



**EURO-COMMERCIAL PAPER  
PROGRAMME  
UNCONDITIONALLY AND IRREVOCABLY  
GUARANTEED BY IBERDROLA, S.A.**



**IBERDROLA INTERNATIONAL B.V.**  
*(incorporated in The Netherlands with limited liability)*

**€3,000,000,000**

**Euro-Commercial Paper Programme**

**unconditionally and irrevocably guaranteed by**

**IBERDROLA, S.A.**

*Ratings*

**Fitch Ratings Limited**  
**Moody's Investors Service Limited**  
**Standard & Poor's Credit Market Services Europe Limited**

*Arranger*

**UBS INVESTMENT BANK**

*Issue and Paying Agent*

**THE BANK OF NEW YORK MELLON, LONDON BRANCH**

*Dealers*

<b>BARCLAYS</b>	<b>BOFA MERRILL LYNCH</b>
<b>BRED</b>	<b>CITIGROUP</b>
<b>CRÉDIT AGRICOLE CIB</b>	<b>GOLDMAN SACHS INTERNATIONAL</b>
<b>ING</b>	<b>J.P. MORGAN</b>
<b>NATWEST MARKETS</b>	<b>SANTANDER</b>
<b>SOCIÉTÉ GÉNÉRALE CORPORATE &amp; INVESTMENT BANKING</b>	<b>UBS INVESTMENT BANK</b>

Information Memorandum dated 8 November 2018

*Disclaimer clauses for Dealers, Issue and Paying Agent and Arranger*

See the section entitled "Important Notice" on pages i to iv of this Information Memorandum

## IMPORTANT NOTICE

This Information Memorandum (together with any supplementary information memorandum and information incorporated by reference, the **Information Memorandum**) contains summary information provided by Iberdrola International B.V. (the **Issuer**) and Iberdrola, S.A. (the **Guarantor**) in connection with a euro-commercial paper programme (the **Programme**) under which the Issuer may issue and have outstanding at any time euro-commercial paper notes (the **Notes**) up to a maximum aggregate amount of €3,000,000,000 or its equivalent in alternative currencies.

Under the Programme, the Issuer may issue Notes outside the United States pursuant to Regulation S (**Regulation S**) of the U.S. Securities Act of 1933 (the **Securities Act**) which will have the benefit of a guarantee dated 8 November 2018 and entered into by the Guarantor (the **Guarantee**). The Issuer and the Guarantor have, pursuant to a dealer agreement dated 8 November 2018 (the **Dealer Agreement**), appointed Banco Santander, S.A., Bank of America Merrill Lynch International Limited, Barclays Bank PLC, BRED Banque Populaire, S.A., Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Goldman Sachs International, ING Bank N.V., J.P. Morgan Securities plc, NatWest Markets Plc, Société Générale, UBS AG, London Branch and UBS Limited (the **Dealers**) as dealers for the Notes under the Programme and authorised and requested the Dealers to circulate this Information Memorandum in connection with the Programme. This Information Memorandum updates and supersedes the Information Memorandum dated 10 November 2015.

An application for a STEP label for this Programme will be made to the STEP Secretariat. Information as to whether the STEP label has been granted for this Programme may be made available on the STEP market website (initially [www.stepmarket.org](http://www.stepmarket.org)). This website is not sponsored by the Issuer and the Issuer is not responsible for its content or availability.

Unless otherwise specified in this Information Memorandum, the expressions **STEP**, **STEP Market Convention**, **STEP label**, **STEP Secretariat**, and **STEP market website** shall have the meaning assigned to them in the Market Convention on Short-Term European Paper dated 19 May 2015 and adopted by the ACI – The Financial Markets Association and the European Money Markets Institute (as amended from time to time).

The Issuer and the Guarantor have confirmed to the Dealers that the information contained or incorporated by reference in this Information Memorandum is true and accurate in all material respects and not misleading and that there are no other facts the omission of which makes this Information Memorandum as a whole or any such information contained or incorporated by reference herein misleading in any material respect.

This Information Memorandum is not intended to provide the basis of any credit, taxation, or other evaluation, and should not be considered as a recommendation by any of the Issuer, the Guarantor or the Dealers that any recipient of this Information Memorandum should purchase any Notes. Each recipient contemplating purchasing any Notes is responsible for obtaining its own independent professional advice in relation to the Programme and for making its own independent investigation and appraisal of the financial condition, affairs and creditworthiness of the Issuer and the Guarantor and of the Programme as it deems necessary and must base any investment decision upon such independent assessment and investigation and not on this Information Memorandum (which only contains a summarised description of the current activities of the Issuer and the Guarantor). None of the Dealers undertake to review the business, financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Information Memorandum nor to advise any investor or potential investor in the Notes of any information or change coming to the attention of any Dealer.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers

as to the accuracy or completeness at any time of this Information Memorandum or any supplement hereto. No person has been authorised by the Issuer, the Guarantor or the Dealers to give any information or to make any representation not contained in this Information Memorandum or any supplement hereto, and, if given or made, such information or representation must not be relied upon as having been authorised.

To the fullest extent permitted by law, none of the Dealers accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by a Dealer or on its behalf in connection with the Issuer, the Guarantor or the issue and offering of the Notes. Each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

Neither the Issuer, the Guarantor nor the Dealers accept any responsibility, express or implied, for updating this Information Memorandum and neither the delivery of this Information Memorandum nor the offering, sale or delivery of any Notes on the basis of the information in this Information Memorandum shall, under any circumstances, create any implication that the information contained herein is true subsequent to the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer or the Guarantor since the date hereof or, as the case may be, the date upon which this Information Memorandum has been most recently amended or supplemented or the balance sheet date of the most recent financial statements which are deemed to be incorporated by reference herein or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Information Memorandum contains references to ratings. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.

This Information Memorandum does not, and is not intended to, constitute or contain an offer or invitation to any person to purchase Notes. The distribution of this Information Memorandum and the offering, sale and delivery of the Notes or the offer for sale of any interest in such Notes or any rights in respect of such Notes, in certain jurisdictions, may be restricted by law. Persons obtaining this Information Memorandum, any Notes, any interest in such Notes or any rights in respect of such Notes are required by the Issuer, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. In particular, but without limitation, such persons are required to comply with the restrictions on offers or sales of Notes and on distribution of this Information Memorandum and other information in relation to the Notes, the Issuer and the Guarantor set out under “Selling Restrictions” below.

The Notes and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933 (the **Securities Act**) and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

Furthermore, neither the Issuer, the Guarantor nor any of the Dealers makes any comment about the treatment for taxation purposes of payments or receipts in respect of the Notes. Each investor contemplating acquiring Notes under the Programme must seek such tax or other professional advice as it considers necessary for the purpose.

No application will be made at any time to list the Notes on any stock exchange. A communication of an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act of 2000 (the **FSMA**)) received in connection with the issue or sale of any Notes will

only be made in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor.

Solely by virtue of appointment as a Dealer on this Programme, none of the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of EU Delegated Directive 2017/593.

## **Tax**

No comment is made or advice given by the Issuer, the Guarantor or any Dealer in respect of taxation matters relating to the Notes and each investor or potential investor is advised to consult its own professional adviser.

## **Interpretation**

In this Information Memorandum references to **Dollars**, **U.S. Dollars** and **U.S.\$** are to the currency of the United States of America, references to **Sterling** and **£** are to the currency of the United Kingdom, references to **Japanese Yen** and **¥** are to the currency of Japan and references to **euro** and **€** are to the single currency of participating member states of the European Union, as contemplated by the Treaty establishing the European Community, as amended.

Where this Information Memorandum refers to the provisions of any other document, such reference should not be relied upon and the document must be referred to for its full effect.

## **Documents Incorporated by Reference**

The most recently published audited non-consolidated annual financial statements of the Issuer and any subsequently published audited non-consolidated annual financial statements of the Issuer from time to time, and the most recently published audited consolidated financial statements of the Guarantor and any subsequently published annual or interim financial statements (whether audited or unaudited) of the Guarantor from time to time, in each case shall be deemed to be incorporated in, and to form part of, this Information Memorandum.

Any statement contained in, or in a document which is deemed to be incorporated by reference into, this Information Memorandum shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any subsequent document which is deemed to be incorporated by reference into this Information Memorandum modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Information Memorandum. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of material fact or an admission to state a material fact that is necessary to make a statement not misleading in light of the circumstances in which it was made. This Information Memorandum should be read and construed with any amendment or supplement thereto and with any other documents incorporated by reference in this document and, in relation to any issue of Notes, should be read and construed together, in each case so that such amendment, supplement or other document is incorporated and forms part of this Information Memorandum.

Except as provided above, no other information, including information on the website of the Issuer or the Guarantor is incorporated by reference into this Information Memorandum.

Copies of documents which are deemed to be incorporated by reference into this Information Memorandum are available, free of charge, from the registered office of the Issuer, the registered office of the Guarantor and the

principal office of the Issue and Paying Agent for the time being in London (each as set out at the end of this Information Memorandum), and on the website of the STEP market ([www.stepmarket.org](http://www.stepmarket.org)).

## CONTENTS

<b>Clause</b>	<b>Page</b>
SUMMARY OF THE PROGRAMME.....	6
INFORMATION CONCERNING THE ISSUER AND THE GUARANTOR.....	12
CERTIFICATION OF INFORMATION FOR THE ISSUER AND THE GUARANTOR.....	16
INFORMATION CONCERNING THE ISSUER’S REQUEST OF THE STEP LABEL.....	17
SELLING RESTRICTIONS.....	18
FORM OF NOTES.....	21
SCHEDULE 1 PAYMENTS OF INTEREST.....	30
SCHEDULE 2 PRINCIPAL AMOUNT OF THIS GLOBAL NOTE.....	31
SCHEDULE PAYMENTS OF INTEREST.....	39
TEXT OF GUARANTEE OF THE PROGRAMME.....	40

## 1. SUMMARY OF THE PROGRAMME

- 1.1 **Name of the programme:** Iberdrola International B.V. Euro-Commercial Paper Programme.
- 1.2 **Type of programme:** Programme for the issuance of Euro-Commercial Paper.
- 1.3 **Name of the Issuer:** Iberdrola International B.V.
- 1.4 **Type of issuer:** Non-financial corporation.
- 1.5 **Purpose of the programme:** The net proceeds from the issuance of these instruments will be used to prepay maturing debt and for the general corporate purposes of the Iberdrola Group (as defined below).
- 1.6 **Programme size (ceiling):** The aggregate principal amount of Notes outstanding at any time will not exceed €3,000,000,000 or its equivalent in alternative currencies. The Programme Amount may be increased from time to time, in accordance with the amended and restated Dealer Agreement dated 8 November 2018.
- 1.7 **Characteristics and form of the Notes:** The Notes will be in bearer form. The Notes will initially be in global form (**Global Notes**). A Global Note will be exchangeable into definitive notes (**Definitive Notes**) only in the limited circumstances set out in that Global Note.
- On or before the issue date in respect of any Notes, if the relevant Global Note indicates that it is intended to be a New Global Note (**NGN**), the Global Note will be delivered to a Common Safekeeper (as defined below) for the Relevant Clearing Systems (as defined below). If the relevant Global Note indicates that it is intended to be a Classic Global Note (**CGN**), the Global Note will be deposited with a common depositary for the Relevant Clearing Systems. The interests of individual holders in each Global Note that is a NGN will be represented by the records of the Relevant Clearing Systems.
- Common Safekeeper** means, in respect of any Global Note which is a NGN, the common safekeeper which is appointed by the Relevant Clearing Systems in respect of such NGN or, if such Global Note is a NGN intended to be held in a manner that would allow eligibility for collateral purposes in credit operations of the central banking system for the euro (the **Eurosystem**), the common safekeeper which is appointed for the Issuer and eligible to hold such Global Note for the purpose of the requirements relating to collateral for Eurosystem monetary and intra-day credit operations. If the Common Safekeeper as at the relevant issue date ceases to be so eligible after the relevant issue date, the relevant Notes



will no longer qualify for Eurosystem eligibility unless a new common safekeeper is appointed who is so eligible.

- 1.8 **Yield basis:** The Notes may be issued at a discount or may bear fixed or floating rate interest.
- 1.9 **Currencies of issue of the Notes:** Notes may be denominated in any currency, subject to compliance with any applicable legal and regulatory requirements. Specifically, the Programme will allow for the issue of Notes denominated in U.S. Dollars, euro, Japanese Yen, and Sterling.
- 1.10 **Maturity of the Notes:** The tenor of the Notes shall be not less than 1 day nor more than 364 days from and including the date of issue, to but excluding the maturity date subject to compliance with any applicable legal and regulatory requirements.
- 1.11 **Minimum Issuance Amount:** For so long as the STEP label is applied to the Programme, the minimum issuance amount shall be €100,000 (or its equivalent in other currencies), subject to the initial minimum denominations of Notes set out herein.
- 1.12 **Minimum denomination of the Notes:** Notes shall be issued in the following denominations (or integral multiples thereof):
- (i) for U.S.\$ Notes, U.S.\$500,000;
  - (ii) for euro Notes, €500,000;
  - (iii) for Sterling Notes, £100,000;
  - (iv) for Yen Notes, Yen 100,000,000; or
  - (v) in the case of Notes denominated in a currency other than euro, U.S. Dollars, Sterling or Yen, the equivalent in that currency of €500,000, such amount to be determined by the rate of exchange at the date of issuance,
- or such other conventionally accepted denominations in those currencies as may be agreed between the Issuer and the relevant Dealer from time to time, subject in each case to compliance with all applicable legal and regulatory requirements and provided that the equivalent of that denomination in Sterling is not less than £100,000 (or its equivalent in other currencies).
- For so long as the STEP label is applied to the Programme, Notes will be issued in denominations of at least €100,000 (or its equivalent in other currencies), subject to the initial minimum denominations of Notes set out herein.

- 1.13 **Status of the Notes:** The Notes will be direct, unconditional, unsubordinated and unsecured obligations of the Issuer ranking (subject to applicable statutory exceptions) *pari passu* with all present and future unsecured and unsubordinated indebtedness of the Issuer, other than obligations preferred by mandatory operation of law.
- 1.14 **Governing law that applies to the Notes:** The Notes, the Guarantee and any non-contractual obligations arising out of or in connection with each of the foregoing will be governed by, and construed in accordance with, English law.
- 1.15 **Listing:** The Notes will not be listed or admitted to trading on any listing authority, stock exchange or quotation system.
- 1.16 **Settlement system:** Euroclear Bank SA/NV or Clearstream Banking, S.A. and/or such other securities clearance and/or settlement system(s) which:
- (i) complies, as of the relevant issue date, with the Market Convention on Short-Term European Paper dated 19 May 2015 and adopted by the ACI – The Financial Markets Association and the European Money Markets Institute (as amended from time to time) (the **STEP Market Convention**); and
  - (ii) provided such Global Note is intended to be held in a manner that would allow Eurosystem eligibility, is authorised to hold securities as eligible collateral for Eurosystem monetary policy and intra-day credit operations,
- in each case as agreed between the Issuer and the relevant Dealer(s) (together, the **Relevant Clearing Systems**).
- If after the relevant date of issue any such system ceases
- (i) to comply with the STEP Market Convention; and/or
  - (ii) (in the case of a Global Note to be held in a manner which allowed Eurosystem eligibility) to be so authorised,
- the Issuer and the relevant Dealer(s) may agree that the relevant Notes may be settled through such other system(s) that comply with the STEP Market Convention and/or are so authorised, as the case may be.
- Accountholders in the Relevant Clearing Systems will, in respect of Global Notes, have the benefit of a Deed of Covenant dated 8 November 2018 (the **Deed of Covenant**), copies of which may be inspected during normal business hours at the specified office of the Issue and Paying Agent.
- 11.7 **Ratings of the programme:** Rated.
- Notes issued under the Programme will be assigned ratings by:

Fitch Ratings Limited (**Fitch**);  
Moody's Investors Service Limited (**Moody's**); and  
Standard & Poor's Credit Market Services Europe  
Limited (**S&P**).

Fitch, Moody's and S&P, are established in the European  
Union and are registered under Regulation (EC) No.  
1060/2009.

A rating is not a recommendation to buy, sell or hold  
securities and may be subject to suspension, reduction or  
withdrawal at any time by the relevant rating agency.

- 1.18 **Guarantor:** Iberdrola, S.A.
- 1.19 **Issue and Paying Agent:** The Bank of New York Mellon, London Branch
- 1.20 **Arranger:** UBS Limited
- 1.21 **Dealers:** Banco Santander, S.A.  
Bank of America Merrill Lynch International Limited  
Barclays Bank PLC  
BRED Banque Populaire, S.A.  
Citigroup Global Markets Limited  
Crédit Agricole Corporate and Investment Bank  
Goldman Sachs International  
ING Bank N.V.  
J.P. Morgan Securities plc  
NatWest Markets Plc  
Société Générale  
UBS AG, London Branch  
UBS Limited
- 1.22 **Selling Restrictions:** The offering and sale of the Notes and the distribution of  
this Information Memorandum and other information  
relating to the Issuer, the Guarantor and the Notes are  
subject to all applicable selling restrictions including,  
without limitation, those in respect of the laws of the  
United States of America, the United Kingdom, Japan,  
The Netherlands and Spain (see "Selling Restrictions"  
below).
- 1.23 **Taxation:** All payments under the Notes and the Guarantee will be  
made without deduction or withholding for or on account  
of any present or future taxes, except as stated in the  
Notes.  
Payments under the Guarantee may be characterised as an  
indemnity and, accordingly, made free and clear of  
Spanish withholding tax. However, although no clear  
precedent, statement of law or regulation exists in relation  
thereto, in the event that the Spanish tax authorities take  
the view that the Guarantor has validly, legally and

effectively assumed all obligations of the Issuer subject to and in accordance with the provision of the Deed of Guarantee, the Spanish tax authorities may attempt to impose withholding tax in the Kingdom of Spain on any payments made by the Guarantor, unless the recipient is (i) resident for tax purposes in a Member State of the European Union, other than Spain, or is a permanent establishment of such residents situated in another Member State of the European Union not acting through a territory considered as a tax haven pursuant to Spanish law (currently set out in Royal Decree 1080/1991 of 5 July) nor through a permanent establishment in Spain or in a country outside the European Union, provided that such recipients submit to the Guarantor the relevant tax residence certificate, issued by the corresponding tax authorities in their own jurisdiction stating its residence for tax purposes within the relevant European Union Member State, such certificate being valid for the period of one year beginning from its date of issue under Spanish law or (ii) resident in a country which has entered into a tax treaty with Spain which provides for the exemption from withholding of interest paid under the Notes, provided that such person submits to the Guarantor the relevant tax resident certificate, issued by the competent tax authorities, each certificate being valid for a period of one year beginning on the date of the issuance.

- 1.24 **Involvement of national authorities:** The Programme is not subject to a regulatory and/or supervisory regime.
- 1.25 **Contact Details:** Contact: Jorick Schutter/Jurjen Jurjen Hardeveld  
E-mail: jorick.schutter@intertrustgroup.com/  
jurjen.hardeveld@intertrustgroup.com  
Tel: +31 20 5792124
- 1.26 **Additional information on the Programme:** **Issuer's Legal Entity Identifier:**  
549300ZMLFJKWC63XN87  
**Guarantee:**  
Each of the Notes has the benefit of a guarantee (the **Guarantee**) issued by the Guarantor.  
**Status of the Guarantee:**  
The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Notes, Receipts and Coupons on an unsubordinated basis.  
The obligations of the Guarantor in respect of the Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and (subject to any applicable statutory exceptions and unless they qualify by

law as subordinated credits under Article 92 of Law 22/2003 of 9 July, on Insolvency) rank *pari passu* with all other unsubordinated and unsecured indebtedness and monetary obligations involving or otherwise related to borrowed money of the Guarantor. Its obligations in that respect are contained in the Deed of Guarantee.

**Redemption:**

The Notes may be redeemed at par or at any other amount above par specified in the Notes.

**Deed of Covenant:**

Accountholders in the Relevant Clearing Systems will, in respect of Global Notes, have the benefit of the Deed of Covenant, copies of which may be inspected during normal business hours at the specified office of the Issue and Paying Agent. Definitive Notes (if any are printed) will be available in London for collection upon presentation and surrender of the Global Note to the Issue and Paying Agent.

**Potential eligibility of Notes for collateral purposes in credit operations of the Eurosystem:**

The STEP market has been accepted as a non-regulated market for collateral purposes in credit operations of the Eurosystem from 2 April 2007. In order to be eligible as collateral for Eurosystem operations, Notes issued under STEP-compliant programmes will also have to comply with all the eligibility criteria listed in ECB Guideline ECB/2014/60, as currently supplemented by ECB Guideline ECB/2014/31.

**1.27 Independent auditors of the issuer, who have audited the accounts of the issuer's annual report:**

KPMG Accountants N.V.  
Laan van Langerhuize 1  
1186 DS Amstelveen, The Netherlands

## 2. INFORMATION CONCERNING THE ISSUER AND THE GUARANTOR

### 2a. Information concerning the Issuer

#### 2a.1 IBERDROLA INTERNATIONAL B.V.

##### **Incorporation and business**

- 2a.2 Iberdrola International B.V. (the **Issuer**) is a wholly-owned subsidiary of Iberdrola, S.A. and has its corporate seat in Amsterdam, The Netherlands.
- 2a.3 The Issuer was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) on 10 September 1992.
- 2a.4 The Issuer's registered office is Rapenburgerstraat 179D, 1011 VM Amsterdam, The Netherlands, telephone +31 20 5792124 and the contact is Mr. Jorick Schutter or Mr. Jurjen Hardeveld.
- 2a.5 The Issuer is registered with the Commercial Register at the Chamber of Commerce under No. 33241226.
- 2a.6 The Issuer is a finance company which is authorised to raise funds by issuing debt instruments in the capital and money markets as well as to raise funds in the bank market.
- 2a.7 The Issuer's principal activities are the holding and the financing of companies belonging to the Iberdrola Group (as defined below), including the funding of capital investments, the payment of maturing debt and the provision of working capital.
- 2a.8 The Issuer's issued and paid-up share capital as of the date of this Information Memorandum is €388,000 divided into 776 ordinary shares of €500 each.
- 2a.9 The Issuer is a wholly-owned subsidiary of Iberdrola, S.A.
- 2a.10 *Listing of the shares of the Issuer:* Not applicable.
- 2a.11 The members of the Board of Directors of Iberdrola International B.V. as of the date of this Information Memorandum are:
- Jurjen Edward Hardeveld;
  - John Peter van Leeuwen;
  - Guillermo Colino Salazar; and
  - George Frederik Nicolai.
- 2a.12 *Accounting method:* Not included.
- 2a.13 The accounting year starts on 1 January and ends on 31 December.
- 2a.14 The fiscal year starts on 1 January and ends on 31 December.
- 2a.15 *Other short-term programmes of the Issuer:* Not included.
- 2a.16 The Issuer is rated by Fitch, Moody's and S&P. Fitch, Moody's and S&P, are established in the European Union and are registered under Regulation (EC) No. 1060/2009. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the relevant rating agency.
- 2a.17 See "General and History" under Section 2b. Information concerning the Guarantor.

## 2b. Information concerning the Guarantor

### 2b.1 IBERDROLA, S.A.

- 2b.2 Iberdrola, S.A. (the **Guarantor**) is a listed corporation.
- 2b.3 The Guarantor was incorporated for an indefinite period in 1901.
- 2b.4 The Guarantor's registered office is c/ Plaza Euskadi, 5, 48009 Bilbao, Spain, telephone +34 94 4151411 and the contact is the Departamento de Financiación y Tesorería.
- 2b.5 The Guarantor is registered in book 17 of the Companies Section, folio 114, sheet 901 (current BI-167-A), entry no. 1 in the Biscay Commercial Registry.
- 2b.6 The Guarantor is the parent company of the Iberdrola Group (as defined below), which is one of the world's leading private electricity and gas companies in terms of market capitalisation and the number of clients it serves.
- 2b.7 The Guarantor's principal activities are the generation and distribution of electricity and retailing of electricity and gas but is also involved in other businesses, including gas storage and engineering.
- 2b.8 As at 30 June 2018, there were 6,240,000,000 shares in issue all of which are fully subscribed and paid up at a par value of €0.75 each. As at 31 December 2017, the closing price was €6.460, resulting in a market capitalisation of €40,811 million. All of the Guarantor's shares are ordinary shares, represented in book-entry form and the book-entry registry is kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear).
- 2b.9 According to information available to the Guarantor, no single person (or group of persons) controls the Guarantor but significant shareholders holding more than 3 per cent. of the Guarantor's ordinary share capital (as at 31 December 2017) were (a) Qatar Investment Authority holding an 8.57 per cent. interest through Qatar Holding Luxembourg II, S.A.R.L.; (b) Norges Bank with a direct interest of 3.21 per cent.; (c) Capital, Research and Management Company with a direct interest of 3.10 per cent.; and (d) Blackrock, Inc. with an indirect interest of 3.03 per cent.
- 2b.10 The Guarantor's shares are listed on the Spanish stock exchanges and admitted to listing on the Spanish electronic stock market, energy sector, electricity sub-sector, and are included in the IBEX-35 index. In addition, since 23 June 2003, the Guarantor's shares have been included in the FTSE EuroStoxx 100 index and, since 1 September 2003, in the EuroStoxx 50 index.
- 2b.11 The Board of Directors of the Guarantor is currently made up of the following 14 Directors:
- José Ignacio Sánchez Galán (Chairman & Chief Executive Officer);
  - Inés Macho Stadler;
  - Iñigo Victor de Oriol Ibarra;
  - Samantha Barber;
  - María Helena Antolín Raybaud;
  - Ángel Jesús Acebes Paniagua;
  - Georgina Kessel Martínez;

- Denise Mary Holt;
- José W. Fernández;
- Manuel Moreu Munaiz;
- Xabier Sagredo Ormaza;
- Juan Manuel González Serna;
- Francisco Martínez Córcoles;
- Anthony L. Gardner.

2b.12 *Accounting method*: Not included.

2b.13 The accounting year starts on 1 January and ends on 31 December.

2b.14 The fiscal year starts on 1 January and ends on 31 December.

2b.15 *Other short-term programmes of the Guarantor*: Not included.

### **General and History**

The origin of IBERDROLA and its consolidated subsidiaries (**IBERDROLA**, the **GROUP** or the **IBERDROLA GROUP**) goes back to 19 July 1901 when HIDROELÉCTRICA IBÉRICA was founded in Bilbao, Spain. The IBERDROLA of today is the result of the merger of five major electricity utilities, which, in chronological order of foundation, were HIDROELÉCTRICA IBÉRICA, HIDROELÉCTRICA ESPAÑOLA, SALTOS DEL DUERO, IBERDUERO and SALTOS DEL SIL and the acquisitions of ScottishPower plc., Iberdrola USA (formerly known as Energy East) and Elektro Eletricidade e Serviços S.A.

Now, a hundred years after its original creation, IBERDROLA is one of the world's leading private electricity companies in terms of market capitalization and the number of clients it serves, with a mission to increase value to benefit shareholders, customers and employees alike.

### **Business Description**

#### *Generation*

As of 30 June 2018 IBERDROLA's global net production of electricity totals 69,408 GWh (126,198 GWh as at 31 December 2017) with an installed capacity of 46,470 MW distributed as follows: 3,166 MW nuclear, 10,984 MW hydroelectric, 874 MW coal-fired thermal, 16,327 MW renewables, 14,820 MW CCGT and the remaining 299 MW cogeneration power stations as of 30 June 2018.

#### *Distribution*

As at 30 June 2018 IBERDROLA has approximately 30.5 million managed supply points and total distributed electricity was 110,281 GWh (194,991 GWh as at 31 December 2017). The number of gas users at 30 June 2018 was approximately 1 million, which has been supplied with 35,520 GWh (51,440 GWh as at 31 December 2017).

#### *Retail*

As at 30 June 2018 supplied electricity was 28,164 GWh (142,978 GWh in 2017) and supplied gas 58,596 GWh (89,023 GWh in 2017).



### *Renewable energy*

The renewable energy activity is one of the cornerstones of IBERDROLA's new strategy, through the promotion, construction and operation of electricity generation facilities using renewable sources of energy, particularly wind power.

### *International*

IBERDROLA's main geographical area breakdown of installed capacity is shown in the following table:

<b>30.06.2018</b>		<b>(Installed capacity in MW)</b>					
<b>Technology</b>	<b>Spain</b>	<b>UK</b>	<b>U.S.</b>	<b>Mexico</b>	<b>Brazil</b>	<b>Rest of the World</b>	<b>TOTAL</b>
Hydroelectric	9,715	563	115		591		<b>10,984</b>
Nuclear	3,166						<b>3,166</b>
Thermal-coal	874	2,304					<b>0,874</b>
CCGT	5,695	1,967	643	5,982	533		<b>14,820</b>
Co-generation	298	1					<b>299</b>
Renewable	5,859	2,085	6,258	648	516	961	<b>16,327</b>
<b>TOTAL</b>	<b>25,607</b>	<b>4,616</b>	<b>7,016</b>	<b>6,630</b>	<b>1,640</b>	<b>0,961</b>	<b>46,470</b>

**3. CERTIFICATION OF INFORMATION FOR THE ISSUER AND THE GUARANTOR**

**3a. Certificate of Information for the Issuer**

3a.1 Guillermo Colino Salazar, Managing Director and Attorney-in-fact.

3a.2 To my knowledge, the information contained in this document is true and does not contain any misrepresentation which would make it misleading.

3a.3 By: .....

Place of signature:

Date: 8 November 2018

**3b. Certificate of Information for the Guarantor**

3b.1 Javier Pastor Zuazaga, Attorney-in-fact and Ignacio Real de Asúa Guinea, Attorney-in-fact.

3b.2 To our knowledge, the information contained in this document concerning the Guarantor is true and does not contain any misrepresentation which would make it misleading.

3b.3 By: .....

Place of signature:

Date: 8 November 2018

By: .....

Place of signature:

Date: 8 November 2018

#### **4. INFORMATION CONCERNING THE ISSUER'S REQUEST OF THE STEP LABEL**

An application for a STEP label for this Programme will be made to the STEP Secretariat. Information as to whether the STEP label has been granted for this Programme may be made available on the STEP market website (initially [www.stepmarket.org](http://www.stepmarket.org)). This website is not sponsored by the Issuer and the Issuer is not responsible for its content or availability.

Unless otherwise specified in this Information Memorandum, the expressions STEP, STEP Market Convention, STEP label, STEP Secretariat, and STEP market website shall have the meaning assigned to them in the Market Convention on Short-Term European Paper dated 19 May 2015 and adopted by the ACI – The Financial Markets Association and the European Money Markets Institute (as amended from time to time).

## SELLING RESTRICTIONS

### 1 General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Notes and it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes or distribute any document, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

### 2 United States of America

The Notes and the Guarantee have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Issue and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Issue and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of U.S. persons. Terms used in this paragraph have the meaning given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### 3 United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) *No deposit-taking*: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer or the Guarantor;
- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### 4 **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **Financial Instruments and Exchange Act**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

#### 5 **France**

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell directly or indirectly any Notes to the public in France, and has not distributed and will not distribute or cause to be distributed to the public in France the Information Memorandum or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) and/or a limited circle of investors (*cercle restreint*), acting for their own account, all as defined in, and in accordance with Articles L. 411-1, L. 411-2, D. 411-1 and D.411-4 of the French *Code monétaire et financier*.

This Information Memorandum has not been submitted for clearance to the *Autorité des Marchés Financiers*.

#### 6 **The Netherlands**

Zero coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*; the **SCA**)) may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of primary trading or immediately thereafter.

#### 7 **Spain**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, the Notes may only be offered or sold in Spain to professional clients (*clients profesionales*) as defined in Article 205 of the Restated Spanish Securities Market Act approved by Royal Legislative Decree 4/2015, of 23 October 2015 (*Real Decreto Legislativo 4/2015, de 23 de octubre, por*

*el que se aprueba el texto refundido de la Ley del Mercado de Valores*) (the **Spanish Securities Market Law**) and eligible counterparties (*contrapartes elegibles*) as defined in Article 207 of the Spanish Securities Market Law, and in accordance with the provisions of the Spanish Securities Market Law and further developing legislation. The Information Memorandum has not been registered with the CNMV and is not therefore intended to be used for any public offer of Notes in Spain.

## FORM OF NOTES

### Form of Multicurrency Global Note

#### (Interest Bearing/Discounted)

THE SECURITIES REPRESENTED BY THIS GLOBAL NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE **SECURITIES ACT**) OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART.

#### **IBERDROLA INTERNATIONAL B.V.**

*(Incorporated with limited liability in The Netherlands and having its statutory seat in Amsterdam)*

*Legal Entity Identifier (LEI): 549300ZMLFJKWC63XN87*

#### **guaranteed by**

#### **IBERDROLA, S.A.**

No: \_\_\_\_\_ Series No.: \_\_\_\_\_

Issued in London on: \_\_\_\_\_ Maturity Date<sup>1</sup>: \_\_\_\_\_

Specified Currency: \_\_\_\_\_ Denomination: \_\_\_\_\_

Nominal Amount: \_\_\_\_\_ Reference Rate: \_\_\_\_\_ months LIBOR/EURIBOR<sup>2</sup>

*(words and figures if a Sterling Note)*

Clearing System security code: \_\_\_\_\_

Fixed Interest Rate<sup>3</sup>: \_\_\_\_\_ % per annum Margin<sup>4</sup>: \_\_\_\_\_ %

Calculation Agent<sup>5</sup>: \_\_\_\_\_ Interest Payment Dates<sup>6</sup>: \_\_\_\_\_

*(Interest)*

---

<sup>1</sup> Not to be more than 364 days to (and including) the Issue Date.

<sup>2</sup> Delete as appropriate. The reference rate will be LIBOR unless this Global Note is denominated in euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.

<sup>3</sup> Complete for fixed rate interest bearing Notes only.

<sup>4</sup> Complete for floating rate interest bearing Notes only.

<sup>5</sup> Complete for floating rate interest bearing Notes only.

<sup>6</sup> Complete for interest bearing Notes.

Intended to be issued in new global note (NGN) form: [Yes]/[No] <i>(delete as applicable)</i>	Intended to be held in manner which would allow Eurosystem eligibility: [Yes]/[No] <sup>7</sup> <i>(delete as applicable)</i>
--	--

- 1 For value received, **IBERDROLA INTERNATIONAL B.V.** (the **Issuer**) promises to pay to the bearer of this global note on the above-mentioned maturity date the above-mentioned Nominal Amount, together with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an amended and restated issue and paying agency agreement dated 8 November 2018 (the **Agency Agreement**) between the Issuer and the Guarantor, the issue agent and the paying agents referred to therein, a copy of which is available for inspection at the offices of The Bank of New York Mellon, London Branch (the **Issue and Paying Agent**) at One Canada Square, London E14 5AL, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Global Note at the offices of the Issue and Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a Global Note denominated in euro, by euro cheque drawn on, or by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union.

Notwithstanding the foregoing, presentation and surrender of this Global Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Global Note denominated in U.S. Dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside the United States that the Issuer or Issue and Paying Agent so chooses.

Capitalised terms used in this Global Note shall have the same meanings given to them in the Agency Agreement, unless indicated otherwise.

- 2 If this Global Note indicates that it is not intended to be issued in NGN form, the nominal amount of the Notes represented by this Global Note shall be the amount stated as the Nominal Amount.
- 3 If this Global Note indicates that it is intended to be issued in NGN form, the nominal amount of Notes represented by this Global Note shall be the aggregate amount from time to time entered in the records of each of Euroclear Bank SA/NV (**Euroclear**), Clearstream Banking, S.A. (**Clearstream**) and/or any such other securities clearance and/or settlement system which is compliant, as of the Issue Date, with the Market Convention on Short-Term European Paper (**STEP**) dated 19 May 2015 and adopted by the ACI – The Financial Markets Association and the European Money Markets Institute (as amended from time to time) and, if this Global Note indicates that it is intended to be held in a manner which would allow Eurosystem eligibility, authorised to hold, and then currently holding, this Global Note as eligible collateral for Eurosystem monetary policy and intra-day credit operations, in each case as agreed between the Issuer and the relevant Dealer(s) (each a **Relevant Clearing System** and together, the **Relevant Clearing Systems**). The records of the Relevant Clearing Systems (which expression in this Global Note means the records that each Relevant Clearing System holds for its customers which reflect the amount of such customer’s interest in the Notes (but excluding any

<sup>7</sup> Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.



interest in the Notes of one clearing system shown in the records of the other clearing systems)) shall be conclusive evidence of the nominal amount of Notes represented by this Global Note and, for these purposes, a statement issued by a Relevant Clearing System (which statement shall be made available to the bearer of this Global Note upon request) stating the nominal amount of Notes represented by this Global Note at any time shall be conclusive evidence of the records of such Relevant Clearing System at that time.

- 4 All payments in respect of this Global Note by or on behalf of the Issuer or the Guarantor shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, duties, assessments or governmental charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands and/or the Kingdom of Spain (as applicable), or any authority therein or thereof having power to tax (**Taxes**), unless the withholding or deduction of such Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Global Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Global Note is presented for payment:
  - (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Global Note; or
  - (b) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Global Note on the last day of such period of 15 days; or
  - (c) presented for payment in the Kingdom of Spain or The Netherlands; or
  - (d) in respect of any Taxes that are imposed or withheld by reason of the failure by the holder or the beneficial owner of the Notes to comply with a request of the Issuer or the Guarantor addressed to the holder or the beneficial owner of the Notes (i) to provide information concerning the nationality, residence, identity or connection with a tax authority of the holder or the beneficial owner of the Notes; (ii) to make any declaration or other similar claim to satisfy any information or reporting requirement, or (iii) to provide a tax residence certificate issued by the relevant tax authority which in the case of (i), (ii) or (iii) is required or imposed by a statute, treaty, regulation or administrative practice of the tax authority as a precondition to exemption from all or part of such tax assessment or other governmental charge, in each case, within any applicable time limits as may from time to time be imposed by such statute, treaty, regulation, or administrative practice; or
  - (e) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Section 1471 through 1474 of the Code (including any regulations or official interpretations issued, agreements (including, without limitation, intergovernmental agreements) entered into or non-U.S. laws enacted with respect thereto).
- 5 The payment obligation of the Issuer represented by this Global Note constitutes and at all times shall constitute a direct, unconditional, unsubordinated and unsecured obligation of the Issuer ranking (subject to applicable statutory exceptions) *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer other than obligations preferred by mandatory provisions of law.
- 6 If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given

until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Global Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Global Note:

**Payment Business Day** means any day other than a Saturday or Sunday which is either (i) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland respectively) or (ii) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

**TARGET Business Day** means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (known as TARGET2) System, which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Issue and Paying Agent determines (with the agreement of the Issuer) that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Issue and Paying Agent shall procure that a notice of such amendment is published in accordance with paragraph 13(f) not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Issue and Paying Agent may determine.

- 7 This Global Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).
- 8 This Global Note is issued in respect of an issue of Notes of the Issuer and is exchangeable in whole (but not in part only) for duly executed and authenticated bearer Notes in definitive form (whether before, on or, subject as provided below, after the Maturity Date):
  - (a) if one or both of Euroclear and Clearstream, Luxembourg or any other relevant clearing system(s) in which this Global Note is held at the relevant time is closed for business for a continuous period of 14 days or more (other than by reason of weekends or public holidays, statutory or otherwise) or if any such clearing system announces an intention permanently to, does in fact, permanently cease to do business; or
  - (b) if default is made in the payment of any amount payable in respect of this Global Note.

Upon presentation and surrender of this Global Note during normal business hours to the Issuer at the offices of the Issue and Paying Agent (or to any other person or at any other office outside the United States as may be designated in writing by the Issuer to the bearer), the Issue and Paying Agent shall authenticate and deliver, in exchange for this Global Note, bearer definitive notes denominated in the above-mentioned Specified Currency in an aggregate nominal amount equal to the Nominal Amount of this Global Note.

- 9 If, upon any such default and following such surrender, definitive Notes are not issued in full exchange for this Global Note before 5.00 p.m. (London time) on the thirtieth day after surrender, this Global Note (including the obligation hereunder to issue definitive notes) will become void and the bearer will have no further rights under this Global Note (but without prejudice to the rights which the bearer or any other person may have under a Deed of Covenant dated 8 November 2018, entered into by the Issuer).

**10** This Global Note has the benefit of a guarantee issued by **IBERDROLA, S.A.** on 8 November 2018, as amended from time to time, copies of which are available for inspection during normal business hours at the offices of the Issue and Paying Agent referred to above.

**11** If this is an interest bearing Global Note, then:

- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Global Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the Nominal Amount shall be payable on such fifteenth day;
- (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Global Note:
  - (i) if this Global Note indicates that it is not intended to be issued in NGN form, Schedule 1 hereto shall be duly completed by the Issue and Paying Agent to reflect such payment; or
  - (ii) if this Global Note indicates that it is intended to be issued in NGN form, details of such payment shall be entered pro rata in the records of the Relevant Clearing Systems;
- (c) payments due in respect of Notes for the time being represented by this Global Note shall be made to the bearer of this Global Note and each payment so made will discharge the Issuer's obligation in respect thereof. Any failure to make the entries referred to in paragraph 11(b) shall not affect such discharge; and
- (d) if no Interest Payment Dates are specified on the face of the Global Note, the Interest Payment Date shall be the Maturity Date.

**12** If this is a fixed rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:

- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the date of issue of this Global Note (the **Issue Date**) to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
- (b) the period beginning on the Issue Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph.

**13** If this is a floating rate interest bearing Global Note, interest shall be calculated on the Nominal Amount as follows:

- (a) in the case of a Global Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Global Note is denominated in Sterling, 365 days.

As used in this Global Note:

**LIBOR** shall be equal to the rate defined as **LIBOR-BBA** in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Global Note, (the **ISDA**

**Definitions**) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Global Note is denominated in Sterling, on the first day thereof (a **LIBOR Interest Determination Date**) as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Global Note in relation to the Reference Rate; and

**London Banking Day** shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Global Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Global Note, **EURIBOR** shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a **EURIBOR Interest Determination Date**) as if the Reset Date (as defined in the ISDA Definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA Definitions) were the number of months specified on the face of this Global Note in relation to the Reference Rate;

- (c) the Calculation Agent (or any other agent appointed by the Calculation Agent from time to time to act on its behalf) will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. **Rate of Interest** means the rate which is determined in accordance with the provisions of paragraph 13(a) or (b) (as the case may be). The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Nominal Amount, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Global Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). If the Rate of Interest cannot be determined in accordance with the provisions of this paragraph 13, the Rate of Interest shall be determined as for the last preceding Interest Period (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;
- (d) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period (as defined below) shall be conclusive and binding as between the Issuer and the bearer hereof;
- (e) the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and
- (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the clearing system(s) in which this Global Note is held at the relevant time or, if

this Global Note has been exchanged for bearer definitive Notes pursuant to paragraph 8, will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

- 14** On any payment of principal being made in respect of, or purchase and cancellation of, any of the Notes represented by this Global Note, the Issuer shall procure that:
- (a) if this Global Note indicates that it is intended to be issued in NGN form, details of such payment or purchase and cancellation (as the case may be) shall be entered pro rata in the records of each Relevant Clearing System and, upon any such entry being made, the nominal outstanding amount of the Notes recorded in the records of the Relevant Clearing System and represented by this Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled (as the case may be); or
  - (b) if this Global Note indicates that it is not intended to be issued in NGN form, details of such payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in Schedule 2 hereto (such entry being prima facie evidence that the payment or, as the case may be, relevant purchase and cancellation in question has been made) and the relevant notation in Schedule 2 hereto recording any such payment or, as the case may be, purchase and cancellation shall be signed by or on behalf of the Issuer. Upon any such purchase and cancellation, the nominal amount of the Notes represented by this Global Note shall be reduced by the nominal amount of the Notes so purchased and cancelled.
- 15** If the proceeds of this Global Note are accepted in the United Kingdom, the Nominal Amount shall be not less than £100,000 (or the equivalent in any other currency).
- 16** Instructions for payment must be received at the offices of the Issue and Paying Agent referred to above together with this Global Note as follows:
- (a) if this Global Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;
  - (b) if this Global Note is denominated in United States dollars, Canadian dollars, Swiss francs, euro or Sterling, at least one Business Day prior to the relevant payment date; and
  - (c) in all other cases, at least two Business Days prior to the relevant payment date.

As used in this paragraph, **Business Day** means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
  - (ii) in the case of payments in euro, a TARGET Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.
- 17** This Global Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon, London Branch and, if this Global Note indicates that it is intended to be issued in NGN form, effectuated by the entity appointed as common safekeeper for the Relevant Clearing System(s) (the **Common Safekeeper**).
- 18** (a) *Governing law*: This Global Note and any non-contractual matters arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

- (b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a **Dispute**) arising out of or in connection with this Global Note (including a Dispute regarding the existence, validity or termination of this Global Note).
- (c) *Appropriate forum*: The parties to this Global Note agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that no such party will argue to the contrary.
- (d) *Rights of the bearer to take proceedings outside England*: paragraph 18(b) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this paragraph 18 prevents the bearer from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
- (e) *Process agent*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to SPW Investments Limited, One Tudor Street, fourth floor, London EC4Y 0AH, United Kingdom or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part 34 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Issue and Paying Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Issue and Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law.

**19** No person shall have any right to enforce any provision of this Global Note under the Contracts (Rights of Third Parties) Act 1999.

**AUTHENTICATED** by  
**THE BANK OF NEW YORK MELLON,**  
**LONDON BRANCH**  
 without recourse, warranty or liability and for  
 authentication purposes only

Signed on behalf of:  
**IBERDROLA INTERNATIONAL B.V.**

By: \_\_\_\_\_  
 (Authorised Signatory)

By: \_\_\_\_\_  
 (Authorised Signatory)

[EFFECTUATED by or on behalf of the Common Safekeeper

[COMMON SAFEKEEPER]

as Common Safekeeper

By: \_\_\_\_\_  
(Authorised Signatory)]<sup>8</sup>

---

<sup>8</sup> Include if NGN is issued.

**SCHEDULE 1**  
**PAYMENTS OF INTEREST**

The following payments of interest in respect of this Global Note have been made:

<b>Date Made</b>	<b>Payment From</b>	<b>Payment To</b>	<b>Amount Paid</b>	<b>Notation on behalf of Issue and Paying Agent</b>



**SCHEDULE 2**  
**PRINCIPAL AMOUNT OF THIS GLOBAL NOTE**

Reductions in the principal amount of this Global Note following redemption or the purchase and cancellation of Notes are entered in the second and third columns below:

<b>Date</b>	<b>Reason for the Reduction in the Principal Amount of this Global Note<sup>9</sup></b>	<b>Amount of Such Reduction</b>	<b>Principal Amount of this Global Note Following Such Reduction</b>	<b>Notation on behalf of Issue and Paying Agent</b>

---

<sup>9</sup> State whether reduction following (1) redemption of Notes or (2) purchase and cancellation of Notes.

## Form of Multicurrency Definitive Note

### (Interest Bearing/Discounted)

THE SECURITIES REPRESENTED BY THIS GLOBAL NOTE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE **SECURITIES ACT**) OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE AND IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE SECURITIES OF THE TRANCHE OF WHICH THIS SECURITY FORMS PART. Unless between individuals not acting in the conduct of a profession or business, each transaction regarding this Note which involves the physical delivery thereof within, from or into The Netherlands must be effected (as required by the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*)) through the mediation of the Issuer or a member of Euronext Amsterdam N.V. and, unless this Note qualifies as commercial paper or as a certificate of deposit and the transaction is between professional parties, must be recorded in a transaction note which includes the name and address of each party to the transaction, the nature of the transaction and the details and serial number of this Note.<sup>1</sup>

### **IBERDROLA INTERNATIONAL B.V.**

*(Incorporated with limited liability in The Netherlands and having its statutory seat in Amsterdam)*

*Legal Entity Identifier (LEI): 549300ZMLFJKWC63XN87*

#### **guaranteed by**

#### **IBERDROLA, S.A.**

No: \_\_\_\_\_ Series No.: \_\_\_\_\_

Issued in London on: \_\_\_\_\_ Maturity Date<sup>2</sup>: \_\_\_\_\_

Specified Currency: \_\_\_\_\_ Denomination: \_\_\_\_\_

Nominal Amount: \_\_\_\_\_ Reference Rate: \_\_\_\_\_ months LIBOR/EURIBOR<sup>3</sup>

*(words and figures if a Sterling Note)*

Fixed Interest Rate<sup>4</sup>: \_\_\_\_\_ % per annum

Margin<sup>5</sup>: \_\_\_\_\_ % Calculation Agent<sup>6</sup>: \_\_\_\_\_

*(Interest)*

<sup>1</sup> This legend should be placed on zero coupon Multicurrency Notes on which no interest becomes due at maturity.

<sup>2</sup> Not to be more than 364 days to (and including) the Issue Date.

<sup>3</sup> Delete as appropriate. The reference rate will be LIBOR unless this Note is denominated in euro and the Issuer and the relevant Dealer agree that the reference rate should be EURIBOR.

<sup>4</sup> Complete for fixed rate interest bearing Notes only

<sup>5</sup> Complete for floating rate interest bearing Notes only.

<sup>6</sup> Complete for floating rate interest bearing Notes only.

Interest Payment Dates<sup>7</sup>: \_\_\_\_\_ Clearing System security code: \_\_\_\_\_

- 1 For value received, **IBERDROLA INTERNATIONAL B.V.** (the **Issuer**) promises to pay to the bearer of this note on the above-mentioned maturity date the above-mentioned Nominal Amount, together (in any case) with interest thereon at the rate and at the times (if any) specified herein.

All such payments shall be made in accordance with an amended and restated issue and paying agency agreement dated 8 November 2018 (the **Agency Agreement**) between the Issuer and the Guarantor, the issue agent and the paying agents referred to therein, a copy of which is available for inspection at the offices of The Bank of New York Mellon, London Branch (the **Issue and Paying Agent**) at One Canada Square, London E14 5AL, and subject to and in accordance with the terms and conditions set forth below. All such payments shall be made upon presentation and surrender of this Note at the offices of the Issue and Paying Agent referred to above by transfer to an account denominated in the above-mentioned Specified Currency maintained by the bearer in the principal financial centre in the country of that currency or, in the case of a Note denominated in euro, by euro cheque drawn on, or by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Union.

Notwithstanding the foregoing, presentation and surrender of this Note shall be made outside the United States and no amount shall be paid by transfer to an account in the United States, or mailed to an address in the United States. In the case of a Note denominated in U.S. Dollars, payments shall be made by transfer to an account denominated in U.S. Dollars in the principal financial centre of any country outside the United States that the Issuer or Issue and Paying Agent so chooses.

- 2 All payments in respect of this Note by or on behalf of the Issuer or the Guarantor shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, levies, duties, assessments or governmental charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands and/or the Kingdom of Spain (as applicable) or any authority therein or thereof having power to tax (**Taxes**), unless the withholding or deduction of such Taxes is required by law. In that event, the Issuer or, as the case may be, the Guarantor shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by the bearer of this Note after such deduction or withholding shall equal the amount which would have been receivable hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable where this Note is presented for payment:
- (a) by or on behalf of a holder which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of this Note; or
  - (b) more than 15 days after the Maturity Date or, if applicable, the relevant Interest Payment Date or (in either case) the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the holder would have been entitled to such additional amounts if it had presented this Note on the last day of such period of 15 days; or
  - (c) presented for payment in the Kingdom of Spain or The Netherlands; or
  - (d) in respect of any Taxes that are imposed or withheld by reason of the failure by the holder or the beneficial owner of the Notes to comply with a request of the Issuer or the Guarantor addressed to the holder or the beneficial owner of the Notes (i) to provide information concerning the nationality,

---

<sup>7</sup> Complete for interest bearing Notes.

residence, identity or connection with a tax authority of the holder or the beneficial owner of the Notes; (ii) to make any declaration or other similar claim to satisfy any information or reporting requirement, or (iii) to provide a tax residence certificate issued by the relevant tax authority which in the case of (i), (ii) or (iii) is required or imposed by a statute, treaty, regulation or administrative practice of the tax authority as a precondition to exemption from all or part of such tax assessment or other governmental charge, in each case, within any applicable time limits as may from time to time be imposed by such statute, treaty, regulation, or administrative practice; or

(e) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Section 1471 through 1474 of the Code (including any regulations or official interpretations issued, agreements (including, without limitation, intergovernmental agreements) entered into or non-U.S. laws enacted with respect thereto).

- 3 The payment obligation of the Issuer represented by this Note constitutes and at all times shall constitute a direct, unconditional, unsubordinated and unsecured obligation of the Issuer ranking (subject to applicable statutory exceptions) *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer other than obligations preferred by mandatory provisions of law.
- 4 If the Maturity Date or, if applicable, the relevant Interest Payment Date is not a Payment Business Day (as defined herein) payment in respect hereof will not be made and credit or transfer instructions shall not be given until the next following Payment Business Day (unless that date falls more than 364 days after the Issue Date, in which case payment shall be made on the immediately preceding Payment Business Day) and neither the bearer of this Note nor the holder or beneficial owner of any interest herein or rights in respect hereof shall be entitled to any interest or other sums in respect of such postponed payment.

As used in this Note:

**Payment Business Day** means both (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency depositors) in the relevant place of presentation, and (B) any day other than a Saturday or Sunday which is either (i) if the above-mentioned Specified Currency is any currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland respectively) or (ii) if the above-mentioned Specified Currency is euro, a day which is a TARGET Business Day; and

**TARGET Business Day** means a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (known as TARGET2) System, which was launched on 19 November 2007, or any successor thereto, is operating credit or transfer instructions in respect of payments in euro.

Provided that if the Issue and Paying Agent determines (with the agreement of the Issuer) that the market practice in respect of euro denominated internationally offered securities is different from that specified above, the above shall be deemed to be amended so as to comply with such market practice and the Issue and Paying Agent shall procure that a notice of such amendment is published in accordance with paragraph 9(f) not less than 15 days prior to the date on which any payment in euro falls due to be made in such manner as the Issue and Paying Agent may determine.

- 5 This Note is negotiable and, accordingly, title hereto shall pass by delivery and the bearer shall be treated as being absolutely entitled to receive payment upon due presentation hereof (notwithstanding any notation of ownership or other writing thereon or notice of any previous loss or theft thereof).

- 6 This Note has the benefit of a guarantee issued by **IBERDROLA, S.A.** on 8 November 2018, as amended from time to time, copies of which are available for inspection during normal business hours at the offices of the Issue and Paying Agent referred to above.
- 7 If this is an interest bearing Note, then:
- (a) notwithstanding the provisions of paragraph 1 above, if any payment of interest in respect of this Note falling due for payment prior to the above-mentioned Maturity Date remains unpaid on the fifteenth day after falling so due, the Nominal Amount shall be payable on such fifteenth day;
  - (b) upon each payment of interest (if any) prior to the Maturity Date in respect of this Note, the Schedule hereto shall be duly completed by the Issue and Paying Agent to reflect such payment; and
  - (c) if no Interest Payment Dates are specified on the face of the Note, the Interest Payment Date shall be the Maturity Date.
- 8 If this is a fixed rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
- (a) interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the date of issue of this Note (the **Issue Date**) to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days at the above-mentioned Interest Rate with the resulting figure being rounded to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards); and
  - (b) the period beginning on the Issue Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is an **Interest Period** for the purposes of this paragraph 8.
- 9 If this is a floating rate interest bearing Note, interest shall be calculated on the Nominal Amount as follows:
- (a) in the case of a Note which specifies LIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of LIBOR and the above-mentioned Margin (if any) above or below LIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days or, if this Note is denominated in Sterling, 365 days.

As used in this Note:

**LIBOR** shall be equal to the rate defined as **LIBOR-BBA** in respect of the above-mentioned Specified Currency (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended, updated or replaced as at the date of this Note, (the **ISDA Definitions**)) as at 11.00 a.m. (London time) or as near thereto as practicable on the second London Banking Day before the first day of the relevant Interest Period or, if this Note is denominated in Sterling, on the first day thereof (a **LIBOR Interest Determination Date**), as if the Reset Date (as defined in the ISDA definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA definitions) were the number of months specified on the face of this Note in relation to the Reference Rate; and

**London Banking Day** shall mean a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London;

- (b) in the case of a Note which specifies EURIBOR as the Reference Rate on its face, the Rate of Interest will be the aggregate of EURIBOR and the above-mentioned Margin (if any) above or below EURIBOR. Interest shall be payable on the Nominal Amount in respect of each successive Interest Period (as defined below) from the Issue Date to the Maturity Date only, in arrear on the relevant Interest Payment Date, on the basis of the actual number of days in such Interest Period and a year of 360 days.

As used in this Note, **EURIBOR** shall be equal to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) as at 11.00 a.m. (Brussels time) or as near thereto as practicable on the second TARGET Business Day before the first day of the relevant Interest Period (a **EURIBOR Interest Determination Date**) and as if the Reset Date (as defined in the ISDA definitions) were the first day of such Interest Period and the Designated Maturity (as defined in the ISDA definitions) were the number of months specified on the face of this Note in relation to the Reference Rate;

- (c) the Calculation Agent (or any other agent appointed by the Calculation Agent from time to time to act on its behalf) will, as soon as practicable after 11.00 a.m. (London time) on each LIBOR Interest Determination Date or 11.00 a.m. (Brussels time) on each EURIBOR Interest Determination Date (as the case may be), determine the Rate of Interest and calculate the amount of interest payable (the **Amount of Interest**) for the relevant Interest Period. **Rate of Interest** means, the rate which is determined in accordance with the provisions of paragraph 9(a) or (b) (as the case may be). The Amount of Interest payable per Note shall be calculated by applying the Rate of Interest to the Nominal Amount, multiplying such product by the actual number of days in the Interest Period concerned divided by 360 or, if this Note is denominated in Sterling, by 365 and rounding the resulting figure to the nearest amount of the above-mentioned Specified Currency which is available as legal tender in the country or countries (in the case of the euro) of the Specified Currency (with halves being rounded upwards). If the Rate of Interest cannot be determined in accordance with the provisions of this paragraph 9, the Rate of Interest shall be determined as for the last preceding Interest Period (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period). The determination of the Rate of Interest and the Amount of Interest by the Calculation Agent named above shall (in the absence of manifest error) be final and binding upon all parties;
- (d) a certificate of the Calculation Agent as to the Rate of Interest payable hereon for any Interest Period (as defined below) shall be conclusive and binding as between the Issuer and the bearer hereof;
- (e) the period beginning on the Issue Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is called an **Interest Period** for the purposes of this paragraph; and
- (f) the Issuer will procure that a notice specifying the Rate of Interest payable in respect of each Interest Period be published as soon as practicable after the determination of the Rate of Interest. Such notice will be delivered to the bearer of this Note, or if that is not practicable, it will be published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*).

**10** If the proceeds of this Note are accepted in the United Kingdom, the Nominal Amount shall be not less than £100,000 (or the equivalent in any other currency).

**11** Instructions for payment must be received at the offices of the Issue and Paying Agent referred to above together with this Note as follows:

- (a) if this Note is denominated in Australian dollars, New Zealand dollars, Hong Kong dollars or Japanese Yen, at least two Business Days prior to the relevant payment date;

- (b) if this Note is denominated in United States dollars, Canadian dollars, Swiss francs, euro or Sterling, at least one Business Day prior to the relevant payment date; and
- (c) in all other cases, at least two Business Days prior to the relevant payment date.

As used in this paragraph, **Business Day** means:

- (i) a day other than a Saturday or Sunday on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
- (ii) in the case of payments in euro, a TARGET Business Day and, in all other cases, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre in the country of the above-mentioned Specified Currency.

**12** This Note shall not be validly issued unless manually authenticated by The Bank of New York Mellon, London Branch as issue agent.

- (a) *Governing law*: This Note and any non-contractual matters arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.
- (b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a **Dispute**) arising out of or in connection with this Note (including a Dispute regarding the existence, validity or termination of this Note).
- (c) *Appropriate forum*: The parties to this Note agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that no such party will argue to the contrary.
- (d) *Rights of the bearer to take proceedings outside England*: Paragraph 12(b) (*English courts*) is for the benefit of the bearer only. As a result, nothing in this paragraph 12 prevents the bearer from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, the bearer may take concurrent Proceedings in any number of jurisdictions.
- (e) *Process agent*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to SPW Investments Limited, One Tudor Street, fourth floor, London EC4Y 0AH, United Kingdom, or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part 34 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of the bearer addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Issue and Paying Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the bearer shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Issue and Paying Agent. Nothing in this paragraph shall affect the right of the bearer to serve process in any other manner permitted by law.

**13** No person shall have any right to enforce any provision of this Note under the Contracts (Rights of Third Parties) Act 1999.

**AUTHENTICATED** by  
**THE BANK OF NEW YORK MELLON,**  
**LONDON BRANCH**

without recourse, warranty or liability and for  
authentication purposes only

By: \_\_\_\_\_  
(*Authorised Signatory*)

Signed on behalf of:  
**IBERDROLA INTERNATIONAL B.V.**

By: \_\_\_\_\_  
(*Authorised Signatory*)



**SCHEDULE  
PAYMENTS OF INTEREST**

The following payments of interest in respect of this Note have been made:

<b>Date Made</b>	<b>Payment From</b>	<b>Payment To</b>	<b>Amount Paid</b>	<b>Notation on behalf of Issue and Paying Agent</b>

**TEXT OF GUARANTEE OF THE PROGRAMME**

Dated 8 November 2018

**IBERDROLA INTERNATIONAL, B.V.**  
as Issuer

and

**IBERDROLA, S.A.**  
as Guarantor

**DEED OF GUARANTEE**

Relating to the Notes which may be issued under a  
€3,000,000,000 Euro-Commercial Paper Programme

**Linklaters**

Ref: FB/MPH

Linklaters, S.L.P.

**THIS DEED OF GUARANTEE** is made on 8 November 2018

**BY:**

- (1) **IBERDROLA, S.A.** (the **Guarantor**);

**IN FAVOUR OF:**

- (2) **THE HOLDERS** for the time being and from time to time of the Notes referred to below (each a **Noteholder** or the **holder** of a Note); and
- (3) **THE ACCOUNTHOLDERS** (as defined in the Deed of Covenant described below) (together with the Noteholders, the **Beneficiaries**).

**WHEREAS:**

- (A) Iberdrola International B.V. (the **Issuer**) has established a Euro Commercial Paper Programme (the **Programme**) for the issuance of notes (the **Notes**), in connection with which it has entered into an amended and restated dealer agreement dated 8 November 2018 (the **Dealer Agreement**) and an amended and restated issue and paying agency agreement dated 8 November 2018 (the **Agency Agreement**) and has executed a deed of covenant dated 8 November 2018 (the **Deed of Covenant**).
- (B) The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the Issuer to Noteholders in respect of the Notes and to Accountholders in respect of the Deed of Covenant.

**NOW THIS DEED OF GUARANTEE WITNESSES** as follows:

## **1 INTERPRETATION**

### **1.1 Definitions**

All terms and expressions which have defined meanings in the Dealer Agreement, the Agency Agreement or the Deed of Covenant shall have the same meanings in this Deed of Guarantee except where the context requires otherwise or unless otherwise stated.

### **1.2 Clauses**

Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.

### **1.3 Other agreements**

All references in this Deed of Guarantee to an agreement, instrument or other document (including the Dealer Agreement, the Agency Agreement and the Deed of Covenant) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time.

### **1.4 Legislation**

Any reference in this Agreement to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

### **1.5 Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Guarantee.

## 1.6 Benefit of Deed of Guarantee

Any Notes issued under the Programme on or after the date of this Deed of Guarantee shall have the benefit of this Deed of Guarantee but shall not have the benefit of any subsequent guarantee relating to the Programme (unless expressly so provided in any such subsequent guarantee).

## 2 GUARANTEE AND INDEMNITY

### 2.1 Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees:

- (a) *The Notes*: to each Noteholder the due and punctual payment of all sums from time to time payable by the Issuer in respect of the relevant Note as and when the same become due and payable and accordingly undertakes to pay to such Noteholder, forthwith upon the demand of such Noteholder and in the manner and currency prescribed by such Note for payments by the Issuer in respect of such Note, any and every sum or sums which the Issuer is at any time liable to pay in respect of such Note and which the Issuer has failed to pay; and
- (b) *The Direct Rights*: to each Accountholder the due and punctual payment of all sums from time to time payable by the Issuer to such Accountholder in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Accountholder, forthwith upon the demand of such Accountholder and in the manner and currency prescribed by the Notes for payments by the Issuer in respect of the Notes, any and every sum or sums which the Issuer is at any time liable to pay to such Accountholder in respect of the Notes and which the Issuer has failed to pay.

### 2.2 Indemnity

The Guarantor irrevocably and unconditionally agrees as a primary obligation to indemnify each Beneficiary from time to time, forthwith upon demand by such Beneficiary, from and against any loss, liability or cost incurred by such Beneficiary as a result of any of the obligations of the Issuer under or pursuant to any Note, the Deed of Covenant or any provision thereof being or becoming void, voidable, unenforceable or ineffective for any reason whatsoever, whether or not known to such Beneficiary or any other person, the amount of such loss being the amount which such Beneficiary would otherwise have been entitled to recover from the Issuer. Any amount payable pursuant to this indemnity shall be payable in the manner and currency prescribed by the Notes for payments by the Issuer in respect of the Notes. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action.

## 3 TAXES AND WITHHOLDINGS

All payments in respect of the Notes and Direct Rights under this Deed of Guarantee shall be made without set-off, counterclaim, fees, liabilities or similar deductions and free and clear of, and without deduction or withholding for or on account of, taxes, duties, assessments or governmental charges of any nature now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any authority therein or thereof having power to tax (**Taxes**) (the Kingdom of Spain or any authority therein or thereof having power to tax hereinafter a **Tax Authority**), unless the withholding or deduction of such Taxes is required by law. If the Guarantor or any agent thereof is required by law or regulation to make any deduction or withholding for or on account of any Taxes, the Guarantor shall, to the extent permitted by applicable law or regulation, pay such additional amounts as shall be necessary in order that the net amounts received by any Beneficiary after such deduction or withholding shall equal the amount which would have been receivable

hereunder in the absence of such deduction or withholding, except that no such additional amounts shall be payable:

- (a) to a Beneficiary which is liable to such Taxes by reason of its having some connection with the jurisdiction imposing the Taxes other than the mere holding of the Note or the Direct Rights; or
- (b) in respect of any Note presented for payment more than 15 days after the Maturity Date or the date on which payment hereof is duly provided for, whichever occurs later, except to the extent that the Beneficiary would have been entitled to such additional amounts if it had presented the Note on the last day of such period of 15 days; or
- (c) in respect of any Note presented for payment in the Kingdom of Spain and The Netherlands; or
- (d) in respect of any Taxes that are imposed or withheld by reason of the failure by the Beneficiary to comply with a request of the Issuer or the Guarantor addressed to the Beneficiary (i) to provide information concerning the nationality, residence, identity or connection with a Tax Authority of the Beneficiary; (ii) to make any declaration or other similar claim to satisfy any information or reporting requirement, or (iii) to provide a tax residence certificate issued by the relevant Tax Authority which in the case of (i), (ii) or (iii) is required or imposed by a statute, treaty, regulation or administrative practice of the Tax Authority as a precondition to exemption from all or part of such tax assessment or other governmental charge, in each case, within any applicable time limits as may from time to time be imposed by such statute, treaty, regulation, or administrative practice; or
- (e) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Section 1471 through 1474 of the Code (including any regulations or official interpretations issued, agreements (including, without limitation, intergovernmental agreements) entered into or non-U.S. laws enacted with respect thereto).

## **4 PRESERVATION OF RIGHTS**

### **4.1 Principal obligor**

The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

### **4.2 Continuing obligations**

The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Issuer's obligations under or in respect of any Note or the Deed of Covenant and shall continue in full force and effect for so long as the Programme remains in effect and thereafter until all sums due from the Issuer in respect of the Notes and under the Deed of Covenant have been paid, and all other actual or contingent obligations of the Issuer thereunder or in respect thereof have been satisfied, in full.

### **4.3 Obligations not discharged**

Neither the obligations of the Guarantor herein contained nor the rights, powers and remedies conferred upon the Beneficiaries by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:

- (a) *Winding up*: the winding up, dissolution, administration, re-organisation or moratorium of the Issuer or any change in its status, function, control or ownership;

- (b) *Illegality*: any of the obligations of the Issuer under or in respect of any Note or the Deed of Covenant being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- (c) *Indulgence*: time or other indulgence (including for the avoidance of doubt, any composition) being granted or agreed to be granted to the Issuer in respect of any of its obligations under or in respect of any Note or the Deed of Covenant;
- (d) *Amendment*: any amendment to, or any variation, waiver or release of, any obligation of the Issuer under or in respect of any Note or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof, however fundamental; or
- (e) *Analogous events*: any other act, event or omission which, but for this sub-clause, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law.

#### **4.4 Settlement conditional**

Any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by the Issuer or any other person on the Issuer's behalf being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.

#### **4.5 Exercise of Rights**

No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:

- (a) *Demand*: to make any demand of the Issuer, save for the presentation of the relevant Note;
- (b) *Take action*: to take any action or obtain judgment in any court against the Issuer; or
- (c) *Claim or proof*: to make or file any claim or proof in a winding up or dissolution of the Issuer, and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of any Note.

#### **4.6 Deferral of Guarantor's rights**

The Guarantor agrees that, so long as any sums are or may be owed by the Issuer in respect of any Note or under the Deed of Covenant or the Issuer is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any rights which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:

- (a) *Indemnity*: to be indemnified by the Issuer;
- (b) *Contribution*: to claim any contribution from any other guarantor of the Issuer's obligations under or in respect of any Note or the Deed of Covenant; or
- (c) *Subrogation*: to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Beneficiary against the Issuer in respect of amounts paid by the Guarantor under this Deed of Guarantee or any security enjoyed in connection with any Note or the Deed of Covenant by any Beneficiary.

#### **4.7 Pari passu**

The Guarantor undertakes that its obligations under the Deed of Guarantee will constitute its direct, unconditional, unsubordinated and unsecured obligations and (subject to any applicable statutory exceptions and unless they qualify by law as subordinated credits under Article 92 of Law 22/2003 of 9 July, on Insolvency) will rank *pari passu* with all other present and future unsubordinated and unsecured indebtedness and monetary obligations involving or otherwise related to the borrowed money of the Guarantor.

### **5 DEPOSIT OF DEED OF GUARANTEE**

This Deed of Guarantee shall be deposited with and held by the Issue Agent for so long as the Programme remains in effect and thereafter until the date which is two years after all the obligations of the Issuer under or in respect of the Notes (including, without limitation, its obligations under the Deed of Covenant) have been discharged in full. The Guarantor hereby acknowledges the right of every Beneficiary to the production of this Deed of Guarantee.

### **6 STAMP DUTIES**

The Guarantor shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

### **7 BENEFIT OF DEED OF GUARANTEE**

#### **7.1 Deed poll**

This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

#### **7.2 Benefit**

This Deed of Guarantee shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.

#### **7.3 Assignment**

The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

### **8 PARTIAL INVALIDITY**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.



## 9 NOTICES

### 9.1 Address for notices

All notices, demands and other communications to the Guarantor hereunder shall be made in writing (by letter or fax) and shall be sent to the Guarantor at:

Plaza Euskadi 5  
48009 Bilbao  
Spain

Tel: + 34 94 4151411  
Fax: +34 94 4166701  
Attention: Departamento de Financiación

or to such other address or fax number or for the attention of such other person or department as the Guarantor has notified to the Beneficiaries.

### 9.2 Effectiveness

Every notice, demand or other communication sent in accordance with Clause 9.1 (Address for notices) shall be effective upon receipt by the Guarantor; provided that any such notice, demand or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Guarantor.

## 10 LAW AND JURISDICTION

### 10.1 Governing law

This Deed of Guarantee and any non contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

### 10.2 English courts

The courts of England have exclusive jurisdiction to settle any dispute (a **Dispute**), arising out of or in connection this Deed of Guarantee (including a dispute regarding the existence, validity or termination of this Deed of Guarantee) or the consequences of its nullity.

### 10.3 Appropriate forum

The Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

### 10.4 Rights of the Beneficiaries to take proceedings outside England

Clause 10.2 (English courts) is for the benefit of the Beneficiaries only. As a result, nothing in this Clause 10 (Law and jurisdiction) prevents the Beneficiaries from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, the Beneficiaries may take concurrent Proceedings in any number of jurisdictions.

### 10.5 Service of process

The Guarantor agrees that the process by which any Proceedings in England and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to SPW Investments Limited, One Tudor Street, fourth floor, London EC4Y 0AH, United Kingdom or, if different, its registered office for the time being or at any other address of the Guarantor in Great Britain at which process may be served on it in accordance with Part 34 of the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Guarantor,

the Guarantor shall, on the written demand of any Beneficiary addressed and delivered to the Guarantor, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Beneficiary shall be entitled to appoint such a person by written notice addressed to the Guarantor and delivered to the Guarantor. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law.

**This Deed** is delivered on the date stated at the beginning.

**SIGNED** as a **DEED** and **DELIVERED** )  
on behalf of **Iberdrola, S.A.** )  
a company incorporated in the Kingdom )  
of Spain )  
by: )

) \_\_\_\_\_  
and )  
) \_\_\_\_\_

being persons who, in accordance with  
the laws of that territory are acting under  
the authority of the company.

**THE ISSUER**

**Iberdrola International B.V.**

Rapenburgerstraat 179D  
1011 VM Amsterdam  
The Netherlands  
Tel: +31 20 5792124  
Fax: +31 20 5792125

Contact: Mr. Jorick Schutter/Mr. Jurjen Hardeveld

**THE GUARANTOR**

**Iberdrola, S.A.**

C/Plaza Euskadi, 5  
48009 Bilbao  
Spain  
Tel: +34 94 4151411

Fax: +34 94 4154937/166701

Contact: Departamento de Financiación y Tesorería

**THE ARRANGER**

**UBS Limited**

1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom  
Tel.: +44 20 7567 2324  
Fax.: +44 20 7336 2002  
Contact: ECP Desk

**THE DEALERS**

**Banco Santander, S.A.**

Ciudad Grupo Santander  
Avenida de Cantabria s/n  
28660 Boadilla del Monte  
Madrid  
Spain  
Tel.: +34 91 257 20 97

Email: [jorge.martinezluengas@gruposantander.com](mailto:jorge.martinezluengas@gruposantander.com)

Contact: Jorge Martínez-Luengas, Credit Desk

**Bank of America Merrill Lynch International Limited**

2 King Edward Street  
London EC1A 1HQ  
United Kingdom  
Tel.: +44 20 7996 8904  
Fax.: +44 20 7995 0048  
Contact: ECP Desk

**Barclays Bank PLC**

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom  
Tel.: +44 20 7773 5757  
Email: [ecp@barclays.com](mailto:ecp@barclays.com)  
Contact: ECP Trading Desk

**BRED Banque Populaire, S.A.**

18, quai de la Rapée  
Paris, 75012  
France  
Tel.: +331 4344 9790  
Email: [moneymarket@bred.fr](mailto:moneymarket@bred.fr)  
Contact: Didier Roguet

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
London E14 5LB  
United Kingdom  
Tel: +44 20 7986 9070  
Fax: +44 20 7986 6837

Attention: Short-Term Fixed Income Desk

**Crédit Agricole Corporate and Investment Bank**

12, Place des Etats-Unis  
CS 70052 - 92120 Montrouge Cedex  
France  
Tel.: +33 (1) 41 89 67 87  
Email: DCM-legal@ca-cib.com  
Contact: DCM-Legal

**Goldman Sachs International**

Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom  
Tel: +44 20 7774 6610  
Fax: +44 20 7774 4477

Attention: ECP Desk/IG Syndicate

**ING Bank N.V.**

Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands  
Tel.: +31 20 563 8181  
Fax.: +31 20 501 3888  
Contact: ECP Desk TRC 00.114

**J.P. Morgan Securities plc**

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom  
Tel.: +44 20 7134 2322  
Fax.: +44 20 3493 1407  
Contact: ECP Desk

**NatWest Markets Plc**

250 Bishopsgate  
London EC2M 4AA  
United Kingdom  
Tel.: +44 20 7588 3968  
Fax.: +44 20 7085 2591  
Attn: Commercial Paper Group

**Société Générale**

Tour Société Générale  
17 Cours Valmy  
92987 Paris - La Défense Cedex  
France  
Tel. : +33 (1) 42 13 51 81  
Fax : +33 (1) 42 13 82 20

**UBS AG, London Branch**

5 Broadgate  
London EC2M 2QS  
United Kingdom  
Tel.: +44 20 7567 2324  
Fax.: +44 20 7336 2002  
Attention: ECP Desk

**UBS Limited**

5 Broadgate  
London EC2M 2QS  
United Kingdom  
Tel.: +44 20 7567 2324  
Fax.: +44 20 7336 2002  
Attention: ECP Desk

**THE ISSUE AND PAYING AGENT**

**The Bank of New York Mellon, London Branch**

One Canada Square

London E14 5AL

United Kingdom

Tel.: +44 20 7964 8889

Fax.: +44 20 7964 2536

Contact: Corporate Trust Admin, Corporate/Sovereign

[www.iberdrola.com](http://www.iberdrola.com)