

PRACTICAL EXAMPLE OF THE “IBERDROLA RETRIBUCIÓN FLEXIBLE” SYSTEM

== PRACTICAL EXAMPLE ==

Free capital increase charged to reserves

1 share on the record date: 1 free allocation right

== HYPOTHESIS ==

Shareholder with 1,000 shares on the record date will receive 1,000 rights

Number of rights needed to get a new share: 40 rights (1)

Amount of the Interim Dividend: 0.151 euros (2)

== THE SHAREHOLDER HAS THREE OPTIONS OF REMUNERATION ==

Receive Newly Issued
IBERDROLA shares

WITHOUT
WITHHOLDING TAX

The shareholder receives
25 newly issued
IBERDROLA shares (3)

Sell the free allocation
rights in the market

SUBJECT TO
WITHHOLDING TAX

The shareholder receives
122.31 net euros (4)

Receive the Interim
Dividend

SUBJECT TO
WITHHOLDING TAX

The shareholder receives
122.31 net euros (5)

“ In addition, shareholders do not need to choose one of the options, as they can combine them according to their requirements ”

(1) Number of rights used as an example. The final amount will be announced on 4 January 2019 by means of a significant event.

(2) Amount of the Interim Dividend used as an example. The final amount will be announced on 4 January 2019 by means of a significant event.

(3) The new shares will be delivered to shareholders free of charge and without fees. In accordance with the applicable law, the custodian of your shares will be entitled to charge the management fees and expenses it deems appropriate, including fees for handling sale and purchase orders of freely assignable rights.

(4) On the assumption of the sale of the rights in the market at 0.151 gross euros. The total amount of the sale will be subject to IRPF withholding tax.

(5) On the assumption of the Interim Dividend fixed at 0.151 gross euros. The total amount will be subject to 19% withholding tax.