2020 General Shareholders’ Meeting

Amendments to the Regulations of the Board of Directors from 29 March 2019 to 28 February 2020

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TITRE II. STRUCTURE AND POWERS

Article 13. 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 By-Laws to the shareholders acting at a General Shareholders’ Meeting.

2. The Board of Directors has the broadest powers and authority to manage and represent the Company.

3. Notwithstanding the foregoing, pursuant to the Corporate Governance System, the Board of Directors shall focus its activity on approving the strategic goals of the Group, on defining its organisational model and on supervising compliance therewith and further development thereof. The Board of Directors may rely on the Executive Committee to perform this supervisory duty. Without prejudice to the non-delegable powers provided for by law and the Corporate Governance System, the Board of Directors shall generally entrust the duties of organisation and strategic coordination of the Group to the chairman of the Board of Directors, to the chief executive officer and to the management team, who shall disseminate, implement and supervise the general strategy and basic guidelines established by the Board of Directors.

4. The Board of Directors shall supervise the activities of the chairman of the Board of Directors, of the chief executive officer and of the Executive Committee, and shall guarantee the effectiveness of the checks and balances system provided for by law and the Corporate Governance System.

5. The main function of the Company is to act as the parent company of the Group. In this regard, the Board of Directors shall decide on the creation of country subholding companies in the countries it considers appropriate. In each of said countries, the Country subholding companies group together the equity stakes in the energy Group’s head of business companies. These country subholding companies strengthen and carry out the function of organisation and strategic coordination of the Group in relation to one or more countries and/or businesses, disseminating, implementing and supervising the ensuring compliance with the policies, strategies and general strategy and the basic management guidelines at the country level with respect to the head of business companies grouped within each of them, taking into account the characteristics and unique aspects of such countries, their respective countries and/or businesses. Also, to centralise the provision of services common to their subsidiaries, in accordance with the provisions of applicable law and especially the rules on legal provisions regarding the separation of regulated activities.

6. The Board of Directors shall design, evaluate and review the Corporate Governance System on an ongoing basis. In particular, it shall approve the Purpose and Values of the Iberdrola group and shall attend to the approval and update of the corporate policies, which shall further develop the principles reflected in the By-Laws and other elements of the Corporate Governance System and codify the guidelines that should govern the activities of the Company and of the companies within the Group, as well as its directors, management personnel and other professionals. The corporate policies shall group together those relating to corporate governance and regulatory compliance, risks and sustainable development.

7. The Board of Directors, within its powers regarding approval of the strategic goals of the Group and the definition of its organisational model, shall occupy itself with the following matters, among others:

   a) Establish, within legal limits, the policies and strategies of the Group and the basic guidelines for the management thereof, entrusting to the management decision-making bodies and to the management of the head of business companies of the Group the duties of day-to-day administration and effective management of each business.

   b) Supervise, with the support of the Executive Committee, the chairman of the Board of Directors, the chief executive officer and the management team, as well as the country subholding companies within their respective countries, the general development of such policies, strategies and guidelines by the head of business companies of the Group, establishing appropriate mechanisms for the exchange of information in the interest of the Company and of the companies included within the Group.

   c) Agree with each of the listed country subholding companies of the Group on their respective special framework of strengthened autonomy and ensure compliance therewith.

   d) Decide on matters of strategic importance at the Group level.

8. In particular, the Board of Directors, acting upon its own initiative or at the proposal of the corresponding internal decision-making body, shall occupy itself with the matters set forth below (as an example only):

   A) With respect to the engagement of the shareholders in corporate life and with the General Shareholders’ Meeting:

      a) Lead the strategy of engaging the shareholders in corporate life and establishing a policy that actively promotes it.

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b) Call the General Shareholders’ Meeting, set the agenda of the call to meeting, formulate the corresponding proposed resolutions regarding each of the items on said agenda and approve the rules for implementation of the provisions of the Corporate Governance System relating to the holding thereof.

c) Propose the amendment of the By-Laws and the Regulations for the General Shareholders’ Meeting to the shareholders at a General Shareholders’ Meeting.

d) Submit to a decision by the shareholders at a General Shareholders’ Meeting the assignment to dependent entities of core activities theretofore carried out by the Company, even though the Company retains full control of such entities.

e) Submit to a decision by the shareholders at a General Shareholders’ Meeting transactions for the acquisition or disposition of essential operating assets.

f) Submit to a decision by the shareholders at a General Shareholders’ Meeting transactions having an effect equivalent to the liquidation of the Company.

g) Carry out the resolutions approved by the shareholders at a General Shareholders’ Meeting and perform any duties that the shareholders have entrusted thereto.

h) Approve a policy for the payment of bonuses for attending the General Shareholders’ Meeting.

i) Generally, submit to the shareholders at a General Shareholders’ Meeting all those matters within its purview under applicable law.

B) With respect to the policies and strategies of the Company and of the Group and the corporate and governance structure thereof:

a) Approve the Purpose and Values of the Iberdrola group.

b) Establish the general policies and strategies of the Company and of the Group.

c) Approve the strategic or business plan, as well as the management goals and annual budgets, the investment and financing policy, the corporate responsibility policy and the shareholder remuneration policy.

d) Define the corporate and governance structure of the Group.

e) Establish the policy for the control and management of risks, including tax risks, and the supervision of the internal information and control systems.

f) Determine the Company’s tax strategy and approve investments or transactions with particular tax risks due to the elevated amount or special characteristics thereof.

g) Establish the shareholders’ remuneration policy and propose to the shareholders acting at a General Shareholders’ Meeting the decisions it deems most appropriate regarding the application of results and the distribution of dividends, as well as approve the payment of interim dividends. The Board of Directors may also propose other modes of shareholder remuneration.

h) Establish the policy regarding own shares.

i) Oversee that the country subholding companies comply with the legal provisions on regulated activities within their respective jurisdictions.

j) Take note of mergers, split-offs, concentrations or overall assignments of assets and liabilities affecting any of the country subholding companies or head of business companies of the Group.

k) Approve the creation or acquisition of equity interests in special purpose entities or entities registered in countries or territories that are considered to be tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, might diminish the transparency of the Group.

l) Upon a proposal of the Audit and Risk Supervision Committee, approve the General Framework for Relations of Coordination and Information among the Audit Committees of Iberdrola, S.A. and its group, as well as the Basic Internal Audit Regulations.

C) Supervise the effective operation of the committees it has created and the activities of the delegated decision-making bodies and of the members of senior management that it has appointed:

a) Approve and amend these Regulations.

b) Define the structure of general powers to be granted by the Board of Directors or by the delegated management decision-making bodies and the general rules governing the powers-of-attorney granted by the companies of the Group.

c) Supervise the effective operation of the committees it has created and the activities of the delegated decision-making bodies and of the members of senior management that it has appointed.

d) Under the coordination of the Appointments Committee, perform an annual evaluation of its operation and of its committees, and based on the results thereof design an action plan that corrects any detected deficiencies.

D) With respect to the information to be provided by the Company:

a) Manage the provision of information regarding the Company to the shareholders and the markets in general, pursuant to standards of equal treatment, transparency and truthfulness.

b) Prepare the annual accounts, the management report and the proposed allocation of the Company’s results, as well as the consolidated annual accounts and management report.

c) Approve the financial information that the Company must periodically make public due to its status as listed company, ensuring that such documents provide a true and fair view of the assets and liabilities, the financial position and the results of the Company in accordance with the provisions of law.
d) Approve the Company’s Annual Corporate Governance Report, as well as the annual sustainability report, the integrated report, the Annual Director Remuneration Report and any other report that the Board of Directors deems advisable in order to better inform shareholders and investors or that is required by law.

E) With respect to the directors and members of senior management:
   a) Designate directors to fill vacancies by interim appointment and propose to the shareholders at a General Shareholders’ Meeting the appointment, ratification, re-election or removal of directors.
   b) Designate and renew internal positions within the Board of Directors and the members of and positions on the committees established within the Board of Directors.
   c) Propose to the shareholders at the General Shareholders’ Meeting the approval of the director remuneration policy upon the terms established by law and the Corporate Governance System, and make decisions regarding the remuneration thereof within the framework of the By-Laws and the provisions of said policy.
   d) Appoint the directors that are to perform executive duties and remove them, setting the remuneration to which they are entitled by reason of their executive duties and the other terms of their contracts, conforming to the director remuneration policy approved by the shareholders at the General Shareholders’ Meeting.
   e) Approve the plan for succession and temporary replacement of the chairman of the Board of Directors.
   f) Approve, upon a proposal of the chief executive of the Company, the determination and modification of the Company’s organisational chart, the appointment and removal of the members of senior management and other executives required by law, as well as the establishment of the basic terms of their contracts, including their remuneration and the compensation or severance payments in the event of removal.

As an exception to the foregoing, following a report from the Appointments Committee, the Audit and Risk Supervision Committee shall, if applicable, submit to the Board of Directors a proposal supported by the corresponding report regarding the selection, appointment or removal of the director of the Internal Audit Area.

Members of senior management shall be all those members of management who report directly to the Board of Directors, to the chairman thereof or to the chief executive officer of the Company, as well as any other member of management that the Board of Directors acknowledges as such upon a proposal of the chairman thereof or the chief executive officer, and in any event the director of the Internal Audit Area.

g) Decide on the authorisation or release from obligations arising from the duty of loyalty established by law (unless the decision regarding the authorisation or release legally corresponds to the shareholders acting at a General Shareholders’ Meeting).

F) Other powers:
   a) Decide on the approval of transactions that the Company or companies of its Group engage in with directors or shareholders holding a significant interest or that are represented on the Board of Directors, as well as with persons related thereto, upon the terms established by law and the Corporate Governance System.
   b) Declare its position regarding all takeover bids for securities issued by the Company.
   c) Decide on proposals submitted thereto by the Executive Committee, the chairman of the Board of Directors, the chief executive officer, the lead independent director and the committees of the Board of Directors.
   d) Make decisions regarding any other matter within its purview that the Board of Directors believes to be in the interest of the Company or that these Regulations reserve to the Board as a whole. Those powers reserved by law or the Corporate Governance System for direct exercise by the Board of Directors may not be delegated.

9. Notwithstanding the foregoing, when there are urgent and duly justified circumstances, and the law so permits, the Executive Committee or the chief executive officer may make decisions regarding those matters referred to in the preceding sections, which must be ratified at the first meeting of the Board of Directors held after the making thereof.

10. In connection with such matters included in this article as may be appropriate, the Board of Directors shall act in coordination with the management decision-making bodies of the other companies forming part of the Group, acting in the common interest of all of them.

[...]
Amendments to the Regulations of the Board of Directors approved on 17 December 2019

TITLE IV. APPOINTMENT AND CESSATION OF OFFICE OF DIRECTORS

Article 17. Appointment
1. The directors shall be appointed by the shareholders acting at a General Shareholders’ Meeting pursuant to the provisions of law and, to the extent applicable, the Corporate Governance System.
2. The proposals for appointment and re-election of directors that the Board of Directors submits to a decision by the shareholders acting at a General Shareholders’ Meeting, and the decisions made by the Board of Directors in the exercise of the legally-assigned power to make interim appointments to fill vacancies, shall be preceded by a corresponding proposal of the Appointments Committee, in the case of independent directors, or a report from such committee, in the case of other directors.
3. The Appointments Committee must propose or report in each case on the assignment of the director to one of the categories contemplated in these Regulations and review it on an annual basis.
4. If the Board of Directors deviates from the proposals and reports of the Appointments Committee, it shall give reasons for so acting and shall record such reasons in the minutes.
5. At the time of accepting their position, directors must, in addition to their commitment in writing to comply and cause compliance with the provisions of the Corporate Governance System upon the terms of article 2.3 above, expressly acknowledge their commitment to the defence of the corporate interest, which must prevail over any other individual or third-party interest, state whether they have any kind of relationship with shareholders owning a significant interest in the Company, and report on any other type of conflict of interest.
6. The required support shall be provided in order for new directors to become rapidly and adequately acquainted with the Company and its Group, such that they can actively perform their duties as well and, if so appointed, as members of any of the committees of the Corporate Governance System, for which purpose the Company may establish guidance programmes. In addition, Board of Directors as from their appointment as such. To this end, an Orientation Programme shall be made available to them through the directors’ website, and which shall cover at least the following aspects:
   a) Business and organisational model of the Company and its Group: global view of the strategy, the principal areas of business activity, the most significant risks (both financial and non-financial), the Group’s commitment to sustainability, the Company’s reporting obligations, and the rules on compliance and internal control.
   b) Corporate, governance and ownership structure: operation of the main corporate decision-making bodies, including the role of the Board of Directors and of each of its committees, their responsibilities and objectives, and the expected dedication to the performance of the corresponding positions.
   c) Corporate Governance System.
7. When circumstances so advise, the Company may establish, when the circumstances make it advisable, update training knowledge refresher programmes for the directors.

TITLE V. POSITIONS AND COMMITTEES

Chapter I. Positions
Article 23. Chairman of the Board of Directors
1. The chairman of the Board of Directors shall be appointed from among the directors after a report from the Appointments Committee, and 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.
2. The chairman of the Board of Directors shall be responsible for carrying out the resolutions thereof and of the other collective decision-making bodies that he presides over, being authorised in urgent cases to adopt such measures as the chairman deems advisable in furtherance of the corporate interest pursuant to law and the Corporate Governance System.
3. The chairman of the Board of Directors undertakes the senior management and representation of the Company and the leadership of the Board of Directors. He exercises the following powers in addition to the powers conferred by law and the Corporate Governance System.
a) To call and preside over meetings of the Board of Directors and the Executive Committee, setting the agenda for the meet-
ing and directing the discussion and debate.
b) To stimulate and organise the debate and active participation of the directors during meetings, safeguarding their freedom
to take positions and express their opinion.
c) To ensure, with the collaboration of the secretary, that the directors receive in advance information sufficient to deliberate on
the items on the agenda.
d) To chair the General Shareholders’ Meeting and direct the discussion and debate therein.
e) To bring to the Board of Directors those proposals that the chairman deems appropriate for the efficient running of the Com-
pany, particularly those corresponding to the operation of the Board of Directors itself and other corporate decision-making
bodies, as well as to propose the persons, if any, who will hold office as vice-chair or vice-chairs, chief executive officer and
secretary and, if applicable, deputy secretary or deputy secretaries of the Board of Directors and of the committees of the
Board of Directors.
f) With the support of the secretary of the Board of Directors, to provide to new with an Orientation Programme and directors
the information needed to perform their duties, and as well as to promote access by all directors to training materials and
sessions that allow them to continuously update refresh their knowledge.
g) To promote the work of the consultative committees of the Board of Directors and ensure that they carry out their duties and
responsibilities efficiently and with due coordination, having an appropriate organisation for such purposes.
h) When they so deem appropriate, based on the results of the annual evaluation coordinated by the Appointments Com-
mittee, individually discuss with all or some of the directors the results of their personal evaluation, and any measures to be
adopted to improve the performance thereof.

4. The Board of Directors may appoint one or more honorary chairman of the Company.

Article 24. Vice-Chair or Vice-Chairs of the Board of Directors
1. 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, with all of the
powers and duties thereof and in the order set forth in this article, in the event of non-occasional and unexpected vacancy, ab-
sence, illness or incapacity.

2. If there is more than one vice-chair, the one that is expressly appointed by the Board of Directors for such purpose shall replace
the chairman, in default of the foregoing, the vice-chair having the longest length of service in office, and, in case of equal leng-
ths, the oldest.

3. In the absence of a vice-chair, the chairman shall be replaced by the lead independent appropriate
director, in accordance the absence thereof, by the director with the rules
longest length of service in office, and in case of equal lengths, by the preceding section oldest.

Article 25. Chief Executive Officer
1. The Board of Directors may appoint a chief executive officer (consejero delegado) with the favourable vote of at least two-thirds
of its members, with the powers it deems appropriate and which may be delegated pursuant to law and the Corporate Governan-
c System.

2. The chief executive officer shall be appointed upon a proposal of the chairman and after a report from the Appointments Com-
mittee. If such position is held by the chairman himself, the proposal shall come from the Appointments Committee.

3. The chief executive officer shall exercise the power to represent the Company in an individual capacity.

4. In the event of the non-occasional and unexpected vacancy, absence, illness or incapacity of the chief executive officer, the
duties thereof may only be temporarily assumed by another executive director (and limited to those powers delegated thereeto), without prejudice to the duties and powers of the Executive Committee. However, the chairman of the Board of Direc-
tors shall convene. If both positions are held by the same person or if the latter cannot assume them for any other reason, by the
vice-chair or director designated in accordance with the provisions of sections 2 and 3, respectively, of the preceding article, who
shall call an urgent meeting of the Board of Directors on an urgent basis in order to deliberate and decide upon the appointment,
if any appropriate, of one or more new chief executive officer officers.

[...]
4. The Company shall make available to the directors a specific software application (directors’ website) to facilitate the performance of their duties and the exercise of their powers of information, as well as access to training the Orientation Programme and to materials addressed to the directors. Such information as is deemed appropriate for preparation of the meetings of the Board of Directors and the committees thereof, in accordance with the agenda included in the calls to meeting, as well as materials relating to director training programmes and the presentations mentioned in the preceding section, shall be posted on the directors’ website. Generally, the communications and forms that the directors must deliver to the Company shall be sent through the directors’ website. Said communications and forms shall have the same effects as if an original signed copy had been sent. In addition, the directors shall be given access through the directors’ website to the minutes of the meetings of the Board of Directors and the committees thereof, as well as such other information that the Board of Directors resolves to include. All of the foregoing is deemed to be without prejudice to the measures that may be necessary or appropriate to adopt in order to maintain the confidentiality of the information included in the directors’ website.

[...]

TITLE X. INFORMATION AND RELATIONSHIPS

Chapter I. Information
Article 52. Corporate Website
1. The Company maintains a corporate website, envisaged as an instrument for channelling its relations with shareholders and investors, as well as the other stakeholders, which is intended to foster their involvement in corporate life.
2. Through the corporate website:
   a) Shareholders and investors are provided with the documents and information required by law and the Corporate Governance System and other information that the Board of Directors, through its secretary, deems appropriate.
   b) Shareholders are provided with the means to exercise the rights to receive information and to participation in the General Shareholders’ Meeting recognised by law and by the Corporate Governance System.
   c) Full or summarised versions of the rules making up the current Corporate Governance System are published.
3. The structure of the corporate website shall be determined by the provisions of law and the General Corporate Governance Policy and the other internal rules of the Company System.
4. Without prejudice to the foregoing, the secretary of the Board of Directors shall decide the corporate governance information that must be included in the Company’s corporate website, and shall be responsible for the update thereof. The secretary of the Board of Directors shall report to the Board of Directors on the exercise of this power.
Amendments to the Regulations of the Board of Directors
approved on 24 February 2020

PRELIMINARY TITLE

Article 1. Definition and Purpose
1. The Regulations of the Board of Directors (the “Regulations”) of Iberdrola IBERDROLA, S.A. (the “Company”), in compliance with applicable legislation and as part of the Corporate Governance System, constitute its specific and concrete system of organisation, which further develops and supplements applicable legal and bylaw-mandated rules, taking into consideration the nature of the Company as a holding company and as the controlling entity of those included within its group (the “Group”).
2. These Regulations have been prepared taking into account the good governance recommendations generally recognised in international markets.
3. The Regulations contain the principles of conduct of the Board of Directors of the Company, the basic rules for the organisation and operation thereof, and the rules for the selection, appointment, re-election, removal and conduct of its members, in order to achieve the greatest degree of transparency, effectiveness and control in the performance of its duties to develop and fulfit the corporate interest.
4. The principles of conduct and the rules for organisation and operation of the management decision-making bodies existing at other companies belonging to the Group shall be governed by their respective internal regulations, if any. Such regulations shall conform to the principles set forth in these Regulations, without prejudice to any adjustments that may be required based on the specific circumstances of each company, and shall, in all cases, abide by the guarantees required by the Corporate Governance System and the principles of coordination and information-sharing that must govern the relations among the management decision-making bodies of the various companies of the Group in order for them to fully comply with their respective duties.

TITLE I. PRINCIPLES OF CONDUCT

Article 6. Main Principles of Conduct
The fundamental guidelines for the conduct of the Board of Directors, in addition to strict observance of applicable law, are compliance with the Corporate Governance System, effective engagement of the shareholders and other stakeholders, satisfaction of the corporate interest, commitment to the social dividend and the conformance of its work and that of all of its members to the Company’s Code of Ethics.

Article 8. Corporate Interest
1. The Board of Directors shall carry out its duties with unity of purpose and independent judgement, always in pursuit of the Company’s corporate interest, which is understood as the common interest of all shareholders of an independent company focused on the sustainable creation of value by engaging in the activities included in its corporate object, taking into account other stakeholders related to its business activity and its institutional reality, in accordance with the Purpose and Values of the Iberdrola group.
2. The Board of Directors shall endeavour to ensure that the chairman of the Board of Directors, as well as the Executive Committee and the chief executive officer, pursue the corporate interest.

Article 9. Shareholders and Stakeholders
The Board of Directors shall endeavour to ensure the effective engagement of the shareholders and other stakeholders in the business, corporate and institutional enterprise of the Company, affording equal treatment to all shareholders in the same situation.

Article 10. Social Dividend
The Board of Directors and its delegated decision-making bodies shall perform duties while ensuring that the social dividend, which is envisaged and envisaged, consistently with the Purpose and Values of the Iberdrola group and the Code of Ethics, as the sustainable creation direct, indirect or induced contribution of value in the economic, social and environmental areas of the Company’s activities for all stakeholders and the people related thereto, and for the communities in which it does business, Stakeholders, particularly by contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations.

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TITLE II. STRUCTURE AND POWERS

[ ]

Article 13. 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 By-Laws to the shareholders acting at a General Shareholders’ Meeting.

2. The Board of Directors has the broadest powers and authority to manage and represent the Company.

3. Notwithstanding the foregoing, pursuant to the Corporate Governance System, the Board of Directors shall focus its activity on approving the strategic goals of the Group, on defining its organisational model and on supervising compliance therewith and further development thereof. The Board of Directors may rely on the Executive Committee to perform this supervisory duty. Without prejudice to the non-delegable powers provided for by law and the Corporate Governance System, the Board of Directors shall generally entrust the duties of organisation and strategic coordination of the Group to the chairman of the Board of Directors, to the chief executive officer and to the management team, who shall disseminate, implement and supervise the general strategy and basic guidelines established by the Board of Directors.

4. The Board of Directors shall supervise the activities of the chairman of the Board of Directors, of the chief executive officer and of the Executive Committee, and shall guarantee the effectiveness of the checks and balances system provided for by law and the Corporate Governance System.

5. The main function of the Company is to act as the parent company of the Group. In this regard, the Board of Directors shall decide on the creation of country subholding companies in the countries it considers appropriate. 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 one or more countries and/or businesses, 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. Also, to centralise the provision of services common to their subsidiaries, in accordance with the provisions of applicable law and especially the legal provisions regarding the separation of regulated activities.

6. The Board of Directors shall design, evaluate and review the Corporate Governance System on an ongoing basis. In particular, it shall approve the Purpose and Values of the Iberdrola group and shall attend to the approval and update of the corporate policies, which shall further develop the principles reflected in the By-Laws and other elements of the Corporate Governance System and codify the guidelines that should govern the activities of the Company and of the companies within the Group, as well as its directors, management personnel and other professionals. The corporate policies shall group together those relating to corporate governance and regulatory compliance, risks and sustainable development.

7. The Board of Directors, within its powers regarding approval of the strategic goals of the Group and the definition of its organisational model, shall occupy itself with the following matters, among others:
   a) Establish, within legal limits, the policies and strategies of the Group and the basic guidelines for the management thereof, entrusting to the management decision-making bodies and to the management of the head of business companies of the Group the duties of day-to-day administration and effective management of each business.
   b) Supervise, with the support of the Executive Committee, the chairman of the Board of Directors, the chief executive officer and the management team, as well as the country subholding companies within their respective countries, the general development of such policies, strategies and guidelines by the head of business companies of the Group, establishing appropriate mechanisms for the exchange of information in the interest of the Company and of the companies included within the Group.
   c) Agree with each of the listed country subholding companies of the Group on their respective special framework of strengthened autonomy and ensure compliance therewith.
   d) Decide on matters of strategic importance at the Group level.

8. In particular, the Board of Directors, acting upon its own initiative or at the proposal of the corresponding internal decision-making body, shall occupy itself with the matters set forth below (as an example only):
   A) With respect to the engagement of the shareholders in corporate life and with the General Shareholders’ Meeting:
      a) Lead the strategy of engaging the shareholders in corporate life and establishing a policy that actively promotes it.
      b) Call the General Shareholders’ Meeting, set the agenda of the call to meeting, formulate the corresponding proposed resolutions regarding each of the items on said agenda and approve the rules for implementation of the provisions of the Corporate Governance System relating to the holding thereof.
      c) Propose the amendment of the By-Laws and the Regulations for the General Shareholders’ Meeting to the shareholders at a General Shareholders’ Meeting.
      d) Submit to a decision by the shareholders at a General Shareholders’ Meeting the assignment to dependent entities of core activities theretofore carried out by the Company, even though the Company retains full control of such entities.
      e) Submit to a decision by the shareholders at a General Shareholders’ Meeting transactions for the acquisition or disposition of essential operating assets.
      f) Submit to a decision by the shareholders at a General Shareholders’ Meeting transactions having an effect equivalent to the liquidation of the Company.
      g) Carry out the resolutions approved by the shareholders at a General Shareholders’ Meeting and perform any duties that the shareholders have entrusted thereto.
h) Approve a policy for the payment of bonuses for attending the General Shareholders’ Meeting.
i) Generally, submit to the shareholders at a General Shareholders’ Meeting all those matters within its purview under applicable law.

B) With respect to the policies and strategies of the Company and of the Group and the corporate and governance structure thereof:

a) Approve the **Purpose and Values of the Iberdrola group**.
b) Establish the general policies and strategies of the Company and of the Group.
c) Approve the strategic or business plan, as well as the management goals and annual budgets, the investment and financing policy, the corporate responsibility policy and the shareholder remuneration policy.
d) Define the corporate and governance structure of the Group.
e) Establish the policy for the control and management of risks, including tax risks, and the supervision of the internal information and control systems.
f) Determine the Company’s tax strategy and approve investments or transactions with particular tax risks due to the elevated amount or special characteristics thereof.
g) Establish the shareholders remuneration policy and propose to the shareholders acting at a General Shareholders’ Meeting the decisions it deems most appropriate regarding the application of results and the distribution of dividends, as well as approve the payment of interim dividends. The Board of Directors may also propose other modes of shareholder remuneration.
h) Establish the policy regarding own shares.
i) Oversee that the country subholding companies comply with the legal provisions on regulated activities within their respective jurisdictions.
j) Take note of mergers, split-offs, concentrations or overall assignments of assets and liabilities affecting any of the country subholding companies or head of business companies of the Group.
k) Approve the creation or acquisition of equity interests in special purpose entities or entities registered in countries or territories that are considered to be tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, might diminish the transparency of the Group.
l) Upon a proposal of the Audit and Risk Supervision Committee, approve the **General Framework for Relations of Coordination and Information among the Audit Committees of Iberdrola, S.A. and its group**, as well as the **Basic Internal Audit Regulations**.

C) With respect to the organisation of the Board of Directors and the delegation of powers and the granting of powers of representation:

a) Approve and amend these **Regulations**.
b) Define the structure of general powers to be granted by the Board of Directors or by the delegated management decision-making bodies and the general rules governing the powers-of-attorney granted by the companies of the Group.
c) Supervise the effective operation of the committees it has created and the activities of the delegated decision-making bodies and of the members of senior management that it has appointed.
d) Under the coordination of the Appointments Committee, perform an annual evaluation of its operation and of its committees, and based on the results thereof design an action plan that corrects any detected deficiencies.

D) With respect to the information to be provided by the Company:

a) Manage the provision of information regarding the Company to the shareholders and the markets in general, pursuant to standards of equal treatment, transparency and truthfulness.
b) Prepare the annual accounts, the management report and the proposed allocation of the Company’s results, as well as the consolidated annual accounts and management report.
c) Approve the financial information that the Company must periodically make public due to its status as listed company, ensuring that such documents provide a true and fair view of the assets and liabilities, the financial position and the results of the Company in accordance with the provisions of law.
d) Approve the Company’s **Annual Corporate Governance Report**, as well as the **annual sustainability report statement of non-financial information**, the integrated report, the **Annual Director Remuneration Report** and any other report that the Board of Directors deems advisable in order to better inform shareholders and investors or that is required by law.

E) With respect to the directors and members of senior management:

a) Designate directors to fill vacancies by interim appointment and propose to the shareholders at a General Shareholders’ Meeting the appointment, ratification, re-election or removal of directors.
b) Designate and renew internal positions within the Board of Directors and the members of and positions on the committees established within the Board of Directors.
c) Propose to the shareholders at the General Shareholders’ Meeting the approval of the director remuneration policy upon the terms established by law and the Corporate Governance System, and make decisions regarding the remuneration thereof within the framework of the **By-Laws** and the provisions of said policy.
d) Appoint the directors that are to perform executive duties and remove them, setting the remuneration to which they are entitled by reason of their executive duties and the other terms of their contracts, conforming to the director remuneration policy approved by the shareholders at the General Shareholders’ Meeting.
e) Approve the plan for succession and temporary replacement of the chairman of the Board of Directors.

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f) Approve, upon a proposal of the chief executive of the Company, the determination and modification of the Company’s organisational chart, the appointment and removal of the members of senior management and other executives required by law, as well as the establishment of the basic terms of their contracts, including their remuneration and the compensation or severance payments in the event of removal.

As an exception to the foregoing, following a report from the Appointments Committee, the Audit and Risk Supervision Committee shall, if applicable, submit to the Board of Directors a proposal supported by the corresponding report regarding the selection, appointment or removal of the director of the Internal Audit Area.

Members of senior management shall be all those members of management who report directly to the Board of Directors, to the chairman thereof or to the chief executive officer of the Company, as well as any other member of management that the Board of Directors acknowledges as such upon a proposal of the chairman thereof or the chief executive officer, and in any event the director of the Internal Audit Area.

g) Decide on the authorisation or release from obligations arising from the duty of loyalty established by law (unless the decision regarding the authorisation or release legally corresponds to the shareholders acting at a General Shareholders’ Meeting).

F) Other powers:

a) Decide on the approval of transactions that the Company or companies of its Group engage in with directors or shareholders holding a significant interest or that are represented on the Board of Directors, as well as with persons related thereto, under the terms established by law and the Corporate Governance System.

b) Declare its position regarding all takeover bids for securities issued by the Company.

c) Decide on proposals submitted thereto by the Executive Committee, the chairman of the Board of Directors, the chief executive officer, the lead independent director and the committees of the Board of Directors.

d) Make decisions regarding any other matter within its purview that the Board of Directors believes to be in the interest of the Company or that these Regulations reserve to the Board as a whole. Those powers reserved by law or the Corporate Governance System for direct exercise by the Board of Directors may not be delegated.

9. Notwithstanding the foregoing, when there are urgent and duly justified circumstances, and the law so permits, the Executive Committee or the chief executive officer may make decisions regarding those matters referred to in the preceding sections, which must be ratified at the first meeting of the Board of Directors held after the making thereof.

10. In connection with such matters included in this article as may be appropriate, the Board of Directors shall act in coordination with the management decision-making bodies of the other companies forming part of the Group, acting in the common interest of all of them.

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TITLE V. POSITIONS AND COMMITTEES

[-]

Chapter II. Committees of the Board of Directors

Article 34. Sustainable Development Committee

1. The Board of Directors shall create a permanent Sustainable Development Committee, which shall be 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 the chair of the Sustainable Development Committee from among the directors forming part thereof, as well as its secretary, who need not be a director and who, in any event, must comply with the directors’ obligations established in these Regulations that may apply due to the nature thereof.

4. The Board of Directors shall endeavour to ensure that the members of the Sustainable Development Committee have such expertise, qualifications and experience as are required by the duties they are called upon to perform.

5. Members of the Sustainable Development Committee shall be appointed for a maximum term of four years, and may be re-elected on one or more occasions for terms of the same maximum length.

6. The Sustainable Development Committee shall have the powers set forth in the regulations thereof, and in any event the following:

   a) Conduct a periodic review of the Corporate Governance System, with special emphasis on the corporate governance and compliance policies and the sustainable development policies, and propose to the Board of Directors, for the approval thereof or for submission to the shareholders at a General Shareholders’ Meeting, such amendments and updates as may contribute to the development and ongoing improvement thereof.

   b) Monitor the Company’s corporate governance and sustainable development strategies.

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c) Monitor compliance with legal requirements and with the rules and regulations of the Corporate Governance System.

d) Supervise the Company’s actions relating to sustainable development and corporate social responsibility and report thereon to the Board of Directors and to the Executive Committee, as appropriate.

e) Assess and review the Company’s plans implementing the sustainable development policies and monitor the level of compliance therewith.

f) Report on the conduct of general interest and corporate social responsibility activities by entities in the nature of foundations related to the Group to which such activities have been entrusted.

g) Monitor the Company’s actions relating to corporate reputation and report thereon to the Board of Directors and to the Executive Committee, as appropriate.

h) Report on the Company’s Annual Corporate Governance Report prior to the approval thereof, obtaining for such purpose the reports of the Audit and Risk Supervision Committee, the Appointments Committee and the Remuneration Committee with respect to the sections of such report that are within its powers, and the annual sustainability report as well as the statement of non-financial information.

i) Issue its prior opinion on the annual report on the effectiveness of the Group’s compliance system prepared by the Compliance Unit, and submit it to the Board of Directors.

j) Report on proposed amendments of the Regulations of the Board of Directors, the Regulations of the Compliance Unit and the Code of Ethics.

k) Receive information from the Compliance Unit regarding proposed amendments of the Code of Ethics and regarding any significant issue in connection with promoting awareness of and compliance with the Code of Ethics.

l) Use the Compliance Unit to review the Company’s internal policies and procedures in order to prevent improper conduct and identify policies or procedures that may be more effective in promoting the highest ethical standards.

m) Review and validate the annual operating budget of the Compliance Unit, for submission thereof to the Board of Directors through the chairman of the Board, as well as its annual activity plan, endeavour to ensure that the Compliance Unit has the material and human resources required to discharge its duties.

n) Issue such other reports and take such other actions as may also fall within its purview pursuant to the Corporate Governance System or as may be requested by the Board of Directors or the chairman thereof.

7. The chair of the committee may also request, through the secretary of the Board of Directors, the attendance of members of the Foundations Committee of the Iberdrola Group, of any director, member of senior management or professional of the Group, of any member of the management decision-making bodies of the companies forming part of the Group whose appointment has been proposed by the Company, and of any director, member of senior management or professional of entities in the nature of foundations related to the Group, provided there is no legal impediment thereto. The secretary of the Board of Directors shall evaluate the suitability of the appearances requested based on the matters to be discussed, the powers of the committee, the identity of the person whose attendance is requested and the meeting schedules of the corporate decision-making bodies from time to time in effect.

[...]

TITLE VI. OPERATION

[...]

Article 36. Place of Meetings

1. Meetings of the Board of Directors shall be held at the place designated in the call to meeting.

2. Meetings of the Board of Directors may be held in several places connected to each other by a system 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 meetings 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 meeting of the Board of Directors.

2. The directors in attendance at any of such interconnected places shall be deemed to have attended the same meeting of the Board of Directors. The meeting shall be deemed to have been held where the largest number of directors is located and, if they are in equal numbers, where the chairman or whoever performs the duties thereof is located.

[...]

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TITLE X. INFORMATION AND RELATIONSHIPS

Chapter I. Information

[...]

Article 52. Corporate Website

1. The Company maintains a corporate website, envisaged as an instrument for channeling its relations with shareholders and the financial community, as well as the other stakeholders, which is intended to foster their involvement in corporate life.

2. Through the corporate website:
   a) Shareholders and investors are provided with the documents and information required by law and the Corporate Governance System and other information that the Board of Directors, through its secretary, deems appropriate.
   b) Shareholders are provided with the means to exercise the rights to receive information and to participation in the General Shareholders’ Meeting recognized by law and by the Corporate Governance System.
   c) Full or summarised versions of the rules making up the current Corporate Governance System are published.

3. The structure of the corporate website shall be determined by the provisions of law and the Corporate Governance System.

4. Without prejudice to the foregoing, the secretary of the Board of Directors shall decide the corporate governance information that must be included in the Company’s corporate website, and shall be responsible for the update thereof.

[...]

Chapter II. Relationships

[...]

Article 55. Relationships with the Securities Markets

1. The Board of Directors shall immediately inform the public regarding:
   a) Significant events (hechos relevantes) Notices of inside information and other relevant information.
   b) All changes in the Company’s ownership structure, such as fluctuations in significant direct or indirect interests and private shareholders’ agreements (pactos parasociales) of which the Board has had notice.
   c) All substantial amendments to the Company’s governance rules and regulations.
   d) The treasury share policy, if any, that the Company intends to pursue on the basis of approvals obtained from the shareholders at the General Shareholders’ Meeting.
   e) All changes to the composition and to the rules of organisation and operation of the Board of Directors and the committees thereof, or to the duties and positions of each director in the Company, as well as any other modification relevant to the Corporate Governance System.

2. The Board of Directors shall adopt appropriate measures to ensure that the semi-annual, quarterly and any other financial information that it may be prudent to make available to the securities markets is prepared in accordance with the same principles, standards and professional practices used to prepare the annual accounts and is as reliable as such accounts. For this latter purpose, such information shall be reviewed by the Audit and Risk Supervision Committee.

3. The Board of Directors shall prevent its conduct from influencing the free formation of the price of the securities issued by the Company and, if applicable, of the shares of the companies forming part of its Group.

[...]