-election of which shall be submitted by the Board of Directors, upon a proposal of the Audit and Risk Supervision Committee, for the approval of the shareholders at the General Shareholders’ Meeting.*
2. *The external auditor must comply with the professional and independence requirements of applicable law and those set out in the Governance and Sustainability System.”*

**“Article 56. Approval**

*The separate and consolidated annual financial statements and directors' reports shall be submitted for the approval of the shareholders at the General Shareholders' Meeting by a simple majority of votes, in accordance with the provisions of Article 29 of these By-Laws.”*

**“Article 57. Allocation of Profits/Losses**

- 1. The shareholders shall decide at the General Shareholders' Meeting upon the allocation of profits or losses for the financial year in accordance with the approved annual financial statements.*
- 2. If the shareholders resolve to distribute a dividend, they shall decide the time and form of payment thereof. The establishment of these standards and of any others that may be required or appropriate to carry out the resolution may be delegated to the Board of Directors.*
- 3. The shareholders may resolve at the General Shareholders' Meeting that the dividend be paid totally or partially in kind, provided that the assets or securities to be distributed are homogeneous, they are admitted to trading on an official exchange at the time the resolution is made effective, or the Company duly guarantees the liquidity thereof within a maximum period of one year, and they are not distributed for a lesser value than the value set forth for them in the balance sheet of the Company. The same rule shall apply to a reduction in share capital due to a return of in-kind contributions.*
- 4. The distribution of a dividend to the shareholders shall be made in proportion to their paid-up share capital.”*

**“Article 58. Preparation**

*The Board of Directors shall prepare the statement of non-financial information for the preceding financial year, within the period and in accordance with the provisions of applicable law and the Governance and Sustainability System, presenting a clear and accurate statement of the Company's social, environmental and sustainability performance, as well as of the social dividend generated and shared with its Stakeholders. In particular, said statement of non-financial information shall also report on the level of achievement and any updates of the climate action plan approved by the Board of Directors.”*

**“Article 59. Verification**

- 1. The statement of non-financial information must be reviewed by an external provider of assurance services appointed by the Board of Directors upon a proposal of the Audit and Risk Supervision Committee.*
- 2. The provider of said service must comply with the professional and independence requirements of applicable law and those set out in the Governance and Sustainability System.”*

**“Article 60. Approval**

*The statement of non-financial information shall be submitted for the approval of the shareholders at the General Shareholders' Meeting by a simple majority of votes, in accordance with the provisions of Article 29 of these By-Laws.”*



## ITEM NUMBER TWELVE ON THE AGENDA

**Amendment of Articles 55 and 56 of the *By-Laws*, which will become Articles 61 and 62, to make technical improvements and group them within a new Title VI.**

### RESOLUTION

Amendment of Articles 55 and 56 of the *By-Laws*, which will become Articles 61 and 62, to make technical improvements and group them within a new Title VI. Said articles shall hereafter read as follows:

#### **“Article 61. Dissolution**

*The Company shall be dissolved upon the occurrence of any of the grounds established by law, which must be ascertained and assessed in accordance with the provisions of the Governance and Sustainability System, which shall also supplement the provisions of applicable law on this issue.”*

#### **“Article 62. Liquidation**

- 1. The Company shall be governed by applicable legal provisions and the provisions of the Governance and Sustainability System during the liquidation period and until its termination.*
- 2. From the moment the Company declares itself to be in liquidation, the Board of Directors shall cease its duties and the directors shall become liquidators of the Company. They shall make up a collective body which shall be composed of an odd number of members. If necessary for such purpose, the director having the least length of service since appointment or, in case of equal length, the director who is younger, shall cease to hold office.*
- 3. The provisions of these By-Laws governing the call to and holding of General Shareholders' Meetings shall be complied with during the liquidation.*
- 4. The corporate decision-making bodies, within the scope of their respective powers, shall adopt such resolutions and make such decisions as are appropriate to finalise the liquidation, seeking the common interest of the shareholders, observing and complying with the Purpose and Values of the Iberdrola group and its Code of Ethics, as well as the legitimate rights of all of its Stakeholders.”*

## ITEM NUMBER THIRTEEN ON THE AGENDA

**Amendment of Articles 4, 6, 7, 8, 9, 19, 20, 28, 29, 30, 38, 39, 40 and 41 of the *Regulations for the General Shareholders' Meeting* in order to update the name of the Governance and Sustainability System and to make other technical improvements.**

### RESOLUTION

Amendment of Articles 4, 6, 7, 8, 9, 19, 20, 28, 29, 30, 38 (which becomes 39), 39 (which becomes 40), 40 (which becomes 41) and 41 (which becomes 42) of the *Regulations for the General Shareholders' Meeting* in order to update the name of the Governance and Sustainability System and to make other technical improvements. Articles 4, 6, 7, 8, 28, 30,



38 (which becomes 39), 39 (which becomes 40) and 41 (which becomes 42) shall hereafter read as follows:

**“Article 4. Priority and Interpretation**

1. *These Regulations further develop and supplement legal and by-law provisions applicable to the General Shareholders' Meeting, which shall prevail in the event of contradiction with the provisions hereof, and shall be interpreted in accordance with the Governance and Sustainability System, of which they form a part.*
2. *Any questions that may arise in connection with the interpretation or application hereof shall be resolved by the Board of Directors, which shall propose such amendments, if any, as it deems appropriate. Those that might arise during the General Shareholders' Meeting shall be resolved by the chair thereof.”*

**“Article 6. Guide, Rules of Implementation and Management Framework for the General Shareholders' Meeting**

1. *In order to promote and facilitate the informed participation of the shareholders, upon the call to the General Shareholders' Meeting, the Board of Directors shall make available thereto a guide, in the medium it deems appropriate (including a virtual assistant), in order to clearly explain the most significant aspects regarding the operation of the General Shareholders' Meeting and the procedures established for the exercise of their rights thereat.*
2. *The Board of Directors may approve implementing rules that systematise, adapt and specify the provisions of the Governance and Sustainability System regarding the General Shareholders' Meeting and the rights of the shareholders related thereto, within the framework of the corporate interest.*
3. *The Board of Directors shall also entrust to the secretary thereof the preparation and ongoing update of a management framework to coordinate and facilitate the monitoring of all activities necessary for the planning, preparation, call, holding, and formalisation of resolutions at each General Shareholders' Meeting.*
4. *Pursuant to the provisions of the Sustainable Management Policy, the Company shall endeavour to ensure that all actions relating to the organisation of the General Shareholders' Meeting comply with the best practices in this area.”*

**“Article 7. Function**

1. *The General Shareholders' Meeting is the principal channel for participation of the shareholders within the Company and its sovereign decision-making body, wherein all duly convened shareholders meet to debate and decide, by the majorities required in each case, those matters within their purview, or to be informed of those other matters that the Board of Directors or the shareholders deem appropriate upon the terms provided by law and the Governance and Sustainability System.*
2. *Decisions of the shareholders at a General Shareholders' Meeting bind all shareholders, including shareholders who are absent, vote against or in blank, abstain from voting or lack the right to vote, without prejudice to the rights they may have to challenge such resolutions.”*

**“Article 8. Types**

1. *A General Shareholders' Meeting may be annual or extraordinary.*
2. *The shareholders acting at an annual General Shareholders' Meeting, which shall be previously called for such purpose, must meet within the first six months of each financial year in order to approve the annual financial statements, the directors' report, the allocation of profits or losses and the corporate management for the preceding financial year. Resolutions may also be adopted regarding any other matter within the purview of the shareholders, provided that any such matter appears on the agenda of the call to meeting or is legally appropriate and that the required quorum for the General Shareholders' Meeting has been formed for such purpose.*
3. *Any General Shareholders' Meeting other than as provided for in the preceding section shall be deemed to be an extraordinary General Shareholders' Meeting.”*

**“Article 28. Duties of the Secretary for the General Shareholders' Meeting**

1. *The secretary for the General Shareholders' Meeting shall assist the chair generally and shall perform the following duties in particular:*
  - a) *To declare the Presiding Committee to be formed.*
  - b) *By delegation from the chair, to prepare the list of attendees, for which purpose the secretary shall have such assistance, means and system as are determined by the chair.*
  - c) *By delegation from the chair, to report to the shareholders at the General Shareholders' Meeting regarding the quorum, stating the number of shareholders present in person and by proxy, with an indication of the percentage of share capital they represent, as well as the number of shares represented in person and by proxy, also with the foregoing specification.*
  - d) *To report on those matters that the Board of Directors must report to the shareholders at the General Shareholders' Meeting pursuant to law or the Governance and Sustainability System.*
  - e) *To draw up the minutes of the General Shareholders' Meeting, if applicable.*
  - f) *To exercise, at the direction of the chair of the General Shareholders' Meeting, such powers of order and discipline as are necessary for the appropriate conduct of the meeting and the adoption and formalisation of resolutions.”*

**“Article 30. List of Attendees**

1. *Prior to beginning with the agenda for the meeting, the secretary shall prepare a list of attendees, which shall specify those attending as shareholders and those attending as proxy representatives, as well as the number of their own or other shares with which each one is attending. At the end of the list, there shall be a determination of the number of shareholders present in person or by proxy, as well as the amount of capital they own, with a specification as to the capital that corresponds to shareholders with the right to vote. The list of attendees shall include as present those shareholders who have cast absentee votes pursuant to the provisions of the Governance and Sustainability System.*





2. *The list of attendees shall be contained in electronic media, the sealed cover of which shall show the appropriate identification procedure signed by the secretary for the General Shareholders' Meeting with the approval of the chair.*
3. *If the meeting is held in different places pursuant to the provisions of these Regulations, the list of attendees shall also specify the share capital represented in person or by proxy in each room. In such case, absentee votes shall be included in the room where the Presiding Committee is located.*
4. *The list of attendees shall be attached to the minutes of the General Shareholders' Meeting."*

#### **"Article 39. Continuation**

1. *Upon good reason for doing so, the shareholders acting at the General Shareholders' Meeting may approve a continuation of the meeting over one or more consecutive days, at the proposal of the chair, of the majority of the directors attending the meeting, or of a number of shareholders representing at least twenty-five per cent of the share capital present. The General Shareholders' Meeting shall be deemed to be a single meeting, and a single set of minutes shall be prepared for all of the sessions.*
2. *Once the continuation of the General Shareholders' Meeting has been approved, there shall be no need to repeat compliance with the provisions of law or the Governance and Sustainability System in subsequent sessions for them to be validly held. The quorum needed to adopt resolutions shall be determined based on the results of the initial list of attendees, even if one or more of the shareholders included therein do not attend subsequent meetings, without prejudice to the provisions of Article 42.3."*

#### **"Article 40. Absentee Voting; Powers to Engage in Proxy-Granting and Absentee Voting**

1. *Shareholders may cast their absentee vote regarding proposals relating to the items included in the agenda of the call to meeting by the means indicated in section 2 of Article 19 above. In all such cases, they shall be deemed to be present for purposes of the establishment of a quorum at the General Shareholders' Meeting.*
2. *In order to vote by postal correspondence, shareholders must send to the Company the duly completed and signed attendance, proxy and absentee voting card issued in their favour by the corresponding institution, setting forth thereon the direction of their vote, their abstention or their blank vote.*
3. *Votes through the form available on the corporate website shall be cast using the means referred to in letter b) of Article 19.2 above.*
4. *Votes cast by any of the means set forth in the preceding sections must be received by the Company before 24:00 on the day immediately prior to the day for the holding of the General Shareholders' Meeting on first call or second call, as applicable.*
5. *The absentee votes referred to in this article shall be rendered void:*
  - a) *By subsequent express revocation made by the same means used to cast the vote and within the period established for such voting.*





- b) *By attendance at the meeting of the shareholder casting the vote.*
  - c) *If the shareholder validly grants a proxy within the established period after the date of casting the absentee vote.*
6. *If no express instructions are included when casting the absentee vote, or instructions are included only with respect to some of the items on the agenda of the call to meeting, and unless expressly indicated otherwise by the shareholder, it shall be deemed that the absentee vote refers to all of the items included in the agenda of the call to the General Shareholders' Meeting and that the vote is in favour of the proposals made by the Board of Directors regarding the items included in the agenda of the call to meeting with respect to which no express instructions are included.*
7. *As regards proposed resolutions other than those submitted by the Board of Directors or regarding items not included in the agenda of the call to meeting, the shareholder casting an absentee vote may grant a proxy using any of the means contemplated in these Regulations, in which case the rules established for such purpose shall apply to the proxy, which shall be deemed granted to the chairman of the Board of Directors unless expressly indicated otherwise by the shareholder.*
8. *The Board of Directors is authorised to further develop the rules, means and procedures adjusted to current techniques in order to organise the casting of votes by other means, in each case in accordance with the rules and regulations issued for such purpose.*
- Specifically, the Board of Directors may: (i) establish rules for the use of personal passwords and other guarantees other than electronic signatures and the instant authentication system for casting votes by electronic correspondence or by other valid remote means of communication, as well as establish and regulate the appropriate assurances in the case of telephone communication; (ii) reduce the advance period established above for receipt by the Company of absentee votes cast by postal or electronic correspondence or by other means of remote communication; and (iii) accept, and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation from either of them to accept, absentee votes received after such period, to the extent allowed by the means available.*
9. *The Board of Directors is also authorised to further develop the procedures for granting proxies and for absentee voting in general, including the rules of priority and conflict applicable thereto. The implementing rules adopted by the Board of Directors under the provisions of this section shall be published on the Company's corporate website.*
10. *The chairman and the secretary of the Board of Directors or the chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from any of them, shall have the broadest powers to verify the identity of the shareholders and their representatives; check the legitimacy of the exercise of the rights of attendance, proxy-granting, information and voting by the shareholders and their representatives; check and accept the validity and effectiveness of the proxies and absentee votes (particularly the attendance, proxy and absentee voting card or verification document or instrument for attendance or proxy-granting), as well as the validity and effectiveness of the instructions received through intermediary and management institutions or depositaries of shares, all in accordance with the provisions set forth in the*



*Company's Governance and Sustainability System and in the rules that the Board of Directors may establish in order to further develop such provisions."*

**"Article 42. Approval of Resolutions and Announcement of Voting Results**

1. *The shareholders acting at a General Shareholders' Meeting shall adopt resolutions with the majorities required by law or the By-Laws. Each voting share, whether represented in person or by proxy at the General Shareholders' Meeting, shall grant the holder the right to one vote, without prejudice to the limitations on the maximum number of votes that may be cast by a shareholder, the conflicts of interest provided for in Article 28 of the By-Laws, other instances in which the By-Laws provide for the suspension of voting rights, or the restrictions established by law.*
2. *Except in cases in which the law or the By-Laws require a greater majority, the shareholders acting at a General Shareholders' Meeting shall adopt resolutions by simple majority of the shareholders present in person or by proxy, with a resolution being deemed adopted when it receives more votes in favour than against.*
3. *For purposes of determining the number of shares upon which the majority needed to adopt the various resolutions shall be calculated, all shares appearing on the list of attendees shall be deemed to be in attendance, present or represented at the meeting, less: shares whose owners or representatives have left the meeting prior to the voting on the proposed resolution in question and have recorded their withdrawal with the notary public or assistants thereto (or, in the absence thereof, with the secretary for the General Shareholders' Meeting); and shares which, by application of the provisions of law or the By-Laws, are totally or partially deprived of the right to vote in general, or on the particular resolution in question, or shares in respect of which the exercise of the right to vote has been suspended for the holders thereof.*
4. *Once the chair of the General Shareholders' Meeting, at the time of voting, finds the existence of a sufficient number of votes in favour or against all or some of the proposed resolutions, the chair may declare them to be approved or rejected by the shareholders at the General Shareholders' Meeting, without prejudice to the statements that the shareholders or their proxy representatives may desire to make to the notary public or to the assistants thereto or, if applicable, to the secretary for the General Shareholders' Meeting, regarding the direction of their vote for such statements to be recorded in the minutes of the meeting.*
5. *Without prejudice to the provisions of the preceding section, for each resolution submitted to a vote at the General Shareholders' Meeting, there must be a determination of at least the number of shares for which valid votes have been cast, the proportion of share capital represented by such votes, the total number of valid votes cast, the number of votes in favour and against each resolution, and the number of abstentions and votes in blank, if any."*

Articles 9 and 20 shall read as proposed under item number fourteen on the agenda and Articles 19, 29 and 40 (which becomes 41) as proposed under item number fifteen on the agenda, which includes in all cases the update of the name of the Governance and Sustainability System.



## ITEM NUMBER FOURTEEN ON THE AGENDA

**Amendment of Articles 9 and 20 of the *Regulations for the General Shareholders' Meeting* to conform the text thereof to the new legal provisions as regards the encouragement of long-term shareholder engagement.**

### RESOLUTION

Amendment of Articles 9 and 20 of the *Regulations for the General Shareholders' Meeting* to conform the text thereof to the new legal provisions as regards the encouragement of long-term shareholder engagement. Said articles shall hereafter read as follows:

#### **“Article 9. Powers**

1. *The shareholders acting at a General Shareholders' Meeting shall decide the matters assigned thereto by law, the By-Laws, these Regulations or other rules of the Governance and Sustainability System, and particularly regarding the following:*
  - A. *With respect to the Board of Directors and the directors:*
    - a) *The appointment, re-election and removal of directors, as well as the ratification of directors designated by interim appointment to fill vacancies.*
    - b) *The approval of the establishment and application of systems for remuneration of the directors consisting of the delivery of shares or of rights therein or remuneration based on the value of the shares.*
    - c) *Releasing the directors from the prohibitions arising from the duty of loyalty, when authorisation is attributed by law to the shareholders acting at a General Shareholders' Meeting, as well as from the obligation not to compete with the Company.*
    - d) *The commencement of derivative liability actions against directors.*
  - B. *With respect to the annual financial statements and corporate management:*
    - a) *The approval of the separate annual financial statements and directors' report of the Company and of the annual financial statements and directors' report of the Company consolidated with those of its subsidiaries.*
    - b) *The approval of the statement of non-financial information.*
    - c) *The allocation of profits/losses.*
    - d) *The approval of corporate management.*
  - C. *With respect to amendments to the rules of the Governance and Sustainability System:*
    - a) *The amendment of the By-Laws.*
    - b) *The approval and amendment of these Regulations.*



- c) *The approval of the director remuneration policy upon the terms provided by law.*
- D. *With respect to an increase or reduction in share capital, acquisition of own shares and issue of debentures:*
  - a) *An increase or reduction in share capital.*
  - b) *The delegation to the Board of Directors of the power to increase share capital, in which case it may also grant thereto the power to exclude or limit pre-emptive rights, upon the terms established by law.*
  - c) *The delegation to the Board of Directors of the power to carry out an increase in share capital already approved by the shareholders at a General Shareholders' Meeting, within the periods set forth by law, indicating the date or dates of execution and establishing the conditions for the increase as to all matters not provided for by the shareholders. In this case, the Board of Directors may make use of such delegation in whole or in part, or may refrain from using it, in view of market conditions or the condition of the Company itself, or of particularly relevant facts or circumstances that justify such decision, and shall report thereon to the shareholders at the first General Shareholders' Meeting held after the end of the period granted for the use of such delegation.*
  - d) *The exclusion or limitation of pre-emptive rights.*
  - e) *The authorisation for the derivative acquisition of the Company's own shares.*
  - f) *The issuance of debentures and other negotiable securities and the delegation to the Board of Directors of the power to issue them, as well as the power to exclude or limit pre-emptive rights, upon the terms established by law.*
- E. *With respect to structural changes of the Company and functionally similar operations and related-party transactions:*
  - a) *The transformation of the Company.*
  - b) *The merger or split-off of the Company upon the terms provided by law.*
  - c) *The overall assignment of assets and liabilities.*
  - d) *The transfer of the registered office abroad.*
  - e) *The transfer to controlled entities of core activities that were previously carried out by the Company itself, even if the Company maintains full control thereof.*
  - f) *The acquisition, transfer or contribution of key assets from or to another company.*
  - g) *The authorisation of related-party transactions in an amount or with a value equal to or greater than that determined by law.*



*F. With respect to statutory auditors:*

- a) The appointment, re-election and removal of the statutory auditors.*
- b) The commencement of derivative liability actions against the statutory auditors.*

*G. With respect to the dissolution and liquidation of the Company:*

- a) The dissolution of the Company.*
  - b) The appointment and removal of the liquidators.*
  - c) The approval of the final liquidation balance sheet.*
  - d) The commencement of derivative liability actions against the liquidators.*
  - e) The approval of transactions having an effect equivalent to liquidation of the Company.*
- 2. The shareholders acting at a General Shareholders' Meeting shall also decide any other matter submitted to them by the Board of Directors or by the shareholders in the instances provided by law or that is within their purview pursuant to law or the Governance and Sustainability System.*
- 3. The shareholders acting at a General Shareholders' Meeting shall also decide, by way of a consultative vote, on the annual director remuneration report, and may also make a pronouncement on any other reports or proposals submitted by the Board of Directors."*

**"Article 20. Attendance, Proxy and Absentee Voting Cards**

- 1. The Company may issue the attendance, proxy and absentee voting cards for the participation of the shareholders at the General Shareholders' Meeting, and also propose to the entities members of "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U." (IBERCLEAR) and to the intermediary and management institutions and depositaries in general, the form of such cards as well as the formula that must be recited in order to grant a proxy, which, in the absence of specific instructions from the party granting the proxy, may also set forth the direction in which the proxy representative is to vote with respect to each of the resolutions proposed by the Board of Directors in connection with each item on the agenda of the call to meeting. The attendance, proxy and absentee voting card may also specify the identity of the proxy representative and the alternate or alternates for the proxy representative in the event of a conflict of interest, in the absence of express appointment by the shareholder being represented.*

*The Company shall ensure that the cards are uniform and include a bar code or other system that allows for electronic or remote scanning in order to facilitate the computerised calculation of shares represented in person and by proxy at the General Shareholders' Meeting.*

- 2. The proxy or voting instructions of the shareholders acting through intermediary and management institutions or depositaries may be received by the Company through any valid system or remote means of communication, signed by the shareholder or*





by the institution. The institutions may group together instructions received from shareholders and send them in a block to the Company, indicating the direction of such instructions.

3. *If an intermediary or management institution or depositary sends to the Company an attendance, proxy and absentee voting card or verification instrument of a shareholder duly identified in the document and bearing the signature, stamp and/or mechanical impression of the institution, and unless the shareholder expressly indicates otherwise, it shall be deemed that the shareholder has instructed such institution to exercise the proxy or voting right, as applicable, in the direction indicated in such card or instrument evidencing the proxy or vote. If there are questions regarding such instructions, it shall be deemed that the shareholder grants the proxy to the chairman of the Board of Directors with the scope set forth in these Regulations and that the shareholder gives specific instructions to vote in favour of the proposals made by the Board of Directors in connection with the items on the agenda of the call to meeting.*
4. *In other respects, the other rules contained in the Governance and Sustainability System and those that may be established by the Board of Directors in order to further develop such rules shall apply to the proxies and absentee votes referred to in this article.*
5. *All of the foregoing shall be without prejudice to the regulations applicable to the relations between financial intermediaries and their customers for purposes of the exercise of the rights to grant a proxy and to vote. The Company is only answerable to the entity or person validated as a shareholder pursuant to the book-entry register."*

## ITEM NUMBER FIFTEEN ON THE AGENDA

**Amendment of Articles 11, 14, 18, 19, 21, 22, 23, 24, 25, 26, 29, 31, 33, 34, 35, 36, 40 and 43 of the *Regulations for the General Shareholders' Meeting* and addition of a new Article 37 to establish the rules for remote attendance, and numbering of the articles.**

### RESOLUTION

Amendment of Articles 11, 14, 18, 19, 21, 22, 23, 24, 25, 26, 29, 31, 33, 34, 35, 36, 40 (which becomes 41) and 43 (which becomes 44) of the Regulations for the General Shareholders' Meeting and addition of a new Article 37 to establish the rules for remote attendance, and numbering of the articles. Articles 11, 14, 18, 19, 21, 22, 23, 24, 25, 26, 29, 31, 33, 34, 35, 36, 40 (which becomes 41) and 43 (which becomes 44) shall hereafter read as follows:

#### **"Article 11. Methods of Holding the Meeting, Announcement of the Call to Meeting and Agenda**

1. *The General Shareholders' Meeting may be held in any of the following ways:*
  - a) *In person only.*
  - b) *In person with the ability to attend remotely.*



- c) *If there are reasons that make it advisable, and under the conditions provided by law and the Governance and Sustainability System, exclusively by remote means.*
- 2. *The announcement of the call to meeting shall be published as much in advance as required by law, using at least the following media:*
  - a) *The Official Bulletin of the Commercial Registry (Boletín Oficial del Registro Mercantil) or one of the more widely circulated newspapers in Spain.*
  - b) *The website of the National Securities Market Commission (Comisión Nacional del Mercado de Valores).*
  - c) *The Company's corporate website.*
- 3. *The announcement of the call to meeting must contain all statements required by law in each case and must set forth:*
  - a) *The manner in which it will be held (in person only, in person with the ability to attend remotely, or exclusively by remote means).*
  - b) *The date, time and, if applicable, the place of the meeting on first call, and the agenda, with a statement of all matters to be dealt with.*
  - c) *A clear and specific description of the procedures and periods that the shareholders must observe in order to request the publication of a supplement to the call to the Annual General Shareholders' Meeting, to submit well-founded proposed resolutions, or to exercise their rights to receive information, to cast an absentee vote and to grant a proxy, upon the terms provided by law.*
  - d) *The date on which the holders of the Company's shares must have them registered in their name in the corresponding book-entry register to be able to attend and vote at the General Shareholders' Meeting being called.*
  - e) *A statement of where and how the complete text of the documents to be submitted at the General Shareholders' Meeting can be obtained, particularly including the reports of the directors, of the statutory auditors and of the independent experts to be submitted, and the complete text of the proposed resolutions submitted to the shareholders for approval at the General Shareholders' Meeting.*
  - f) *Information regarding the steps and procedures to be followed in order to remotely attend the General Shareholders' Meeting (if remote attendance is provided for) which allows for the identification of the shareholders or their proxy representatives, the registration and preparation of the list of attendees, the correct exercise of the rights thereof and the proper conduct of the meeting.*
  - g) *The address of the Company's corporate website.*
  - h) *The attendance bonus that the Board of Directors may resolve to pay to shareholders attending the General Shareholders' Meeting in accordance with the policy approved for such purpose.*



*The announcement may also set forth the date on which the General Shareholders' Meeting shall proceed on second call, if applicable.*

4. *The shareholders at the General Shareholders' Meeting may not deliberate on or decide matters that are not included in the agenda of the call to meeting, unless otherwise provided by law."*

**"Article 14. Corporate Website**

1. *The Company shall use its corporate website to promote the informed participation of all shareholders in the General Shareholders' Meeting and to facilitate the exercise of their rights related thereto.*
2. *From the date of publication of the announcement of the call to meeting through the date of holding of the General Shareholders' Meeting in question, the Company shall continuously publish on its corporate website in electronic format and in an organised and environmentally-friendly manner, such information as is required by law or deemed appropriate to facilitate and promote the attendance and participation of the shareholders at the General Shareholders' Meeting, including in any case the following:*
  - a) *The announcement of the call to the General Shareholders' Meeting.*
  - b) *The total number of shares and voting rights existing on the date of the announcement of the call to meeting, broken down by classes of shares, if any.*
  - c) *Such documents relating to the General Shareholders' Meeting as are required by law, including the reports of the directors, the statutory auditors and the independent experts that are expected to be submitted, proposed resolutions submitted by the Board of Directors or by the shareholders, and any other relevant information that the shareholders might need in order to cast their vote.*
  - d) *In the event that the shareholders acting at a General Shareholders' Meeting must deliberate on the appointment, re-election or ratification of directors, the corresponding proposed resolution shall be accompanied by the following information: professional profile and biographical data of the director; other boards of directors on which the director holds office, at listed companies or otherwise; type of director such person is or should be, with mention, in the case of proprietary directors, of the shareholder that proposes or proposed the appointment thereof or who the director represents or with which the director maintains ties; date of the director's first and any subsequent appointments as director of the Company; shares of the Company and derivative financial instruments whose underlying assets are shares of the Company of which such director is the holder; the explanatory report prepared by the Board of Directors and the proposal of the Appointments Committee in the case of independent directors, and the report of said committee in other cases.*
  - e) *The existing channels of communication between the Company and the shareholders and, in particular, explanations pertinent to the exercise of the right to receive information, indicating the postal and e-mail addresses to which the shareholders may direct their requests.*



- f) *The means and procedures for granting a proxy to attend the General Shareholders' Meeting and for casting absentee votes, including the form of attendance, proxy and absentee voting card, if any.*
  - g) *The means and procedures for attending the General Shareholders' Meeting remotely, if remote attendance is provided for.*
3. *Furthermore, after the publication of the announcement of the call to the Annual General Shareholders' Meeting, the Company shall include on its corporate website the following documentation, which the Board of Directors may group into one or more reports:*
- a) *The report on the independence of the statutory auditor prepared by the Audit and Risk Supervision Committee.*
  - b) *The related-party transactions report prepared by the Audit and Risk Supervision Committee.*
  - c) *The activities report of the Board of Directors and of the Committees thereof.*
  - d) *The integrated report.*
  - e) *Any other reports determined by the Board of Directors.*
4. *After the publication of the announcement of the call to meeting, the Company shall use its best efforts to include in its corporate website an English version of the information and the principal documents related to the General Shareholders' Meeting. In the event of a discrepancy between the Spanish and English versions, the former shall prevail.*
5. *Pursuant to the provisions of applicable law, an Electronic Shareholders' Forum shall be enabled on the Company's corporate website upon the call to the General Shareholders' Meeting. Duly verified shareholders and shareholder groups may access the Electronic Shareholders' Forum, the use of which shall conform to its legal purpose and to the assurances and rules of operation established by the Company.*

**"Article 18. Other Attendees**

- 1. *The members of the Board of Directors must attend the General Shareholders' Meeting in person or remotely. The absence of any of them shall not affect the validity thereof.*
- 2. *The chair of the General Shareholders' Meeting may authorise the meeting to be attended in person or remotely by members of the management team, professionals and other persons with an interest in the orderly conduct of corporate matters, as well as by the media, financial analysts and any other person the chair deems appropriate. The shareholders acting at the General Shareholders' Meeting may revoke such authorisation.*
- 3. *Personnel from the Shareholder's Office and the person performing the duties described in Article 27.3 below shall also attend the General Shareholders' Meeting in person or remotely."*

**“Article 19. Right to Proxy Representation**

1. *Shareholders may exercise the right to attend personally or through proxy representation by another person, whether or not such person is a shareholder, by complying with the requirements of law and the Governance and Sustainability System.*
2. *The proxy may be granted by delivering to the proxy representative the attendance, proxy and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company, or by any of the following means, as determined by the Board of Directors:*

- a) *Through the financial intermediary and management institutions and depositaries in which their shares are deposited, in order for said institutions to in turn cause the instructions received to be delivered to the Company.*
- b) *Through the proxy form available on the Company's corporate website, using the instant authentication systems implemented by the Company, recognised electronic signature of the shareholder or other type of guarantee that the Company deems proper to ensure the authenticity and identification of the shareholder granting the proxy.*

*For these purposes, the use of the personal passwords that the Company has previously delivered to the shareholder by postal or electronic correspondence to the address that the shareholder has communicated to the Company or through any other form determined by the Board of Directors shall be deemed to be a proper assurance.*

- c) *Advance delivery of the attendance, proxy and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company at the premises provided by the Company on the days announced on the Company's corporate website.*
  - d) *Sending the attendance, proxy and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company by postal correspondence addressed to the Company.*
  - e) *By any other means of remote communication (including communication by telephone) that the Board of Directors determines to favour the participation of the largest possible number of shareholders, provided that notice thereof is given on the corporate website at the time of publishing the announcement of the call to meeting, that it provides sufficient guarantees of the authenticity and identification of the shareholder granting the proxy, and, if appropriate, that it duly ensures the security of the communications.*
3. *A proxy granted by any of the means indicated in the preceding section must be received by the Company before 24:00 on the day immediately prior to the day on which the General Shareholders' Meeting is to be held on first call or on second call, as applicable.*
  4. *The Board of Directors is authorised to further develop the foregoing provisions by establishing rules, means and procedures adjusted to current techniques in order to*





*organise the grant of proxies by other means, in each case in accordance with the rules and regulations issued for such purpose.*

*Specifically, the Board of Directors may: (i) establish rules for the use of personal passwords and other safeguards other than electronic signatures and the instant authentication system for the grant of proxies by electronic correspondence or by other valid remote means of communication, as well as establish and regulate the appropriate safeguards in the case of telephone communication; (ii) reduce the advance period established above for receipt by the Company of proxies granted by postal or electronic correspondence or by other means of remote communication; and (iii) accept, and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation therefrom to accept, proxies received after such period, to the extent allowed by the means available.*

- 5. The chairman and the secretary of the Board of Directors or the chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from any of them, shall have the broadest powers for verifying the identity of the shareholders and their representatives, verifying the ownership and legitimacy of their rights, and recognising the validity of the attendance, proxy and absentee voting card or the instrument evidencing attendance or representation by proxy.*
- 6. A proxy is always revocable. Attendance in person, or remotely if permissible, by the shareholder granting the proxy at the General Shareholders' Meeting, whether in person or due to having cast an absentee vote on a date subsequent to that of the proxy, shall have the effect of revoking the proxy.*
- 7. A public solicitation for proxies by the Board of Directors or any of its members shall be governed by the provisions of law and by the corresponding resolution of the Board of Directors, if any.*
- 8. A proxy may cover those matters that the law allows to be dealt with at the General Shareholders' Meeting even when not included in the agenda of the call to meeting.*
- 9. If a proxy has been validly granted pursuant to law and these Regulations but does not include voting instructions or questions arise as to the intended proxy representative or the scope of the representation, and unless otherwise expressly indicated by the shareholder, it shall be deemed that the proxy: (i) is granted in favour of the chairman of the Board of Directors; (ii) refers to all of the items included in the agenda of the call to meeting; (iii) contains the instruction to vote favourably on all proposals made by the Board of Directors with respect to the items on the agenda of the call to meeting; and (iv) extends to matters that, although not included in the agenda of the call to meeting, may be dealt with at the General Shareholders' Meeting in accordance with law, in respect of which the proxy representative shall vote in the direction the proxy representative deems most favourable to the interests of the shareholder granting the proxy, within the framework of the corporate interest.*

*This provision may be further developed by any rules approved by the Board of Directors that systematise, further develop, adapt and specify the provisions of the Governance and Sustainability System regarding the management of the General Shareholders' Meeting.*



10. *Before being appointed, the proxy representative shall provide detailed information to the shareholder regarding the existence of any conflict of interest. If the conflict is subsequent to the appointment and the shareholder granting the proxy has not been advised of the possible existence of such conflict, the proxy representative shall immediately inform the shareholder thereof. In both cases, if the proxy representative has not received new specific voting instructions regarding each of the matters on which the proxy representative has to vote on behalf of the shareholder, the proxy representative shall abstain from voting, without prejudice to the provisions of the following section.*
11. *Unless otherwise expressly indicated by the shareholder, if the proxy representative is affected by a conflict of interest and has no specific voting instructions, or if the proxy representative has them but it is deemed preferable that the proxy representative not exercise the proxy with respect to the items involved in the conflict of interest, the shareholder shall be deemed to have appointed the following persons as proxy representatives for such items, severally and successively, 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 therefor, and finally, the deputy secretary of the Board of Directors, if any. In this latter event, if there are several deputy secretaries, the order to be used shall be the order established at the time of their appointment (first deputy secretary, second deputy secretary, etc.). The proxy representative so designated shall cast the vote in the direction deemed most favourable to the interests of the person represented thereby, within the framework of the corporate interest.*
12. *A proxy representative may hold the proxy of more than one shareholder without limitation as to the number of shareholders being represented, and exercise the corresponding voting rights pursuant to the provisions of Article 41.5 below."*

#### **"Article 21. Place of the Meeting**

1. *A General Shareholders' Meeting called to be held only in person or in person with the ability to attend remotely shall be held at the place indicated in the call to meeting within the municipal territory of Bilbao. If no place is indicated in the call to meeting, it shall be deemed that the meeting will take place at the registered office.*
2. *The General Shareholders' Meeting may be attended in person by going to the place where the meeting is held or, if so indicated in the call to meeting, to other places provided for such purpose by the Company and that are connected with the principal meeting place by systems that allow for recognition and identification of the attendees, permanent communication among them, and participation and voting, all in real time. Attendees at any of such places shall be considered to be attendees at the same individual meeting, which shall be deemed to be held at the principal location thereof.*
3. *A General Shareholders' Meeting held exclusively by remote means shall be deemed to be held at the registered office, regardless of where the chair of the General Shareholders' Meeting is located."*

#### **"Article 22. Infrastructure, Equipment and Services**

1. *The premises, if any, to be used to hold the General Shareholders' Meeting shall have the personnel, technical equipment, and safety, assistance and emergency measures commensurate with the nature and location of the building and with the importance of*



*the event. In addition, the premises for holding the General Shareholders' Meeting shall have the emergency and evacuation measures required by law, as well other measures deemed appropriate in light of the circumstances.*

- 2. The Company may make available other licensed premises where the General Shareholders' Meeting can be held in the event of an emergency.*
- 3. Appropriate controls and surveillance and protection measures, including systems for controlling access to the meeting, shall be established in order to ensure the safety of any attendees in person and the orderly conduct of the General Shareholders' Meeting.*
- 4. Once the General Shareholders' Meeting has commenced, the attendees are prohibited from using voice amplification instruments, mobile phones, photographic equipment, audio and/or video recording and/or transmission equipment and in general any instrument that might alter the visibility, sound or lighting conditions of the proceedings, except to the extent authorised by the chair thereof.*
- 5. The proceedings of the General Shareholders' Meeting shall be the subject of audiovisual recording, unless the chair of the General Shareholders' Meeting decides otherwise. They may also be the subject of storage and live or recorded broadcast by any means, including over the internet, and dissemination on social media, on the legal basis of the Company's legitimate interest in complying with best transparency practices. A data subject shall have the rights of access, rectification, objection, erasure and restriction of processing of the data collected by the Company on the terms established by law by sending a letter addressed to the registered office or to the Shareholder's Office (the postal address of which shall be provided by the Company for each Meeting) and at the e-mail address established by the Company for each Meeting. The data subject may also request more detailed information regarding the Company's privacy policy at the postal and electronic addresses indicated above.*
- 6. Whenever reasonably possible, the Company shall endeavour to ensure that the premises, if any, at which the General Shareholders' Meeting is held have the means to allow access by persons with reduced mobility and the simultaneous interpretation of the proceedings into Euskera (Basque), English and those other languages that the Board of Directors deems appropriate. The Company shall also establish measures that facilitate participation in the General Shareholders' Meeting by attendees with auditory or visual limitations.*
- 7. The Company shall also make available to the shareholders any additional information that facilitates following the General Shareholders' Meeting, such as programmes for the meeting or any other documentation deemed useful for such purpose."*

**"Article 23. Computer System for the Recording of Proxies and Voting Instructions, Preparation of the List of Attendees, and Calculation of Voting Results**

- 1. The Company shall have the personnel and technical equipment required to perform the monitoring and counting of the attendance, proxy and absentee voting cards.*
- 2. On the day of the General Shareholders' Meeting, the premises, if any, indicated for the meeting shall be supplied with the personnel and technical equipment required to*



*monitor the entry of those attending the meeting and to determine the quorum, prepare the list of attendees present in person and by proxy, and calculate the voting results.*

3. *In order to undertake such activities, the Company may, in accordance with applicable rules and regulations, ask "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U." (IBERCLEAR) to provide a list of the Company's shareholders and the number of shares appearing in the name of each shareholder."*

#### **"Article 24. Shareholder's Office**

*The Company shall set up a Shareholder's Office in a visible place at the premises, if any, indicated for the General Shareholders' Meeting in order to:*

- a) *Answer questions regarding the proceedings raised by the attendees prior to the commencement of the meeting, without prejudice to the rights of the shareholders under legal and by-law provisions to take the floor, make proposals and vote.*
- b) *Assist and inform attendees who wish to take the floor, preparing for such purpose a list of those who previously state their desire to participate, as well as collecting the text of their presentations, if such presentations are available in writing.*
- c) *Provide to the attendees who so request the full text of the resolutions proposed by the Board of Directors or by shareholders for submission at the General Shareholders' Meeting regarding each item on the agenda of the call to meeting. Excepted from the foregoing are those proposals that have been prepared immediately prior to the holding of the General Shareholders' Meeting and that for such reason cannot be delivered in written form to all attendees. Copies of the directors' reports and other documentation relating to the proposed resolutions shall also be made available to them."*

#### **"Article 25. Opening of the Premises and Monitoring Access Thereto**

1. *If attendance in person is allowed, at the place and on the date provided in the announcement for the holding of the General Shareholders' Meeting on first or second call, and beginning one hour prior to the time announced for the commencement of the meeting (unless otherwise specified in the announcement of the call to meeting), the shareholders or their proxy representatives must present their respective verification documents to the personnel in charge of the registration of attendees.*
2. *Once registration has closed, shareholders or proxy representatives arriving late at the place where the General Shareholders' Meeting is held may attend the meeting as guests (in the room where the meeting is held or, if so decided by the chair of the General Shareholders' Meeting, in an adjoining room from where they can follow the meeting)."*

#### **"Article 26. Presiding Committee, Chair and Secretary**

1. *The Presiding Committee (Mesa) of the General Shareholders' Meeting shall be made up of the chair of and the secretary for the General Shareholders' Meeting and of the other members of the Board of Directors attending the meeting (either in person or remotely). Without prejudice to the powers assigned thereto in these Regulations, the*





*Presiding Committee shall assist the chair of the General Shareholders' Meeting in performing the duties entrusted thereto.*

2. *The chairman of the Board of Directors, or, in the absence thereof, the vice-chair of the Board of Directors, shall act as chair of the General Shareholders' Meeting; if there are several vice-chairs of the Board of Directors, they shall act in the order set forth in the By-Laws; and in the absence of the foregoing, the person appointed by the Presiding Committee shall chair the meeting.*
3. *The chair of the General Shareholders' Meeting shall be assisted by the secretary for the General Shareholders' Meeting. The secretary of the Board of Directors or, in the absence thereof, the deputy secretary of the Board of Directors, shall act as secretary for the General Shareholders' Meeting; if there are several deputy secretaries, they shall act in the order established at the time of their appointment (first deputy secretary, second deputy secretary, etc.). In the absence of the foregoing, the person appointed by the Presiding Committee shall act as secretary for the General Shareholders' Meeting.*
4. *If the chair or the secretary, in each case, must remove themselves for any reason during the holding of the meeting, the provisions of sections 2 and 3 above shall also apply as regards their situation in the performance of their duties.*
5. *In addition, the chair of the General Shareholders' Meeting may obtain the assistance of any person the chair deems appropriate."*

**"Article 29. Establishment of a Quorum**

1. *The General Shareholders' Meeting shall be validly established with the minimum quorum required by law or the By-Laws, taking into account the matters appearing on the agenda of the call to meeting and whether the meeting is held on first or second call.*
2. *Shareholders representing at least two-thirds of subscribed share capital with voting rights must be in attendance at the first call to the General Shareholders' Meeting, and shareholders representing at least sixty per cent of such share capital must be in attendance at the second call, in order to adopt resolutions regarding a change in the object of the Company, transformation, total split-off, dissolution of the Company, and the amendment of Article 21.2 of the By-Laws.*
3. *The absence of shareholders occurring once a quorum for the General Shareholders' Meeting has been established shall not affect the validity of the meeting.*
4. *If the attendance of shareholders representing a particular minimum percentage of share capital or the consent of specific interested shareholders is required pursuant to law or the Governance and Sustainability System in order to validly adopt a resolution regarding one or more items on the agenda of the call to meeting, and such percentage is not reached or such shareholders are not present in person or by proxy at the time of formation of the quorum for the General Shareholders' Meeting, the shareholders thereat shall limit themselves to deliberating on those items on the agenda that do not require such percentage of share capital or the consent of such shareholders.*





5. *In the event that the General Shareholders' Meeting must be held on second call because the number of shares legally required to hold it on first call is not present, such circumstances shall be properly recorded in the minutes of the General Shareholders' Meeting."*

**"Article 31. Requests to Make Presentations by Shareholders or their Proxy Representatives Attending in Person**

*Shareholders or their proxy representatives attending in person and desiring to make a presentation at the General Shareholders' Meeting must so request at the Shareholder's Office or of such person as is indicated for these purposes before the meeting is called to order and state for the record their first and last names and, if applicable, the name of the corporate shareholder they represent, as well as the number of shares they own and/or represent."*

**"Article 33. Establishment of a Quorum for the General Shareholders' Meeting**

1. *Prior to the commencement of the presentation period, if appropriate based on the manner of holding the General Shareholders' Meeting, and in any case prior to the voting on the proposed resolutions, the chair of the General Shareholders' Meeting or the secretary by delegation therefrom shall read the information contained in the list of attendees, detailing the number of shareholders present in person and by proxy, the number of shares represented in person and by proxy, with an indication of the percentage of share capital that both represent, and the total number of shareholders and of shares in attendance at the meeting, with an indication of the share capital that such shares represent. The chair, or if applicable, the secretary, may refer to the data resulting from the list of attendees projected onto the screens at the place where the meeting is held and/or through the remote attendance platform, instead of reading the data.*
2. *The chair of the General Shareholders' Meeting shall then, if appropriate, declare the existence of a proper and sufficient quorum on first or second call, as the case may be, and shall decide if the shareholders can debate and adopt resolutions regarding all matters contained in the agenda or if, on the contrary, debate must be limited to only some of them.*
3. *If appropriate, the chair of the General Shareholders' Meeting shall announce the presence of a notary public at the meeting and shall identify such notary public, taking notice of the request to prepare the minutes of the meeting.*
4. *If a notary public has been requested to prepare the minutes of the meeting, the notary public shall ask the shareholders at the General Shareholders' Meeting and record in the minutes whether there are reservations or objections regarding the statements of the chair of or the secretary for the General Shareholders' Meeting in connection with the number of shareholders in attendance and the share capital represented in person and by proxy."*

**"Article 34. Period for Presentations by Shareholders or their Proxy Representatives Attending in Person**

1. *Presentations by shareholders or their proxy representatives who attend in person shall be made in the order in which they are called by the secretary. No shareholder or proxy representative may make a presentation without having been granted the*



*floor or in order to deal with matters that are not included in the agenda of the call to meeting, unless otherwise provided by law.*

2. *Shareholders or their proxy representatives must make reasonable use of their right to make a presentation with respect to both the duration thereof, which shall be a maximum of five minutes, without prejudice to the chair's powers to limit or extend such time, and the content thereof, which must conform to the provisions of the preceding section and to the respect deserved by the proceedings and the other attendees. If the number of presentations requested or other circumstances so advise, the chair of the General Shareholders' Meeting may set a maximum period less than that mentioned above, giving due regard in each case to the principles of equal treatment and non-discrimination among the presenting shareholders.*
3. *At the time of registration, those shareholders or their proxy representatives who so desire may deliver the written text of their presentation to the Shareholder's Office in order to obtain a photocopy and thus facilitate the proceedings at the meeting and the preparation of the minutes. This shall be required if there is a request for their presentation to be recorded verbatim in the minutes. In this case, the Shareholder's Office shall deliver the text to the secretary or to the notary public, if any, in order for it to be compared with the shareholder's presentation at the time it is made.*
4. *In addition, during the shareholder presentation period, the representative of the Company designated by the chair of the General Shareholders' Meeting may make an organised presentation on those questions or considerations that the shareholders have submitted to the Company through other channels of participation and such other questions as are raised by attendees at the General Shareholders' Meeting who prefer to ask their questions of such representative for the latter to transmit them to the chair."*

**"Article 35. Right to Receive Information during the General Shareholders' Meeting**

1. *During the presentation period, shareholders or their proxy representatives attending in person may verbally request information or clarifications that they deem are necessary regarding the matters contained in the agenda of the call to meeting, 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, and regarding the audit report. They must have previously identified themselves for this purpose in accordance with the provisions of Article 31 above.*
2. *The Company shall provide the information requested pursuant to the preceding section in the form and within the periods provided by law, except as provided by section 4 of Article 15 above and without prejudice to the provisions of section 5 thereof.*
3. *The information or clarifications requested shall be provided by the chair or by any other person designated thereby.*
4. *If it is not possible to respond to the request for information, clarification or question during the proceedings, the response shall be sent in writing within the next seven days.*



5. *A violation of the right to receive information provided for in this article shall only entitle the shareholder to demand compliance with the obligation to provide information and the damages caused thereto, but shall not be grounds for challenging the General Shareholders' Meeting."*

**"Article 36. Order of Presentations, Requests and Proposals by Shareholders or their Proxy Representatives Attending in Person**

1. *The powers of shareholders or their proxy representatives attending in person to make presentations and requests for information shall only be exercised once. During the presentation period, the presenting party may make proposals regarding any item on the agenda of the call to meeting, except in those cases in which the proposals should have been available to the shareholders at the registered office at the time of publication of the call to meeting or the supplement to the call to meeting, if any, the proposals are excluded by law, or the proposals infringe upon the rights of other shareholders. They may also propose the adoption of resolutions regarding which, pursuant to law, the shareholders at the General Shareholders' Meeting may deliberate and decide without such resolutions appearing on the agenda of the call to meeting.*
2. *In the exercise of the chair's powers to ensure the orderly conduct of the meeting, and without prejudice to other action that may be taken, the chair of the General Shareholders' Meeting may:*
  - a) *Extend the time initially allocated to each presenting party, when the chair deems it appropriate.*
  - b) *Decide the order in which answers will be provided and whether such answers will be given following each presentation period or collectively and, if appropriate, in summarised form after the last presentation.*
  - c) *End the shareholder presentation period.*
  - d) *Request the presenting parties to clarify issues that have not been understood or that have not been sufficiently explained during the presentation.*
  - e) *Call the presenting parties to order so that they limit their presentation to business properly before the General Shareholders' Meeting and refrain from making improper statements or exercising their right to make presentations in an abusive or obstructionist manner.*
  - f) *Announce to the presenting parties that the time for their presentations will soon be ending so that they may adjust their use of the floor and, when the time granted for their presentation has ended, or if they persist in the conduct described in the preceding paragraph, withdraw the floor therefrom.*
  - g) *Deny the floor when the chair believes that a particular matter has been sufficiently debated, is not included in the agenda or hinders the progress of the meeting, as well as reject a reply of the presenting shareholder.*
3. *The chair of the General Shareholders' Meeting shall endeavour to maintain order in the room in order to allow the presenting parties to make their presentations without undue interruption. If the chair believes that the presentation or the conduct of an attendee might alter the proper order and normal conduct of the meeting, the chair*



*may ask them to leave the premises and adopt any appropriate measures in order for this provision to be complied with.*

4. *The chair of the General Shareholders' Meeting shall have the broadest powers to allow, apply the legally appropriate procedures to, or reject the proposals made by the presenting parties during their presentation on any matter included in the agenda of the call to meeting or on those matters that may be debated and decided at the General Shareholders' Meeting without such matters appearing on the agenda of the call to meeting, in light of compliance in each case with the requirements of applicable laws and regulations. In voting on the proposals allowed pursuant to this section, the procedure established in letter b) of Article 41.4 of these Regulations shall apply, without prejudice to the chair's ability to decide on the use of other procedures or alternative voting systems."*

**"Article 37. Particular Rules regarding Remote Attendance by Shareholders or their Proxy Representatives**

1. *Pursuant to the provisions of law and the By-Laws, and independently of the right to cast an absentee vote in the manner set forth in these Regulations, shareholders with the right to attend or their proxy representatives may attend the General Shareholders' Meeting remotely using such means as may be established by the Board of Directors in view of the state of the art and having verified the appropriate conditions of security and simplicity.*
2. *If the Board of Directors provides for a General Shareholders' Meeting to be held in person with the ability to attend remotely or exclusively by remote means, the call to meeting and/or the corporate website, as appropriate, shall provide a description of the deadlines, forms and methods for the remote exercise of shareholder rights established by the Board of Directors, observing the provisions of law and the By-Laws, to allow for the proper conduct of the meeting.*
3. *The connection to the software application to remotely attend the General Shareholders' Meeting should be made as much in advance of the time scheduled for the start of the meeting as is stated in the call to meeting. Shareholders or their proxy representatives shall be deemed not present if they initiate the connection after the deadline set for this purpose.*
4. *The Board of Directors shall determine the period for sending presentations, requests for information during the General Shareholders' Meeting and proposed resolutions that shareholders or their proxy representatives attending remotely wish to make through the remote attendance software application in accordance with law and the By-Laws, and may also establish reasonable extensions of time. The provisions of Article 36.4 above of these Regulations, insofar as applicable, shall apply to any proposed resolutions validly submitted by remote attendees.*
5. *The replies to the requests for information referred to in the preceding section, when appropriate, shall be given during the meeting itself or in writing within seven days following the holding of the General Shareholders' Meeting."*

**"Article 41. Voting on Proposed Resolutions**

1. *Once the shareholder presentations have ended and responses have been given to requests for information pursuant to the provisions of these Regulations, the proposed*



resolutions regarding matters included in the agenda of the call to meeting and any others that, pursuant to law, may be submitted to a vote even though not appearing thereon, including any proposals made by the shareholders during the meeting that are appropriate under the law and the Governance and Sustainability System, shall be submitted to a vote. The period for remote voting, if applicable, shall begin from the time that the chair of the General Shareholders' Meeting declares the establishment of a valid quorum thereat until the time that the proposed resolutions are formally submitted to a vote as provided above, or such later time as may be indicated by the chair of the General Shareholders' Meeting.

2. The Board of Directors shall make separate proposals for resolutions in connection with matters that are substantially independent of one another. In any event, the following must be voted on separately, even if appearing within the same item on the agenda: (i) the appointment, ratification, re-election or removal of each director, (ii) in the amendment of the By-Laws, that of each article or discrete group of articles, and (iii) those matters for which this is provided in the Governance and Sustainability System.
3. The adoption of resolutions shall proceed following the agenda set forth in the call to meeting. Resolutions proposed by the Board of Directors shall be first submitted to a vote and then, if appropriate, resolutions proposed by other proponents and those relating to matters that the shareholders at the General Shareholders' Meeting can decide upon without appearing on the agenda shall be voted, with the chair of the General Shareholders' Meeting deciding upon the order in which they shall be submitted to a vote. Unless the chair of the General Shareholders' Meeting decides to proceed otherwise, once a proposed resolution has been adopted, all others relating to the same matter and that are incompatible therewith shall be deemed automatically withdrawn and therefore not be voted upon.
4. As a general rule, and without prejudice to the powers of the chair of the General Shareholders' Meeting to use other procedures and alternative systems, for purposes of voting on the proposed resolutions, the direction of the votes of the shareholders shall be determined as follows:
  - a) In the case of proposed resolutions relating to matters included in the agenda of the call to meeting, votes corresponding to all shares present in person and by proxy, less the votes corresponding to: shares whose holders or representatives state that they vote against, in blank or abstain, stating so for the record to the notary public or the assistants thereto (or, in the absence thereof, to the secretary for the General Shareholders' Meeting) for note thereof to be taken in the minutes of the meeting; shares whose holders have voted against, in blank, or have expressly stated that they abstain through the means of communication referred to in these Regulations; and shares whose holders or representatives have left the meeting prior to the voting on the proposed resolution in question and have had the notary public or assistants thereto (or, in the absence thereof, the secretary for the General Shareholders' Meeting) record their withdrawal from the meeting, shall be deemed votes in favour.
  - b) In the case of proposed resolutions relating to matters not included in the agenda of the call to meeting, votes corresponding to all shares present in person and by proxy, less the votes corresponding to: shares whose holders or representatives state that they vote in favour, in blank or abstain, by communicating or expressing their vote or abstention to the notary public (or, in





*the absence thereof, the secretary for the General Shareholders' Meeting) or the assistants thereto, for note thereof to be taken in the minutes; shares whose holders have voted in favour, in blank, or have expressly stated that they abstain through the means of communication referred to in these Regulations; and shares whose holders or representatives have left the meeting prior to the voting on the proposed resolution in question and have had the notary public or assistants thereto (or, in the absence thereof, the secretary for the General Shareholders' Meeting) record their withdrawal from the meeting, shall be deemed to be votes against.*

5. *If a proxy-holder represents several shareholders, the proxy-holder may cast votes in different directions based on the instructions given by each shareholder.*
6. *Furthermore, so long as the required guarantees of transparency and certainty are provided in the opinion of the Board of Directors, a vote may be divided in order for financial intermediaries who are recorded as having shareholder status but act for the account of different clients to be able to divide their votes and cast them in different directions in accordance with the instructions given by such clients."*

#### **"Article 44. Minutes**

1. *The minutes of the meeting may be approved by the shareholders at the end of the General Shareholders' Meeting, and otherwise within a period of fifteen days by the chair of the General Shareholders' Meeting and two inspectors, one on behalf of the majority and the other on behalf of the minority.*
2. *Once the minutes are approved, they shall be signed by the secretary for the General Shareholders' Meeting, with the approval of the chair. In the event the aforementioned persons are unable to do so for any reason, they shall be replaced by the persons established by law or the By-Laws.*
3. *In the event that a notary public takes part in the General Shareholders' Meeting, the notarial minutes shall be deemed the minutes of the General Shareholders' Meeting and shall not require approval.*
4. *If the General Shareholders' Meeting is held exclusively by remote means, the minutes of the meeting must be drawn up by a notary public."*

## **ITEM NUMBER SIXTEEN ON THE AGENDA**

### ***Director Remuneration Policy.***

#### **RESOLUTION**

To approve the *Director Remuneration Policy*, the full text of which, together with the required report of the Remuneration Committee, is included in the explanatory report of the Board of Directors made available to the shareholders as part of the documentation relating to the General Shareholders' Meeting as from the date of publication of the announcement of the call to meeting.



## ITEM NUMBER SEVENTEEN ON THE AGENDA

**Allocation of profits/losses and distribution of 2020 dividends, the supplementary payment of which will be made within the framework of the “Iberdrola Retribución Flexible” optional dividend system.**

### RESOLUTION

To approve the proposed allocation of profits/losses and distribution of dividends for financial year 2020 formulated by the Board of Directors at its meeting held on 23 February 2021, which is described below:

To distribute, with a charge to the results for the financial year ended 31 December 2020 and to the remainder from prior financial years, a dividend in the aggregate gross amount that will be equal to the sum of the following amounts (the “**Dividend**”):

- a) 266,013,034.73 euros, which were paid on account of the dividend for financial year 2020 on 8 February 2021 to the holders of 1,583,410,921 shares of IBERDROLA, S.A. (the “**Company**” or “**Iberdrola**”) who elected to receive their remuneration in cash within the framework of the second implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2020 by collecting an amount of 0.168 euro (gross) per share (the total amount paid to said holders will be referred to as the “**Total Interim Dividend**”); and
- b) the determinable amount resulting from multiplying:
  - i. the gross amount per share to be distributed by the Company as a supplementary dividend payment for financial year 2020 within the framework of the first implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2021 (the “**Supplementary Dividend**”), and which will be as determined by the Company’s Board of Directors pursuant to the rules set forth in the section “Common terms and conditions of the dividend distribution and increase in capital resolutions proposed under items number seventeen, eighteen and nineteen on the agenda pursuant to which the “Iberdrola Retribución Flexible” optional dividend system is implemented” (the “**Common Terms**”); by
  - ii. the total number of shares with respect to which the holders thereof have elected to receive the Supplementary Dividend within the framework of the first implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2021.

The amount of the Supplementary Dividend, and therefore the amount of the Dividend, cannot be determined as of the date of formulation of this proposed resolution.

For the purposes hereof, it is hereby noted that the payment of the Supplementary Dividend shall be implemented together with the implementation of the increase in capital submitted for approval of the shareholders at the General Shareholders’ Meeting under item number eighteen on the agenda, in order to offer the shareholders the ability to receive their remuneration in cash (by collecting the Supplementary Dividend) or in newly-issued bonus shares of the Company (through said increase in capital).

The collection of the Supplementary Dividend provided for in this resolution is thus configured, in accordance with the provisions of the Common Terms, as one of the alternatives that a shareholder of Iberdrola can choose when receiving their remuneration



within the framework of the first implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2021. As a result of the foregoing, and as described below in the Common Terms, it shall be deemed that those shareholders choosing to receive their remuneration in cash through the Supplementary Dividend with respect to all or part of their shares expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares and therefore the ability to transfer them on the market or to receive newly-issued bonus shares corresponding to said free-of-charge allocation rights.

The distribution of the Supplementary Dividend, which is expected to become effective during the month of July 2021, shall be implemented through the participants in “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.” (Sociedad Unipersonal) (IBERCLEAR), the Board of Directors being hereby authorised to establish the specific date for payment of the Supplementary Dividend, to designate the entity that is to act as paying agent and to take such other steps as may be required or appropriate for the successful completion of the distribution.

The Board of Directors is also delegated the power to set the conditions applicable to the payment of the Supplementary Dividend to the extent not provided for in this resolution, including the determination of the specific gross amount of the Supplementary Dividend subject to the aforementioned rules.

Finally, pursuant to the provisions of Section 249 *bis.l)* of the *Companies Act*, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.

The basis for distribution and the resulting proposed distribution (expressed in euros) is as follows:

**BASIS FOR DISTRIBUTION:**

Balance from prior financial years:	11,018,466,080.53
Profits for financial year 2020:	2,291,562,828.64
<b>TOTAL:</b>	<b>13,310,028,909.17</b>

**DISTRIBUTION:**

To Dividend:	Amount pending determination which will result from adding: (a) the Total Interim Dividend; and (b) the product resulting from multiplying the Supplementary Dividend by the total number of shares with respect to which the holders thereof have elected to receive the Supplementary Dividend within the framework of the first implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2021.
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To remainder:

Determinable amount that will result from subtracting the amount allocated to the Dividend from the total basis for distribution.

**TOTAL:**

**13,310,028,909.17**

On the date that the Board of Directors (or the body acting by delegation therefrom) decides to implement the increase in capital that is being submitted for approval of the shareholders at the General Shareholders' Meeting under item number eighteen on the agenda (and therefore, to commence the first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2021), the minimum amount of the Supplementary Dividend shall be announced. The final amount of the Supplementary Dividend shall be communicated as soon as the Board of Directors (or the body acting by delegation therefrom) determines it in accordance with the provisions of the Common Terms. Furthermore, once the first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2021 is completed, the Board of Directors (with express power of substitution) shall proceed to specify the aforementioned proposed distribution, determining the final amount of the Dividend and the amount to be allocated to remainder.

The Common Terms include a sample calculation of the Supplementary Dividend, among other figures relating to the implementation of the increase in capital submitted for approval of the shareholders at the General Shareholders' Meeting under item number eighteen on the agenda.

## ITEM NUMBER EIGHTEEN ON THE AGENDA

**First increase in capital by means of a scrip issue at a maximum reference market value of 1,725 million euros in order to implement the "Iberdrola Retribución Flexible" optional dividend system.**

### RESOLUTION

To increase the share capital of IBERDROLA, S.A. (the "**Company**" or "**Iberdrola**") upon the terms and conditions described in the section below, entitled "Common terms and conditions of the dividend distribution and increase in capital resolutions proposed under items number seventeen, eighteen and nineteen on the agenda, pursuant to which the "Iberdrola Retribución Flexible" optional dividend system is implemented" (the "**Common Terms**"), at a maximum reference market value of 1,725 million euros for the shares to be issued in implementation of said increase.

The increase in capital shall be implemented together with the supplementary payment of the dividend submitted for approval of the shareholders at the General Shareholders' Meeting under item seventeen on the agenda, in order to offer the shareholders the ability to receive their remuneration in cash (receiving said supplementary payment of the dividend) or in newly-issued bonus shares of the Company (through the increase in capital). The delivery of bonus shares issued within the context of the increase in capital is thus configured as one of the alternatives that a shareholder can choose when receiving their remuneration, pursuant to the provisions of the Common Terms.

Pursuant to the provisions of Section 297.1.a) of the *Companies Act*, to delegate to the Board of Directors the power to set the date on which the increase in capital is to be carried



out, if at all, and to set the terms and conditions applicable to all matters not included in this resolution.

Pursuant to the provisions of Section 249 bis.I) of the *Companies Act*, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution."

This increase in capital is expected to be implemented together with the supplementary payment of the dividend contemplated in item number seventeen on the agenda during the month of July 2021.

## ITEM NUMBER NINETEEN ON THE AGENDA

**Second increase in capital by means of a scrip issue at a maximum reference market value of 1,250 million euros in order to implement the "Iberdrola Retribución Flexible" optional dividend system.**

### RESOLUTION

To increase the share capital of IBERDROLA, S.A. (the "**Company**" or "**Iberdrola**") upon the terms and conditions described in the section below, entitled "Common terms and conditions of the dividend distribution and increase in capital resolutions proposed under items number seventeen, eighteen and nineteen on the agenda, pursuant to which the "Iberdrola Retribución Flexible" optional dividend system is implemented" (the "**Common Terms**"), at a maximum reference market value of 1,250 million euros for the shares to be issued in implementation of said increase.

The increase in capital is expected to be implemented together with the payment of the interim dividend amount for financial year 2021, if any, to be approved by the Company's Board of Directors (the "**Interim Dividend**") in order to offer the shareholders the ability to receive their remuneration in cash (by collecting the Interim Dividend) or in newly-issued bonus shares of the Company (through the increase in capital). The delivery of bonus shares issued within the context of the increase in capital is thus configured as one of the alternatives that a shareholder can choose when receiving their remuneration, pursuant to the provisions of the Common Terms.

Pursuant to the provisions of Section 297.1.a) of the *Companies Act*, to delegate to the Board of Directors the power to set the date on which the increase in capital is to be carried out, if at all, and to set the terms and conditions applicable to all matters not included in this resolution.

Pursuant to the provisions of Section 249 bis.I) of the *Companies Act*, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution."

This increase in capital is expected to be implemented together with the Interim Dividend payment during the month of January 2022.





## COMMON TERMS AND CONDITIONS OF THE DIVIDEND DISTRIBUTION AND INCREASE IN CAPITAL RESOLUTIONS PROPOSED UNDER ITEMS NUMBER SEVENTEEN, EIGHTEEN AND NINETEEN ON THE AGENDA, BY VIRTUE OF WHICH THE “IBERDROLA RETRIBUCIÓN FLEXIBLE” OPTIONAL DIVIDEND SYSTEM IS IMPLEMENTED

### 1. Main characteristics of the “Iberdrola Retribución Flexible” optional dividend system

The purpose of the resolutions for the allocation of profits/losses and dividend distribution and increase in capital resolutions proposed under items number seventeen, eighteen and nineteen on the agenda is to implement the “Iberdrola Retribución Flexible” optional dividend system pursuant to which the shareholders of IBERDROLA, S.A. (the “**Company**” or “**Iberdrola**”) are offered the ability to receive their remuneration in cash or in newly-issued bonus shares.

For this purpose, there shall be two implementations of said optional dividend system in which dividend payments shall be made (the “**Dividend Payments**”, and individually, a “**Dividend Payment**”) along with the implementations of the increases in capital (the “**Increases in Capital**”, and individually, an “**Increase in Capital**”) submitted for approval of the shareholders at the General Shareholders’ Meeting under items number eighteen and nineteen on the agenda:

- (i) The first implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2021, which is expected to take place during the month of July 2021 (the “**First Implementation**”), shall be carried out through the supplementary payment of the dividend for financial year 2020 contemplated in item number seventeen on the agenda (the “**Supplementary Dividend**”) together with the implementation of the Increase in Capital submitted for approval of the shareholders at the General Shareholders’ Meeting under item number eighteen on the agenda.
- (ii) The second implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2021, which is expected to take place during the month of January 2022 (the “**Second Implementation**”, and collectively with the First Implementation, the “**Implementations**” and each of the Implementations, individually, an “**Implementation**”), shall be carried out through the payment of an interim amount of the dividend for financial year 2021 (the “**Interim Dividend**”) to be approved, if appropriate, by the Board of Directors pursuant to the provisions of Section 2.2 below, together with the implementation of the Increase in Capital submitted for approval of the shareholders at the General Shareholders’ Meeting under item number nineteen on the agenda.

The Supplementary Dividend and the Interim Dividend shall hereinafter be referred to collectively as the “**Dividends**” and each of them individually as a “**Dividend**”.

In each of the Implementations, the shareholders may choose from among the following options for remuneration upon the terms and conditions established by the Board of Directors (with express power of substitution):



- (a) Receiving their remuneration in cash by collecting the Dividend in question (whether with respect to all of their shares or a portion thereof), for which purpose the shareholders shall be required to make an express election in this regard.
- (b) Receiving their remuneration in newly-issued bonus shares of the Company. To this end, shareholders must refrain from transferring their free-of-charge allocation rights on the market. In this case, upon completion of the trading period for the free-of-charge allocation rights and implementation of the Increase in Capital, the shareholders shall receive such number of new shares (as they are proportionately entitled to receive), entirely as bonus shares.
- (c) Transferring all or part of their free-of-charge allocation rights on the market during the trading period pursuant to the provisions of Section 5 below. In this case, the consideration for such rights will depend on market conditions in general and on the listing price of such rights in particular.

The final amount of each of the Dividend Payments and of each of the Increases in Capital shall be determined by the Company's Board of Directors (or the body acting by delegation therefrom) within the context of each of the Implementations and pursuant to the provisions of the sections below.

Within the year following the date of approval of the resolutions included in items number eighteen and nineteen on the agenda, each of the Implementations may be made by the Board of Directors (with express power of substitution) at its sole discretion, and therefore without having to once again obtain the approval of the shareholders at a General Shareholders' Meeting, and based on the legal and financial conditions existing at the time of each of the Implementations, in order to offer the Company's shareholders a flexible and efficient remuneration formula.

The shareholders may only elect remuneration option (a) above (i.e. receive the Dividend in question) during the "**Common Election Period**". The Common Election Period will begin on the same day as the trading period for the free-of-charge allocation rights, and the Board of Directors (with express power of substitution) must establish the specific term of the Common Election Period, which may in no event exceed the term of said trading period.

Based on their preferences and needs, the Company's shareholders may combine any of the alternatives mentioned in paragraphs (a) through (c) above. In any event, the election of one of the remuneration options automatically excludes the ability to choose either of the other two options regarding the same shares, for which reason the ability to combine options referred to above will only be possible with respect to different groups of shares.

As described below (see Section 3 below), if the requirements of Section 277 of the *Companies Act* to distribute the Interim Dividend are not met within the framework of the Second Implementation, the Company will make an irrevocable commitment to acquire the free-of-charge allocation rights arising from the second Increase in Capital at a guaranteed fixed price upon the terms and conditions described below (the "**Purchase Commitment**" and the "**Fixed Purchase Price**", respectively). In this case, the shareholders may monetise their free-of-charge allocation rights by transferring them to the Company at the Fixed Purchase Price and thus receive a cash amount equal to the one that the Company would have distributed as the Interim Dividend.



Iberdrola assumes no liability for the choices made by the holders of the free-of-charge allocation rights (or for a failure to choose, if an express and valid communication is not received from said holders).

It is also stated for the record that the only period authorised for the holder of free-of-charge allocation rights to communicate to the entities with which their rights are deposited regarding the remuneration options is the Common Election Period, regardless of whether they are institutional or minority holders of rights. Iberdrola assumes no liability for a breach of this period by the depositaries (whether due to not accepting communications during a portion of the Common Election Period or for accepting them after the passage of said period, or for any other reason), for which reason any claim in this regard must be addressed by the shareholders or holders of free-of-charge allocation rights to the depositary in question.

## 2. Amount of the Dividends

### 2.1. Gross amount per share to be distributed to the shareholders as a Supplementary Dividend in the First Implementation

The gross amount to be distributed to the shareholders as a Supplementary Dividend for each share of Iberdrola with the right to receive it shall be determined within the context of the First Implementation by the Board of Directors (with express power of substitution), subject to the terms and conditions set forth in item number seventeen on the agenda and in this section (the “**Supplementary Dividend**”). The amount of the Supplementary Dividend shall be calculated in accordance with the terms set forth in this section.

During the Common Election Period for the First Implementation, the Company's shareholders shall have the ability to expressly choose to receive the Supplementary Dividend with respect to all or part of the shares they own and that are outstanding on the relevant date upon the terms set by the Board of Directors (with express power of substitution) and pursuant to applicable securities clearing and settlement rules from time to time in effect. If they choose to receive the Supplementary Dividend with respect to all or part of their shares, the shareholders shall expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares.

After the Common Election Period for the First Implementation has ended, the Board of Directors (with express power of substitution) shall determine the aggregate gross amount in euros corresponding to the Dividend Payment for the First Implementation (equal to the final amount of the Supplementary Dividend) and shall make payment thereof through the participants in “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.” (Sociedad Unipersonal) (IBERCLEAR), the Board of Directors being hereby authorised for such purpose (with express power of substitution) to establish the specific date on which the Dividend Payment should occur, to designate the entity that is to act as paying agent, and to take such other steps as may be required or appropriate for the successful completion of the Dividend Payment. Furthermore, after calculating said aggregate gross amount corresponding to the Dividend Payment for the First Implementation, the Board of Directors (with express power of substitution) shall, if applicable, rescind the resolution on distribution of the Supplementary Dividend with respect to the amounts that were not distributed to those shareholders who elected (expressly or implicitly) to



receive newly-issued bonus shares of the Company or who sold their free-of-charge allocation rights on the market.

Moreover, after calculating the aggregate gross amount of the Supplementary Dividend, the aggregate total amount distributed as a dividend with a charge to the results for the financial year ended 31 December 2020 pursuant to the provisions of item number seventeen on the agenda shall be determined and, in view of said amount, the amount of the total basis for distribution established in said item on the agenda to be allocated to remainder shall be specified, and the resulting proposed allocation of profits/losses and distribution of the dividend for financial year 2020 shall be completed.

The free-of-charge allocation rights acquired on the market during the trading period established for this purpose by the Board of Directors (or the body acting by delegation therefrom) shall not give the acquiring parties the right to choose to receive the Supplementary Dividend. Therefore, the new holders of these rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may receive the newly-issued bonus shares of the Company to which they are entitled.

Section 4.1 below includes the formula for calculating the gross amount per share corresponding to the Supplementary Dividend.

## **2.2. Gross amount per share to be distributed to the shareholders as an Interim Dividend in the Second Implementation**

The gross amount to be distributed as an Interim Dividend, if any, for each share of Iberdrola with the right to receive it shall be as determined by the Board of Directors pursuant to the corresponding resolution to be adopted prior to 31 December 2021 and pursuant to the provisions of Section 277 of the Companies Act (the “**Interim Dividend**”).

During the Common Election Period for the Second Implementation, the Company's shareholders shall have the ability to expressly choose to receive the Interim Dividend with respect to all or part of the shares they own and that are outstanding on the relevant date upon the terms set by the Board of Directors (with express power of substitution) and pursuant to applicable securities clearing and settlement rules from time to time in effect. If they choose to receive the Interim Dividend with respect to all or part of their shares, the shareholders shall expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares.

After the Common Election Period for the Second Implementation, the Board of Directors (with express power of substitution) shall determine the aggregate gross amount in euros corresponding to the Dividend Payment for the Second Implementation and shall make payment thereof through the participants in “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.” (Sociedad Unipersonal) (IBERCLEAR). To this end, the Board of Directors (with express power of substitution) shall establish the specific date on which the Dividend Payment should occur, shall designate the entity that is to act as paying agent, and shall take such other steps as may be required or appropriate for the successful completion of the Dividend Payment. Furthermore, after calculating said aggregate gross amount corresponding to the Dividend Payment for the Second Implementation, the Board of Directors (with express power of substitution) shall, if applicable, rescind



the resolution on distribution of the Interim Dividend with respect to the amounts that were not distributed to those shareholders who elected (expressly or implicitly) to receive newly-issued bonus shares of the Company or who sold their free-of-charge allocation rights on the market.

The free-of-charge allocation rights acquired on the market during the trading period established for this purpose by the Board of Directors (or the body acting by delegation therefrom) shall not give the acquiring parties the right to choose to receive the Interim Dividend. Therefore, the new holders of these rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may choose to receive the newly-issued bonus shares to which they are entitled at the end of the aforementioned trading period.

Without prejudice to the foregoing, if the requirements of Section 277 of the *Companies Act* are not met within the framework of the Second Implementation in order to distribute the Interim Dividend, the Company will make the Purchase Commitment in order for the shareholders to be able to monetise their free-of-charge allocation rights by transferring them to the Company at the Fixed Purchase Price upon the terms and conditions described in Section 3 below.

Section 4.1 below includes the formula for calculating the gross amount per share corresponding to the Interim Dividend.

### 3. Purchase Commitment within the framework of the Second Implementation

If the requirements of Section 277 of the *Companies Act* are not met to distribute the Interim Dividend within the framework of the Second Implementation, the Company will make the Purchase Commitment upon the terms described in this section in order to ensure that the shareholders can receive all or part of their remuneration in cash.

As soon as the Company verifies that the requirements of Section 277 of the *Companies Act* are not met, it shall communicate this circumstance to the market.

The Fixed Purchase Price shall be calculated by applying the formula used to determine the Interim Dividend (see Section 4.1 below), such that the amount that would be received by shareholders choosing this option would be equal to the amount they would have received if it had been possible to distribute the Interim Dividend. The Fixed Purchase Price shall be calculated prior to the commencement of the trading period for the free-of-charge allocation rights of the second Increase in Capital and shall be published as soon as it is determined.

The Purchase Commitment assumed by the Company shall cover the free-of-charge allocation rights received by those who are registered as being entitled thereto in the book-entry records of "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR) on the relevant date pursuant to the securities clearing and settlement rules from time to time in effect. The free-of-charge allocation rights acquired on the market during the trading period established for this purpose by the Board of Directors (or the body acting by delegation therefrom) shall not give the acquiring parties the right to exercise the Purchase Commitment or, therefore, to receive the Fixed Purchase Price. Therefore, the new holders of these rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may choose to receive the





newly-issued bonus shares to which they are entitled at the end of the aforementioned trading period.

The Purchase Commitment shall be in effect and may be accepted during such term as is established for these purposes by the Board of Directors (with express power of substitution), and which must in any case be included within the trading period for the free-of-charge allocation rights.

For these purposes, the Company is authorised to acquire said free-of-charge allocation rights, with a maximum limit of all rights issued in relation to the second Increase in Capital, but must in any case comply with applicable legal restrictions from time to time in effect.

The acquisition by the Company of the free-of-charge allocation rights as a result of the Purchase Commitment shall be carried out with a charge to the reserves contemplated in Section 303.1 of the *Companies Act*.

The Company shall waive the new shares corresponding to the free-of-charge allocation rights that it has acquired by application of the Purchase Commitment. In such an event, pursuant to the provisions of Section 311 of the *Companies Act*, there will be an incomplete allocation of the Increase in Capital corresponding to the Second Implementation, and share capital shall be increased solely by the amount corresponding to the free-of-charge allocation rights that have not been waived.

#### 4. Common characteristics of the Increases in Capital

The amount of each of the Increases in Capital shall be the amount resulting from multiplying: (a) the nominal value of each share of the Company, equal to seventy-five euro cents, by (b) the total determinable number of new shares of the Company to be issued, in accordance with the formula set forth in Section 4.1 below, on the date of each of the Implementations (the new shares of the Company issued by way of implementation of each of the Increases in Capital shall be collectively referred to as the “**New Shares**”, and each one, individually, as a “**New Share**”).

Both Increases in Capital shall be carried out, if at all, by means of the issuance and flotation, on their respective dates of Implementation, of the New Shares, which shall be ordinary shares having a nominal value of seventy-five euro cents each, of the same class and series as those currently outstanding, represented by book entries.

The Increases in Capital shall be entirely carried out with a charge to the reserves contemplated in Section 303.1 of the *Companies Act*. When implementing each of the Increases in Capital, the Board of Directors, with express power of substitution, shall determine the reserve(s) to be used and the amount of such reserve(s) in accordance with the balance sheet used as a basis for the transaction.

The New Shares shall be issued at par, i.e. at their nominal value of seventy-five euro cents, without a share premium, and shall be allocated without charge to the shareholders of the Company who have opted for this remuneration alternative.

Pursuant to the provisions of Section 311 of the *Companies Act*, the possibility of an incomplete allocation of the Increases in Capital is contemplated in the event that the Company, a company within its group, a shareholder or a third party waives all or part of the free-of-charge allocation rights to which they are entitled at the time of implementation of each of the Increases in Capital, for which reason, in the event of such waiver, the share



capital shall be increased by the corresponding amount. For these purposes, it shall be deemed that those who have chosen to receive their remuneration in cash by means of collecting the Dividend in question with respect to all or part of their shares expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares, upon the terms and conditions set forth herein.

#### 4.1 New Shares to be issued in each of the Increases in Capital

The maximum number of New Shares to be issued in each of the Increases in Capital shall be the number resulting from the application of the following formula, with the resulting number being rounded to the next lower integer:

$$\text{NNS} = \text{TNShrs.} / \text{Num. rights}$$

where:

NNS = Maximum number of New Shares to be issued within the framework of the relevant Increase in Capital;

TNShrs. = Number of shares of the Company outstanding on the date that the Board of Directors (with express power of substitution) resolves to implement the relevant Increase in Capital. In this regard, those shares of Iberdrola that have previously been retired by virtue of the implementation of the resolution approving the reduction in share capital by means of the retirement of own shares submitted to the shareholders for approval at the General Shareholders' Meeting under item number six on the agenda, even if the corresponding public instrument formalising the reduction in share capital has not been executed or is pending registration with the Commercial Registry, shall not be deemed to be outstanding shares of the Company; and

Num. rights = Number of free-of-charge allocation rights required for the allocation of one New Share within the framework of the relevant Increase in Capital, which number will result from the application of the following formula, with the result being rounded to the next higher integer:

$$\text{Num. rights} = \text{TNShrs.} / \text{Provisional number of shares}$$

where:

Provisional number of shares = Amount of the Option / ListPri.

For these purposes, "**Amount of the Option**" shall mean the maximum reference market value of the relevant Increase in Capital to be set by the Board of Directors (with express power of substitution) and which shall not be greater than the amount referred to in the proposed increase in capital resolutions submitted for the approval of the shareholders at the General Shareholders' Meeting under items number eighteen and nineteen on the agenda (i.e. 1,725 and 1,250 million euros, respectively).

For its part, "**ListPri**" shall be the arithmetic mean of the average weighted listing prices of the Company's shares on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges through the Automated Quotation System (Sistema de Interconexión Bursátil) (Continuous Market) during the five trading sessions prior to the relevant resolution adopted by the Board of Directors (with express power of



substitution) which determines the number of free-of-charge allocation rights needed for the allocation of one New Share in the relevant Increase in Capital, rounded to the closest one-thousandth part of one euro.

The maximum number of new shares to be issued thus calculated shall be rounded as required to obtain a whole number of shares (with the result being rounded to the next lower integer) and a ratio for the conversion of rights into shares that is also an integer (with the result being rounded to the next higher integer). In addition, and for the same purposes, the Company (or any entity within its group that holds shares of the Company) shall waive the corresponding free-of-charge allocation rights as provided in Section 4.2 below.

Furthermore, the gross amount per share of the Dividend in question, or if the requirements of Section 277 of the *Companies Act* are not met in the Second Implementation, the Fixed Purchase Price per free-of-charge allocation right will be that which results from the application of the following formula, rounding the result to the closest one-thousandth part of one euro:

Dividend (or, if applicable, Fixed Purchase Price) = ListPri / (Num. rights +1)

#### 4.2 Free-of-charge allocation rights

In each of the Increases in Capital, each outstanding share of the Company on the date of Implementation of the corresponding Increase in Capital (TNShrs.) shall grant its holder one free-of-charge allocation right.

The number of free-of-charge allocation rights required to receive one New Share in each of the Increases in Capital shall be automatically determined according to the ratio existing between the number of outstanding shares of the Company on the date of Implementation of the relevant Increase in Capital (TNShrs.) and the provisional number of New Shares, calculated by using the formula contained in Section 4.1 above. Specifically, the holders of free-of-charge allocation rights shall be entitled to receive one New Share for the number of free-of-charge allocation rights held by them, which shall be determined as provided in Section 4.1 above (Num. rights).

In the event that the number of free-of-charge allocation rights required for the allocation of one New Share (Num. rights) multiplied by the number of New Shares to be issued (NNS) results in a number that is lower than the number of outstanding shares of the Company on the date of Implementation of the corresponding Increase in Capital (TNShrs.), the Company (or such entity within its group, if any, as holds shares of the Company) shall waive a number of free-of-charge allocation rights equal to the difference between both figures for the sole purpose that the number of New Shares be a whole number and not a fraction.

The free-of-charge allocation rights shall be allocated to those who are registered as being entitled thereto in the book-entry records of "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR) on the relevant date pursuant to the securities clearing and settlement rules from time to time in effect. In this regard, Iberdrola will waive the free-of-charge allocation rights corresponding to the shares of the Company that have been retired prior to the date of Implementation of the corresponding Increase in Capital if said shares have not yet been removed from the book-entry registers of



“Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.” (Sociedad Unipersonal) (IBERCLEAR) because the corresponding public instrument formalising the implementation of the resolution on the reduction in capital, the approval of which is submitted to the shareholders at the General Shareholders' Meeting under item number six on the Agenda, has not yet been executed or is still pending registration.

The free-of-charge allocation rights shall be transferable upon the same terms as the shares from which they derive. The free-of-charge allocation rights may be traded on the market during such term as is established by the Board of Directors (with express power of substitution) in implementing the relevant Increase in Capital, which term shall not be less than fourteen calendar days. During such term, a sufficient number of free-of-charge allocation rights may be acquired on the market in the proportion required to receive New Shares. Notwithstanding the foregoing, the free-of-charge allocation rights acquired on the market during the trading period established for this purpose shall not give the acquiring party the right to choose to receive the corresponding Dividend (or, if applicable, to exercise the Purchase Commitment and receive the Fixed Purchase Price). Therefore, the new holders of these free-of-charge allocation rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may choose to receive the newly-issued bonus shares to which they are entitled at the end of the aforementioned trading period.

Therefore, during the trading period for the free-of-charge allocation rights, subject to any other terms and conditions established by the Board of Directors (with express power of substitution), the holders of the free-of-charge allocation rights may choose between:

- (a) receiving their remuneration in New Shares, in which case, at the end of the period for trading the free-of-charge allocation rights, they shall be allocated the New Shares to which they are entitled pursuant to the terms and conditions of the implementation of the Increase in Capital in question;
- (b) transferring all or part of their free-of-charge allocation rights on the market, in which case the consideration that the holders of the free-of-charge allocation rights will receive for the sale thereof will depend on market conditions in general and on the listing price of said rights in particular; or
- (c) only during the Common Election Period determined by the Board of Directors (with express power of substitution), receiving their remuneration in cash by collecting the corresponding Dividend (or, if applicable, by collecting the Fixed Purchase Price), for which purpose the shareholders shall be required to make an express election in this regard. The shareholders may choose to receive their cash remuneration with respect to all or part of their shares.

In this case, it shall be deemed that those choosing to receive their remuneration in cash with respect to all or part of their shares expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares and the ability to transfer them on the market. To this end, the participants in “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.” (Sociedad Unipersonal) (IBERCLEAR) will block said free-of-charge allocation rights, which may not be transferred on the market and which shall automatically



expire at the end of the trading period, without the holders thereof being entitled to receive new shares.

As mentioned above, the free-of-charge allocation rights acquired on the market during the trading period established for this purpose shall not give the acquiring parties the right to choose to receive the Dividend (nor, if applicable, the Fixed Purchase Price). Therefore, the new holders of these rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may choose to receive the newly-issued bonus shares to which they are entitled at the end of the aforementioned trading period.

Based on their preferences and needs, the Company's shareholders may combine any of the alternatives mentioned in paragraphs (a) through (c) above. In any event, the election of one of the remuneration options automatically excludes the ability to choose either of the other two options regarding the same shares, for which reason the ability to combine options referred to above will only be possible with respect to different groups of shares.

Iberdrola assumes no liability for the choices made by the holders of the free-of-charge allocation rights (or for a failure to choose, if an express and valid communication is not received from said holders).

It is also stated for the record that the only period authorised for the holder of free-of-charge allocation rights to communicate to the entities with which their rights are deposited regarding the remuneration options is the Common Election Period, regardless of whether they are institutional or minority holders of rights. Iberdrola assumes no liability for a breach of this period by the depositaries (whether due to not accepting communications during a portion of the Common Election Period or for accepting them after the passage of said period, or for any other reason), for which reason any claim in this regard must be addressed by the shareholders or holders of free-of-charge allocation rights to the depositary in question.

#### **4.3 Balance sheet for the transaction and reserve with a charge to which the Increases in Capital are carried out**

The balance sheet used as a basis for the two Increases in Capital is the one for the financial year ended 31 December 2020, duly audited and submitted to the shareholders for approval at this General Shareholders' Meeting under item number one on the agenda.

The Increases in Capital shall be entirely carried out with a charge to the reserves contemplated in Section 303.1 of the *Companies Act*. When implementing each of the Increases in Capital, the Board of Directors, with express power of substitution, shall determine the reserve(s) to be used and the amount of such reserve(s) in accordance with the balance sheet used as a basis for the transaction.

#### **4.4 Representation of the New Shares**

The New Shares will be represented by book entries, the book-entry registration of which is entrusted to "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR) and its member entities.





#### 4.5 Rights attaching to the New Shares

As from the date on which the relevant Increase in Capital is declared to be subscribed and paid up, the New Shares shall grant the holders thereof the same financial, voting and like rights as the ordinary shares of the Company then outstanding.

#### 4.6 Shares on deposit

Once the period for trading the free-of-charge allocation rights during each of the Increases in Capital has ended, the New Shares that could not be allocated for reasons not attributable to the Company shall be kept on deposit for those who provide evidence that they are the lawful holders of the corresponding free-of-charge allocation rights. Once three years have passed from the end of each of the periods for trading the free-of-charge allocation rights, the New Shares issued by virtue of the relevant Increase in Capital that are still pending allocation may be sold in accordance with the provisions of Section 117 of the *Companies Act*, at the expense and peril of the interested parties. The cash amount from such sale shall be deposited with Banco de España or with Caja General de Depósitos at the disposal of the interested parties.

#### 4.7 Application for admission to trading

The Company shall make application for trading the New Shares to be issued as a consequence of each of the Increases in Capital on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Automated Quotation System (Sistema de Interconexión Bursátil) (Continuous Market), and shall carry out such acts and formalities as are required and submit the documents needed to the appropriate bodies for admission to trading of the New Shares issued as a result of each of the approved Increases in Capital, with an express statement for the record of the Company's submission to the rules that may now or hereafter exist with respect to Stock Exchange matters, and especially regarding trading, continued trading and removal from trading on official markets.

Any subsequent request for removal from trading of the shares of the Company shall be adopted with the same formalities as those that apply to the application for trading and, in such event, the interests of the shareholders opposing or not voting on the resolution to remove shall be safeguarded, in compliance with the requirements set out in applicable law at such time.

### 5. Implementation of the “Iberdrola Retribución Flexible” optional dividend system Implementations

Within a period of one year from the date of approval of this resolution, the Board of Directors (with express power of substitution) may set the date on which each of the Implementations must be carried out and set the terms and conditions thereof as to all matters not provided for in this resolution (including, in particular, the Amount of the Option corresponding to each of the Implementations and the Supplementary Dividend).

Furthermore, it is expected that prior to 31 December 2021, the Board of Directors will determine the Interim Dividend to be paid for purposes of the Second Implementation as well as the other conditions applicable to the Interim Dividend, pursuant to the provisions of Section 277 of the *Companies Act*. To this end, and in accordance with the provisions of



Section 161 of the *Companies Act*, the shareholders acting at this General Shareholders' Meeting hereby instruct the Board of Directors, if the requirements established in Section 277 of the *Companies Act* are met, to approve the distribution of the Interim Dividend and set the terms and conditions applicable to the corresponding Dividend Payment, all in order to carry out the Second Implementation.

Notwithstanding the foregoing, if the Board of Directors (with express power of substitution) does not deem it advisable to carry out one or both Implementations, in whole or in part, within the aforementioned period, it may refrain from doing so, with the duty to inform the shareholders thereof at the next General Shareholders' Meeting.

Specifically, the Board of Directors (with express power of substitution) shall analyse and take into account the market conditions, the circumstances of the Company itself or those deriving from an event that has social or financial significance for the Company, and if these or other factors make it inadvisable, in its opinion, to carry out one or both Implementations, it may refrain from doing so. In addition, the resolutions of the shareholders at this General Shareholders' Meeting relating to the Supplementary Dividend and to the Increases in Capital shall be deprived of any and all effect in the event that the Board of Directors does not exercise the powers delegated thereto or, in the case of the Second Implementation, does not approve the distribution of the Interim Dividend or honour the Purchase Commitment, within a period of one year from approval of the resolutions.

Once the period for trading the free-of-charge allocation rights corresponding to each of the Increases in Capital has ended, the following shall apply:

- (a) The New Shares shall be allocated to those who, according to the book-entry records maintained by "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR) and its participants, are the holders of free-of-charge allocation rights in the proportion resulting from Section 4 above due to not having waived them upon the terms set forth above.
- (b) The period for trading the free-of-charge allocation rights shall be declared to have ended and the appropriation of the account(s) with a charge to which the relevant Increase in Capital will be implemented shall be formalised on the books in the respective amount, with which appropriation the Increase in Capital will be paid up.
- (c) The Company shall pay the Supplementary Dividend or the Interim Dividend (or, if the requirements of Section 277 of the *Companies Act* are not met within the framework of the Second Implementation, the Fixed Purchase Price), as applicable, to the shareholders that have expressly chosen this remuneration option within the period and subject to the terms and conditions determined for these purposes by the Board of Directors (with express power of substitution), pursuant to the provisions of Section 2 above.

Likewise, once each of the periods for trading the free-of-charge allocation rights has ended, the Board of Directors (with express power of substitution) shall adopt the resolutions required to amend the By-Laws so that they reflect the new amount of the share capital and the number of shares resulting from the implementation of the relevant Increase in Capital, and to make application for trading of the resulting New Shares on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market).



## 6. Delegation to carry out each of the Implementations

In particular, and by way of example only, the following powers are delegated to the Board of Directors (with express power of substitution):

- (a) To set the date on which each of the Implementations must be carried out, which shall in any case be within a period of one year from the approval of this resolution, and to determine the specific schedule for each of the Implementations.
- (b) As regards each of the Implementations, to set the Amount of the Option, the amount of the Supplementary Dividend (in the case of the First Implementation), the number of New Shares and the number of free-of-charge allocation rights necessary for the allocation of one New Share, applying the rules established by this resolution for such purpose.
- (c) To determine the reserve(s), among those contemplated in this resolution, with a charge to which each of the Increases in Capital will be implemented.
- (d) To designate the company or companies that will assume the duties of agent and/or financial adviser in connection with each of the Implementations, and sign all required contracts and documents for such purpose. In particular, to appoint the entity that must act as paying agent in each of the Dividend Payments.
- (e) To set the duration of the periods for trading the free-of-charge allocation rights corresponding to each of the Increases in Capital.
- (f) As regards each of the Implementations, to set the specific duration of the Common Election Period and the terms and conditions under which the shareholders may state their preferences regarding the receipt of their remuneration (in cash or in New Shares).
- (g) After the Common Election Period for each Implementation has ended, to determine the aggregate gross amount in euros corresponding to the Dividend Payment in question and to make payment thereof through the participants in "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR).
- (h) To declare the Increases in Capital to be closed and implemented, for such purpose setting the number of New Shares actually allocated in each of them, and therefore the amount by which the Company's share capital must be increased in accordance with the rules established by the shareholders at this General Shareholders' Meeting, as well as declare, if applicable, the existence of an incomplete allocation of each of the Increases in Capital.
- (i) To rescind the resolution on distribution of the corresponding Dividend with respect to the amounts that were not distributed to those shareholders who elected (expressly or implicitly) to receive New Shares.
- (j) In the case of the First Implementation, to determine the aggregate total amount to be distributed as a dividend with a charge to the results for the financial year ended 31 December 2020 pursuant to the provisions of item number seventeen on the agenda (i.e. the final amount of the Supplementary Dividend), to specify, in view of said amount, the amount of the total basis for distribution established in said item



on the agenda to be allocated to remainder, and to complete the resulting proposed allocation of profits/losses and distribution of the dividend for financial year 2020.

- (k) In the case of the First Implementation and if the Board of Directors, with express power of substitution, does not deem it appropriate to implement the First Implementation, in whole or in part, during said period, to determine the aggregate total amount that has been distributed as a dividend with a charge to the results for the financial year ended 31 December 2020 (which shall be equal to the total amount paid on account of the dividend for said financial year), to specify the amount of the total basis for distribution established in said item on the agenda to be allocated to remainder, and to complete the resulting proposed allocation of profits/losses and distribution of the dividend for financial year 2020.
- (l) To amend the article of the *By-Laws* setting the share capital such that it reflects the amount of share capital and the number of outstanding shares resulting from the implementation of the relevant Increase in Capital.
- (m) To waive, if appropriate, and in each of the Increases in Capital, free-of-charge allocation rights to subscribe New Shares for the sole purpose of facilitating that the number of New Shares be a whole number and not a fraction, as well as any free-of-charge allocation rights allocated to shares of the Company that have been retired prior to the date of implementation of the corresponding Increase in Capital if said shares have not yet been removed from the book-entry registers of “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.” (Sociedad Unipersonal) (IBERCLEAR) because the corresponding public instrument formalising the implementation of the resolution approving the reduction in capital, the approval of which is submitted to the shareholders at the General Shareholders’ Meeting under item number six on the agenda, has not yet been executed or is still pending registration.
- (n) If the Purchase Commitment must be honoured within the framework of the Second Implementation due to the requirements of Section 277 of the *Companies Act* for the distribution of the Interim Dividend not having been met, to determine the acquisition by the Company of the corresponding free-of-charge allocation rights, set the period of time during which the Purchase Commitment will be in effect (within the limits established in the resolutions), honour the Purchase Commitment by paying the corresponding amounts to the shareholders who have accepted said commitment, waive the free-of-charge allocation rights owned by the company at the end of the trading period of the Second Implementation as a result of the Purchase Commitment, and thus the New Shares corresponding to such rights, and take any other measures or actions needed to fully honour the Purchase Commitment.
- (o) To take all steps required for the New Shares to be included in the book-entry records of “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.” (Sociedad Unipersonal) (IBERCLEAR) and admitted to trading on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges through the Automated Quotation System (Continuous Market) after each of the Increases in Capital.
- (p) To take any actions that are necessary or appropriate to implement and formalise each of the Increases in Capital before any Spanish or foreign public or private entities or agencies, including acts for purposes of representation, supplementation,



or correction of defects or omissions that might prevent or hinder the full effectiveness of the foregoing resolutions.

- (q) To approve and implement such technical or other mechanisms as “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.” (Sociedad Unipersonal) (IBERCLEAR) and the IBERCLEAR participants may deem necessary or appropriate in order to make any corresponding payment on account.

## 7. Sample calculation relating to the First Implementation

Set out below, solely for purposes of facilitating an understanding of the application hereof, is a sample calculation, in the case of the First Implementation, of the maximum number of new shares to be issued in the increase in capital submitted for the approval of the shareholders at the General Shareholders' Meeting under item number eighteen on the agenda, of the maximum nominal value of such increase, of the number of free-of-charge allocation rights required for the allocation of one new share and of the Dividend (which in this First Implementation would be equal to the Supplementary Dividend).

The results of these calculations are not representative of those that might be obtained, which, in the case of the First Implementation, will depend on the different variables used in the formulas (basically, the listing price of Iberdrola shares at that time (ListPri) and the Amount of the Option, as determined by the Board of Directors (with express power of substitution) in exercise of the power delegated by the shareholders at the General Shareholders' Meeting).

Solely for the purposes of this example:

- The Amount of the Option is 1,612 million euros.
- The TNShrs. is 6,240,000,000 <sup>1</sup>.
- A ListPri of 11.365 euros is assumed (solely for the purposes of this example, the listing price of the Iberdrola shares at the closing of the trading session of 5 May 2021 has been used as a reference).

Therefore:

Provisional number of shares = Amount of the Option / ListPri	$1,612,000.000 / 11.365 = 141,838,979.322481 = 141,838,979 \text{ shares}$ (rounded downwards)
Num. rights = TNShrs. / Provisional number of shares	$6,240,000,000 / 141,838,979 = 43.9935484871193000 = 44 \text{ rights}$ (rounded upwards)

<sup>1</sup> For purposes of this example, it is assumed that this would be the total number of shares of the Company outstanding after the implementation of the reduction in capital provided for in the resolution corresponding to item number six on the agenda if it is implemented in the total maximum amount thereof (i.e. 6,240,000,000 outstanding shares of the Company).





NNS = TNShrs. / Num. rights	$6,240,000,000 / 44 = 141,818,181.818182 = 141,818,181$ shares (rounded downwards)
Dividend = ListPri / (Num. rights + 1)	$11.365 / (44 + 1) = 0.25255555555556 = 0.253$ euro (rounded to the closest one-thousandth part of one euro)

Therefore:

- (i) The maximum number of shares to be issued in the First Implementation would be 141,818,181.
- (ii) The maximum nominal amount of the increase in capital submitted for approval of the shareholders at the General Shareholders' Meeting under item number eighteen on the agenda would be 106,363,635.75 euros (141,818,181 x 0.75).
- (iii) 44 free-of-charge allocation rights (or Old shares) would be necessary for the allocation of one new share<sup>2</sup>.
- (iv) In this example, the Supplementary Dividend would be equal to 0.253 euro (gross) per share.

## ITEM NUMBER TWENTY ON THE AGENDA

### Re-election of Mr Juan Manuel González Serna as independent director.

#### RESOLUTION

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

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<sup>2</sup> In this example, the Company (or an entity of its group that holds shares of the Company) would be required to waive 36 free-of-charge allocation rights corresponding to 36 own shares in order for the number of shares to be issued to be an integer.



## ITEM NUMBER TWENTY-ONE ON THE AGENDA

**Re-election of Mr Francisco Martínez Córcoles as executive director.**

### RESOLUTION

To re-elect Mr Francisco Martínez Córcoles as a director, after a report from the Appointments Committee, for the by-law mandated four-year term, with the classification of executive director.

## ITEM NUMBER TWENTY-TWO ON THE AGENDA

**Ratification and re-election of Mr Ángel Jesús Acebes Paniagua as independent director.**

### RESOLUTION

To ratify the appointment of Mr Ángel Jesús Acebes Paniagua as a director appointed on an interim basis by resolution of the Board of Directors, upon a proposal of the Appointments Committee, adopted at the meeting held on 20 October 2020 and to re-elect him, also upon a proposal of the Appointments Committee, for the bylaw-mandated four-year term, with the classification of independent director.

## ITEM NUMBER TWENTY-THREE ON THE AGENDA

**Setting of the number of members of the Board of Directors at fourteen.**

### RESOLUTION

To set the number of members of the Board of Directors at fourteen.

## ITEM NUMBER TWENTY-FOUR ON THE AGENDA

**Authorisation to issue simple debentures or bonds and other fixed-income securities, not exchangeable for or convertible into shares, with a limit of 6,000 million euros for promissory notes and 30,000 million euros for other fixed-income securities, as well as to guarantee issues of subsidiaries.**

### RESOLUTION

#### 1. Authorisation to the Board of Directors to issue securities

To authorise the Board of Directors to issue simple debentures or bonds, notes and other fixed-income securities of a similar nature, not exchangeable or convertible into shares.

#### 2. Term

The issuance of the securities covered by the authorisation may be effected on one or more occasions within a maximum period of five years following the date of approval of this resolution.



### 3. Maximum amount

- (a) The total maximum net amount of simple debentures or bonds and of other fixed-income securities of a similar nature (other than notes) issued under this authorisation may not exceed 30,000 million euros or the equivalent thereof in another currency. This limit is independent of the limit set out in paragraph (b) below.
- (b) The total maximum net amount of the notes issued under this authorisation may not exceed 6,000 million euros or the equivalent thereof in another currency. This limit is independent of the limit set out in paragraph (a) above.

In order to determine whether each of these limits has been reached, the amounts corresponding to repayments or repurchase made or occurring during the effective term of this authorisation term shall be deducted from new issues approved under this authorisation.

### 4. Scope

For each issue, the Board of Directors shall determine, among other things: the nominal value, the issue price, the redemption price, the currency, the form of representation, the interest rate, the repayment terms, the subordination clauses, the security, the place of issue, the applicable law, the setting of the internal rules of the bond syndicate and the appointment of the syndicate representative (*comisario*) (in the case of an issue of simple debentures or bonds), if required, as well as the performance of any formalities necessary for the implementation of the specific issues to be carried out under this authorisation.

In addition, the Board of Directors is authorised such that, when it deems it appropriate and subject, if applicable, to any appropriate authorisations being secured and to the consent of security-holders coming together at a meeting of the corresponding syndicates of security-holders, it may modify the terms and conditions applicable to the repayment of the fixed-income securities issued as well as the respective period thereof, and the rate of interest, if any, accrued by the securities included in each of the issuances effected under this authorisation.

### 5. Admission to trading

The Company shall, when appropriate, make application for the admission to trading of the securities issued within the framework of this authorisation on Spanish or foreign, organised or unorganised, and regulated or unregulated markets, and the Board of Directors shall be authorised, as broadly as required by law, to carry out all acts and formalities that may be required for these purposes with the appropriate authorities of the various Spanish or foreign securities markets.

It is expressly stated for the record that if application is subsequently made for delisting of the securities issued by the Company pursuant to this authorisation, it shall be made in compliance with the same formalities as the application for listing, to the extent any such formalities are required, and in such case, the interests of the shareholders, debenture-holders or other security-holders opposing or not voting on the resolution shall be safeguarded as provided by applicable law.

In addition, it is expressly stated that the Company undertakes to abide by stock market regulations, whether now existing or as may hereafter be issued, particularly as regards trading, continued trading and delisting.



## 6. Guarantee in support of issues of fixed-income securities

The Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issues of securities by subsidiaries during the effective period of this resolution.

## 7. Power of substitution

The Board of Directors is expressly authorised to further delegate the powers referred to in this resolution.

## 8. Revocation of current authorisation

This resolution deprives of effect, to the extent of the unused amount of the issues, the authorisation to issue simple debentures or bonds and other fixed-income securities of a similar nature, including notes, given for such purpose to the Board of Directors by the shareholders acting at the General Shareholders' Meeting held on 31 March 2017, without prejudice to the effectiveness thereof as to the amount already used for the issues made and the guarantees provided or promised prior to this resolution.

# ITEM NUMBER TWENTY-FIVE ON THE AGENDA

**Delegation of powers to formalise and to convert the resolutions adopted into a public instrument.**

## RESOLUTION

Without prejudice to the powers delegated in the preceding resolutions, to jointly and severally authorise the Board of Directors, the Executive Committee, the chairman & CEO, and the secretary and the deputy secretaries of the Board of Directors of IBERDROLA, S.A., such that any of them may:

- (a) formalise and convert into public instruments the resolutions adopted by the shareholders at this General Shareholders' Meeting, further developing, clarifying, specifying, interpreting, completing and correcting them, carrying out such acts or legal transactions as may be necessary or appropriate for the implementation thereof, execute such public or private documents as they deem necessary or appropriate for the full effectiveness thereof, and correct all omissions, defects or errors, whether substantive or otherwise, that might prevent the recording thereof with the Commercial Registry;
- (b) approve or vote in favour of the approval of the annual financial information for the financial year ended 31 December 2020 of the country subholding companies and other subsidiaries of IBERDROLA, S.A., which form part of the scope of consolidation of its annual financial statements;
- (c) deposit with the Commercial Registry the separate annual financial statements of IBERDROLA, S.A. and the annual financial statements thereof consolidated with those of its subsidiaries, as well as the corresponding directors' and audit reports;
- (d) deposit the *Statement of Non-Financial Information. Sustainability Report 2020* with the Commercial Registry as well as with the bodies it deems appropriate;



- (e) formulate the restated text of the *By-Laws*, including the amendments approved at this General Shareholders' Meeting;
- (f) formulate the restated text of the *Regulations for the General Shareholders' Meeting*, including the amendments approved at this General Shareholders' Meeting;
- (g) in the exercise of the powers vested therein by the Governance and Sustainability System, approve appropriate modifications of the other internal rules of the Company in order to conform the text thereof to the changes made to the *By-Laws* and to the *Regulations for the General Shareholders' Meeting*;
- (h) resolve any questions regarding the interpretation of the *By-Laws* and the *Regulations for the General Shareholders' Meeting* as well as any other rule of the Governance and Sustainability System;
- (i) implement the resolution regarding the reduction in capital referred to in item number six on the agenda, in accordance with the provisions of the *Shareholder Remuneration Policy*;
- (j) implement the resolutions regarding shareholder remuneration referred to in items number seventeen to nineteen on the agenda, in accordance with the provisions of the *Shareholder Remuneration Policy*;
- (k) register with the Commercial Registry the resolutions regarding the composition of the Board of Directors referred to in item numbers twenty to twenty-three of the agenda;
- (l) in accordance with the provisions of the Company's *Sustainable Management Policy*, obtain and become aware of the opinion and expectations of the shareholders and other Stakeholders affected by the General Shareholders' Meeting regarding the organisation of the event and, if applicable, identify opportunities for improvement for the holding of subsequent meetings;
- (m) determine all other circumstances that may be required, adopt and implement the necessary resolutions, publish the notices and provide the guarantees that may be appropriate for the purposes established by law, as well as formalise the required documents, carry out all necessary proceedings and comply with all requirements under the law for the full effectiveness of the resolutions adopted by the shareholders at this General Shareholders' Meeting; and
- (n) delegate all or any of the powers enumerated in this resolution and those expressly granted thereto by the shareholders at this General Shareholders' Meeting in the resolutions adopted under the foregoing items on the agenda, to the extent allowed by law, to the persons they deem appropriate.

## ITEM NUMBER TWENTY-SIX ON THE AGENDA

### *Annual Director Remuneration Report 2020.*

#### RESOLUTION

To approve, on a consultative basis, the *Annual Director Remuneration Report* for financial year 2020.





## ITEM NUMBER TWENTY-SEVEN ON THE AGENDA

### *Climate Action Policy.*

#### RESOLUTION

Approve, on a consultative basis, the *Climate Action Policy* of IBERDROLA, S.A. (the “**Company**”), which was amended by the Board of Directors on 19 April 2021 and is published on the corporate website ([www.iberdrola.com](http://www.iberdrola.com)).

This consultative vote forms part of the company’s engagement with shareholders in order to know their opinions and concerns, which are taken into account by the Board of Directors in preparing the agenda for the General Shareholders’ Meeting.

The *Climate Action Policy* is the framework defined by the Board of Directors to guide the strategy and business model of the Iberdrola group in a manner consistent with its commitment to combating climate change, which is one of the biggest challenges on the international agenda for states and multilateral agencies as well as for the Company’s institutional investors and shareholders.

To face this challenge, the *Climate Action Policy* sets out the long-term objective of neutrality in greenhouse gas emissions, as well as the Company’s major principles and positions in this area, but does not set its strategy or the specific content of the climate action plan, which will be regularly approved and updated by the Board of Directors.

Given its consultative nature, the purpose of this vote is to obtain the opinion of shareholders on this new *Climate Action Policy* to be taken into account in the ongoing update of the Governance and Sustainability System, and particularly in future amendments of said policy, by the Board of Directors.

In Bilbao, on 11 May 2021