

Santiago Martínez Garrido

General secretary and secretary of the Board of Directors

Bilbao, 22 March 2024

To the National Securities Market Commission

Other relevant information

Publication of the announcement of the call to the 2024 General Shareholders' Meeting and of the documentation made available to the shareholders

Pursuant to article 227 of *Act 6/2023, of March 17, of the Securities Markets and Investment Services (Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión)* and related provisions, and in continuation of our notice of other relevant information dated 19 March 2024 (record number 27553), attached is the announcement of the call to the General Shareholders' Meeting of "Iberdrola, S.A." (the "**Company**"), which in all likelihood will be held on Friday 17 May 2024, on first call, with the agenda set forth in the aforementioned notice.

Said announcement of the call to meeting is published today in the Official Bulletin of the Commercial Registry (*Boletín Oficial del Registro Mercantil*) and on the Company's corporate website (www.iberdrola.com), where it shall be continuously accessible until at least the holding of the General Shareholders' Meeting.

Also attached are the proposed resolutions and reports of the Board of Directors in relation to the various items on the agenda for said General Shareholders' Meeting. These proposed resolutions and reports of the Board of Directors, together with the other documents relating to the General Shareholders' Meeting, will be available to the shareholders at the registered office and on the corporate website of the Company (www.iberdrola.com), on the terms set out in the announcement of the call to meeting.

This information is provided to you for the appropriate purposes.

General secretary and secretary of the Board of Directors

NOTICE: This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document which this translation is intended to reflect, the text of the original Spanish-language document shall prevail.
www.iberdrola.com



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Print in black and white, and only if necessary.



General Shareholders' Meeting

17 May 2024

Sustainable
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Announcement of the call to meeting



Call to the General Shareholders' Meeting of "Iberdrola, S.A."

Pursuant to the provisions of the *Companies Act* and the *By-Laws*, the Board of Directors of "Iberdrola, S.A." has resolved to call the General Shareholders' Meeting to be held in person and remotely on the date and with the agenda set out below:

Meeting

When	<ul style="list-style-type: none"> Friday 17 May 2024 (first call), at 11:00 a.m.¹
Where	<ul style="list-style-type: none"> Remote attendance through the corporate website (www.iberdrola.com). In-person attendance at the registered office (Plaza Euskadi, 5, Bilbao).
Incentives and amenities for participation	<ul style="list-style-type: none"> Engagement dividend of €0.005 (gross) per share for all shareholders with the right to participate, subject to the quorum reaching 70% of the share capital and the shareholders approving the payment of this incentive. Prize draw for 30 e-bikes among shareholders casting absentee votes or granting a proxy through the corporate website or the telephone channel. Delivery of commemorative gifts at the shareholder information desks. Participation prior to the Meeting: in addition to the corporate website, the telephone channel and the information desks, the Company will activate all the alternatives described below for absentee voting or proxy granting prior to the Meeting. Prior registration for remote attendance through the corporate website. Reservation of seats for physical attendance through the Shareholder's Office or the corporate website.

Agenda

Management results and statutory audit	<ol style="list-style-type: none"> Annual financial statements 2023. Directors' reports 2023. Statement of non-financial information 2023. Corporate management and activities of the Board of Directors in 2023. Re-election of "KPMG Auditores, S.L." as statutory auditor.
Governance and Sustainability System	<ol style="list-style-type: none"> Amendment of the Preamble and of the current Articles 1, 4, 6, 7 and 8 of the <i>By-Laws</i> and addition of a new Article 9 to more clearly differentiate the references to "Iberdrola, S.A. and to the "Iberdrola Group". Amendment of the current Articles 9, 12, 13, 14, 16, 18, 19, 22, 23, 27, 56 and 60 of the <i>By-Laws</i>, and addition of two new Articles 14 and 19, all to strengthen the continuous and ongoing engagement of the shareholders in company life and to encourage their effective and sustainable involvement in the Company. Amendment of Articles 10, 11, 12, 14, 16, 19, 20, 21, 22, 23, 27 and 40 of the <i>Regulations for the General Shareholders' Meeting</i> in order to revise the rules governing attendance at the General Shareholders' Meeting. <i>Director Remuneration Policy</i>.
Remuneration	<ol style="list-style-type: none"> Engagement dividend: approval and payment. Allocation of profits/losses and dividend for 2023: approval and supplementary payment, which will be made within the framework of the "Iberdrola Retribución Flexible" optional dividend system. First increase in capital by means of a scrip issue at a maximum reference market value of €2,600 million in order to implement the "Iberdrola Retribución Flexible" optional dividend system. Second increase in capital by means of a scrip issue at a maximum reference market value of €1,700 million in order to implement the "Iberdrola Retribución Flexible" optional dividend system. Reduction in capital by means of the retirement of a maximum of 183,299,000 own shares (2.854% of the share capital). Consultative vote on the <i>Annual Director and Officer Remuneration Report 2023</i>.
Board of Directors	<ol style="list-style-type: none"> Re-election of Ms Nicola Mary Brewer as an independent director. Re-election of Ms Regina Helena Jorge Nunes as an independent director. Re-election of Mr Iñigo Víctor de Oriol Ibarra as an external director. Setting of the number of members of the Board of Directors at fourteen.

¹ The Meeting is called to be held on Friday 17 May, at 11:00 a.m., on first call, and on Saturday 18 May, at the same time, on second call, although it is expected to be held on first call.

**Approvals and delegation of powers**

20. Authorisation to increase the share capital on the terms and within the limits provided by law, for a maximum period of five years and with the power to exclude pre-emptive rights, limited to an aggregate maximum of 10% of the share capital.
21. Authorisation to issue bonds exchangeable and/or convertible into shares and warrants, in an amount of up to €5,000 million and a maximum term of five years, with the power to exclude pre-emptive rights, limited to an aggregate maximum of 10% of the share capital.
22. Delegation of powers to formalise and to convert the resolutions adopted into a public instrument.

Participation**Who can participate**

- All shareholders having at least one share registered in their name on 10 May may attend the Meeting in person or by proxy as well as cast an absentee vote prior to the Meeting.

Channels for participating prior to the Meeting

- Shareholders may grant their proxy, or cast an absentee vote, through depositaries or the following channels:
 - **Corporate website:** www.iberdrola.com.
 - **Shareholder telephone number:** 900 100 019 (free phone).
 - **Shareholder information desks** at the places, on the dates and at the times to be announced on the corporate website.
 - **Post:** sending the proxy and absentee voting card to the Company by post (apartado de correos número 1.113, 48080 Bilbao) or an image of the card by e-mail (Junta2024@iberdrola.es).
 - **Instant messenger:** sending an image of the proxy and absentee voting card to the Company by WhatsApp (+34 639 000 639) or by Telegram ([Junta Iberdrola](https://www.instagram.com/iberdrola)).
- Proxy representatives may cast an absentee vote at the shareholder information desks, through the corporate website, or by sending the card with the proxy granted to them by post or by instant messenger as indicated above.

Attending the Meeting

- **Remote attendance:** shareholders and their proxy representatives must register on the corporate website between 08:00 a.m. and 10:15 a.m. on the day the Meeting is held, and may authenticate themselves in advance in order to expedite their registration. Registered attendees who have expressed their desire to make a presentation or to propose resolutions must send the text thereof before 11:00 a.m. on the day of the Meeting.
- **Physical attendance:** shareholders or their proxy representatives must register to reserve a seat through the Shareholder's Office or the corporate website before 10:15 a.m. on the day the Meeting is held. At this time the doors to the premises will open for those with assigned seats to be able to access the Meeting.
- The Board of Directors has requested the **presence of a notary public** to draw up the minutes of the Meeting.

Dates of interest

- **22 March:** launch of applications on the corporate website to grant proxies and cast absentee votes, register to attend remotely, or reserve a seat to attend in person.
- **27 March:** end of period to request the publication of a supplement to the call to meeting and to submit well-founded proposed resolutions.
- **12 May:** launch of application on the corporate website for the remote submission of presentations and proposed resolutions. End of period to exercise the right to receive information prior to the Meeting as provided by legal provisions.
- **16 May:** end of period to cast an absentee vote and grant a proxy prior to the Meeting if, as expected, it is held on first call (if held on second call, the period would end on 17 May).
- **17 May, 11:00 a.m.:** holding of the Meeting on first call, which will be broadcast through the corporate website.

Accessibility

- Sustainable management of the Meeting entails a commitment to making participation accessible to all shareholders, who can bring up any needs in this regard with the Shareholder's Office.

Information and engagement**Documentation of the Meeting**

- In addition to being able to request delivery without charge, the shareholders have all documentation available at the **registered office** and on the **corporate website**, which also contains mandatory information regarding the exercise of shareholder rights as well as regarding the reduction and increases in share capital and the amendments to the *Regulations of the Board of Directors* made since the last Meeting.



Channels of communication	<ul style="list-style-type: none">• For purposes of the call to the Meeting, the Company strengthens and expands the existing means for permanent dialogue with shareholders and investors, including the following channels:<ul style="list-style-type: none">- Telephone (900 100 019) and e-mail (accionistas@iberdrola.com) of the Shareholder's Office.- Interactive application available to members of the OLS Shareholders' Club, which all holders of the Company's shares can join via the corporate website.- E-mail address investor.relations@iberdrola.es, which the Investor Relations Office uses to handle enquiries from institutional investors and proxy advisors.- Virtual Shareholder Assistant (AVA) for all users of the corporate website and of the "Iberdrola Investors" App.
Measures for engagement	<ul style="list-style-type: none">• In addition to participation in the Meeting, the Company promotes continuous shareholder engagement throughout the year, which includes the following initiatives:<ul style="list-style-type: none">- For the third consecutive year, the immersive Shareholder Month area will be activated on the corporate website, and will include various content like interviews with members of the management team as well as links to legally required documentation and to the channels for participation in the Meeting.- There are plans to organise face-to-face meetings with senior management near the date of the Meeting, which will be announced on the corporate website.

In Bilbao, on 19 March 2024.

The General Secretary and Secretary of the Board of Directors.

Personal data protection: Pursuant to the General Data Protection Regulation, "Iberdrola, S.A." (the "Company"), with an address at Plaza Euskadi, 5, Bilbao, and holding Tax Identification Number (N.I.F.) A-48010615, is the controller of the personal data of the shareholders and their proxy representatives provided thereby or by the depositaries of the shares.

The purposes of such processing are: (i) to manage the Meeting; (ii) to comply with, and if applicable verify compliance with, the obligations set out in the Governance and Sustainability System related to the holding of the Meeting, (iii) to apply the corporate policies to encourage transparency and the Company's direct contact with shareholders to foster their engagement, including the payment of financial incentives to participate in the Meeting; (iv) to perform analyses and prepare reports to optimise the management of the Meeting; and (v) to record and broadcast the Meeting.

The legal basis for purpose (i) is to comply with the legal obligations set out in the Companies Act (Ley de Sociedades de Capital) and for purposes (ii), (iii), (iv) and (v), it is the legitimate interest of the Company in holding a Meeting that fully conforms to its Governance and Sustainability System and the rest of its internal rules, including the corporate transparency and shareholder engagement policies, as well as ensuring the observance and full satisfaction of shareholder rights and adopting measures favouring the achievement of those objectives.

These personal data will be communicated to the notary who takes the minutes of the Meeting in accordance with the legal provisions governing joint-stock companies (*sociedades de capital*) and in compliance with the provisions of the Regulations of the Commercial Registry and the Regulations for the General Shareholders' Meeting. They may also be provided to other shareholders in the exercise of their right to receive information as provided by said regulations, but in no event will they be transferred outside of the European Economic Area. Moreover, in order to perform certain tasks relating to the purposes described above, i.e. verifying the proper development of the Meeting in accordance with applicable procedures and compliance with the obligations related to the holding thereof, as well as preparing statistical information, the Company will hire third-party service providers that will have access to personal data within the framework of these tasks but those data may not be used for any other purpose. These entities will be personal data processors by virtue of the contracts that the Company will sign with them in accordance with the provisions of applicable law.

The rights of access, rectification, objection, erasure and restriction of processing, and any other applicable rights in accordance with data protection law and regulations, may be exercised in accordance with the Implementing Rules for the General Shareholders' Meeting, available on the corporate website (www.iberdrola.com), which contains more detailed information regarding the processing of personal data and the Company's Data Protection Officer (dpo@iberdrola.com).



General Shareholders' Meeting

17 May 2024

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Proposed resolutions



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ITEM 1 ON THE AGENDA

Annual financial statements 2023

RESOLUTION

To approve the separate annual financial statements of "Iberdrola, S.A." (balance sheet, profit and loss account, statement of changes in shareholders' equity, statement of cash flows and notes) and the annual financial statements of the Company consolidated with those of its subsidiaries (consolidated statement of financial position, consolidated statement of profit and loss, consolidated statement of overall profit and loss, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and consolidated notes) for the financial year ended on 31 December 2023, formulated by the Board of Directors at its meeting held on 20 February 2024.

ITEM 2 ON THE AGENDA

Directors' reports 2023

RESOLUTION

To approve the separate directors' report of "Iberdrola, S.A." and the directors' report of "Iberdrola, S.A." consolidated with that of its subsidiaries for the financial year ended on 31 December 2023, formulated by the Board of Directors at its meeting held on 20 February 2024.

ITEM 3 ON THE AGENDA

Statement of non-financial information 2023

RESOLUTION

To approve the *Statement of Non-Financial Information. Sustainability Report* of "Iberdrola, S.A." consolidated with that of its subsidiaries for the financial year ended on 31 December 2023, formulated by the Board of Directors at its meeting held on 20 February 2024.

ITEM 4 ON THE AGENDA

Corporate management and activities of the Board of Directors in 2023

RESOLUTION

To approve the management of the Company and the activities of the Board of Directors of "Iberdrola, S.A." during the financial year ended on 31 December 2023.



ITEM 5 ON THE AGENDA

Re-election of “KPMG Auditores, S.L.” as statutory auditor**RESOLUTION**

To re-elect “KPMG Auditores, S.L.” as statutory auditor of IBERDROLA, S.A. and its consolidated group in order to carry out the audit for financial years 2024 and 2025, and to delegate to the Board of Directors, with express power of substitution, the power to enter into the corresponding services agreement, with the clauses and conditions it deems appropriate, which includes the power to make in said agreement such changes as may be required in accordance with the law from time to time in effect.

This resolution is submitted by the Board of Directors for the approval of the shareholders at the General Shareholders' Meeting upon a prior proposal of the Audit and Risk Supervision Committee.

“KPMG Auditores, S.L.” has its registered office in Madrid, at Paseo de la Castellana, número 259 C and holds tax identification number B-78510153. It is registered under number S0702 in the Official Auditors' Registry of the Instituto de Contabilidad y Auditoría de Cuentas and in the Commercial Registry of Madrid at volume 11,961, sheet M-188.007.

ITEM 6 ON THE AGENDA

Amendment of the Preamble and of the current Articles 1, 4, 6, 7 and 8 of the By-Laws and addition of a new Article 9 to more clearly differentiate the references to “Iberdrola, S.A.” and to the “Iberdrola Group”**RESOLUTION**

Amendment of the Preamble and of the current Articles 1, 4, 6, 7 and 8 of the By-Laws and addition of a new Article 9 to more clearly differentiate the references to “Iberdrola, S.A.” and to the “Iberdrola Group”, to make technical improvements, and to renumber these articles as a result of the elimination of the current Article 4, the text of which becomes part of Article 9. The Preamble and Articles 1, 5, 6, 7 and 9 resulting from the amendment shall hereafter read as follows:

“PREAMBLE

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

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

Along these lines, the Preliminary Title hereof first determines the fundamental pillars of the Company as an independent entity listed on the securities markets, and second defines the Company as the holding company of an international industrial group, with a broad geographic diversification of the businesses of the companies of which it is comprised and which, based on its multi-level corporate structure, combines a decentralised decision-making system, inspired by the principle of subsidiarity, with robust coordination mechanisms ensuring the global integration of the businesses of the companies within the Iberdrola group and the



management of the risks thereof, all on the basis of an effective system of checks and balances that prevents the centralisation of decision-making power within a single governance body or a single person.

The provisions of the By-Laws regarding the corporate object, the purpose and values, and the corporate interest and social dividend, beyond the corporate aspects highlighted above, give shape to a company directed towards a clear “purpose” and certain clear “values” that make up its corporate philosophy and the ideological and axiological bases on which its corporate enterprise is based and which guide its strategy and conduct.

In accordance therewith, the Company is defined by its By-Laws as a sustainable and all-encompassing company, which transcends its nature as purely and merely a mercantile company, which opens to and engages all of its Stakeholders and is fully committed to contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN) and the most demanding environmental, social and corporate governance (ESG) requirements, and in essence affirms itself to be a company and institutional reality, a player in the economic and social environment in which it does business.

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

In turn, the Purpose and Values of the Iberdrola Group meet the most demanding standards in the areas of environmental protection and climate action, social commitment, corporate governance and regulatory compliance, within the general framework of respect for and protection of human rights, the social market economy, sustainability and the ethical principles generally accepted in its sphere of activity.

Similarly, within the framework of the Governance and Sustainability System, the By-Laws establish a well-developed Compliance System, which is intended to prevent and manage the risk of regulatory or ethical violations or violations of said Governance and Sustainability System.

The by-law rules that arise from and are based on the internal sovereignty of the shareholders acting at a General Shareholders’ Meeting also recognise the essential function performed by the Board of Directors as a governing body or structure that guides the realisation of the Purpose and Values of the Iberdrola Group, ensures the assembly and coordination of all the Company’s Stakeholders within an enterprise comprised thereof, and directs and supports its driving action as an enterprise and institutional reality in today’s globalised society as a whole.

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

PRELIMINARY TITLE. “IBERDROLA, S.A.” AND THE IBERDROLA GROUP

Article 1. Company Name and Identity

1. The name of the Company is IBERDROLA, S.A.



2. The Company is an independent, open company, which has an institutional reach and is listed on the stock markets.
3. The Company is the controlling entity of a multinational group of companies (the "Group")."

"Article 5. Corporate Interest

The Company conceives of the corporate interest as the common interest of all persons owning shares of an independent company, with its own distinct bylaw-based identity, focused on creating comprehensive (economic, environmental, social and governance) and sustainable value by engaging in the activities included in its corporate object, taking into account the other Stakeholders related to its business activity and consistently with its institutional reach, in accordance with the Purpose and Values of the Iberdrola Group and the commitments made in its Code of Ethics.

Article 6. Social Dividend

1. The performance of the activities included in the corporate object, particularly the Company's innovation and digital transformation strategy, must be focused on the sustainable creation of value, in accordance with the Purpose and Values of the Iberdrola Group and with the commitments made in its Code of Ethics.
2. The Company recognises and seeks to obtain a social dividend consisting of the direct, indirect or induced contribution of value of its activities for all its Stakeholders, particularly through its contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN) and its commitment to best environmental, social and corporate governance (ESG) practices.
3. The statement of non-financial information formulated by the Board of Directors and approved by the shareholders at the General Shareholders' Meeting presents the Company's performance in the social, environmental and sustainability areas, as well as the social dividend generated and shared with all its Stakeholders.
4. The Company shall promote the public dissemination of its social dividend generated, especially among its Stakeholders.

Article 7. Applicable Legal Provisions, Governance and Sustainability System and Compliance System

1. The Company is governed by the legal provisions relating to listed companies and other applicable laws and regulations, as well as by its Governance and Sustainability System.
2. The Governance and Sustainability System is the Company's internal system of rules, which is configured in accordance with applicable law in the exercise of corporate autonomy supported thereby and applies to the entire Group. It is intended to ensure through rule-making the best implementation of the corporate contract that binds its shareholders, and especially the corporate object, the corporate interest and the social dividend, as defined in the preceding articles.
3. The Governance and Sustainability System is made up of these By-Laws, the Purpose and Values of the Iberdrola Group, the Code of Ethics, the corporate policies, and the other governance, compliance and market abuse prevention rules, as well as by other documents that supplement or further articulate the foregoing.



4. The Purpose and Values of the Iberdrola Group constitute the ideological and axiological foundation of the corporate enterprise of the Company, which, due to its size and importance, is a focal point for many Stakeholders and for the environmental, social and economic environment in which it does business.
5. The Purpose and Values of the Iberdrola Group also inspires and takes form in the policies and in the other rules of the Governance and Sustainability System, governing the day-to-day activities of the Company and guiding its strategy and its conduct.
6. The shareholders acting at a General Shareholders' Meeting and the Board of Directors of the Company, within their respective purviews, configure, develop, apply and interpret the rules making up the Governance and Sustainability System in order to ensure compliance at all times with the purposes thereof and, particularly, the fulfilment of the corporate interest.
7. Full or summarised versions of the rules making up the Governance and Sustainability System can be viewed on the Company's corporate website.
8. Within the framework of the Governance and Sustainability System, the Company also has a Compliance System, consisting of a structured set of rules, procedures and activities intended to prevent and manage the risk of regulatory and ethical breaches or breaches of the Governance and Sustainability System itself, as well as to contribute to the full realisation of the Purpose and Values of the Iberdrola Group and the corporate interest.
9. The application and further development of the Company's compliance function and Compliance System is the responsibility of the Compliance Unit, an autonomous body with the highest standards of independence and transparency that is linked to the Sustainable Development Committee of the Board of Directors."

"Article 9. The Group

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

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

- c) Finally, the head of business companies of the Group are in charge of the day-to-day administration and effective management of the businesses, and of the day-to-day control thereof, without prejudice to observing the corporate autonomy of the subsidiaries thereof in accordance with law.



2. The companies of the Group share the corporate interest, purpose and values, as well as some of the same ethical principles. They also seek to involve all their respective Stakeholders in their respective business enterprises.
3. The country subholding companies and head of business companies have their own governance and sustainability systems, approved within the framework of the performance of their responsibilities and in the exercise of their powers, which systems constitute their internal regulations.
4. These companies also have their own compliance functions, which have sufficient material and human resources to manage their respective compliance systems.
5. The country subholding companies and head of business companies shall promote the accessibility of their respective corporate websites.

The corporate websites and the presence on social media of the country subholding companies and of the head of business companies contribute to the Company's digital communication strategy and are one of the principal means for engaging their respective Stakeholders in their respective business enterprises. The structure and content thereof shall conform to the Stakeholder engagement policy and to the general guidelines approved by the Company's Board of Directors."

ITEM 7 ON THE AGENDA

Amendment of the current Articles 9, 12, 13, 14, 16, 18, 19, 22, 23, 27, 56 and 60 of the *By-Laws*, and addition of two new Articles 14 and 19, all to strengthen the continuous and ongoing engagement of the shareholders in company life and to encourage their effective and sustainable involvement in the Company

RESOLUTION

Amendment of the current Articles 9, 12, 13, 14, 16, 18, 19, 22, 23, 27, 56 and 60 and of the name of the current Chapter II of Title II of the *By-Laws*, and addition of two new Articles 14 and 19, to strengthen the continuous and ongoing engagement of the shareholders in company life and to encourage their effective and sustainable involvement in the Company. Rearrangement of numbering and cross-references in the articles affected by the amendments. Articles 8, 12, 13, 14, 16, 18, 19, 20, 23, 24, 25, 27, 28, 29, 30, 51, 53, 57 and 61 shall hereafter read as follows:

"Article 8. Stakeholder Engagement, Corporate Website and Presence on Social Media

1. The Company seeks to engage all its Stakeholders in its corporate enterprise in accordance with a policy on relations based on the principles of transparency and active listening, which allows for continuing to respond to their legitimate interests and to effectively disclose information regarding its activities. The Company's Board of Directors is responsible for approving this policy and coordinating and supervising the application thereof.
2. The Company's corporate website, its presence on social media and its digital communication strategy generally are channels of communication serving the Company's Stakeholder engagement policy. The ultimate goal thereof is to encourage their engagement and identification with the Company, as well as to strengthen the Iberdrola brand and favour the development of the activities of the Company and the digital transformation thereof.



3. The Board of Directors shall promote the use of the corporate website to facilitate the exercise of the shareholders' rights to receive information and to participate in corporate life, particularly in connection with the General Shareholders' Meeting and the corporate governance of the Company, upon the terms provided by law and the Governance and Sustainability System.
4. The Company shall promote the accessibility of its corporate website."

"Chapter II. Shareholders and Shareholder Engagement

Article 12. Acquisition of Shareholder Status

1. Each share of the Company confers upon its legitimate holder the status of shareholder, and vests such holder with the rights and obligations established by law and by the Governance and Sustainability System. The shareholders also participate indirectly, through the Company, in the other companies of the Group.
2. The Company shall acknowledge as shareholders any parties that appear entitled to have shareholder status as owner in the entries of the corresponding book-entry register.
3. The Company may, as legally allowed, access the information needed to fully identify its shareholders and the ultimate beneficial owners, within the meaning provided by law, including addresses and means of contact for communication with them.

Article 13. Significance of Shareholder Status

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

Article 14. Engagement of and Continuous Information for Shareholders

1. The Company shall promote the continuous and permanent engagement of its shareholders in the Company's life.
2. To this end, the Board of Directors shall establish channels for dialogue, information, participation and interaction between the Company and its shareholders.
3. Using the channels that are implemented, the Company shall encourage the effective and sustainable engagement of its shareholders in the Company's life and in the achievement of its purpose and the realisation of its values, promote their sense of belonging, and favour the alignment of its interests with those of the shareholders, all with the appropriate guarantees and coordination mechanisms.
4. In particular, the Company shall make available to its shareholders adequate and effective channels so that they are permanently informed of the Company's activities, of their status as shareholders, of the proposed resolutions to be submitted for their consideration, and of other matters deemed to be in their interest.



In addition, the Company shall provide that the shareholders may, at any time, and not only upon the call to the General Meeting, make such enquiries or ask such questions as they deem appropriate regarding the documentation published by the Company on the corporate website in the last year, whether required by legal provisions, provided for in the Governance and Sustainability System or that which it voluntarily prepares, as well as regarding any other matter that the Board of Directors determines may be relevant to their position as shareholders, which shall include, among other things, corporate documentation, disclosures of inside information and of other relevant information, and periodic financial information and non-financial information.

5. The engagement of the shareholders and the channels established by the Company for this purpose shall conform to the policies and general guidelines approved by the Board of Directors.”

“Article 16. Shareholder Participation

1. To participate in the General Meeting and to exercise the rights of attendance, proxy-representation, deliberation and voting, shareholders must be the owners of at least one share with voting rights and cause the shares to be registered in their name in the corresponding book-entry register at least five days prior to the day on which the meeting is to be held.
2. The manner of exercising these rights shall be determined by the Board of Directors, taking into consideration the manner in which the General Meeting is held and for the purpose of facilitating the participation of the largest number of shareholders at the meeting, regardless of their residence.

For this purpose, the Board of Directors shall adopt measures to encourage maximum participation of the shareholders at the General Shareholders' Meeting, including, if appropriate, the payment of financial incentives for participation (such as attendance bonuses or the payment of an engagement dividend subject to a specified minimum quorum being reached at the General Shareholders' Meeting) pursuant to a predefined and public policy.”

“Article 18. Call to the General Shareholders' Meeting

1. A General Shareholders' Meeting must be called by the Board of Directors through an announcement published as much in advance as required by law, and which shall state the manner in which it will be held.
2. The announcement of the call to meeting shall be disseminated through the following media, at a minimum:
 - a) The Official Bulletin of the Commercial Registry (*Boletín Oficial del Registro Mercantil*) or one of the more widely circulated newspapers in Spain.
 - b) The website of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).
 - c) The Company's corporate website.

Article 19. Methods of Holding the General Shareholders' Meeting

1. A General Shareholders' Meeting may be held in the following ways: in person only, in person with the ability to attend remotely, or, if there are reasons that make it advisable, exclusively by remote means.



2. Regardless of the manner in which the General Meeting is held, the Company shall ensure that the shareholders can exercise their rights.

Specifically, shareholders may grant a proxy and cast an absentee vote prior to the holding of the meeting pursuant to the provisions of the law, these By-Laws, the Regulations for the General Shareholders' Meeting and the implementing rules approved by the Board of Directors within the scope of its powers.

Article 20. Shareholders' Right to Receive Information upon the Call to the General Shareholders' Meeting

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

"Article 23. Right to Attend

1. In the documentation published upon the call to the General Shareholders' Meeting, the Board of Directors shall determine the standards and procedures to be observed for those shareholders who desire to attend in person or remotely, as appropriate, always ensuring the equal treatment of all of them.
2. If it is decided that the General Shareholders' Meeting is to be held entirely in person or in person with the ability to attend remotely, attendance in person may take place by going to the location where the meeting is held or, if so indicated in the call to meeting, to other places provided for such purpose by



the Company and that are connected with the principal meeting place by systems that allow for recognition and identification of the attendees, permanent communication among them, and participation and voting, all in real time. Attendees at any of such places shall be considered to be attendees at the same individual meeting, which shall be deemed to be held at the principal location thereof.

Attendance in person at the General Shareholders' Meeting shall be subject to the limitations arising from the space available at the venue and any ancillary venues at which the meeting may be held, the requirements for security and sustainability of the event, the proper operation of the computer systems and technology used, and the state of the art, as well as any other aspects that the Board of Directors deems relevant.

3. If it is resolved that the General Shareholders' Meeting is to be held exclusively by remote means, the meeting may be attended using the systems determined by the Board of Directors, which must allow for the identification of attendees, the exercise of their rights and the proper conduct of the meeting.
4. The chair of the General Shareholders' Meeting may authorise the in-person or remote attendance of management personnel, professionals of the companies of the Group and other persons related to the Company. The chair may also grant in-person or remote access to the media, to financial analysts and to any other person the chair deems appropriate, as well as authorise the simultaneous or delayed broadcast thereof, although the shareholders acting thereat may revoke such authorisation.

Article 24. Right to Proxy Representation

1. All shareholders having the right to attend may be represented at the General Shareholders' Meeting by proxy through another person, whether or not such person is a shareholder, by complying with the requirements of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.
2. Proxy representatives may participate in the General Shareholders' Meeting in person or remotely, as provided in the call to meeting.
3. Proxies must be given in writing or by remote means of communication (such as by telephone or by postal or electronic correspondence), in which case the provisions of Article 28 below for the early casting of absentee votes shall apply to the extent applicable.
4. Proxy and voting instructions of shareholders acting through intermediary and management institutions or depositaries shall be governed by the provisions of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.
5. In cases of absence of identification of the proxy representative, absence of express instructions for the exercise of voting rights, submission of items not included on the agenda of the call to the General Shareholders' Meeting or a conflict of interest affecting the proxy representative, the rules established in this regard in the Governance and Sustainability System and in the implementing rules approved by the Board of Directors within the scope of its powers shall apply to the proxy.
6. The chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from either of them, shall be responsible for verifying the identity of the shareholders and their representatives, verifying the ownership and status of their rights, and recognising the validity of the attendance, proxy and absentee voting card or the



instrument or means evidencing attendance or representation by proxy, including any means provided for authentication and participation by remote means.

Article 25. Presiding Committee, Chair of and Secretary for the General Shareholders' Meeting

1. The Presiding Committee (*Mesa*) of the General Shareholders' Meeting shall be made up of the chair of and the secretary for the General Shareholders' Meeting and the other members of the Board of Directors present at the meeting, who may attend in person or remotely.
2. Without prejudice to other powers that may be assigned thereto by these By-Laws or the Governance and Sustainability System, the Presiding Committee shall assist the chair of the General Shareholders' Meeting in carrying out the duties thereof.
3. The chairman of the Board of Directors or, in the absence thereof, the vice-chair, shall act as chair of the General Shareholders' Meeting. If there are several vice-chairs, they shall act in the order set forth in Article 43.6 below. In the absence of all of the foregoing, the person appointed by the Presiding Committee shall act as chair of the General Shareholders' Meeting.
4. The secretary of the Board of Directors or, in the absence thereof, the deputy secretary, shall act as secretary for the General Shareholders' Meeting. If there are several deputy secretaries, they shall act in the order set forth in Article 45.2 below. In the absence of all of the foregoing, the person appointed by the Presiding Committee shall act as secretary for the General Shareholders' Meeting."

"Article 27. Deliberations and Voting

1. The chair of the General Shareholders' Meeting shall: direct the meeting; accept new proposed resolutions relating to matters on the agenda; organise the deliberations and presentations, granting the floor to shareholders attending in person and who so request it and taking the floor away or refusing to grant it when the chair deems that a particular matter has been sufficiently debated, is not included in the agenda or hinders the progress of the meeting; indicate the time and establish, pursuant to the Regulations for the General Shareholders' Meeting, the system or procedure for voting; decide on the suspension or limitation of political rights, especially the voting rights attaching to shares, pursuant to law and these By-Laws; approve the polling and vote counting system; announce the voting results; temporarily suspend or propose a continuation of the General Shareholders' Meeting; close the meeting; and, in general, exercise all powers, including those of order and discipline, that are required for the proper conduct of the proceedings.
2. The chair of the General Shareholders' Meeting may entrust the management of the meeting to a director the chair deems appropriate, or to the secretary for the General Shareholders' Meeting, who shall carry out this duty on behalf of the chair, with the chair having the right to retake it at any time. In the event of temporary absence or supervening incapacity of the chair of or the secretary for the General Shareholders' Meeting, the appropriate persons under sections 3 and 4 of Article 25 above, respectively, shall assume the duties thereof.
3. Proposed resolutions shall be voted upon by the shareholders at the General Shareholders' Meeting pursuant to the provisions of the following articles and the Regulations for the General Shareholders' Meeting.



Article 28. Early Casting of Absentee Votes

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

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

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

Article 29. Conflicts of Interest

1. A shareholder may not exercise the shareholder's right to vote at a General Shareholders' Meeting, either in person or by proxy, with respect to the adoption of a resolution to:
 - a) Relieve the shareholder of an obligation or grant the shareholder a right.
 - b) Provide the shareholder with any kind of financial assistance, including the provision of guarantees in favour thereof.
 - c) Release the shareholder, if a director, from obligations arising from the duty of loyalty established in accordance with the provisions of law.
 - d) Approve a related-party transaction that affects the shareholder, unless the corresponding proposed resolution has been approved in accordance with the provisions of law.



2. The provisions of the preceding section shall also apply when the resolutions affect, in the case of an individual shareholder, the entities or companies controlled thereby, and in the case of corporate shareholders, the entities or companies belonging to their group (within the meaning indicated in Article 30.3 below), even if these latter companies or entities are not shareholders.
3. If the shareholder subject to any of the voting prohibitions above attends the General Shareholders' Meeting, such shareholder's shares shall be deducted from those in attendance for purposes of determining the number of shares upon which the majority needed for the adoption of the relevant resolutions shall be calculated.

Article 30. Approval of Resolutions

1. Except in cases in which the law or these By-Laws require a greater majority, the shareholders acting at a General Shareholders' Meeting shall adopt resolutions by simple majority of the shareholders present in person or by proxy, with a resolution being deemed adopted when it receives more votes in favour than against. Each voting share that is represented in person or by proxy at the General Shareholders' Meeting shall give the right to one vote.
2. No shareholder may cast a number of votes greater than those corresponding to shares representing ten (10%) per cent of share capital, even if the number of shares held exceeds such percentage of the share capital. This limitation does not affect votes corresponding to shares with respect to which a shareholder is holding a proxy as a result of the provisions of Article 24 above, provided, however, that with respect to the number of votes corresponding to the shares of each shareholder represented by proxy, the limitation set forth above shall apply.
3. The limitation set forth in the preceding section shall also apply to the maximum number of votes that may be collectively or individually cast by two or more shareholders that are entities or companies belonging to the same group. Such limitation shall also apply to the number of votes that may be cast collectively or individually by an individual and the shareholder entity, entities or companies controlled by such individual. A group shall be deemed to exist under the circumstances provided by law, and also when a person controls one or more entities or companies.
4. Shares deprived of voting rights pursuant to the application of the preceding sections shall be deducted from the shares in attendance at the General Shareholders' Meeting for purposes of determining the number of shares upon which the majorities needed for the approval of resolutions by the shareholders at a General Shareholders' Meeting shall be calculated."

"Article 51. Removal of Voting Limitations

The prohibition on voting for shareholders affected by conflicts of interest established in Article 29 above and the limitation on the maximum number of votes that may be cast by a single shareholder contained in sections 2 to 4 of Article 30 above shall be deprived of effect upon the occurrence of the following circumstances:

- a) when the Company is the target of a takeover bid aimed at the share capital as a whole; and
- b) when, as a result of the takeover bid, an individual or a legal entity, or several of them acting in concert, acquire an interest equal to two-thirds of the voting share capital of the Company, provided the full consideration therefor consists only of cash; or, alternatively,



- c) when, as a result of the takeover bid, an individual or a legal entity, or several of them acting in concert, acquire an interest equal to three-fourths of the voting share capital of the Company, provided that the consideration therefor consists, in whole or in part, of securities, without giving the recipient an alternative right to receive such consideration wholly in cash."

"Article 53. Amendments to Articles in Title IV and Related Provisions

All resolutions intended to eliminate or amend the provisions contained in this Title, in Article 29 and in sections 2 to 4 of Article 30 above shall require the affirmative vote of three-fourths of the share capital represented in person or by proxy at a General Shareholders' Meeting."

"Article 57. Approval and dissemination

The separate and consolidated annual financial statements and management reports shall be submitted for the approval of the shareholders at the General Shareholders' Meeting by a simple majority of votes, in accordance with the provisions of Article 30 of these By-Laws.

The Company shall promote the public dissemination of its financial information, especially among its Stakeholders."

"Article 61. Approval and dissemination

The statement of non-financial information shall be submitted for the approval of the shareholders at the General Shareholders' Meeting by a simple majority of votes, in accordance with the provisions of Article 30 of these By-Laws.

The Company shall promote the public dissemination of its non-financial information, especially among its Stakeholders."

ITEM 8 ON THE AGENDA

Amendment of Articles 10, 11, 12, 14, 16, 19, 20, 21, 22, 23, 27 and 40 of the *Regulations for the General Shareholders' Meeting* in order to revise the rules governing attendance at the General Shareholders' Meeting

RESOLUTION

To amend Articles 10, 11, 12, 14, 16, 19, 20, 21, 22, 23, 27 and 40 of the *Regulations for the General Shareholders' Meeting*, as well as the name of Title II thereof, in order to revise the rules governing attendance at the General Shareholders' Meeting. Said articles shall hereafter read as follows:

"TITLE II. METHODS OF HOLDING AND CALL TO THE GENERAL SHAREHOLDERS' MEETING

Article 10. Methods of Holding the Meeting

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



- c) If there are reasons that make it advisable, and under the conditions provided by law and the Governance and Sustainability System, exclusively by remote means.
2. Regardless of the manner in which the General Meeting is held, the Company shall ensure that the shareholders can exercise their rights.

Article 11. Call to Meeting and Agenda

1. The General Shareholders' Meeting shall be formally called by the Board of Directors.
2. The Board of Directors must call the General Shareholders' Meeting in the following cases:
 - a) In the event set forth in Article 8.2 above.
 - b) If the meeting is requested, in the manner provided by law, by shareholders who individually or collectively represent at least three per cent of the share capital, which request sets forth the matters to be addressed. In this event, the Board of Directors shall call for the General Shareholders' Meeting to be held within the period established by law. The Board of Directors shall prepare the agenda of the call to meeting, which must include the matters specified in the request.
3. The announcement of the call to meeting must contain all statements required by law in each case and must set forth:
 - a) The manner in which it will be held (in person only, in person with the ability to attend remotely, or exclusively by remote means).
 - b) The date, time and place (if applicable) of the meeting on first call, and the agenda, with a statement of all matters to be dealt with.
 - c) A clear and specific description of the procedures and periods that the shareholders must observe in order to request the publication of a supplement to the call to the Annual General Shareholders' Meeting, to submit well-founded proposed resolutions, or to exercise their rights to receive information, to cast an absentee vote prior to the meeting and to grant a proxy, upon the terms provided by law.
 - d) The date on which the holders of the Company's shares must have them registered in their name in the corresponding book-entry register to be able to attend and vote at the General Shareholders' Meeting being called.
 - e) A statement of where and how the complete text of the documents to be submitted at the General Shareholders' Meeting can be obtained, particularly including the reports of the directors, of the statutory auditors and of the independent experts to be submitted, and the complete text of the proposed resolutions submitted to the shareholders for approval at the General Shareholders' Meeting.
 - f) Information regarding the steps and procedures to be followed in order to remotely attend the General Shareholders' Meeting (if remote attendance is provided for) which allows for the identification of the shareholders or their proxy representatives, the registration and preparation of the list of attendees, the correct exercise of the rights thereof and the proper conduct of the meeting.



- g) The address of the Company's corporate website.
- h) Any financial incentive for participation that the Board of Directors resolves to pay in accordance with the policy approved for such purpose (such as attendance bonuses or the payment of an engagement dividend subject to a specified minimum quorum being reached at the General Shareholders' Meeting).

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

4. The announcement of the call to meeting shall be published as much in advance as required by law, using at least the following media:
 - a) The Official Bulletin of the Commercial Registry (*Boletín Oficial del Registro Mercantil*) or one of the more widely circulated newspapers in Spain.
 - b) The website of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).
 - c) The Company's corporate website.
5. The shareholders at the General Shareholders' Meeting may not deliberate on or decide matters that are not included in the agenda of the call to meeting, unless otherwise provided by law.
6. The Board of Directors may request the presence of a notary public to assist with and draw up the minutes of the General Shareholders' Meeting. In any event, the Board must request the presence of a notary public under the circumstances provided by law.

Article 12. Supplement to the Call to Meeting and Submission of Well-founded Proposed Resolutions

1. Shareholders who individually or collectively represent at least three per cent of the share capital may:
 - a) Request the publication of a supplement to the call to the Annual General Shareholders' Meeting including one or more items in the agenda of the call to meeting, so long as the new items are accompanied by a rationale or, if applicable, by a well-founded proposed resolution.
 - b) Submit well-founded proposed resolutions regarding matters already included or that should be included in the agenda of the call to the General Shareholders' Meeting.

The written notice of the exercise of such rights shall specify the name or the corporate name of the requesting shareholder or shareholders, and there shall be attached thereto such documentation as evidences the status thereof as shareholder, in order for such information to be checked against that provided by "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U." (IBERCLEAR), as well as the text of the item or items proposed. Under the circumstances set forth in letter a), the Board of Directors may require that shareholders also attach the proposed resolution or resolutions and, if legally required, in the instances set forth in letters a) and b), the report or reports providing a rationale for the proposals.

2. The shareholders' rights mentioned in the preceding section must be exercised by duly authenticated notice sent to the Company's registered office within the periods provided by law.



3. The Company shall publicise the items on the agenda and/or the proposed resolutions submitted in accordance with the preceding sections as soon as possible, within the period established by law, and shall publish a new form of proxy and absentee voting card that takes them into account. The Company shall also ensure the dissemination of these proposed resolutions and any documentation attached thereto to the other shareholders, in accordance with the provisions of law.
4. At the time of the call to meeting, the Board of Directors shall make available to the shareholders all information additional to that required by law that it deems appropriate and that contributes to a better understanding by the shareholders with respect to the exercise of their rights in connection with the General Shareholders' Meeting and the matters to be dealt with thereat."

"Article 14. Corporate Website

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



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

"Article 16. Participation

- 1. The manner of exercising the rights of attendance, proxy-representation, deliberation and voting shall be determined by the Board of Directors in order to facilitate the participation of the largest number of shareholders at the meeting, regardless of their residence, and taking into account the method of holding the meeting, among other issues.
- 2. The Board of Directors shall adopt appropriate measures for these purposes in order to encourage maximum participation of the shareholders in the General Shareholders' Meeting, including, if appropriate, the implementation of various channels to attend, grant a proxy or cast an absentee vote prior to the meeting, the payment of financial incentives for participation pursuant to a predefined and public policy, and the delivery of promotional material or gifts with symbolic value to the shareholders participating in the General Shareholders' Meeting or to hold similar promotions. Any items remaining from the promotions or gifts may be used for social welfare purposes."

"Article 19. Right to Proxy Representation



1. Shareholders may exercise the right to attend personally or through proxy representation by another person, whether or not such person is a shareholder, by complying with the requirements of law and the Governance and Sustainability System.
2. The proxy may be granted by delivering to the proxy representative the proxy and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company, or by any of the following means, as determined by the Board of Directors:
 - a) Through the financial intermediary and management institutions and depositaries in which their shares are deposited, in order for said institutions to in turn cause the instructions received to be delivered to the Company.
 - b) Through the proxy form available on the Company's corporate website, using the instant authentication systems implemented by the Company, recognised electronic signature of the shareholder or other type of guarantee that the Company deems proper to ensure the authenticity and identification of the shareholder granting the proxy.

For these purposes, the use of the personal passwords that the Company has previously delivered to the shareholder by postal or electronic correspondence to the address that the shareholder has communicated to the Company or through any other form determined by the Board of Directors shall be deemed to be a proper assurance.
 - c) Advance delivery of the proxy and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company at the premises provided by the Company on the days announced on the Company's corporate website.
 - d) Sending the proxy and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company by postal correspondence addressed to the Company.
 - e) By any other means of remote communication (including communication by telephone) that the Board of Directors determines to favour the participation of the largest possible number of shareholders, provided that notice thereof is given on the corporate website at the time of publishing the announcement of the call to meeting, that it provides sufficient guarantees of the authenticity and identification of the shareholder granting the proxy, and, if appropriate, that it duly ensures the security of the communications.
3. A proxy granted by any of the means indicated in the preceding section must be received by the Company before 24:00 on the day immediately prior to the day on which the General Shareholders' Meeting is to be held on first call or on second call, as applicable.
4. The Board of Directors is authorised to further develop the foregoing provisions by establishing rules, means and procedures adjusted to current techniques in order to organise the grant of proxies by other means, in each case in accordance with the rules and regulations issued for such purpose.

Specifically, the Board of Directors may: (i) establish rules for the use of personal passwords and other safeguards other than electronic signatures and the instant authentication system for the grant of proxies by electronic correspondence or by other valid remote means of communication, as well as establish and regulate the appropriate safeguards in the case of telephone communication; (ii) reduce the advance period established above for receipt by the Company of proxies granted by postal or electronic correspondence or by other means of remote communication; and (iii) accept, and authorise



the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation therefrom to accept, proxies received after such period, to the extent allowed by the means available.

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

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

10. Before being appointed, the proxy representative shall provide detailed information to the shareholder regarding the existence of any conflict of interest. If the conflict is subsequent to the appointment and the shareholder granting the proxy has not been advised of the possible existence of such conflict, the proxy representative shall immediately inform the shareholder thereof. In both cases, if the proxy representative has not received new specific voting instructions regarding each of the matters on which the proxy representative has to vote on behalf of the shareholder, the proxy representative shall abstain from voting, without prejudice to the provisions of the following section.
11. Unless otherwise expressly indicated by the shareholder, if the proxy representative is affected by a conflict of interest and has no specific voting instructions, or if the proxy representative has them but it is deemed preferable that the proxy representative not exercise the proxy with respect to the items involved in the conflict of interest, the shareholder shall be deemed to have appointed the following persons as proxy representatives for such items, severally and successively, in the event that any of them



is in turn affected by a conflict of interest: first, the chair of the General Shareholders' Meeting, second, the secretary therefor, and finally, the deputy secretary of the Board of Directors, if any. In this latter event, if there are several deputy secretaries, the order to be used shall be the order established at the time of their appointment (first deputy secretary, second deputy secretary, etc.). The proxy representative so designated shall cast the vote in the direction deemed most favourable to the interests of the person represented thereby, within the framework of the corporate interest.

12. A proxy representative may hold the proxy of more than one shareholder without limitation as to the number of shareholders being represented, and exercise the corresponding voting rights pursuant to the provisions of Article 41.5 below.

Article 20. Proxy and Absentee Voting Cards

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

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

2. The proxy or voting instructions of the shareholders acting through intermediary and management institutions or depositaries may be received by the Company through any valid system or remote means of communication, signed by the shareholder or by the institution. The institutions may group together instructions received from shareholders and send them in a block to the Company, indicating the direction of such instructions.
3. If an intermediary or management institution or depositary sends to the Company a proxy and absentee voting card or verification instrument of a shareholder duly identified in the document and bearing the signature, stamp and/or mechanical impression of the institution, and unless the shareholder expressly indicates otherwise, it shall be deemed that the shareholder has instructed such institution to exercise the proxy or voting right, as applicable, in the direction indicated in such card or instrument evidencing the proxy or vote. If there are questions regarding such instructions, it shall be deemed that the shareholder grants the proxy to the chairman of the Board of Directors with the scope set forth in these Regulations and that the shareholder gives specific instructions to vote in favour of the proposals made by the Board of Directors in connection with the items on the agenda of the call to meeting.
4. In other respects, the other rules contained in the Governance and Sustainability System and those that may be established by the Board of Directors in order to further develop such rules shall apply to the proxies and to the absentee votes cast prior to the meeting referred to in this article.



5. All of the foregoing shall be without prejudice to the regulations applicable to the relations between financial intermediaries and their customers for purposes of the exercise of the rights to grant a proxy and to vote. The Company is only answerable to the entity or person validated as a shareholder pursuant to the book-entry register.

Article 21. Place of the Meeting

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

Attendance in person at the General Shareholders' Meeting shall in any case conform to the limitations arising from the space available at the venue and any ancillary venues at which the meeting may be held, the requirements for security and sustainability of the event, the proper operation of the computer systems and technology used, and the state of the art, as well as any other aspects that the Board of Directors deems relevant for the organisation of the General Meeting.

3. A General Shareholders' Meeting that is called to be held exclusively by remote means shall be deemed to be held at the registered office, regardless of where the chair of the General Shareholders' Meeting is located.

Article 22. Infrastructure, Equipment and Services

1. The premises, if any, to be used to hold the General Shareholders' Meeting shall have the personnel, technical equipment, and safety, assistance and emergency measures commensurate with the nature and location of the building and with the importance of the event. In addition, the premises for holding the General Shareholders' Meeting shall have the emergency and evacuation measures required by law, as well other measures deemed appropriate in light of the circumstances.
2. The Company may make available other licensed premises where the General Shareholders' Meeting can be held in the event of an emergency.
3. Appropriate controls and surveillance and protection measures, including systems for controlling access to the meeting, shall be established in order to ensure the safety of any attendees in person and the orderly conduct of the General Shareholders' Meeting.
4. Once the General Shareholders' Meeting has commenced, the attendees are prohibited from using voice amplification instruments, mobile phones, photographic equipment, audio and/or video recording and/or transmission equipment and in general any instrument that might alter the visibility, sound or lighting conditions of the proceedings, except to the extent authorised by the chair thereof.



5. If it is resolved that the General Shareholders' Meeting is to be held exclusively by remote means, the systems determined by the Board of Directors to attend the meeting must allow for the identification of attendees, the exercise of their rights and the proper conduct of the meeting.
6. The proceedings of the General Shareholders' Meeting shall be the subject of audiovisual recording, unless the chair of the General Shareholders' Meeting decides otherwise. They may also be the subject of storage and live or recorded broadcast by any means, including over the internet, and dissemination on social media, on the legal basis of the Company's legitimate interest in complying with best transparency practices. A data subject shall have the rights of access, rectification, objection, erasure and restriction of processing of the data collected by the Company on the terms established by law by sending a letter addressed to the registered office or to the Shareholder's Office (the postal address of which shall be provided by the Company for each Meeting) and at the e-mail address established by the Company for each Meeting. The data subject may also request more detailed information regarding the Company's privacy policy at the postal and electronic addresses indicated above.
7. Whenever reasonably possible, the Company shall endeavour to ensure that the premises, if any, at which the General Shareholders' Meeting is held have the means to allow access by persons with reduced mobility and the simultaneous interpretation of the proceedings into Euskera (Basque), English and those other languages that the Board of Directors deems appropriate. The Company shall also establish measures that facilitate participation in the General Shareholders' Meeting by attendees with auditory or visual limitations.
8. The Company may also make available to the shareholders any additional information that facilitates following the General Shareholders' Meeting, such as programmes for the meeting or any other documentation deemed useful for such purpose.

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

1. The Company shall have the workforce and technical equipment required to perform the monitoring and counting of the proxy and absentee voting cards.
2. On the day of the General Shareholders' Meeting, the premises, if any, indicated for the meeting shall be supplied with the personnel and technical equipment required to monitor the entry of those attending the meeting and to determine the quorum, prepare the list of attendees present in person and by proxy, and calculate the voting results.
3. In order to undertake such activities, the Company may, in accordance with applicable rules and regulations, ask "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U." (IBERCLEAR) to provide a list of the Company's shareholders and the number of shares appearing in the name of each shareholder."

"Article 27. Duties of the Chair of the General Shareholders' Meeting

1. The chair of the General Shareholders' Meeting, who is responsible for progress of the meeting, shall generally have the powers needed for such purposes (including those of order and discipline) and the following powers, among others:
 - a) To call the meeting to order.



- b) To verify that there is a valid quorum for the General Shareholders' Meeting and, if applicable, to declare it to be validly in session.
 - c) To report on the presence of a notary public, if any, to prepare the minutes of the meeting as a result of a request made by the Board of Directors for such purpose.
 - d) To make decisions regarding questions, requests for clarification, or claims raised with respect to the list of attendees, the identity and status of the shareholders and their proxy representatives, the authenticity and integrity of the proxy and absentee voting cards or relevant verification instruments, as well as all matters relating to the possible exclusion, suspension or limitation of political rights and, specifically, the right to vote pursuant to law and the By-Laws.
 - e) To grant the floor to executive directors or officers that the chair deems appropriate in order to address the shareholders at the General Shareholders' Meeting to report on the progress of the Company, as well as to present the results, goals and plans thereof. If the chair of the General Shareholders' Meeting has the status of executive director, such presentation may be made directly thereby, in whole or in part.
 - f) To organise and direct the progress of the meeting in accordance with the powers set forth in Article 36 below. To indicate the time for voting, establish the voting systems and procedures, determine the system for counting and calculating the votes, and announce the voting results.
 - g) To temporarily suspend the General Shareholders' Meeting and propose the continuation thereof.
 - h) To bring the meeting to a close.
2. The chair of the General Shareholders' Meeting may entrust the management of the debate to a director the chair deems appropriate, or to the secretary for the General Shareholders' Meeting, who shall carry out these duties on behalf of the chair, with the chair having the right to retake them at any time.
 3. The chair of the General Shareholders' Meeting may appoint a representative of the Company to make an organised presentation to the shareholders on those questions or considerations that the Company's shareholders –even if they are not in attendance or represented by proxy at the General Shareholders' Meeting– have submitted to the Company through other channels of participation and that the chair of the General Shareholders' Meeting deems appropriate to present.

Such representative may also present other issues raised by those attending the General Shareholders' Meeting who prefer to ask their questions of the representative for the latter to transmit them to the chair."

"Article 40. Early Voting; Powers to Engage in Proxy-Granting and Voting Prior to the Meeting

1. Shareholders may cast their absentee vote prior to the holding of the General Meeting regarding proposals relating to the items included in the agenda of the call to meeting by the means indicated in section 2 of Article 19 above. In all such cases, they shall be deemed to be present for purposes of the establishment of a quorum at the General Shareholders' Meeting.
2. In order to vote by postal correspondence, shareholders must send to the Company the duly completed and signed proxy and absentee voting card issued in their favour by the corresponding institution, setting forth thereon the direction of their vote, their abstention or their blank vote.



3. Votes through the form available on the corporate website shall be cast using the means referred to in letter b) of Article 19.2 above.
4. Votes cast by any of the means set forth in the preceding sections must be received by the Company before 24:00 on the day immediately prior to the day for the holding of the General Shareholders' Meeting on first call or second call, as applicable.
5. The absentee votes referred to in this article shall be rendered void:
 - a) By subsequent express revocation made by the same means used to cast the vote and within the period established for such voting.
 - b) By attendance at the meeting of the shareholder casting the vote.
 - c) If the shareholder validly grants a proxy within the established period after the date of casting the absentee vote.
6. If no express instructions are included when casting the absentee vote prior to the meeting, or instructions are included only with respect to some of the items on the agenda of the call to meeting, and unless expressly indicated otherwise by the shareholder, it shall be deemed that said absentee vote refers to all of the items included in the agenda of the call to the General Shareholders' Meeting and that the vote is in favour of the proposals made by the Board of Directors regarding the items included in the agenda of the call to meeting with respect to which no express instructions are included.
7. As regards proposed resolutions other than those submitted by the Board of Directors or regarding items not included in the agenda of the call to meeting, the shareholder casting an absentee vote prior to the meeting may grant a proxy using any of the means contemplated in these Regulations, in which case the rules established for such purpose shall apply to the proxy, which shall be deemed granted to the chairman of the Board of Directors unless expressly indicated otherwise by the shareholder.
8. The Board of Directors is authorised to further develop the rules, means and procedures adjusted to current techniques in order to organise the casting of votes by other means, in each case in accordance with the rules and regulations issued for such purpose.

Specifically, the Board of Directors may: (i) establish rules for the use of personal passwords and other guarantees other than electronic signatures and the instant authentication system for casting votes by electronic correspondence or by other valid remote means of communication, as well as establish and regulate the appropriate assurances in the case of telephone communication; (ii) reduce the advance period established above for receipt by the Company of absentee votes cast prior to the meeting by postal or electronic correspondence or by other means of remote communication; and (iii) accept, and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation from either of them to accept, absentee votes cast prior to the meeting that have been received after the period provided for the receipt thereof, to the extent allowed by the means available.

9. The Board of Directors is also authorised to further develop on a general basis the procedures for granting proxies and for absentee voting prior to the meeting, including the rules of priority and conflict applicable thereto. The implementing rules adopted by the Board of Directors under the provisions of this section shall be published on the Company's corporate website.



10. The chairman and the secretary of the Board of Directors or the chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from any of them, shall have the broadest powers to verify the identity of the shareholders and their representatives; check the legitimacy of the exercise of the rights of attendance, proxy-granting, information and voting by the shareholders and their representatives; check and accept the validity and effectiveness of the proxies and absentee votes cast prior to the meeting (particularly the proxy and absentee voting card or verification document or instrument for attendance or proxy-granting), as well as the validity and effectiveness of the instructions received through intermediary and management institutions or depositaries of shares, all in accordance with the provisions set forth in the Company's Governance and Sustainability System and in the rules that the Board of Directors may establish in order to further develop such provisions."

ITEM 9 ON THE AGENDA

Director Remuneration Policy

RESOLUTION

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

Pursuant to the provisions of Section 529 *novodecies.1* of the *Companies Act*, the new *Director Remuneration Policy* shall apply as from the date of its approval and during financial years 2025, 2026 and 2027.

ITEM 10 ON THE AGENDA

Engagement dividend: approval and payment

RESOLUTION

To approve the payment, as a shareholder engagement dividend linked to participation in the General Shareholders' Meeting, of a cash dividend, to be charged to unrestricted reserves, of €0.005 (gross) per outstanding share of "Iberdrola, S.A." (the "Company"), subject to the quorum for this General Meeting reaching 70% of the share capital of the Company (the "**Engagement Dividend**").

If the condition established for the payment of the Engagement Dividend is fulfilled, payment thereof will be made as from 20 May 2024 to those with shares of the Company registered in their name in the book-entry registers of "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR) on 10 May 2024 (the "record date").

The withholding required by legal provisions in effect at any given time shall be made from the gross amounts paid.

To delegate to the Board of Directors, with express power of substitution, the power to deem the condition precedent relating to the minimum quorum to which the Engagement Dividend is subject to have been met, and therefore to proceed with the payment thereof on the date set forth above if it finds that, even though



the quorum of 70% of the Company's share capital for this General Shareholders' Meeting has not been met, the participation of the shareholders in these proceedings has been sufficient to consider, in its opinion, that the goals sought with this instrument to encourage the engagement of the shareholders in the life of the Company have been met, as well as to make all decisions and take all actions necessary or advisable for the payment of the Engagement Dividend, including, in particular and without limitation, setting the terms and conditions of the payment as to all matters not previously provided for, appointing the entity that is to act as payment agent, and signing the corresponding contract under the terms and conditions it deems appropriate, setting up the current accounts for this purpose, making the appropriate communications and notifications, and generally taking any other action necessary or advisable for the successful completion of said payment.

ITEM 11 ON THE AGENDA

Allocation of profits/losses and 2023 dividends: approval and supplementary payment that will be made within the framework of the "Iberdrola Retribución Flexible" optional dividend system

RESOLUTION

To approve the proposed allocation of profits/losses and payment of dividends for financial year 2023 formulated by the Board of Directors at its meeting held on 20 February 2024, which is described below:

To approve the payment, with a charge to the results for the financial year ended 31 December 2023 and to the balance from prior financial years, of a dividend in the aggregate gross amount equal to the sum of the following amounts (the "**Dividend**"):

- a) €427,242,101.62, which was paid on account of the dividend for financial year 2023 on 31 January 2024 to the holders of 2,115,059,909 shares of "Iberdrola, S.A." (the "**Company**") who elected to receive their remuneration in cash within the framework of the second implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2023 by collecting an amount of €0.202 (gross) per share (the total amount paid to said holders will be referred to as the "**Total Interim Dividend**"); and
- b) the determinable amount resulting from multiplying:
 - i. the gross amount per share to be paid by the Company as a supplementary dividend payment for financial year 2023 within the framework of the first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2024 (the "**Supplementary Dividend**"), and which will be as determined by the Company's Board of Directors pursuant to the rules set forth in the section "Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 11, 12 and 13 on the agenda pursuant to which the "Iberdrola Retribución Flexible" optional dividend system is implemented" (the "**Common Terms**"); by
 - ii. the total number of shares with respect to which the holders thereof have elected to receive the Supplementary Dividend within the framework of the first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2024.

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

For the purposes hereof, it is hereby noted that the payment of the Supplementary Dividend shall be made together with the implementation of the increase in share capital submitted for approval of the shareholders



at the General Shareholders' Meeting under item 12 on the agenda, in order to offer the shareholders the ability to receive their remuneration in cash (by collecting the Supplementary Dividend) or in newly-issued bonus shares of the Company (through said increase in share capital).

The collection of the Supplementary Dividend provided for in this resolution is thus configured, in accordance with the Common Terms, as one of the alternatives that a shareholder of the Company can choose when receiving their remuneration within the framework of the first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2024. As a result of the foregoing, and as described below in the Common Terms, it shall be deemed that those shareholders choosing to receive their remuneration in cash through the Supplementary Dividend with respect to all or part of their shares expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares and therefore the ability to transfer them on the market or to receive the newly-issued bonus shares corresponding to said free-of-charge allocation rights.

The payment of the Supplementary Dividend, which is expected to become effective during the month of July 2024, shall be implemented through the participants in "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR), the Board of Directors being hereby authorised to establish the specific date for payment of the Supplementary Dividend, to designate the entity that is to act as paying agent and to take such other steps as may be required or appropriate for the successful completion of the payment.

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

Finally, pursuant to the provisions of Section 249 *bis.1)* of the *Companies Act*, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.

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

BASIS FOR DISTRIBUTION:

Balance from prior financial years: 10,102,988,556.65

Profits for financial year 2023: 5,065,681,237.24

TOTAL BASIS FOR DISTRIBUTION: 15,168,669,793.89

DISTRIBUTION:

To Dividend: Amount pending determination which will result from adding: (a) the Total Interim Dividend; and (b) the result of multiplying the Supplementary Dividend by the total number of shares with respect to which the holders thereof have elected to receive the Supplementary Dividend within the framework of the first implementation of the



“Iberdrola Retribución Flexible” optional dividend system for financial year 2024.

To remainder:

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

TOTAL: 15,168,669,793.89

On the date that the Board of Directors (or the body acting by delegation therefrom) decides to implement the increase in share capital that is being submitted for approval of the shareholders at the General Shareholders' Meeting under item 12 on the agenda (and therefore, to commence the first implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2024), the minimum amount of the Supplementary Dividend shall be announced. The final amount of the Supplementary Dividend shall be communicated as soon as the Board of Directors (or the body acting by delegation therefrom) determines it in accordance with the provisions of the Common Terms. Furthermore, once the first implementation of the “Iberdrola Retribución Flexible” optional dividend system for financial year 2024 is completed, the Board of Directors (with express power of substitution) shall proceed to specify the aforementioned proposed distribution, determining the final amount of the Dividend and the amount to be allocated to remainder.

The Common Terms include a sample calculation of the Supplementary Dividend, among other figures relating to the implementation of the increase in share capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 12 on the agenda.

ITEM 12 ON THE AGENDA

First increase in capital by means of a scrip issue at a maximum reference market value of €2,600 million in order to implement the “Iberdrola Retribución Flexible” optional dividend system

RESOLUTION

To increase the share capital of “Iberdrola, S.A.” (the “**Company**”) upon the terms and conditions described in the section below, entitled “Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 11, 12 and 13 on the agenda, pursuant to which the “Iberdrola Retribución Flexible” optional dividend system is implemented” (the “**Common Terms**”), at a maximum reference market value of €2,600 million for the shares to be issued in implementation of said increase.

The increase in share capital shall be implemented together with the supplementary payment of the dividend submitted for approval of the shareholders at the General Shareholders' Meeting under item 11 on the agenda, in order to offer the Company's shareholders the ability to receive their remuneration in cash (receiving said supplementary payment of the dividend) or in newly-issued bonus shares of the Company (through the increase in share capital). The delivery of bonus shares issued within the context of the increase in share capital is thus configured as one of the alternatives that a shareholder can choose when receiving their remuneration, pursuant to the provisions of the Common Terms.

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



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

This increase in share capital is expected to be implemented together with the supplementary payment of the dividend contemplated in item 11 on the agenda during the month of July 2024.

ITEM 13 ON THE AGENDA

Second increase in capital by means of a scrip issue at a maximum reference market value of €1,700 million in order to implement the “Iberdrola Retribución Flexible” optional dividend system

RESOLUTION

To increase the share capital of “Iberdrola, S.A.” (the “**Company**”) upon the terms and conditions described in the section below, entitled “Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 11, 12 and 13 on the agenda, pursuant to which the “Iberdrola Retribución Flexible” optional dividend system is implemented” (the “**Common Terms**”), at a maximum reference market value of €1,700 million for the shares to be issued in implementation of said increase.

The increase in share capital is expected to be implemented together with the payment of the interim dividend amount for financial year 2024, if any, to be approved by the Company’s Board of Directors (the “**Interim Dividend**”) in order to offer the Company’s shareholders the ability to receive their remuneration in cash (by collecting the Interim Dividend) or in newly-issued bonus shares of the Company (through the increase in share capital). The delivery of bonus shares issued within the context of the increase in share capital is thus configured as one of the alternatives that a shareholder can choose when receiving their remuneration, pursuant to the provisions of the Common Terms.

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

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

This increase in share capital is expected to be implemented together with the Interim Dividend payment during the month of January 2025.

COMMON TERMS AND CONDITIONS OF THE DIVIDEND PAYMENT AND INCREASE IN SHARE CAPITAL RESOLUTIONS PROPOSED UNDER ITEMS 11, 12 AND 13 ON THE AGENDA PURSUANT TO WHICH THE “IBERDROLA RETRIBUCIÓN FLEXIBLE” OPTIONAL DIVIDEND SYSTEM IS IMPLEMENTED

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

The purpose of the resolutions for the allocation of profits/losses and dividend payment and of the increase in share capital resolutions proposed under items 11, 12 and 13 on the agenda is to implement the “Iberdrola Retribución Flexible” optional dividend system for financial year 2024 pursuant to which the shareholders of “Iberdrola, S.A.” (the “**Company**”) are offered the ability to receive their remuneration in cash or in newly-issued bonus shares.



For this purpose, there shall be two implementations of said optional dividend system in each of which dividend payments shall be made (the “**Dividend Payments**”, and individually a “**Dividend Payment**”) along with the implementations of the increases in share capital (the “**Increases in Capital**”, and individually, an “**Increase in Capital**”) submitted for approval of the shareholders at the General Shareholders' Meeting under items number 12 and 13 on the agenda:

- (i) The first implementation, which is expected to take place during the month of July 2024 (the “**First Implementation**”), shall be carried out through the supplementary payment of the dividend for financial year 2023 contemplated in item 11 on the agenda (the “**Supplementary Dividend**”) together with the implementation of the Increase in Capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 12 on the agenda.
- (ii) The second implementation, which is expected to take place during the month of January 2025 (the “**Second Implementation**”, and collectively with the First Implementation, the “**Implementations**” and each of the Implementations, individually, an “**Implementation**”), shall be carried out through the payment of an interim amount of the dividend for financial year 2024 (the “**Interim Dividend**”) to be approved, if appropriate, by the Board of Directors pursuant to the provisions of section 2.2 below, together with the implementation of the Increase in Capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 13 on the agenda.

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

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

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

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

Within the year following the date of approval of the resolutions included in items 12 and 13 on the agenda, each of the Implementations may be made by the Board of Directors (with express power of substitution) at its sole discretion, and therefore without having to once again obtain the approval of the shareholders at a General Shareholders' Meeting, and based on the legal and financial conditions existing at the time of each Implementation, in order to offer the Company's shareholders a flexible and efficient remuneration formula.



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

In addition, the default option will apply to shareholders who do not communicate the flexible remuneration option chosen in respect of their different groups of shares during the Common Election Period, for which reason they will receive their remuneration through the delivery of new fully paid-up shares of the Company (i.e. the remuneration option referred to in paragraph (a) above).

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

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

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

The Company also rejects any liability of any kind as a result of the failure of the depositaries to transmit in due time and form the election requests made by the holders of free-of-charge allocation rights. In this regard, it should be noted that if the depositaries do not process the elections of the holders of free-of-charge allocation rights in a timely manner, they may receive the default flexible remuneration option (i.e. the delivery of new fully paid-up shares of the Company). Any claims on these grounds must be made directly to the depositaries.

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

2. Amount of the Dividends

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



Implementation

The gross amount to be paid to the shareholders as a Supplementary Dividend for each share of the Company with the right to receive it shall be determined within the context of the First Implementation by the Board of Directors (with express power of substitution), subject to the terms and conditions set forth in item 11 on the agenda and in this section (the “**Supplementary Dividend**”).

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

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

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

Moreover, after calculating the aggregate gross amount of the Supplementary Dividend, the aggregate total amount paid as a dividend with a charge to the results for the financial year ended 31 December 2023 pursuant to the provisions of item 11 on the agenda shall be determined and, in view of said amount, the amount of the total basis for distribution established in said item on the agenda to be allocated to remainder shall be specified, and the resulting proposed allocation of profits/losses and payment of the dividend for financial year 2023 shall be completed.

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



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

The gross amount to be paid as an Interim Dividend, if any, for each share of the Company with the right to receive it shall be as determined by the Board of Directors pursuant to the corresponding resolution to be adopted prior to 31 December 2024, and which will be subject in any event to confirmation that the Requirements have been met (the “**Interim Dividend**”).

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

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

After the Common Election Period for the Second Implementation, the Board of Directors (with express power of substitution) shall determine the aggregate gross amount in euros corresponding to the Dividend Payment for the Second Implementation and shall make payment thereof through the participants in IBERCLEAR. To this end, the Board of Directors (with express power of substitution) shall establish the specific date on which the Dividend Payment should occur, shall designate the entity that is to act as paying agent, and shall take such other steps as may be required or appropriate for the successful completion of the Dividend Payment. Furthermore, after calculating said aggregate gross amount corresponding to the Dividend Payment for the Second Implementation, the Board of Directors (with express power of substitution) shall, if applicable, rescind the resolution on payment of the Interim Dividend with respect to the amounts that were not paid to those shareholders who elected (expressly or implicitly) to receive newly-issued bonus shares of the Company or who sold their free-of-charge allocation rights on the market.

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

3. Purchase Commitment within the framework of the Second Implementation

If the Requirements are not met to pay the Interim Dividend within the framework of the Second Implementation (which circumstance shall be communicated to the market), the Company shall make the Purchase Commitment upon the terms described in this section in order to ensure that the shareholders can receive all or part of their remuneration in cash.

The Fixed Purchase Price shall be calculated by applying the formula used to determine the gross amount per share of the Interim Dividend (see section 4.1 below), such that the amount that would be received by



shareholders choosing this option would be equal to the amount they would have received if it had been possible to pay the Interim Dividend. The Fixed Purchase Price shall be calculated prior to the commencement of the trading period for the free-of-charge allocation rights of the second Increase in Capital and shall be published as soon as it is determined.

The Purchase Commitment assumed by the Company shall cover the free-of-charge allocation rights received by those who are registered as being entitled thereto in the book-entry registers of IBERCLEAR on the relevant date pursuant to the securities clearing and settlement rules from time to time in effect. The free-of-charge allocation rights acquired on the market during the trading period established for this purpose by the Board of Directors (or the body acting by delegation therefrom) shall not give the acquiring parties the right to enforce the Purchase Commitment or, therefore, to receive the Fixed Purchase Price. Therefore, the new holders of these rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may choose to receive the newly-issued bonus shares to which they are entitled at the end of the aforementioned trading period.

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

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

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

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

4. Common characteristics of the Increases in Capital

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

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

The Increases in Capital shall be entirely carried out with a charge to the reserves contemplated in Section 303.1 of the *Companies Act*. When implementing each of the Increases in Capital, the Board of Directors (with



express power of substitution) shall determine the reserve(s) to be used and the amount of such reserve(s) in accordance with the balance sheet used as a basis for the transaction.

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

Pursuant to the provisions of Section 311 of the *Companies Act*, the possibility of an incomplete allocation of the Increases in Capital is contemplated in the event that the Company, a company within its group, a shareholder or a third party waives all or part of the free-of-charge allocation rights to which they are entitled at the time of implementation of each of the Increases in Capital, for which reason, in the event of such waiver, the share capital shall be increased by the corresponding amount. For these purposes, it shall be deemed that those who have chosen to receive their remuneration in cash by means of collecting the Dividend in question with respect to all or part of their shares expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares, upon the terms and conditions set forth herein.

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

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

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

where:

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

TNShrs. = Number of shares of the Company outstanding on the date that the Board of Directors (with express power of substitution) resolves to implement the relevant Increase in Capital. In this regard, those shares of the Company that have previously been retired by virtue of the implementation of the resolution approving the reduction in share capital by means of the retirement of own shares submitted to the shareholders for approval at the General Shareholders' Meeting under item 14 on the agenda, even if the corresponding public instrument formalising the reduction in share capital has not been executed or is pending registration with the Commercial Registry, shall not be deemed to be outstanding shares of the Company; and

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

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

where:

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



For these purposes, “**Amount of the Option**” shall mean the maximum reference market value of the relevant Increase in Capital to be set by the Board of Directors (with express power of substitution) and which shall not be greater than the amount referred to in the proposed Increase in Capital resolutions submitted for the approval of the shareholders at the General Shareholders' Meeting under items 12 and 13 on the agenda (i.e. €2,600 and €1,700 million, respectively).

For its part, “**ListPri**” shall be the arithmetic mean of the average weighted listing prices of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market) for the five trading sessions determined by the Board of Directors (or the body acting by delegation therefrom) to set the number of free-of-charge allocation rights needed for the allocation of one New Share in the relevant Increase in Capital, rounding the result to the closest one-thousandth part of one euro.

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

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

$$\text{Dividend (or, if applicable, Fixed Purchase Price)} = \text{ListPri} / (\text{Num. rights} + 1)$$

4.2 Free-of-charge allocation rights

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

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

In the event that the number of free-of-charge allocation rights required for the allocation of one New Share (Num. rights) multiplied by the number of New Shares to be issued (NNS) results in a number that is lower than the number of outstanding shares of the Company on the date of Implementation of the corresponding Increase in Capital (TNShrs.), the Company (or any company within its group that holds shares of the Company) shall waive a number of free-of-charge allocation rights equal to the difference



between both figures for the sole purpose that the number of New Shares be a whole number and not a fraction.

The free-of-charge allocation rights shall be allocated to those who are registered as being entitled thereto in the book-entry registers of IBERCLEAR on the relevant date pursuant to the securities clearing and settlement rules from time to time in effect. In this regard, the Company will waive the free-of-charge allocation rights corresponding to the shares of the Company that have been retired prior to the date of Implementation of the corresponding Increase in Capital if said shares have not yet been removed from the book-entry registers of IBERCLEAR because the corresponding public instrument formalising the implementation of the resolution on the reduction in share capital, the approval of which is submitted to the shareholders at the General Shareholders' Meeting under item 14 on the agenda, has not yet been executed or is still pending registration.

The free-of-charge allocation rights shall be transferable upon the same terms as the shares from which they derive and may be traded on the market during such term as is established by the Board of Directors (with express power of substitution) in implementing the relevant Increase in Capital, which term shall not be less than fourteen calendar days. During such term, a sufficient number of free-of-charge allocation rights may be acquired on the market in the proportion required to receive New Shares.

Notwithstanding the foregoing, the free-of-charge allocation rights acquired on the market during the trading period established for this purpose shall not give the acquiring party the right to choose to receive the corresponding Dividend (or, if applicable, to enforce the Purchase Commitment and receive the Fixed Purchase Price). Therefore, the new holders of these free-of-charge allocation rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may choose to receive the fully paid-up New Shares to which they are entitled at the end of the aforementioned trading period.

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

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

In this case, it shall be deemed that those choosing to receive their remuneration in cash with respect to all or part of their shares expressly, automatically and irrevocably waive the free-of-



charge allocation rights corresponding to said shares and the ability to transfer them on the market. To this end, the participants in IBERCLEAR will block said free-of-charge allocation rights, which may not be transferred on the market and which shall automatically expire at the end of the trading period, without the holders thereof being entitled to receive New Shares.

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

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

The Company also rejects any liability of any kind as a result of the failure of the depositaries to transmit in due time and form the election requests made by the holders of free-of-charge allocation rights. In this regard, it should be noted that if the depositaries do not process the elections of the holders of free-of-charge allocation rights in a timely manner, they may receive the default flexible remuneration option (i.e. the delivery of new fully paid-up shares of the Company). Any claims on these grounds must be made directly to the depositaries.

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

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

The balance sheet used as a basis for the two Increases in Capital is the one for the financial year ended 31 December 2023, duly audited and submitted to the shareholders for approval at this General Shareholders' Meeting under item 1 on the agenda.

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

4.4 Representation of the New Shares

The New Shares will be represented by book entries, the book-entry registration of which is entrusted to IBERCLEAR and its participants.



4.5 Rights attaching to the New Shares

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

4.6 Shares on deposit

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

4.7 Application for admission to trading

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

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

5. Application of the "Iberdrola Retribución Flexible" optional dividend system. Implementations

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

Furthermore, it is expected that prior to 31 December 2024, the Board of Directors will determine the Interim Dividend to be paid for purposes of the Second Implementation as well as the other conditions applicable to the Interim Dividend, pursuant to the provisions of Section 277 of the *Companies Act*. To this end, and in accordance with the provisions of Section 161 of the *Companies Act*, the shareholders acting at this General Shareholders' Meeting hereby instruct the Board of Directors, if the Requirements are met, to approve the payment of the Interim Dividend and set the terms and conditions applicable to the corresponding Dividend Payment, all in order to carry out the Second Implementation.



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

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

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

- (a) The New Shares shall be allocated to those who, according to the book-entry registers maintained by IBERCLEAR and its participants, are the holders of free-of-charge allocation rights in the proportion resulting from section 4 above due to not having waived them on the terms provided above.
- (b) The period for trading the free-of-charge allocation rights shall be declared to have ended and the appropriation of the account(s) with a charge to which the relevant Increase in Capital will be implemented shall be formalised on the books in the respective amount, with which appropriation the Increase in Capital will be paid up.
- (c) The Company shall pay the Supplementary Dividend or the Interim Dividend (or, if the Requirements are not met within the framework of the Second Implementation, the Fixed Purchase Price), as applicable, to the shareholders that have expressly chosen this remuneration option within the period and subject to the terms and conditions determined for these purposes by the Board of Directors (with express power of substitution), pursuant to the provisions of section 2 above.

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

6. Delegation to carry out each of the Implementations

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

- (a) To set the date on which each of the Implementations must be carried out, which shall in any case be within a period of one year from the approval of this resolution, and to determine the specific schedule for each of the Implementations.



- (b) As regards each of the Implementations, to set the Amount of the Option, the amount of the Supplementary Dividend (in the case of the First Implementation), the number of New Shares and the number of free-of-charge allocation rights necessary for the allocation of one New Share, applying the rules established by this resolution for such purpose.
- (c) To determine the reserve(s), among those contemplated in this resolution, with a charge to which each of the Increases in Capital will be implemented.
- (d) To designate the company or companies that will assume the duties of agent and/or financial adviser in connection with each of the Implementations, and sign all required contracts and documents for such purpose. In particular, to appoint the entity that must act as paying agent in each of the Dividend Payments.
- (e) To determine the five trading sessions that will be used to set the "ListPri"; as well as to perform the mathematical calculations provided for in this resolution and thus to calculate and set the "ListPri", which shall be the arithmetic mean of the average weighted listing prices of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market) during said five trading sessions.
- (f) To set the duration of the periods for trading the free-of-charge allocation rights corresponding to each of the Increases in Capital.
- (g) As regards each of the Implementations, to set the specific duration of the Common Election Period and the terms and conditions under which the shareholders may state their preferences regarding the receipt of their remuneration (in cash or in New Shares).
- (h) After the Common Election Period for each Implementation has ended, to determine the aggregate gross amount in euros corresponding to the Dividend Payment in question and to make payment thereof through the participants in IBERCLEAR.
- (i) To declare the Increases in Capital to be closed and implemented, for such purpose setting the number of New Shares actually allocated in each of them, and therefore the amount by which the Company's share capital must be increased in accordance with the rules established by the shareholders at this General Shareholders' Meeting, as well as declare, if applicable, the existence of an incomplete allocation of each of the Increases in Capital.
- (j) To rescind the resolution on payment of the corresponding Dividend with respect to the amounts that were not paid to those shareholders who elected (expressly or implicitly) to receive New Shares.
- (k) In the case of the First Implementation, to determine the aggregate total amount to be paid as a dividend with a charge to the results for the financial year ended 31 December 2023 pursuant to the provisions of item 11 on the agenda (i.e. the final amount of the Supplementary Dividend), to specify, in view of said amount, the amount of the total basis for distribution established in said item on the agenda to be allocated to remainder, and to complete the resulting proposed allocation of profits/losses and payment of the dividend for financial year 2023.
- (l) In the case of the First Implementation and if the Board of Directors, with express power of substitution, does not deem it appropriate to implement it, in whole or in part, during said period, to determine the aggregate total amount that has been paid as a dividend with a charge to the results for the financial year ended 31 December 2023 (which shall be equal to the total amount paid on account of the dividend for said financial year), to specify the amount of the total basis for distribution



established in said item on the agenda to be allocated to remainder, and to complete the resulting proposed allocation of profits/losses and payment of the dividend for financial year 2023.

- (m) To amend the article of the *By-Laws* setting the share capital such that it reflects the amount of capital and the number of outstanding shares resulting from the implementation of the relevant Increase in Capital.
- (n) To waive, if appropriate, and in each of the Increases in Capital, free-of-charge allocation rights to subscribe New Shares for the sole purpose of facilitating that the number of New Shares be a whole number and not a fraction, as well as any free-of-charge allocation rights allocated to shares of the Company that have been retired prior to the date of implementation of the corresponding Increase in Capital if said shares have not yet been removed from the book-entry registers of IBERCLEAR because the corresponding public instrument formalising the implementation of the resolution approving the reduction in share capital, the approval of which is submitted to the shareholders at the General Shareholders' Meeting under item 14 on the agenda, has not yet been executed or is still pending registration.
- (o) If the Purchase Commitment must be honoured within the framework of the Second Implementation due to the Requirements for the payment of the Interim Dividend not having been met, to determine the acquisition by the Company of the corresponding free-of-charge allocation rights, set the period of time during which the Purchase Commitment will be in effect (within the limits established in the resolutions), honour the Purchase Commitment by paying the corresponding amounts to the shareholders who have accepted said commitment, waive the free-of-charge allocation rights owned by the Company at the end of the trading period of the Second Implementation as a result of the Purchase Commitment, and thus the New Shares corresponding to such rights, and take any other measures or actions needed to fully honour the Purchase Commitment.
- (p) To take all steps required for the New Shares to be included in the book-entry registers of IBERCLEAR and admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (Continuous Market) after each of the Increases in Capital.
- (q) To take any actions that are necessary or appropriate to implement and formalise each of the Increases in Capital before any Spanish or foreign public or private entities or agencies, including acts for purposes of representation, supplementation, or correction of defects or omissions that might prevent or hinder the full effectiveness of the foregoing resolutions.
- (r) To approve and implement such technical or other mechanisms as IBERCLEAR and the IBERCLEAR participants may deem necessary or appropriate in order to make any corresponding payment on account.

7. Sample calculation relating to the First Implementation

Set out below, solely for purposes of facilitating an understanding of the application hereof, is a sample calculation, in the case of the First Implementation, of the maximum number of New Shares to be issued in the Increase in Capital submitted for the approval of the shareholders at the General Shareholders' Meeting under item 12 on the agenda, of the maximum nominal value of such increase, of the number of free-of-charge allocation rights required for the allocation of one new share and of the Dividend (which in this First Implementation would be the Supplementary Dividend).

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

Solely for the purposes of this example:

- The Amount of the Option is €2,280 million.
- The TNShrs. is 6,240,000,000¹.
- A ListPri of €10.960 is assumed (solely for the purposes of this example, the listing price of the Company's shares at the closing of the trading session of 13 March 2024 has been used as a reference).

Therefore:

Provisional number of shares = Amount of the Option / ListPri	$2,280,000,000 / 10.960 = 208,029,197.080292 \approx 208,029,197$ shares (rounded downwards)
Num. rights = TNShrs. / Provisional number of shares	$6,240,000,000 / 208,029,197 = 29.9957894852615000 \approx 30$ rights (rounded upwards)
NNS = TNShrs. / Num. rights	$6,240,000,000 / 30 = 208,000,000$ shares
Dividend = ListPri / (Num. rights +1)	$10.960 / (30 + 1) = 0.354$ euro

Therefore:

- (i) The maximum number of New Shares to be issued in the First Implementation would be 208,000,000.
- (ii) The maximum nominal amount of the Increase in Capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 12 on the agenda would be €156,000,000.00 (208,000,000 x 0.75).
- (iii) 30 free-of-charge allocation rights (or old shares) would be necessary for the allocation of one new share.
- (iv) In this example, the Supplementary Dividend would be equal to 0.354 euros (gross) per share.

¹ For purposes of this example, it is assumed that this would be the total number of shares of the Company outstanding after the implementation of the reduction in share capital provided for in the resolution corresponding to item 14 on the agenda if it is implemented in the total maximum amount thereof (i.e. 6,240,000,000 outstanding shares of the Company).



ITEM 14 ON THE AGENDA

Reduction in capital by means of the retirement of a maximum of 183,299,000 own shares (2.854% of the share capital)**RESOLUTION****1. Reduction in share capital by means of the retirement of own shares**

To reduce the share capital of "Iberdrola, S.A." (the "**Company**") by a maximum of €137,474,250.00 through the retirement of a maximum of 183,299,000 own shares, each with a nominal value of €0.75, representing not more than 2.854% of the share capital at the time of the approval of the corresponding resolution by the shareholders at the General Shareholders' Meeting (the "**Reduction in Capital**").

The Reduction in Capital shall be implemented by means of:

- i. The acquisition of shares for their retirement through:
 - (i) the implementation of a programme for the buy-back of own shares, targeted at all the shareholders, approved by the Board of Directors at its meeting held on 19 March 2024² (the "**Buy-back Programme**"), which will be launched following the call to the General Shareholders' Meeting; and
 - (ii) the settlement of certain derivatives acquired by the Company prior to the date on which the Board of Directors (or the body acting by delegation therefrom) launches the Buy-back Programme (the "**Settlement of Derivatives**").
- ii. The retirement of own shares in treasury following the close of the trading session on the day before the Board of Directors (or the body acting by delegation therefrom) launches the Buy-back Programme (the "**Treasury Shares**").

The Company shall communicate both the approval and the launch of the Buy-back Programme to the market by issuing the corresponding notices of other relevant information, which shall be published on the corporate website (www.iberdrola.com) and on the website of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) (www.cnmv.es).

The terms and conditions of the Buy-back Programme (including the setting of the maximum number of shares to be acquired within the framework thereof and its effective period), the maximum potential amount of the Settlement of Derivatives, and the final figures for the Treasury Shares and the Reduction in Capital shall be set by the Company's Board of Directors (with express power of substitution).

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

² Pursuant to: (i) *Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures* (the "**Regulations**"); and (ii) the authorisation granted by the shareholders at the General Shareholders' Meeting held on second call on 17 June 2022 under item 19 on the agenda.



2. Procedure for acquisition of the shares that will be retired

The total number of shares that the Company will be able to retire will be the result of adding: (a) the shares acquired through the Buy-back Programme and the Settlement of Derivatives; and (b) the Treasury Shares. This number will be a maximum of 183,299,000 own shares, each with a nominal value of €0.75, representing not more than 2.854% of the Company's share capital (the "**Maximum Limit**").

As provided in the resolution of the Board of Directors approved at its meeting held on 19 March 2024, own shares shall be acquired within the framework of the Buy-back Programme subject to the terms as to price and volume established in the Regulations.

In order to observe the Maximum Limit in any case, an overall limitation would apply to the maximum number of shares to be retired that have been acquired in implementation of the Buy-back Programme and pursuant to the Settlement of Derivatives (the "**Overall Limit**").

Thus, if the number of shares acquired in implementation of the Buy-back Programme and by virtue of the Settlement of Derivatives does not exceed the Overall Limit, pursuant to Section 340.3 of the *Companies Act* it would be deemed that the share capital of the Company is reduced by the sum of the Treasury Shares and the total number of shares acquired in implementation of the Buy-back Programme and by virtue of the Settlement of Derivatives.

However, if the shares acquired in implementation of the Buy-back Programme and pursuant to the Settlement of Derivatives do exceed the Overall Limit, the Treasury Shares and all of the own shares acquired in implementation of the Buy-back Programme would be retired. On the other hand, a number equal to the difference between the Overall Limit and the shares actually acquired in implementation of the Buy-back Programme would be retired from the own shares acquired pursuant to the Settlement of Derivatives. In this way, the remainder of any own shares acquired as a result of the Settlement of Derivatives would not be subject to retirement upon the Reduction in Capital and will remain in treasury, always within the limits provided by applicable law.

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

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

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

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



4. Ratification of the resolutions of the Board of Directors

To ratify both the resolutions of the Board of Directors regarding the approval of the Buy-back Programme as well as the actions, statements and formalities regarding the public communication of the Buy-back Programme to date.

5. Delegation of powers

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

- (a) To perform any acts, make any statements or take any steps that may be required in connection with the public communication of the Buy-back Programme and with the formalities, if any, that must be carried out at Spanish regulatory agencies and Stock Exchanges; and negotiate, agree to and sign all contracts, agreements, commitments or instructions that may be necessary or appropriate for the successful completion of the Buy-back Programme.
- (b) To cause all announcements required by law to be published, acquire the shares under the Buy-back Programme and retire them within one month following the expiration of the Buy-back Programme, in accordance with the terms approved herein.
- (c) To declare the approved Reduction in Capital to be completed and implemented, establishing, for such purpose, the final number of shares that must be retired and, as a result, the amount by which the share capital of the Company must be reduced in accordance with the terms established in this resolution.
- (d) To set the final amount of the Reduction in Capital based on the provisions of this resolution and establish any other terms that may be required to implement it, including, without limitation, the setting of unrestricted reserves account that will be used to fund the retired capital reserve, all in accordance with the terms and conditions set forth above.
- (e) To amend Article 10 of the *By-Laws* setting the share capital such that it reflects the amount of share capital and the number of outstanding shares resulting from the implementation of the Reduction in Capital.
- (f) To take such steps and carry out such formalities as may be required and submit such documents as may be necessary to the competent bodies such that, once the shares of the Company have been retired and the notarial instrument for the Reduction in Capital has been executed and registered with the Commercial Registry, the retired shares are delisted from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market), and they are removed from the corresponding book-entry registers of "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR).
- (g) To perform all acts that may be necessary or appropriate to implement and formalise the Reduction in Capital before any Spanish or foreign public or private entities and agencies, including acts for purposes of representation, supplementation, or correction of defects or omissions that might prevent or hinder the full effectiveness of the foregoing resolutions.



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

ITEM 15 ON THE AGENDA

Consultative vote on the *Annual Director and Officer Remuneration Report 2023*

RESOLUTION

To approve, on a consultative basis, the *Annual Director and Officer Remuneration Report* for financial year 2023.

ITEM 16 ON THE AGENDA

Re-election of Ms Nicola Mary Brewer as an independent director

RESOLUTION

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

ITEM 17 ON THE AGENDA

Re-election of Ms Regina Helena Jorge Nunes as an independent director

RESOLUTION

To re-elect Ms Regina Helena Jorge Nunes as a director, upon a proposal of the Appointments Committee, for the by-law mandated four-year term and with the classification of independent director.

ITEM 18 ON THE AGENDA

Re-election of Mr Iñigo Víctor de Oriol Ibarra as an external director

RESOLUTION

To re-elect Mr Iñigo Víctor de Oriol Ibarra as a director, after a report from the Appointments Committee, for the by-law mandated four-year term and with the classification of other external director.



ITEM 19 ON THE AGENDA

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

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

ITEM 20 ON THE AGENDA

Authorisation to increase the share capital on the terms and within the limits provided by law, for a maximum period of five years and with the power to exclude pre-emptive rights, limited to an aggregate maximum of 10% of the share capital.**RESOLUTION**

To authorise the Board of Directors to increase the share capital on one or more occasions and at any time upon the terms and within the limits set out in Section 297.1.b) of the *Companies Act*, i.e. within a term of five years from the date of approval of this resolution and by up to one-half of the current share capital.

Increases in share capital under this authorisation shall be carried out through the issuance and flotation of new shares with or without a premium the consideration for which shall be cash contributions.

In each increase, the Board of Directors shall decide whether the new shares to be issued are ordinary, preferred, redeemable, non-voting or any other kinds of shares among those permitted by law.

As to all matters not otherwise contemplated, the Board of Directors may establish the terms and conditions of the increases in share capital and the characteristics of the shares, and may also freely offer the new shares that are not subscribed for within the period or periods for the exercise of pre-emptive rights. The Board of Directors may also resolve that, in the event of incomplete subscription, the share capital shall be increased only by the amount of the subscriptions made, and amend the article of the *By-Laws* relating to share capital.

In connection with the increases in share capital that may be carried out under this authorisation, the Board of Directors is authorised to totally or partially exclude pre-emptive rights as permitted by Section 506 of the *Companies Act*, provided, however, that such power shall be limited to increases in share capital carried out pursuant to this authorisation and to the authorisation contemplated in item 21 on the agenda up to a maximum amount equal, in the aggregate, to 10% of the share capital on the date this resolution is adopted.

The Company shall, when appropriate, make application for the admission to trading of the shares issued under this authorisation on Spanish or foreign, official or unofficial, organised or other secondary markets, and the Board of Directors shall be authorised to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.

Pursuant to the provisions of Section 249.2 of the *Companies Act*, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.

This resolution deprives of effect the power to increase the share capital on one or more occasions and at any time upon the terms and within the limits set out in Section 297.1.b) of the *Companies Act*, granted to the



Board of Directors by the shareholders acting at the General Shareholders' Meeting held on 2 April 2020 under item twenty-two on the agenda.

ITEM 21 ON THE AGENDA

Authorisation to issue bonds exchangeable and/or convertible into shares and warrants, in an amount of up to €5,000 million and a maximum term of five years, with the power to exclude preemptive rights, limited to an aggregate maximum of 10% of the share capital

RESOLUTION

1. Authorisation to the Board of Directors to Issue Securities

To authorise the Board of Directors to issue debentures and bonds exchangeable for shares of the Company or of any other company and/or convertible into shares of the Company, as well as warrants (options to subscribe for new shares of the Company or to acquire outstanding shares of the Company or of any other company).

2. Term

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

3. Maximum Amount

The maximum total amount of the issuance(s) of securities approved under this authorisation shall be up to €5,000 million or the equivalent thereof in another currency. For purposes of calculation of the aforementioned limit, in the case of warrants, the sum of the premiums and exercise prices of the warrants on issuances approved under this authorisation shall be taken into account.

4. Scope

For each issuance, the Board of Directors shall be authorised to, among other things, determine the amount thereof, always within the above-mentioned overall quantitative limit, the place of issuance (in Spain or abroad) and the domestic or foreign currency and, in the case of foreign currency, its equivalence in euros; the specific instrument to be issued, whether bonds or debentures, including subordinated bonds or debentures, warrants (which may in turn be settled by means of the physical delivery of the shares or, if applicable, through the payment of differences in price), or any other form permitted by law; the date or dates of issuance; the number of securities and the nominal value thereof, which, in the case of convertible and/or exchangeable bonds or debentures, shall not be less than the par value of the shares; in the case of warrants and similar securities, the issue price and/or premium, the exercise price (which may be fixed or variable) and the procedure, period and other terms and conditions applicable to the exercise of the right to subscribe for the underlying shares or, if applicable, the exclusion of such right; the interest rate (whether fixed or variable); the dates and procedures for payment of the coupon; whether the instrument issued is perpetual or subject to repayment and, in the latter case, the period for repayment and the maturity date or dates; guarantees, reimbursement rate, premiums and lots; the form of representation, as securities or book entries; the establishment of anti-dilution provisions; the rules applicable to subscription; the rank of the securities and



the subordination clauses, if any; the law applicable to the issuance; the power to make application, where appropriate, for the trading of the securities to be issued on Spanish or foreign, official or unofficial, organised or other secondary markets, subject to the requirements established by applicable regulations in each case and, in general, any other terms of the issuance, as well as, if applicable, the appointment of the security-holders' syndicate representative (*comisario*) and the approval of the basic rules that are to govern the legal relations between the Company and the syndicate of holders of the securities to be issued in the event that such syndicate must or is decided to be created.

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

5. Basis for and Terms and Conditions Applicable to the Conversion and/or Exchange

In the case of issuance of convertible and/or exchangeable debentures or bonds, and for purposes of determining the terms and conditions for conversion and/or exchange, it is resolved to establish the following standards:

- (a) The securities issued pursuant to this resolution shall be exchangeable for shares of the Company or of any other company and/or convertible into shares of the Company, in accordance with a fixed or variable conversion and/or exchange ratio determined or to be determined, with the Board of Directors being authorised to determine whether they are convertible and/or exchangeable, as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable, and if voluntarily, at the option of the holder thereof or of the Company, at the intervals, and during the period established in the resolution providing for the issuance and which, without prejudice to perpetual issuances, may not exceed thirty years from the date of issuance.
- (b) In the event that the issue is convertible and/or exchangeable, the Board of Directors may also provide that the issuer reserves the right at any time to elect between conversion into new shares or the exchange thereof for outstanding shares of the Company, with the nature of the shares to be delivered being determined at the time of conversion or exchange, and may also elect to deliver a combination of newly-issued shares and existing shares of the Company and even to pay the difference in cash. In any event, the issuer shall afford equal treatment to all holders of fixed-income securities converting and/or exchanging their securities on the same date.
- (c) For purposes of the conversion and/or exchange, the securities shall be valued at the nominal amount thereof and the shares at the fixed exchange ratio established in the resolution of the Board of Directors making use of this authorisation, or at the variable ratio to be determined on the date or dates specified in the resolution of the Board, based on the listing price of the Company's shares on the date(s) or during the period(s) used as a reference in such resolution. In any event, the fixed ratio thus determined may not be less than the average exchange ratio for the shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market), in accordance with closing listing prices during a period to be set by the Board of Directors, which shall not be greater than three months or less than five calendar days prior to the date of approval by the Board of Directors of



the resolution providing for the issuance of the fixed-income securities or prior to the date of payment of the securities by the subscribers, at a premium or at a discount, as the case may be, on such price per share, provided, however, that if a discount on the price per share is established, it shall not be greater than 25% of the value of the shares used as a reference as set forth above.

- (d) It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange shall be the arithmetic mean of the closing prices of the shares of the Company on the Continuous Market during a period to be determined by the Board of Directors, which shall not be greater than three months or less than five calendar days prior to the date of conversion and/or exchange, at a premium or at a discount, as the case may be, on such price per share. The premium or discount may be different for each date of conversion and/or exchange of each issuance (or for each tranche of an issuance, if any), provided, however, that if a discount is established on the price per share, it shall not be greater than 25% of the value of the shares used as a reference as set forth above.
- (e) Whenever a conversion and/or exchange is admissible, any fractional shares to be delivered to the holder of the debentures or bonds shall be rounded downwards by default to the immediately lower integer, and each holder shall receive in cash, if so provided in the terms of issuance, any difference that may arise in such case.
- (f) In no event may the value of the shares for purposes of the ratio for conversion of debentures into shares be less than the par value thereof. Furthermore, debentures may not be converted into shares if the nominal value of the former is less than that of the latter.
- (g) When approving an issuance of convertible and/or exchangeable debentures or bonds under the authorisation granted in this resolution, the Board of Directors shall issue a directors' report, elaborating on and specifying, on the basis of the standards described above, the basis and terms and conditions for conversion and/or exchange that are specifically applicable to the respective issuance. This report shall be accompanied by the corresponding audit report as provided by law.

6. Basis for and terms and conditions applicable to the exercise of warrants and other similar securities

In the case of issuance of warrants, it is resolved to establish the following standards:

- (a) In the case of issuances of warrants, to which the provisions of the *Companies Act* on convertible debentures shall apply by analogy, the Board of Directors is authorised to determine, in the broadest terms, in connection with the basis for and terms and conditions applicable to the exercise of such warrants, the standards applicable to the exercise of rights to subscribe for or acquire shares of the Company or of another company, or to a combination thereof, arising from the securities of this kind issued under this authorisation. The standards set forth in section 5 above shall apply to such issuances, with such adjustments as may be necessary in order to bring them into compliance with the legal and financial rules governing these kinds of securities.
- (b) The preceding standards shall apply, with any changes that may be required and to the extent applicable, to the issuance of fixed-income securities (or warrants) that are exchangeable for shares of other



companies. Where appropriate, all references to the Spanish Stock Exchanges shall be deemed made to the markets, if any, on which the respective shares are listed.

7. Admission to trading

The Company shall, when appropriate, make application for the admission to trading of the convertible and/or exchangeable debentures and/or bonds or warrants issued by the Company under this authorisation on Spanish or foreign, official or unofficial, organised or other secondary markets, and the Board of Directors shall be authorised as broadly as required to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets. It is expressly stated for the record that if application is subsequently made for delisting, it shall be made in compliance with the same formalities as the application for listing, to the extent any such formalities are required, and in such case, the interests of the shareholders or debenture-holders opposing or not voting in favour of the resolution shall be safeguarded as provided by applicable law.

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

8. Guarantee in Support of Issuances of Convertible and/or Exchangeable Fixed-income Securities or Warrants by Subsidiaries

The Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issuances of convertible and/or exchangeable fixed-income securities or warrants carried out by subsidiaries during the effective period of this resolution.

9. Delegation of Powers to the Board of Directors

This authorisation to the Board of Directors also includes, without limitation, the delegation thereto of the following powers:

- (a) The power of the Board of Directors, pursuant to the provisions of Section 511 of the *Companies Act*, to totally or partially exclude the pre-emptive rights of the shareholders. In any event, if the Board of Directors decides to exclude the pre-emptive rights of the shareholders in connection with any specific issuance of convertible bonds or debentures, warrants and other securities similar thereto that it ultimately decides to effect under this authorisation, the Board shall issue, at the time of approval of the issuance and pursuant to applicable laws and regulations, a report setting forth the specific reasons based on the corporate interest that justify such measure, on which there shall be prepared the corresponding report of a statutory auditor appointed by the Commercial Registry other than the Company's auditor, as mentioned in Sections 414 and 511 of the *Companies Act*. Such reports shall be made available to the shareholders and disclosed at the first General Shareholders' Meeting that is held following approval of the resolution providing for the issuance. This power shall in any event be limited to those increases in capital carried out pursuant to this authorisation and to the authorisation contemplated in item 20 of the agenda up to a maximum amount equal, in the aggregate, to 10% of the share capital on the date of adoption of this resolution.



- (b) The power to increase share capital in the amount required to accommodate requests for conversion and/or for exercise of the right to subscribe for shares. Such power may only be exercised to the extent that the Board of Directors, adding the increase in capital effected to accommodate the issuance of convertible debentures, warrants and other similar securities and the other increases in capital approved under authorisations granted by the shareholders at this General Shareholders' Meeting, does not exceed the limit of one-half of the amount of the share capital provided by Section 297.1.b) of the *Companies Act*. This authorisation to increase capital includes the authorisation to issue and float, on one or more occasions, the shares representing such capital that are necessary to carry out the conversion and/or to exercise the right to subscribe for shares, as well as the power to amend the article of the *By-Laws* relating to the amount of the share capital and, if appropriate, to cancel the portion of such increase in capital that was not required for the conversion and/or the exercise of the right to subscribe for shares.
- (c) The power to elaborate on and specify the basis for and terms and conditions applicable to the conversion, exchange and/or exercise of the rights to subscribe for and/or acquire shares arising from the securities to be issued, taking into account the standards set out in sections 5 and 6 above.

Pursuant to the provisions of Section 249.2 of the *Companies Act*, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.

10. Revocation of Current Authorisation

This resolution deprives of effect the authorisation to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company and warrants on newly-issued or outstanding shares of the Company granted to the Board of Directors by the shareholders at the General Shareholders' Meeting held on 2 April 2020 under item twenty-three on the agenda.

ITEM 22 ON THE AGENDA

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

RESOLUTION

Without prejudice to the powers delegated in the preceding resolutions, to authorise the Board of Directors, the Executive Committee, the executive chairman, the chief executive officer, the general secretary and secretary of the Board of Directors and the deputy secretary of the Board of Directors of "Iberdrola, S.A." (the "**Company**") such that any of them, acting severally, may:

- (a) Formalise and convert into public instruments the resolutions adopted by the shareholders at this General Shareholders' Meeting, further developing, clarifying, specifying, interpreting, completing and correcting them, carrying out such acts or legal transactions as may be necessary or appropriate for the implementation thereof, execute such public or private documents as they deem necessary or appropriate for the full effectiveness thereof, and correct all omissions, defects or errors, whether substantive or otherwise, that might prevent the recording thereof with the Commercial Registry.
- (b) Approve or vote in favour of the approval of the annual financial information for the financial year ended 31 December 2023 of the country subholding companies and the other subsidiaries of the Company, which form part of the scope of consolidation of its annual financial statements.



- (c) Deposit with the Commercial Registry the separate annual financial statements of the Company and the annual financial statements thereof consolidated with those of its subsidiaries, as well as the corresponding directors' and audit reports.
- (d) Deposit the *Statement of Non-Financial Information. Sustainability Report* for the financial year ended 31 December 2023 with the Commercial Registry as well as with the bodies it deems appropriate.
- (e) Prepare the restated text of the *By-Laws*, including the amendments approved at this General Shareholders' Meeting, as well as any textual adjustments required to align the content thereof.
- (f) In the exercise of the powers vested therein by the Governance and Sustainability System, approve the appropriate changes in the other internal rules and policies of the Company to conform the text thereof to the changes made to the *By-Laws*.
- (g) Manage the payment of the engagement dividend referred to in item 10 on the agenda.
- (h) Implement the resolutions regarding shareholder remuneration referred to in items 11, 12 and 13 on the agenda, in accordance with the provisions of the *Shareholder Remuneration Policy*.
- (i) Implement the resolution regarding the reduction in share capital referred to in item 14 on the agenda, in accordance with the provisions of the *Shareholder Remuneration Policy*.
- (j) Register with the Commercial Registry the resolutions regarding the composition of the Board of Directors referred to in items 16 to 18 on the agenda.
- (k) In compliance with the provisions of Article 16 of the *Regulations for the General Shareholders' Meeting*, donate to a non-profit organisation or allocate to any other social objective deemed appropriate any remaining promotional materials or gifts of symbolic value delivered to encourage shareholder participation in the General Meeting.
- (l) In accordance with the provisions of the Company's *Sustainable Management Policy*, obtain and become aware of the opinions and expectations of its shareholders and its other Stakeholders affected by the General Shareholders' Meeting regarding the organisation of the event and, if applicable, identify opportunities for improvement for the holding of subsequent meetings.
- (m) Determine all other circumstances that may be required, adopt and implement the necessary resolutions, publish the notices and provide the guarantees that may be appropriate for the purposes established by law, as well as formalise the required documents, carry out all necessary proceedings and comply with all requirements under the law for the full effectiveness of the resolutions adopted by the shareholders at this General Shareholders' Meeting.
- (n) Delegate all or any of the powers enumerated in this resolution and those expressly granted thereto by the shareholders at this General Shareholders' Meeting in the resolutions adopted under the foregoing items on the agenda, to the extent allowed by law, to the persons they deem appropriate.

In Bilbao, on 19 March 2024.



General Shareholders' Meeting

17 May 2024

Sustainable
Event



Committed



Report of the Board of Directors

Proposed Amendments of the *By-Laws*
and of the *Regulations for the General Shareholders' Meeting*



REPORT PREPARED BY THE BOARD OF DIRECTORS OF "IBERDROLA, S.A." REGARDING THE PROPOSED AMENDMENTS OF THE *BY-LAWS* AND OF THE *REGULATIONS FOR THE GENERAL SHAREHOLDERS' MEETING* INCLUDED IN ITEMS 6, 7 AND 8 ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING

1. Object of the report

This report has been prepared by the Board of Directors of "Iberdrola, S.A." (the "**Company**") in order to provide a rationale for the proposed amendments of the *By-Laws* and of the *Regulations for the General Shareholders' Meeting* (the "**Regulations**") included in items 6, 7 and 8 on the agenda.

The Board of Directors has prepared this report setting forth the purpose of and rationale for each of said proposed amendments of the *By-Laws* and of the *Regulations*, attaching such proposed amendments below.

In addition, to help the shareholders compare the new text of the articles of the *By-Laws* and of the *Regulations* proposed to be amended and the text currently in effect, attached to this report as an annex is a verbatim transcription of both texts organised in a two-column table, for information purposes. The text contained in the right-hand column shows the changes proposed to be made to the text in force, which is contained in the left-hand column.

2. Purpose of and rationale for the proposals

The amendment of the *By-Laws* and of the *Regulations* being submitted for the approval of the shareholders at the General Shareholders' Meeting under items 6, 7 and 8 on the agenda has the following main purposes:

- (a) to more clearly differentiate the references to "Iberdrola, S.A." and to the "Iberdrola Group";
- (b) to strengthen the continuous and ongoing engagement of the shareholders in company life throughout the year, updating the rules governing attendance at the General Meeting and establishing channels for dialogue, information, participation and interaction between the Company and its shareholders, in order to encourage their continuous, effective and sustainable involvement in the Company; and
- (c) to make formal and drafting adjustments.

A detailed description of the rationale for the amendments affecting each article or group of articles of the aforementioned *By-Laws* and of the *Regulations* is set forth in the sections below.

2.1. Differentiation between "Iberdrola, S.A." and the "Iberdrola Group"

The purpose of this proposed amendment of the *By-Laws* is to strengthen the Company's own identity and to differentiate it from the Group structure by revising the scope of the references to the Iberdrola Group as a



group of companies comprising the Company and the other companies included in the corporate group of which the Company is the controlling entity, within the meaning established by law (the “**Iberdrola Group**” or the “**Group**”).

This proposal falls within the framework of the reform implemented by the Board of Directors to contextualise in the documents, policies and rules of the Governance and Sustainability System in order to more precisely define the decentralised structure and the autonomy and independence of the duties and responsibilities of the decision-making bodies of the Group’s companies.

In this regard, the Company is structured as an independent entity, with its own legal personality, of an open nature, with an institutional reach, listed on the stock markets, which acts as the holding company of a multinational group of companies through the holding of equity interests in the country subholding companies, which in turn group together the equity interests in the head of business companies.

For its part, the Iberdrola Group, which is made up of the Company and the other companies of the Group, which share the corporate interest, purpose and values, as well as some of the same ethical principles, and which operate in a coordinated and autonomous manner through their own governance bodies and on a corporate and governance structure designed on three levels (holding, sub-holding and head of business companies), has no legal personality separate from that of each of the companies that comprise it and has no management bodies or positions of its own.

Within this context, the Board of Directors proposes to the shareholders at the General Shareholders’ Meeting to update the content of the Preamble and the Preliminary Title of the *By-Laws* to regulate the issues relating to the Company (which are currently set out in Articles 1 to 8 of the *By-Laws*) on a differentiated basis in order to strengthen its own identity, including a new Article 9 to govern aspects relating to the Iberdrola Group and making technical and drafting improvements.

In line with the foregoing, the Board of Directors proposes to the shareholders at the General Shareholders’ Meeting to adjust the content of the Preamble to the *By-Laws* and Article 1 (*Company Name and Identity*), the current Article 4 (*The Group*, which would become Article 9), the current Article 6 (*Corporate Interest*, which would become Article 5), the current Article 7 (*Social Dividend*, which would become Article 6), the current Article 8 (*Applicable Legal Provisions, Governance and Sustainability System and Compliance System*, which would become Article 7) and the current Article 9 (*Stakeholder Engagement, Corporate Websites and Presence on Social Media*, which would become Article 8).

Finally, it is proposed to include the acronym UN referring to the United Nations Organisation in the current Article 7 (*Social Dividend*, which would become Article 6) and to reorganise the numbering of the articles of the Preliminary Title as a result of the above changes.

2.2. Strengthen the continuous and ongoing engagement of the shareholders in company life and encourage their effective and sustainable involvement in the Company

The purpose of this proposed amendment of the *By-Laws* is to strengthen the continuous and ongoing engagement of the shareholders in the Company by updating the rules governing attendance at the General



Meeting, as well as by encouraging the effective, sustainable and constant participation of shareholders in corporate life throughout the year, which also helps to align their interests with those of the Company.

In line with the foregoing, the Board of Directors proposes to the shareholders at the General Shareholders' Meeting to go further and strengthen in the text of the *By-Laws* the ongoing engagement of the shareholders by providing for the ability to establish channels of information, participation and ongoing interaction between the Company and its shareholders in order to: (i) foster the effective and sustainable involvement of the shareholders in company life and the achievement of the purpose and realisation of the values of the Company; (ii) promote a sense of membership among the shareholders; and (iii) favour the alignment of the interests of shareholders with those of the Company, with the appropriate guarantees and coordination mechanisms.

This engagement is promoted through channels of dialogue, information, participation and interaction between the Company and its shareholders (which shall conform to the provisions of the policies and general guidelines approved by the Board of Directors), to foster their effective and sustainable involvement in company life and in the achievement of its purpose and the realisation of its values, promoting a sense of belonging and favouring the alignment of the interests of the Company with its shareholders, all with the appropriate guarantees and coordination mechanisms.

In particular, the Board of Directors proposes the following amendments regarding the ongoing engagement of the shareholders:

- (i) To amend the current Article 9 (*Stakeholder Engagement, Corporate Websites and Presence on Social Media*) of the *By-Laws*, which becomes Article 8, to include a reference to the ultimate purpose of the Company to strengthen the engagement and identification of its shareholders and the promotion of accessibility to its website to encourage its use and the participation of its shareholders, especially with respect to the General Shareholders' Meeting, but not limited thereto.
- (ii) To change the name of the current Articles 12 and 13 of the *By-Laws* to *Acquisition of Shareholder Status* and *Significance of Shareholder Status*, respectively, and include in the latter the text of the current Article 14, as well an express mention of the exercise of shareholders' rights vis-à-vis the Company and the other shareholders being subject to law and the fulfilment of their duties.
- (iii) To include a new Article 14 with the title *Engagement of and Continuous Information for Shareholders*, which, in addition to the content of the current Article 13, includes the Company's goal to promote continuous and ongoing information to its shareholders regarding its activities, regarding their rights with respect to their status as shareholders, the proposed resolutions to be submitted for their consideration and other matters deemed to be of interest thereto. In short, information that is not limited exclusively to the General Shareholders' Meeting.
- (iv) To include the requirement of dissemination of financial information by the Company in the current Article 56, which becomes Article 57 under the title *Approval and dissemination*, and transfer the reference to the dissemination of non-financial information included in the current Article 7 of the *By-Laws* to the current Article 60, which becomes Article 61 and is named *Approval and dissemination*.



Furthermore, in order to encourage the effective involvement of shareholders in the General Meeting, the highest governing body through which the holders of the Company's shares express their contractual intent, it is proposed:

- (i) To revise the current Articles 16 (*Shareholder Participation*) and 22 (*Right to Attend*) of the *By-Laws* in order to reorganise the requirements to participate in the General Meeting and to exercise the shareholders' rights of attendance, proxy representation, deliberation and voting; to include a statement in the documentation of the call to meeting that the Board of Directors shall determine the standards and procedures to be observed for attendance in person or remotely, always endeavouring to ensure equal treatment of the shareholders; and to state that attendance at the meeting in person must necessarily be subject to various limitations, including the space available at the venue and any ancillary venues at which the meeting may held, the requirements for security and sustainability, the proper operation of the computer systems and technology used, and the state of the art, as well as any other aspects that the Board of Directors deems relevant.

Along these lines, it is also proposed to amend Articles 16 (*Participation*) and 21 (*Place of the Meeting*) of the *Regulations*.

- (ii) To reorganise the content of the current Article 18 of the *By-Laws*, inserting a new Article 19 entitled *Methods of Holding the General Shareholders' Meeting*, which, in addition to part of the content of the current Article 18, includes a statement that the Company shall guarantee the exercise by shareholders of their rights regardless of the manner in which the meeting is held.

Along the same lines, to amend Article 10 of the *Regulations*, which would be called *Methods of Holding the General Shareholders' Meeting*, separately setting out the forms in which the General Shareholders' Meeting may be held and eliminating this content from the current Article 11, which would now only govern the call to and the agenda for the meeting under the new heading *Call to Meeting and Agenda*. In line with the foregoing, it is proposed to amend the name of Title II of the *Regulations*, which is renamed *TITLE II. FORMS OF HOLDING AND CALL TO THE GENERAL SHAREHOLDERS' MEETING*.

- (iii) To amend the name of the current Article 19 of the *By-Laws*, which would become Article 20 and be entitled *Shareholders' Right to Receive Information upon the Call to the General Shareholders' Meeting*.
- (iv) To revise Article 22 of the *Regulations* to include a reference to the need, if the General Shareholders' Meeting is held exclusively online, for the systems determined by the Board of Directors to attend the meeting to allow for the identification of attendees, the exercise of their rights and the proper conduct of the meeting.
- (v) To make technical improvements to the current Articles 23 and 27 of the *By-Laws*, as well as to Articles 12, 14, 19, 20, 23, 27 and 40 of the *Regulations*.

Finally, as a result of the foregoing, it is proposed to adjust the name of the current Chapter II of Title I of the *By-Laws*, which becomes *Chapter II. Shareholders and Shareholder Engagement*, and to update the numbering of the articles in Titles I, II, III, IV, V and VI thereof, as well as the cross-references thereto.



3. Layout of the proposed amendments

To facilitate the proper exercise of voting rights by the shareholders, pursuant to the provisions of Section 197 *bis* of the *Companies Act* and Articles 40.1 and 41 of the *Regulations*, the proposed amendments of the *By-Laws* are submitted for the approval of the shareholders at the General Shareholders' Meeting, grouped into three separate blocks that will be voted upon separately:

- Item number 6 on the agenda: amendment of the Preamble and of the current Articles 1, 4, 6, 7 and 8 of the *By-Laws* and addition of a new Article 9 to more clearly differentiate the references to "Iberdrola, S.A. and to the "Iberdrola Group".

As a result of these amendments, the current Article 6 would become Article 5, the current Article 7 would become Article 6, the current Article 8 would become Article 7 and the current Article 4 would be deleted and the text thereof would become part of the new Article 9. The text of the revised articles, including the new numbering thereof, are included in the proposed resolutions being submitted to the shareholders at the General Shareholders' Meeting.

- Item number 7 on the agenda: amendment of the current Articles 9, 12, 13, 14, 16, 18, 19, 22, 23, 27, 56 and 60 of the *By-Laws*, and addition of two new Articles 14 and 19, all to strengthen the continuous and ongoing engagement of the shareholders in company life and to encourage their effective and sustainable involvement in the Company.

As a consequence of this reform: (i) the current Article 9 would become Article 8; (ii) a portion of the text of the current Article 13 would be included in the new Article 14, as would a portion of the text of the current Article 19, which would become part of the new Article 19; (iii) the current Article 19 would become Article 20; (iv) the current Article 22 would become Article 23; (v) the current Article 23 would become Article 24; (vi) the current Article 27 would become Article 28; (vii) the current Article 56 would become Article 57; (viii) the current Article 60 would become Article 61; and (ix) the cross-references in current Articles 24, 26, 28, 29, 50 and 52 would be updated and become references to Articles 25, 27, 29, 30, 51 and 53.

- Item number 8 on the agenda: amendment of Articles 10, 11, 12, 14, 16, 19, 20, 21, 22, 23, 27 and 40 of the *Regulations* in order to revise the rules governing attendance at the General Shareholders' Meeting.

4. Proposed resolutions submitted to the shareholders at the General Shareholders' Meeting

The proposed resolutions submitted to the shareholders for approval at the General Shareholders' Meeting read as follows:



ITEM 6 ON THE AGENDA

Amendment of the Preamble and of the current Articles 1, 4, 6, 7 and 8 of the By-Laws and addition of a new Article 9 to more clearly differentiate the references to "Iberdrola, S.A." and to the "Iberdrola Group"**RESOLUTION**

Amendment of the Preamble and of the current Articles 1, 4, 6, 7 and 8 of the By-Laws and addition of a new Article 9 to more clearly differentiate the references to "Iberdrola, S.A." and to the "Iberdrola Group", to make technical improvements, and to renumber these articles as a result of the elimination of the current Article 4, the text of which becomes part of Article 9. The Preamble and Articles 1, 5, 6, 7 and 9 resulting from the amendment shall hereafter read as follows:

"PREAMBLE

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

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

Along these lines, the Preliminary Title hereof first determines the fundamental pillars of the Company as an independent entity listed on the securities markets, and second defines the Company as the holding company of an international industrial group, with a broad geographic diversification of the businesses of the companies of which it is comprised and which, based on its multi-level corporate structure, combines a decentralised decision-making system, inspired by the principle of subsidiarity, with robust coordination mechanisms ensuring the global integration of the businesses of the companies within the Iberdrola group and the management of the risks thereof, all on the basis of an effective system of checks and balances that prevents the centralisation of decision-making power within a single governance body or a single person.

The provisions of the By-Laws regarding the corporate object, the purpose and values, and the corporate interest and social dividend, beyond the corporate aspects highlighted above, give shape to a company directed towards a clear "purpose" and certain clear "values" that make up its corporate philosophy and the ideological and axiological bases on which its corporate enterprise is based and which guide its strategy and conduct.

In accordance therewith, the Company is defined by its By-Laws as a sustainable and all-encompassing company, which transcends its nature as purely and merely a mercantile company, which opens to and engages all of its Stakeholders and is fully committed to contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN) and the most demanding environmental, social and corporate governance (ESG) requirements, and in essence affirms itself to be a company and institutional reality, a player in the economic and social environment in which it does business.

The By-Laws also constitute the foundation on which the Company's Governance and Sustainability System is built and based, that is, its own set of internal regulations, developed under the aforementioned corporate autonomy, to ensure by these rules its raison d'être and way of being, the construction of its identity, the achievement and implementation of the Purpose and Values of the Iberdrola Group, the creation of sustainable



value that satisfies the corporate interest, and makes feasible and real the social dividend that it shares with all of its Stakeholders.

In turn, the Purpose and Values of the Iberdrola Group meet the most demanding standards in the areas of environmental protection and climate action, social commitment, corporate governance and regulatory compliance, within the general framework of respect for and protection of human rights, the social market economy, sustainability and the ethical principles generally accepted in its sphere of activity.

Similarly, within the framework of the Governance and Sustainability System, the By-Laws establish a well-developed Compliance System, which is intended to prevent and manage the risk of regulatory or ethical violations or violations of said Governance and Sustainability System.

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

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

PRELIMINARY TITLE. "IBERDROLA, S.A." AND THE IBERDROLA GROUP

Article 1. Company Name and Identity

- 1. The name of the Company is IBERDROLA, S.A.*
- 2. The Company is an independent, open company, which has an institutional reach and is listed on the stock markets.*
- 3. The Company is the controlling entity of a multinational group of companies (the "Group")."*

"Article 5. Corporate Interest

The Company conceives of the corporate interest as the common interest of all persons owning shares of an independent company, with its own distinct bylaw-based identity, focused on creating comprehensive (economic, environmental, social and governance) and sustainable value by engaging in the activities included in its corporate object, taking into account the other Stakeholders related to its business activity and consistently with its institutional reach, in accordance with the Purpose and Values of the Iberdrola Group and the commitments made in its Code of Ethics.

Article 6. Social Dividend

- 1. The performance of the activities included in the corporate object, particularly the Company's innovation and digital transformation strategy, must be focused on the sustainable creation of value, in accordance with the Purpose and Values of the Iberdrola Group and with the commitments made in its Code of Ethics.*



2. *The Company recognises and seeks to obtain a social dividend consisting of the direct, indirect or induced contribution of value of its activities for all its Stakeholders, particularly through its contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN) and its commitment to best environmental, social and corporate governance (ESG) practices.*
3. *The statement of non-financial information formulated by the Board of Directors and approved by the shareholders at the General Shareholders' Meeting presents the Company's performance in the social, environmental and sustainability areas, as well as the social dividend generated and shared with all its Stakeholders.*
4. *The Company shall promote the public dissemination of its social dividend generated, especially among its Stakeholders.*

Article 7. Applicable Legal Provisions, Governance and Sustainability System and Compliance System

1. *The Company is governed by the legal provisions relating to listed companies and other applicable laws and regulations, as well as by its Governance and Sustainability System.*
2. *The Governance and Sustainability System is the Company's internal system of rules, which is configured in accordance with applicable law in the exercise of corporate autonomy supported thereby and applies to the entire Group. It is intended to ensure through rule-making the best implementation of the corporate contract that binds its shareholders, and especially the corporate object, the corporate interest and the social dividend, as defined in the preceding articles.*
3. *The Governance and Sustainability System is made up of these By-Laws, the Purpose and Values of the Iberdrola Group, the Code of Ethics, the corporate policies, and the other governance, compliance and market abuse prevention rules, as well as by other documents that supplement or further articulate the foregoing.*
4. *The Purpose and Values of the Iberdrola Group constitute the ideological and axiological foundation of the corporate enterprise of the Company, which, due to its size and importance, is a focal point for many Stakeholders and for the environmental, social and economic environment in which it does business.*
5. *The Purpose and Values of the Iberdrola Group also inspires and takes form in the policies and in the other rules of the Governance and Sustainability System, governing the day-to-day activities of the Company and guiding its strategy and its conduct.*
6. *The shareholders acting at a General Shareholders' Meeting and the Board of Directors of the Company, within their respective purviews, configure, develop, apply and interpret the rules making up the Governance and Sustainability System in order to ensure compliance at all times with the purposes thereof and, particularly, the fulfilment of the corporate interest.*
7. *Full or summarised versions of the rules making up the Governance and Sustainability System can be viewed on the Company's corporate website.*
8. *Within the framework of the Governance and Sustainability System, the Company also has a Compliance System, consisting of a structured set of rules, procedures and activities intended to prevent and manage the risk of regulatory and ethical breaches or breaches of the Governance and Sustainability System itself,*



as well as to contribute to the full realisation of the Purpose and Values of the Iberdrola Group and the corporate interest.

9. *The application and further development of the Company's compliance function and Compliance System is the responsibility of the Compliance Unit, an autonomous body with the highest standards of independence and transparency that is linked to the Sustainable Development Committee of the Board of Directors.*

"Article 9. The Group

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

The listed country subholding companies of the Group enjoy a special framework of strengthened autonomy that contemplates the measures that are appropriate to safeguard the interests of the minority shareholders of said companies.
 - c) *Finally, the head of business companies of the Group are in charge of the day-to-day administration and effective management of the businesses, and of the day-to-day control thereof, without prejudice to observing the corporate autonomy of the subsidiaries thereof in accordance with law.*
2. *The companies of the Group share the corporate interest, purpose and values, as well as some of the same ethical principles. They also seek to involve all their respective Stakeholders in their respective business enterprises.*
3. *The country subholding companies and head of business companies have their own governance and sustainability systems, approved within the framework of the performance of their responsibilities and in the exercise of their powers, which systems constitute their internal regulations.*
4. *These companies also have their own compliance functions, which have sufficient material and human resources to manage their respective compliance systems.*
5. *The country subholding companies and head of business companies shall promote the accessibility of their respective corporate websites.*

The corporate websites and the presence on social media of the country subholding companies and of the head of business companies contribute to the Company's digital communication strategy and are



one of the principal means for engaging their respective Stakeholders in their respective business enterprises. The structure and content thereof shall conform to the Stakeholder engagement policy and to the general guidelines approved by the Company's Board of Directors.

ITEM 7 ON THE AGENDA

Amendment of the current Articles 9, 12, 13, 14, 16, 18, 19, 22, 23, 27, 56 and 60 of the By-Laws, and addition of two new Articles 14 and 19, all to strengthen the continuous and ongoing engagement of the shareholders in company life and to encourage their effective and sustainable involvement in the Company.

RESOLUTION

Amendment of the current Articles 9, 12, 13, 14, 16, 18, 19, 22, 23, 27, 56 and 60 and of the name of the current Chapter II of Title II of the By-Laws, and addition of two new Articles 14 and 19, to strengthen the continuous and ongoing engagement of the shareholders in company life and to encourage their effective and sustainable involvement in the Company. Rearrangement of numbering and cross-references in the articles affected by the amendments. Articles 8, 12, 13, 14, 16, 18, 19, 20, 23, 24, 25, 27, 28, 29, 30, 51, 53, 57 and 61 shall hereafter read as follows:

"Article 8. Stakeholder Engagement, Corporate Website and Presence on Social Media

- 1. The Company seeks to engage all its Stakeholders in its corporate enterprise in accordance with a policy on relations based on the principles of transparency and active listening, which allows for continuing to respond to their legitimate interests and to effectively disclose information regarding its activities. The Company's Board of Directors is responsible for approving this policy and coordinating and supervising the application thereof.*
- 2. The Company's corporate website, its presence on social media and its digital communication strategy generally are channels of communication serving the Company's Stakeholder engagement policy. The ultimate goal thereof is to encourage their engagement and identification with the Company, as well as to strengthen the Iberdrola brand and favour the development of the activities of the Company and the digital transformation thereof.*
- 3. The Board of Directors shall promote the use of the corporate website to facilitate the exercise of the shareholders' rights to receive information and to participate in corporate life, particularly in connection with the General Shareholders' Meeting and the corporate governance of the Company, upon the terms provided by law and the Governance and Sustainability System.*
- 4. The Company shall promote the accessibility of its corporate website."*

"Chapter II. Shareholders and Shareholder Engagement

Article 12. Acquisition of Shareholder Status

- 1. Each share of the Company confers upon its legitimate holder the status of shareholder, and vests such holder with the rights and obligations established by law and by the Governance and Sustainability System. The shareholders also participate indirectly, through the Company, in the other companies of the Group.*



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

Article 13. Significance of Shareholder Status

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

Article 14. Engagement of and Continuous Information for Shareholders

1. *The Company shall promote the continuous and permanent engagement of its shareholders in the Company's life.*
2. *To this end, the Board of Directors shall establish channels for dialogue, information, participation and interaction between the Company and its shareholders.*
3. *Using the channels that are implemented, the Company shall encourage the effective and sustainable engagement of its shareholders in the Company's life and in the achievement of its purpose and the realisation of its values, promote their sense of belonging, and favour the alignment of its interests with those of the shareholders, all with the appropriate guarantees and coordination mechanisms.*
4. *In particular, the Company shall make available to its shareholders adequate and effective channels so that they are permanently informed of the Company's activities, of their status as shareholders, of the proposed resolutions to be submitted for their consideration, and of other matters deemed to be in their interest.*

In addition, the Company shall provide that the shareholders may, at any time, and not only upon the call to the General Meeting, make such enquiries or ask such questions as they deem appropriate regarding the documentation published by the Company on the corporate website in the last year, whether required by legal provisions, provided for in the Governance and Sustainability System or that which it voluntarily prepares, as well as regarding any other matter that the Board of Directors determines may be relevant to their position as shareholders, which shall include, among other things, corporate documentation, disclosures of inside information and of other relevant information, and periodic financial information and non-financial information.

5. *The engagement of the shareholders and the channels established by the Company for this purpose shall conform to the policies and general guidelines approved by the Board of Directors."*

"Article 16. Shareholder Participation



1. *To participate in the General Meeting and to exercise the rights of attendance, proxy-representation, deliberation and voting, shareholders must be the owners of at least one share with voting rights and cause the shares to be registered in their name in the corresponding book-entry register at least five days prior to the day on which the meeting is to be held.*
2. *The manner of exercising these rights shall be determined by the Board of Directors, taking into consideration the manner in which the General Meeting is held and for the purpose of facilitating the participation of the largest number of shareholders at the meeting, regardless of their residence.*

For this purpose, the Board of Directors shall adopt measures to encourage maximum participation of the shareholders at the General Shareholders' Meeting, including, if appropriate, the payment of financial incentives for participation (such as attendance bonuses or the payment of an engagement dividend subject to a specified minimum quorum being reached at the General Shareholders' Meeting) pursuant to a predefined and public policy."

"Article 18. Call to the General Shareholders' Meeting

1. *A General Shareholders' Meeting must be called by the Board of Directors through an announcement published as much in advance as required by law, and which shall state the manner in which it will be held.*
2. *The announcement of the call to meeting shall be disseminated through the following media, at a minimum:*
 - a) *The Official Bulletin of the Commercial Registry (Boletín Oficial del Registro Mercantil) or one of the more widely circulated newspapers in Spain.*
 - b) *The website of the National Securities Market Commission (Comisión Nacional del Mercado de Valores).*
 - c) *The Company's corporate website.*

Article 19. Methods of Holding the General Shareholders' Meeting

1. *A General Shareholders' Meeting may be held in the following ways: in person only, in person with the ability to attend remotely, or, if there are reasons that make it advisable, exclusively by remote means.*
2. *Regardless of the manner in which the General Meeting is held, the Company shall ensure that the shareholders can exercise their rights.*

Specifically, shareholders may grant a proxy and cast an absentee vote prior to the holding of the meeting pursuant to the provisions of the law, these By-Laws, the Regulations for the General Shareholders' Meeting and the implementing rules approved by the Board of Directors within the scope of its powers.

Article 20. Shareholders' Right to Receive Information upon the Call to the General Shareholders' Meeting

1. *From the date of publication of the call to the General Shareholders' Meeting through and including the fifth day prior to the date set for the meeting to be held on first call, the shareholders may request in*



writing the information or clarifications that they deem are required or ask written questions that they deem relevant, regarding (i) the matters contained in the agenda of the call to meeting; (ii) information accessible to the public that has been provided by the Company to the National Securities Market Commission since the holding of the last General Shareholders' Meeting; and (iii) the audit report.

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

"Article 23. Right to Attend

1. In the documentation published upon the call to the General Shareholders' Meeting, the Board of Directors shall determine the standards and procedures to be observed for those shareholders who desire to attend in person or remotely, as appropriate, always ensuring the equal treatment of all of them.
2. If it is decided that the General Shareholders' Meeting is to be held entirely in person or in person with the ability to attend remotely, attendance in person may take place by going to the location where the meeting is held or, if so indicated in the call to meeting, to other places provided for such purpose by the Company and that are connected with the principal meeting place by systems that allow for recognition and identification of the attendees, permanent communication among them, and participation and voting, all in real time. Attendees at any of such places shall be considered to be attendees at the same individual meeting, which shall be deemed to be held at the principal location thereof.

Attendance in person at the General Shareholders' Meeting shall be subject to the limitations arising from the space available at the venue and any ancillary venues at which the meeting may held, the requirements for security and sustainability of the event, the proper operation of the computer systems and technology used, and the state of the art, as well as any other aspects that the Board of Directors deems relevant.



3. *If it is resolved that the General Shareholders' Meeting is to be held exclusively by remote means, the meeting may be attended using the systems determined by the Board of Directors, which must allow for the identification of attendees, the exercise of their rights and the proper conduct of the meeting.*
4. *The chair of the General Shareholders' Meeting may authorise the in-person or remote attendance of management personnel, professionals of the companies of the Group and other persons related to the Company. The chair may also grant in-person or remote access to the media, to financial analysts and to any other person the chair deems appropriate, as well as authorise the simultaneous or delayed broadcast thereof, although the shareholders acting thereat may revoke such authorisation.*

Article 24. Right to Proxy Representation

1. *All shareholders having the right to attend may be represented at the General Shareholders' Meeting by proxy through another person, whether or not such person is a shareholder, by complying with the requirements of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.*
2. *Proxy representatives may participate in the General Shareholders' Meeting in person or remotely, as provided in the call to meeting.*
3. *Proxies must be given in writing or by remote means of communication (such as by telephone or by postal or electronic correspondence), in which case the provisions of Article 28 below for the early casting of absentee votes shall apply to the extent applicable.*
4. *Proxy and voting instructions of shareholders acting through intermediary and management institutions or depositaries shall be governed by the provisions of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.*
5. *In cases of absence of identification of the proxy representative, absence of express instructions for the exercise of voting rights, submission of items not included on the agenda of the call to the General Shareholders' Meeting or a conflict of interest affecting the proxy representative, the rules established in this regard in the Governance and Sustainability System and in the implementing rules approved by the Board of Directors within the scope of its powers shall apply to the proxy.*
6. *The chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from either of them, shall be responsible for verifying the identity of the shareholders and their representatives, verifying the ownership and status of their rights, and recognising the validity of the attendance, proxy and absentee voting card or the instrument or means evidencing attendance or representation by proxy, including any means provided for authentication and participation by remote means.*

Article 25. Presiding Committee, Chair of and Secretary for the General Shareholders' Meeting

1. *The Presiding Committee (Mesa) of the General Shareholders' Meeting shall be made up of the chair of and the secretary for the General Shareholders' Meeting and the other members of the Board of Directors present at the meeting, who may attend in person or remotely.*



2. *Without prejudice to other powers that may be assigned thereto by these By-Laws or the Governance and Sustainability System, the Presiding Committee shall assist the chair of the General Shareholders' Meeting in carrying out the duties thereof.*
3. *The chairman of the Board of Directors or, in the absence thereof, the vice-chair, shall act as chair of the General Shareholders' Meeting. If there are several vice-chairs, they shall act in the order set forth in Article 43.6 below. In the absence of all of the foregoing, the person appointed by the Presiding Committee shall act as chair of the General Shareholders' Meeting.*
4. *The secretary of the Board of Directors or, in the absence thereof, the deputy secretary, shall act as secretary for the General Shareholders' Meeting. If there are several deputy secretaries, they shall act in the order set forth in Article 45.2 below. In the absence of all of the foregoing, the person appointed by the Presiding Committee shall act as secretary for the General Shareholders' Meeting."*

“Article 27. Deliberations and Voting

1. *The chair of the General Shareholders' Meeting shall: direct the meeting; accept new proposed resolutions relating to matters on the agenda; organise the deliberations and presentations, granting the floor to shareholders attending in person and who so request it and taking the floor away or refusing to grant it when the chair deems that a particular matter has been sufficiently debated, is not included in the agenda or hinders the progress of the meeting; indicate the time and establish, pursuant to the Regulations for the General Shareholders' Meeting, the system or procedure for voting; decide on the suspension or limitation of political rights, especially the voting rights attaching to shares, pursuant to law and these By-Laws; approve the polling and vote counting system; announce the voting results; temporarily suspend or propose a continuation of the General Shareholders' Meeting; close the meeting; and, in general, exercise all powers, including those of order and discipline, that are required for the proper conduct of the proceedings.*
2. *The chair of the General Shareholders' Meeting may entrust the management of the meeting to a director the chair deems appropriate, or to the secretary for the General Shareholders' Meeting, who shall carry out this duty on behalf of the chair, with the chair having the right to retake it at any time. In the event of temporary absence or supervening incapacity of the chair of or the secretary for the General Shareholders' Meeting, the appropriate persons under sections 3 and 4 of Article 25 above, respectively, shall assume the duties thereof.*
3. *Proposed resolutions shall be voted upon by the shareholders at the General Shareholders' Meeting pursuant to the provisions of the following articles and the Regulations for the General Shareholders' Meeting.*

Article 28. Early Casting of Absentee Votes

1. *Prior to the holding of the General Meeting, shareholders may cast their absentee vote in writing or by remote means of communication (such as by telephone or by postal or electronic correspondence) on proposed resolutions relating to the items on the agenda of the call to meeting by complying with the requirements of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.*



2. *Shareholders that have cast their absentee vote prior to the meeting shall be deemed present for purposes of the establishment of a quorum for the General Shareholders' Meeting.*
3. *Absentee votes cast prior to the meeting must be received by the Company before 24:00 on the day immediately prior to the day set for the holding of the General Shareholders' Meeting upon first call or upon second call, as applicable.*
4. *The Board of Directors is authorised to develop the rules, means and procedures for absentee votes cast prior to the meeting, including applicable rules on priority and conflict.*

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

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

Article 29. Conflicts of Interest

1. *A shareholder may not exercise the shareholder's right to vote at a General Shareholders' Meeting, either in person or by proxy, with respect to the adoption of a resolution to:*
 - a) *Relieve the shareholder of an obligation or grant the shareholder a right.*
 - b) *Provide the shareholder with any kind of financial assistance, including the provision of guarantees in favour thereof.*
 - c) *Release the shareholder, if a director, from obligations arising from the duty of loyalty established in accordance with the provisions of law.*
 - d) *Approve a related-party transaction that affects the shareholder, unless the corresponding proposed resolution has been approved in accordance with the provisions of law.*
2. *The provisions of the preceding section shall also apply when the resolutions affect, in the case of an individual shareholder, the entities or companies controlled thereby, and in the case of corporate shareholders, the entities or companies belonging to their group (within the meaning indicated in Article 30.3 below), even if these latter companies or entities are not shareholders.*



3. *If the shareholder subject to any of the voting prohibitions above attends the General Shareholders' Meeting, such shareholder's shares shall be deducted from those in attendance for purposes of determining the number of shares upon which the majority needed for the adoption of the relevant resolutions shall be calculated.*

Article 30. Approval of Resolutions

1. *Except in cases in which the law or these By-Laws require a greater majority, the shareholders acting at a General Shareholders' Meeting shall adopt resolutions by simple majority of the shareholders present in person or by proxy, with a resolution being deemed adopted when it receives more votes in favour than against. Each voting share that is represented in person or by proxy at the General Shareholders' Meeting shall give the right to one vote.*
2. *No shareholder may cast a number of votes greater than those corresponding to shares representing ten (10%) per cent of share capital, even if the number of shares held exceeds such percentage of the share capital. This limitation does not affect votes corresponding to shares with respect to which a shareholder is holding a proxy as a result of the provisions of Article 24 above, provided, however, that with respect to the number of votes corresponding to the shares of each shareholder represented by proxy, the limitation set forth above shall apply.*
3. *The limitation set forth in the preceding section shall also apply to the maximum number of votes that may be collectively or individually cast by two or more shareholders that are entities or companies belonging to the same group. Such limitation shall also apply to the number of votes that may be cast collectively or individually by an individual and the shareholder entity, entities or companies controlled by such individual. A group shall be deemed to exist under the circumstances provided by law, and also when a person controls one or more entities or companies.*
4. *Shares deprived of voting rights pursuant to the application of the preceding sections shall be deducted from the shares in attendance at the General Shareholders' Meeting for purposes of determining the number of shares upon which the majorities needed for the approval of resolutions by the shareholders at a General Shareholders' Meeting shall be calculated."*

"Article 51. Removal of Voting Limitations

The prohibition on voting for shareholders affected by conflicts of interest established in Article 29 above and the limitation on the maximum number of votes that may be cast by a single shareholder contained in sections 2 to 4 of Article 30 above shall be deprived of effect upon the occurrence of the following circumstances:

- a) *when the Company is the target of a takeover bid aimed at the share capital as a whole; and*
- b) *when, as a result of the takeover bid, an individual or a legal entity, or several of them acting in concert, acquire an interest equal to two-thirds of the voting share capital of the Company, provided the full consideration therefor consists only of cash; or, alternatively,*
- c) *when, as a result of the takeover bid, an individual or a legal entity, or several of them acting in concert, acquire an interest equal to three-fourths of the voting share capital of the Company, provided that the consideration therefor consists, in whole or in part, of securities, without giving the recipient an alternative right to receive such consideration wholly in cash."*



“Article 53. Amendments to Articles in Title IV and Related Provisions

All resolutions intended to eliminate or amend the provisions contained in this Title, in Article 29 and in sections 2 to 4 of Article 30 above shall require the affirmative vote of three-fourths of the share capital represented in person or by proxy at a General Shareholders' Meeting.”

“Article 57. Approval and dissemination

The separate and consolidated annual financial statements and management reports shall be submitted for the approval of the shareholders at the General Shareholders' Meeting by a simple majority of votes, in accordance with the provisions of Article 30 of these By-Laws.

The Company shall promote the public dissemination of its financial information, especially among its Stakeholders.”

“Article 61. Approval and dissemination

The statement of non-financial information shall be submitted for the approval of the shareholders at the General Shareholders' Meeting by a simple majority of votes, in accordance with the provisions of Article 30 of these By-Laws.

The Company shall promote the public dissemination of its non-financial information, especially among its Stakeholders.”

ITEM 8 ON THE AGENDA

Amendment of Articles 10, 11, 12, 14, 16, 19, 20, 21, 22, 23, 27 and 40 of the Regulations for the General Shareholders' Meeting in order to revise the rules governing attendance at the General Shareholders' Meeting.

RESOLUTION

To amend Articles 10, 11, 12, 14, 16, 19, 20, 21, 22, 23, 27 and 40 of the Regulations for the General Shareholders' Meeting, as well as the name of Title II thereof, in order to revise the rules governing attendance at the General Shareholders' Meeting. Said articles shall hereafter read as follows:

“TITLE II. METHODS OF HOLDING AND CALL TO THE GENERAL SHAREHOLDERS' MEETING

Article 10. Methods of Holding the Meeting

1. *The General Shareholders' Meeting may be held in any of the following ways:*
 - a) *In person only.*
 - b) *In person with the ability to attend remotely.*
 - c) *If there are reasons that make it advisable, and under the conditions provided by law and the Governance and Sustainability System, exclusively by remote means.*



2. *Regardless of the manner in which the General Meeting is held, the Company shall ensure that the shareholders can exercise their rights.*

Article 11. Call to Meeting and Agenda

1. *The General Shareholders' Meeting shall be formally called by the Board of Directors.*
2. *The Board of Directors must call the General Shareholders' Meeting in the following cases:*
 - a) *In the event set forth in Article 8.2 above.*
 - b) *If the meeting is requested, in the manner provided by law, by shareholders who individually or collectively represent at least three per cent of the share capital, which request sets forth the matters to be addressed. In this event, the Board of Directors shall call for the General Shareholders' Meeting to be held within the period established by law. The Board of Directors shall prepare the agenda of the call to meeting, which must include the matters specified in the request.*
3. *The announcement of the call to meeting must contain all statements required by law in each case and must set forth:*
 - a) *The manner in which it will be held (in person only, in person with the ability to attend remotely, or exclusively by remote means).*
 - b) *The date, time and place (if applicable) of the meeting on first call, and the agenda, with a statement of all matters to be dealt with.*
 - c) *A clear and specific description of the procedures and periods that the shareholders must observe in order to request the publication of a supplement to the call to the Annual General Shareholders' Meeting, to submit well-founded proposed resolutions, or to exercise their rights to receive information, to cast an absentee vote prior to the meeting and to grant a proxy, upon the terms provided by law.*
 - d) *The date on which the holders of the Company's shares must have them registered in their name in the corresponding book-entry register to be able to attend and vote at the General Shareholders' Meeting being called.*
 - e) *A statement of where and how the complete text of the documents to be submitted at the General Shareholders' Meeting can be obtained, particularly including the reports of the directors, of the statutory auditors and of the independent experts to be submitted, and the complete text of the proposed resolutions submitted to the shareholders for approval at the General Shareholders' Meeting.*
 - f) *Information regarding the steps and procedures to be followed in order to remotely attend the General Shareholders' Meeting (if remote attendance is provided for) which allows for the identification of the shareholders or their proxy representatives, the registration and preparation of the list of attendees, the correct exercise of the rights thereof and the proper conduct of the meeting.*
 - g) *The address of the Company's corporate website.*



h) Any financial incentive for participation that the Board of Directors resolves to pay in accordance with the policy approved for such purpose (such as attendance bonuses or the payment of an engagement dividend subject to a specified minimum quorum being reached at the General Shareholders' Meeting).

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

4. *The announcement of the call to meeting shall be published as much in advance as required by law, using at least the following media:*
 - a) *The Official Bulletin of the Commercial Registry (Boletín Oficial del Registro Mercantil) or one of the more widely circulated newspapers in Spain.*
 - b) *The website of the National Securities Market Commission (Comisión Nacional del Mercado de Valores).*
 - c) *The Company's corporate website.*
5. *The shareholders at the General Shareholders' Meeting may not deliberate on or decide matters that are not included in the agenda of the call to meeting, unless otherwise provided by law.*
6. *The Board of Directors may request the presence of a notary public to assist with and draw up the minutes of the General Shareholders' Meeting. In any event, the Board must request the presence of a notary public under the circumstances provided by law.*

Article 12. Supplement to the Call to Meeting and Submission of Well-founded Proposed Resolutions

1. *Shareholders who individually or collectively represent at least three per cent of the share capital may:*
 - a) *Request the publication of a supplement to the call to the Annual General Shareholders' Meeting including one or more items in the agenda of the call to meeting, so long as the new items are accompanied by a rationale or, if applicable, by a well-founded proposed resolution.*
 - b) *Submit well-founded proposed resolutions regarding matters already included or that should be included in the agenda of the call to the General Shareholders' Meeting.*

The written notice of the exercise of such rights shall specify the name or the corporate name of the requesting shareholder or shareholders, and there shall be attached thereto such documentation as evidences the status thereof as shareholder, in order for such information to be checked against that provided by "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U." (IBERCLEAR), as well as the text of the item or items proposed. Under the circumstances set forth in letter a), the Board of Directors may require that shareholders also attach the proposed resolution or resolutions and, if legally required, in the instances set forth in letters a) and b), the report or reports providing a rationale for the proposals.

2. *The shareholders' rights mentioned in the preceding section must be exercised by duly authenticated notice sent to the Company's registered office within the periods provided by law.*



3. *The Company shall publicise the items on the agenda and/or the proposed resolutions submitted in accordance with the preceding sections as soon as possible, within the period established by law, and shall publish a new form of proxy and absentee voting card that takes them into account. The Company shall also ensure the dissemination of these proposed resolutions and any documentation attached thereto to the other shareholders, in accordance with the provisions of law.*
4. *At the time of the call to meeting, the Board of Directors shall make available to the shareholders all information additional to that required by law that it deems appropriate and that contributes to a better understanding by the shareholders with respect to the exercise of their rights in connection with the General Shareholders' Meeting and the matters to be dealt with thereat."*

"Article 14. Corporate Website

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



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

"Article 16. Participation

- 1. *The manner of exercising the rights of attendance, proxy-representation, deliberation and voting shall be determined by the Board of Directors in order to facilitate the participation of the largest number of shareholders at the meeting, regardless of their residence, and taking into account the method of holding the meeting, among other issues.*
- 2. *The Board of Directors shall adopt appropriate measures for these purposes in order to encourage maximum participation of the shareholders in the General Shareholders' Meeting, including, if appropriate, the implementation of various channels to attend, grant a proxy or cast an absentee vote prior to the meeting, the payment of financial incentives for participation pursuant to a predefined and public policy, and the delivery of promotional material or gifts with symbolic value to the shareholders participating in the General Shareholders' Meeting or to hold similar promotions. Any items remaining from the promotions or gifts may be used for social welfare purposes."*

"Article 19. Right to Proxy Representation



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

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

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

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

Specifically, the Board of Directors may: (i) establish rules for the use of personal passwords and other safeguards other than electronic signatures and the instant authentication system for the grant of proxies by electronic correspondence or by other valid remote means of communication, as well as establish and regulate the appropriate safeguards in the case of telephone communication; (ii) reduce



the advance period established above for receipt by the Company of proxies granted by postal or electronic correspondence or by other means of remote communication; and (iii) accept, and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation therefrom to accept, proxies received after such period, to the extent allowed by the means available.

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

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

10. *Before being appointed, the proxy representative shall provide detailed information to the shareholder regarding the existence of any conflict of interest. If the conflict is subsequent to the appointment and the shareholder granting the proxy has not been advised of the possible existence of such conflict, the proxy representative shall immediately inform the shareholder thereof. In both cases, if the proxy representative has not received new specific voting instructions regarding each of the matters on which the proxy representative has to vote on behalf of the shareholder, the proxy representative shall abstain from voting, without prejudice to the provisions of the following section.*



11. *Unless otherwise expressly indicated by the shareholder, if the proxy representative is affected by a conflict of interest and has no specific voting instructions, or if the proxy representative has them but it is deemed preferable that the proxy representative not exercise the proxy with respect to the items involved in the conflict of interest, the shareholder shall be deemed to have appointed the following persons as proxy representatives for such items, severally and successively, in the event that any of them is in turn affected by a conflict of interest: first, the chair of the General Shareholders' Meeting, second, the secretary therefor, and finally, the deputy secretary of the Board of Directors, if any. In this latter event, if there are several deputy secretaries, the order to be used shall be the order established at the time of their appointment (first deputy secretary, second deputy secretary, etc.). The proxy representative so designated shall cast the vote in the direction deemed most favourable to the interests of the person represented thereby, within the framework of the corporate interest.*
12. *A proxy representative may hold the proxy of more than one shareholder without limitation as to the number of shareholders being represented, and exercise the corresponding voting rights pursuant to the provisions of Article 41.5 below.*

Article 20. Proxy and Absentee Voting Cards

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

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

2. *The proxy or voting instructions of the shareholders acting through intermediary and management institutions or depositaries may be received by the Company through any valid system or remote means of communication, signed by the shareholder or by the institution. The institutions may group together instructions received from shareholders and send them in a block to the Company, indicating the direction of such instructions.*
3. *If an intermediary or management institution or depositary sends to the Company a proxy and absentee voting card or verification instrument of a shareholder duly identified in the document and bearing the signature, stamp and/or mechanical impression of the institution, and unless the shareholder expressly indicates otherwise, it shall be deemed that the shareholder has instructed such institution to exercise the proxy or voting right, as applicable, in the direction indicated in such card or instrument evidencing the proxy or vote. If there are questions regarding such instructions, it shall be deemed that the shareholder grants the proxy to the chairman of the Board of Directors with the scope set forth in these*



Regulations and that the shareholder gives specific instructions to vote in favour of the proposals made by the Board of Directors in connection with the items on the agenda of the call to meeting.

4. *In other respects, the other rules contained in the Governance and Sustainability System and those that may be established by the Board of Directors in order to further develop such rules shall apply to the proxies and to the absentee votes cast prior to the meeting referred to in this article.*
5. *All of the foregoing shall be without prejudice to the regulations applicable to the relations between financial intermediaries and their customers for purposes of the exercise of the rights to grant a proxy and to vote. The Company is only answerable to the entity or person validated as a shareholder pursuant to the book-entry register.*

Article 21. Place of the Meeting

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

Attendance in person at the General Shareholders' Meeting shall in any case conform to the limitations arising from the space available at the venue and any ancillary venues at which the meeting may be held, the requirements for security and sustainability of the event, the proper operation of the computer systems and technology used, and the state of the art, as well as any other aspects that the Board of Directors deems relevant for the organisation of the General Meeting.

3. *A General Shareholders' Meeting that is called to be held exclusively by remote means shall be deemed to be held at the registered office, regardless of where the chair of the General Shareholders' Meeting is located.*

Article 22. Infrastructure, Equipment and Services

1. *The premises, if any, to be used to hold the General Shareholders' Meeting shall have the personnel, technical equipment, and safety, assistance and emergency measures commensurate with the nature and location of the building and with the importance of the event. In addition, the premises for holding the General Shareholders' Meeting shall have the emergency and evacuation measures required by law, as well as other measures deemed appropriate in light of the circumstances.*
2. *The Company may make available other licensed premises where the General Shareholders' Meeting can be held in the event of an emergency.*



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

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

1. *The Company shall have the workforce and technical equipment required to perform the monitoring and counting of the proxy and absentee voting cards.*
2. *On the day of the General Shareholders' Meeting, the premises, if any, indicated for the meeting shall be supplied with the personnel and technical equipment required to monitor the entry of those attending the meeting and to determine the quorum, prepare the list of attendees present in person and by proxy, and calculate the voting results.*
3. *In order to undertake such activities, the Company may, in accordance with applicable rules and regulations, ask "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de*



Valores, S.A.U.” (IBERCLEAR) to provide a list of the Company’s shareholders and the number of shares appearing in the name of each shareholder.”

“Article 27. Duties of the Chair of the General Shareholders’ Meeting

1. *The chair of the General Shareholders’ Meeting, who is responsible for progress of the meeting, shall generally have the powers needed for such purposes (including those of order and discipline) and the following powers, among others:*
 - a) *To call the meeting to order.*
 - b) *To verify that there is a valid quorum for the General Shareholders’ Meeting and, if applicable, to declare it to be validly in session.*
 - c) *To report on the presence of a notary public, if any, to prepare the minutes of the meeting as a result of a request made by the Board of Directors for such purpose.*
 - d) *To make decisions regarding questions, requests for clarification, or claims raised with respect to the list of attendees, the identity and status of the shareholders and their proxy representatives, the authenticity and integrity of the proxy and absentee voting cards or relevant verification instruments, as well as all matters relating to the possible exclusion, suspension or limitation of political rights and, specifically, the right to vote pursuant to law and the By-Laws.*
 - e) *To grant the floor to executive directors or officers that the chair deems appropriate in order to address the shareholders at the General Shareholders’ Meeting to report on the progress of the Company, as well as to present the results, goals and plans thereof. If the chair of the General Shareholders’ Meeting has the status of executive director, such presentation may be made directly thereby, in whole or in part.*
 - f) *To organise and direct the progress of the meeting in accordance with the powers set forth in Article 36 below. To indicate the time for voting, establish the voting systems and procedures, determine the system for counting and calculating the votes, and announce the voting results.*
 - g) *To temporarily suspend the General Shareholders’ Meeting and propose the continuation thereof.*
 - h) *To bring the meeting to a close.*
2. *The chair of the General Shareholders’ Meeting may entrust the management of the debate to a director the chair deems appropriate, or to the secretary for the General Shareholders’ Meeting, who shall carry out these duties on behalf of the chair, with the chair having the right to retake them at any time.*
3. *The chair of the General Shareholders’ Meeting may appoint a representative of the Company to make an organised presentation to the shareholders on those questions or considerations that the Company’s shareholders –even if they are not in attendance or represented by proxy at the General Shareholders’ Meeting– have submitted to the Company through other channels of participation and that the chair of the General Shareholders’ Meeting deems appropriate to present.*



Such representative may also present other issues raised by those attending the General Shareholders' Meeting who prefer to ask their questions of the representative for the latter to transmit them to the chair."

"Article 40. Early Voting; Powers to Engage in Proxy-Granting and Voting Prior to the Meeting

1. *Shareholders may cast their absentee vote prior to the holding of the General Meeting regarding proposals relating to the items included in the agenda of the call to meeting by the means indicated in section 2 of Article 19 above. In all such cases, they shall be deemed to be present for purposes of the establishment of a quorum at the General Shareholders' Meeting.*
2. *In order to vote by postal correspondence, shareholders must send to the Company the duly completed and signed proxy and absentee voting card issued in their favour by the corresponding institution, setting forth thereon the direction of their vote, their abstention or their blank vote.*
3. *Votes through the form available on the corporate website shall be cast using the means referred to in letter b) of Article 19.2 above.*
4. *Votes cast by any of the means set forth in the preceding sections must be received by the Company before 24:00 on the day immediately prior to the day for the holding of the General Shareholders' Meeting on first call or second call, as applicable.*
5. *The absentee votes referred to in this article shall be rendered void:*
 - a) *By subsequent express revocation made by the same means used to cast the vote and within the period established for such voting.*
 - b) *By attendance at the meeting of the shareholder casting the vote.*
 - c) *If the shareholder validly grants a proxy within the established period after the date of casting the absentee vote.*
6. *If no express instructions are included when casting the absentee vote prior to the meeting, or instructions are included only with respect to some of the items on the agenda of the call to meeting, and unless expressly indicated otherwise by the shareholder, it shall be deemed that said absentee vote refers to all of the items included in the agenda of the call to the General Shareholders' Meeting and that the vote is in favour of the proposals made by the Board of Directors regarding the items included in the agenda of the call to meeting with respect to which no express instructions are included.*
7. *As regards proposed resolutions other than those submitted by the Board of Directors or regarding items not included in the agenda of the call to meeting, the shareholder casting an absentee vote prior to the meeting may grant a proxy using any of the means contemplated in these Regulations, in which case the rules established for such purpose shall apply to the proxy, which shall be deemed granted to the chairman of the Board of Directors unless expressly indicated otherwise by the shareholder.*
8. *The Board of Directors is authorised to further develop the rules, means and procedures adjusted to current techniques in order to organise the casting of votes by other means, in each case in accordance with the rules and regulations issued for such purpose.*



Specifically, the Board of Directors may: (i) establish rules for the use of personal passwords and other guarantees other than electronic signatures and the instant authentication system for casting votes by electronic correspondence or by other valid remote means of communication, as well as establish and regulate the appropriate assurances in the case of telephone communication; (ii) reduce the advance period established above for receipt by the Company of absentee votes cast prior to the meeting by postal or electronic correspondence or by other means of remote communication; and (iii) accept, and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation from either of them to accept, absentee votes cast prior to the meeting that have been received after the period provided for the receipt thereof, to the extent allowed by the means available.

9. *The Board of Directors is also authorised to further develop on a general basis the procedures for granting proxies and for absentee voting prior to the meeting, including the rules of priority and conflict applicable thereto. The implementing rules adopted by the Board of Directors under the provisions of this section shall be published on the Company's corporate website.*

10. *The chairman and the secretary of the Board of Directors or the chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from any of them, shall have the broadest powers to verify the identity of the shareholders and their representatives; check the legitimacy of the exercise of the rights of attendance, proxy-granting, information and voting by the shareholders and their representatives; check and accept the validity and effectiveness of the proxies and absentee votes cast prior to the meeting (particularly the proxy and absentee voting card or verification document or instrument for attendance or proxy-granting), as well as the validity and effectiveness of the instructions received through intermediary and management institutions or depositaries of shares, all in accordance with the provisions set forth in the Company's Governance and Sustainability System and in the rules that the Board of Directors may establish in order to further develop such provisions."*

In Bilbao, on 19 March 2024.



ANNEX

Current text of the By-Laws	Proposed amendments
PREAMBLE	PREAMBLE
<p>Pursuant to the corporate autonomy recognised by law, these <i>By-Laws</i> govern the corporate contract by which all shareholders of IBERDROLA, S.A. (the “Company”) are bound upon acquiring such status.</p>	<p>Pursuant to the corporate autonomy recognised by law, these <i>By-Laws</i> govern the corporate contract by which all shareholders of IBERDROLA, S.A. (the “Company”) are bound upon acquiring such status.</p>
<p>Having been approved in accordance with applicable law by the shareholders acting at a General Shareholders’ Meeting, which is the highest governing body through which shareholders express their contractual will, they go far beyond the minimum requirements established by law and even the typical text of the by-laws of listed companies.</p>	<p>Having been approved in accordance with applicable law by the shareholders acting at a General Shareholders’ Meeting, which is the highest governing body through which shareholders express their contractual will, they go far beyond the minimum requirements established by law and even the typical text of the by-laws of listed companies.</p>
<p>Along these lines, the Preliminary Title hereof first defines the fundamental pillars of the Company as an independent and publicly listed entity, the holding company of an international industrial group, with broad geographic diversification of its businesses as a fundamental level of risk management, and which, based on its multi-level corporate structure, combines a decentralised decision-making system, inspired by the principle of subsidiarity, with robust coordination mechanisms ensuring the global integration of all of the businesses of the companies within the Iberdrola group, all on the basis of an effective system of checks and balances that prevents the centralisation of management power within a single governance body or a single person.</p>	<p>Along these lines, the Preliminary Title hereof first defines<u>determines</u> the fundamental pillars of the Company as an independent and publicly listed entity,<u>entity listed on the securities markets, and</u> second defines the Company as the holding company of an international industrial group, with <u>a</u> broad geographic diversification of its<u>the</u> businesses as a fundamental level of risk management, of the companies of which it is comprised and which, based on its multi-level corporate structure, combines a decentralised decision-making system, inspired by the principle of subsidiarity, with robust coordination mechanisms ensuring the global integration of all of the businesses of the companies within the Iberdrola group <u>and the management of the risks thereof</u>, all on the basis of an effective system of checks and balances that prevents the centralisation of management<u>decision-making</u> power within a single governance body or a single person.</p>
<p>The provisions of the By-Laws regarding the corporate object, the purpose and values, and the corporate interest and social dividend, beyond the corporate</p>	<p>The provisions of the By-Laws regarding the corporate object, the purpose and values, and the corporate interest and social dividend, beyond the corporate</p>



Current text of the By-Laws	Proposed amendments
<p>aspects highlighted above, give shape to a company focused on a clear “purpose” and certain clear “values” that make up its corporate philosophy and the ideological and axiological bases on which its corporate enterprise is based.</p>	<p>aspects highlighted above, give shape to a company focused on<u>directed towards</u> a clear “purpose” and certain clear “values” that make up its corporate philosophy and the ideological and axiological bases on which its corporate enterprise is based <u>and which guide its strategy and conduct.</u></p>
<p>In accordance therewith, the Company is defined by its By-Laws as an all-encompassing company, which transcends its nature as purely and merely a mercantile company, which opens to and engages all of its Stakeholders and is fully committed to contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN) and the most demanding environmental, social commitment and corporate governance (ESG) requirements, and in essence affirms itself to be a company and institutional reality, a player in the economic and social environment in which it does business.</p>	<p>In accordance therewith, the Company is defined by its <i>By-Laws</i> as an<u>a sustainable and</u> all-encompassing company, which transcends its nature as purely and merely a mercantile company, which opens to and engages all of its Stakeholders and is fully committed to contributing to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN) and the most demanding environmental, social commitment and corporate governance (ESG) requirements, and in essence affirms itself to be a company and institutional reality, a player in the economic and social environment in which it does business.</p>
<p>The <i>By-Laws</i> also constitute the foundation on which the Company’s Governance and Sustainability System is built and based, that is, its own set of internal regulations, developed under the aforementioned corporate autonomy, to ensure by these rules its <i>raison d’être</i> and way of being, the construction of its identity, the achievement and implementation of the <i>Purpose and Values of the Iberdrola Group</i>, the creation of sustainable value that satisfies the corporate interest, and makes feasible and real the social dividend that it shares with all of its Stakeholders.</p>	<p>The <i>By-Laws</i> also constitute the foundation on which the Company’s Governance and Sustainability System is built and based, that is, its own set of internal regulations, developed under the aforementioned corporate autonomy, to ensure by these rules its <i>raison d’être</i> and way of being, the construction of its identity, the achievement and implementation of the <i>Purpose and Values of the Iberdrola Group</i>, the creation of sustainable value that satisfies the corporate interest, and makes feasible and real the social dividend that it shares with all of its Stakeholders.</p>
<p>In turn, the <i>Purpose and Values of the Iberdrola Group</i> meet the most demanding standards in the areas of environmental protection and climate action, social commitment, corporate governance and regulatory compliance, within the general framework of respect for and protection of human rights, the social market</p>	<p>In turn, the <i>Purpose and Values of the Iberdrola Group</i> meet the most demanding standards in the areas of environmental protection and climate action, social commitment, corporate governance and regulatory compliance, within the general framework of respect for and protection of human rights, the social market</p>



Current text of the By-Laws	Proposed amendments
economy, sustainability and the ethical principles generally accepted in its sphere of activity.	economy, sustainability and the ethical principles generally accepted in its sphere of activity.
Similarly, the <i>By-Laws</i> establish a well-developed Compliance System, which, integrated within the overall governance and sustainability system, is intended to prevent and manage the risk of regulatory or ethical violations or violations of the Governance and Sustainability System.	Similarly, <u>within the framework of the Governance and Sustainability System</u> , the <i>By-Laws</i> establish a well-developed Compliance System, which, integrated within the overall governance and sustainability system , is intended to prevent and manage the risk of regulatory or ethical violations or violations of the <u>said</u> Governance and Sustainability System.
The by-law rules that arise from and are based on the internal sovereignty of the shareholders acting at a General Shareholders' Meeting also recognise the essential function performed by the Board of Directors as a governing body or structure that guides the realisation of the <i>Purpose and Values of the Iberdrola Group</i> , ensures the assembly and coordination of all its Stakeholders within a company made up of them, and directs and supports the driving action of the Company as an enterprise and institutional reality in the communities of which it is a part and in today's globalised society as a whole.	The by-law rules that arise from and are based on the internal sovereignty of the shareholders acting at a General Shareholders' Meeting also recognise the essential function performed by the Board of Directors as a governing body or structure that guides the realisation of the <i>Purpose and Values of the Iberdrola Group</i> , ensures the assembly and coordination of all its <u>the Company's</u> Stakeholders within a company made up of them <u>an enterprise comprised thereof</u> , and directs and supports the <u>its</u> driving action of the Company as an enterprise and institutional reality in the communities of which it is a part and in today's globalised society as a whole.
To the extent applicable thereto, the By-Laws of the Company and the other provisions of the Company's Governance and Sustainability System bind its shareholders, the members of its Board of Directors and of senior management, as well as the other professionals of the Company and of the other companies of the Iberdrola group, and generally any persons validly connected thereto. All have the duty to comply with them, as well as the right to demand compliance therewith.	To the extent applicable thereto, the <i>By-Laws</i> of the Company and the other provisions of the Company's Governance and Sustainability System bind its shareholders, the members of its Board of Directors and of senior management, as well as the other professionals of the Company and of the other companies of the Iberdrola group , and generally any persons validly connected thereto. All have the duty to comply with them, as well as the right to demand compliance therewith.
Article 1. Company Name	Article 1. Company Name <u>and Identity</u>
The name of the Company is IBERDROLA, S.A.	<u>1.</u> The name of the Company is IBERDROLA, S.A.



Current text of the By-Laws	Proposed amendments
	<p><u>2. The Company is an independent, open company, which has an institutional reach and is listed on the stock markets.</u></p>
	<p><u>3. The Company is the controlling entity of a multinational group of companies (the "Group").</u></p>
<p>Article 4. The Iberdrola group</p>	<p>Article 4. The Iberdrola group</p>
<p>1. The corporate and governance structure of the Iberdrola group is defined based on the following:</p>	<p>1. The corporate and governance structure of the Iberdrola group is defined based on the following:</p>
<p>a) The Company, which is a listed holding company, is the controlling entity of a multinational group of companies (the "Group"), and has duties relating to the establishment and supervision of the policies and strategies covering the Group, the basic guidelines for the management thereof, and decisions on matters of strategic importance at the Group level, as well as the design of its Governance and Sustainability System.</p>	<p>a) The Company, which is a listed holding company, is the controlling entity of a multinational group of companies (the "Group"), and has duties relating to the establishment and supervision of the policies and strategies covering the Group, the basic guidelines for the management thereof, and decisions on matters of strategic importance at the Group level, as well as the design of its Governance and Sustainability System.</p>
<p>b) Country subholding companies group together the equity stakes in the Group's head of business companies and strengthen the function of strategic supervision, organisation and coordination and further develop them in relation to such countries or businesses as are decided by the Company's Board of Directors, disseminating, implementing and ensuring compliance with policies, strategies and general guidelines at the Group level based on the characteristics and unique aspects of</p>	<p>b) Country subholding companies group together the equity stakes in the Group's head of business companies and strengthen the function of strategic supervision, organisation and coordination and further develop them in relation to such countries or businesses as are decided by the Company's Board of Directors, disseminating, implementing and ensuring compliance with policies, strategies and general guidelines at the Group level based on the characteristics and unique aspects of</p>



Current text of the By-Laws	Proposed amendments
<p>their respective territories, countries and businesses.</p> <p>The listed country subholding companies of the Group enjoy a special framework of strengthened autonomy that contemplates the measures that are appropriate to safeguard the interests of the minority shareholders of said companies.</p>	<p>their respective territories, countries and businesses.</p> <p>The listed country subholding companies of the Group enjoy a special framework of strengthened autonomy that contemplates the measures that are appropriate to safeguard the interests of the minority shareholders of said companies.</p>
<p>c) Finally, the head of business companies of the Group are in charge of the day-to-day administration and effective management of the businesses, and of the day-to-day control thereof, without prejudice to observing the corporate autonomy of the subsidiaries thereof in accordance with law.</p>	<p>e) Finally, the head of business companies of the Group are in charge of the day-to-day administration and effective management of the businesses, and of the day-to-day control thereof, without prejudice to observing the corporate autonomy of the subsidiaries thereof in accordance with law.</p>
<p>2. All companies of the Group share a common corporate interest as well as the same purpose, corporate values and ethical principles.</p>	<p>2. All companies of the Group share a common corporate interest as well as the same purpose, corporate values and ethical principles.</p>
<p>Article 6. Corporate Interest</p>	<p>Article 65. Corporate Interest</p>
<p>The Company conceives of the corporate interest as the common interest of all persons owning shares of an independent company focused on the sustainable creation of value by engaging in the activities included in its corporate object, taking into account the other Stakeholders related to its business activity and its institutional reality, in accordance with the <i>Purpose and Values of the Iberdrola Group</i> and the commitments made in its <i>Code of Ethics</i>.</p>	<p>The Company conceives of the corporate interest as the common interest of all persons owning shares of an independent company, <u>with its own distinct bylaw-based identity</u>, focused on the<u>creating comprehensive (economic, environmental, social and governance) and</u> sustainable creation of value by engaging in the activities included in its corporate object, taking into account the other Stakeholders related to its business activity and <u>consistently with</u> its institutional reality<u>reach</u>, in accordance with the <i>Purpose and Values of the Iberdrola Group</i> and the commitments made in its <i>Code of Ethics</i>.</p>
<p>Article 7. Social Dividend</p>	<p>Article 76. Social Dividend</p>



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<p>1. The performance of the activities included in the corporate object, particularly the Company's innovation and digital transformation strategy, must be focused on the sustainable creation of value, in accordance with the <i>Purpose and Values of the Iberdrola Group</i> and with the commitments made in its <i>Code of Ethics</i>.</p>	<p>1. The performance of the activities included in the corporate object, particularly the Company's innovation and digital transformation strategy, must be focused on the sustainable creation of value, in accordance with the <i>Purpose and Values of the Iberdrola Group</i> and with the commitments made in its <i>Code of Ethics</i>.</p>
<p>2. The Company recognises and seeks to obtain a social dividend consisting of the direct, indirect or induced contribution of value of its activities for all Stakeholders, particularly through its contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations and its commitment to best environmental, social and corporate governance (ESG) practices.</p>	<p>2. The Company recognises and seeks to obtain a social dividend consisting of the direct, indirect or induced contribution of value of its activities for all <u>its</u> Stakeholders, particularly through its contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (<u>UN</u>) and its commitment to best environmental, social and corporate governance (ESG) practices.</p>
<p>3. The statement of non-financial information formulated by the Board of Directors and approved by the shareholders at the General Shareholders' Meeting presents the Company's performance in the social, environmental and sustainability areas, as well as the social dividend generated and shared with its Stakeholders.</p>	<p>3. The statement of non-financial information formulated by the Board of Directors and approved by the shareholders at the General Shareholders' Meeting presents the Company's performance in the social, environmental and sustainability areas, as well as the social dividend generated and shared with <u>all</u> its Stakeholders.</p>
<p>4. The Company shall promote the public dissemination of its non-financial information and of the social dividend generated, especially among its Stakeholders.</p>	<p>4. The Company shall promote the public dissemination of its non-financial information and of the social dividend generated, especially among its Stakeholders.</p>
<p>Article 8. Applicable Legal Provisions, Governance and Sustainability System and Compliance System</p>	<p>Article 87. Applicable Legal Provisions, Governance and Sustainability System and Compliance System</p>
<p>1. The Company is governed by the legal provisions relating to listed companies and other applicable laws and regulations, as well as by its Governance and Sustainability System.</p>	<p>1. The Company is governed by the legal provisions relating to listed companies and other applicable laws and regulations, as well as by its Governance and Sustainability System.</p>
<p>2. The Governance and Sustainability System is the Company's internal system of rules, which is</p>	<p>2. The Governance and Sustainability System is the Company's internal system of rules, which is</p>



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<p>configured in accordance with applicable law in the exercise of corporate autonomy supported thereby and applies to the entire Group. It is intended to ensure through rule-making the best implementation of the corporate contract that binds its shareholders, and especially the corporate object, the corporate interest and the social dividend, as defined in the preceding articles.</p> <p>For their part, the country subholding companies and head of business companies have their own Governance and Sustainability System, approved within the framework of the performance of their responsibilities and in the exercise of their powers. This System constitutes its internal order and is consistent with that of the Company.</p>	<p>configured in accordance with applicable law in the exercise of corporate autonomy supported thereby and applies to the entire Group. It is intended to ensure through rule-making the best implementation of the corporate contract that binds its shareholders, and especially the corporate object, the corporate interest and the social dividend, as defined in the preceding articles.</p> <p>For their part, the country subholding companies and head of business companies have their own Governance and Sustainability System, approved within the framework of the performance of their responsibilities and in the exercise of their powers. This System constitutes its internal order and is consistent with that of the Company.</p>
<p>3. The aforementioned Governance and Sustainability System is made up of these By-Laws, the <i>Purpose and Values of the Iberdrola Group</i>, the Code of Ethics, corporate policies, and the other governance, compliance and market abuse prevention rules.</p>	<p>3. The aforementioned Governance and Sustainability System is made up of these By-Laws, the <i>Purpose and Values of the Iberdrola Group</i>, the Code of Ethics, <u>the</u> corporate policies, and the other governance, compliance and market abuse prevention rules, <u>as well as by other documents that supplement or further articulate the foregoing.</u></p>
<p>4. The <i>Purpose and Values of the Iberdrola Group</i> synthesises its raison d'être, the ideological and axiological foundation of its corporate enterprise, which, due to its size and importance, is a focal point for many Stakeholders and for the environmental, social and economic environment in which the entities of the Group do business.</p>	<p>4. The <i>Purpose and Values of the Iberdrola Group</i> synthesises its raison d'être, <u>constitute</u> the ideological and axiological foundation of its <u>the</u> corporate enterprise <u>of the Company</u>, which, due to its size and importance, is a focal point for many Stakeholders and for the environmental, social and economic environment in which the entities of the Group do it <u>does</u> business.</p>
<p>5. The <i>Purpose and Values of the Iberdrola Group</i> also inspires and takes form in the policies and in the other rules of the Governance and Sustainability System, governing the day-to-day</p>	<p>5. The <i>Purpose and Values of the Iberdrola Group</i> also inspires and takes form in the policies and in the other rules of the Governance and Sustainability System, governing the day-to-day activities of all entities of the Group <u>Company</u> and</p>



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activities of all entities of the Group and guiding their strategy and all of their actions.	guiding their <u>its</u> strategy and all of their actions <u>its conduct</u> .
6. The shareholders acting at a General Shareholders' Meeting and the Board of Directors of the Company, within their respective purview, develop, apply and interpret the rules making up the Governance and Sustainability System in order to ensure compliance at all times with the purposes thereof and, particularly, the fulfilment of the corporate interest.	6. The shareholders acting at a General Shareholders' Meeting and the Board of Directors of the Company, within their respective purview <u>purviews, configure</u> , develop, apply and interpret the rules making up the Governance and Sustainability System in order to ensure compliance at all times with the purposes thereof and, particularly, the fulfilment of the corporate interest.
7. Full or summarised versions of the rules making up the Governance and Sustainability System can be viewed on the Company's corporate website.	7. Full or summarised versions of the rules making up the Governance and Sustainability System can be viewed on the Company's corporate website.
8. Within the framework of the Governance and Sustainability System, the Company also has a Compliance System, consisting of a structured set of rules, procedures and activities intended to prevent and manage the risk of regulatory and ethical breaches or breaches of the Governance and Sustainability System itself, as well as to contribute to the full realisation of the <i>Purpose and Values of the Iberdrola Group</i> and the corporate interest. The country subholding companies and head of business companies also have their own compliance function, which has full responsibility for managing their respective compliance systems.	8. Within the framework of the Governance and Sustainability System, the Company also has a Compliance System, consisting of a structured set of rules, procedures and activities intended to prevent and manage the risk of regulatory and ethical breaches or breaches of the Governance and Sustainability System itself, as well as to contribute to the full realisation of the <i>Purpose and Values of the Iberdrola Group</i> and the corporate interest. The country subholding companies and head of business companies also have their own compliance function, which has full responsibility for managing their respective compliance systems.
9. The application and further development of the Company's compliance function and Compliance System is the responsibility of the Compliance Unit, an autonomous body with the highest standards of independence and transparency that	9. The application and further development of the Company's compliance function and Compliance System is the responsibility of the Compliance Unit, an autonomous body with the highest standards of independence and transparency that



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<p>is linked to the Sustainable Development Committee of the Board of Directors.</p>	<p>is linked to the Sustainable Development Committee of the Board of Directors.</p>
<p>Article 9. Stakeholder Engagement, Corporate Websites and Presence on Social Media</p>	<p>Article 98. Stakeholder Engagement, Corporate WebsitesWebsite and Presence on Social Media</p>
<p>1. The Company and the other entities belonging to the Group seek to engage all Stakeholders in its corporate enterprise in accordance with a policy on relations based on the principles of transparency and active listening, which allows for continuing to respond to their legitimate interests and to effectively disclose information regarding the activities and businesses of the Group. The Company's Board of Directors is responsible for approving this policy and coordinating and supervising the application thereof.</p>	<p>1. The Company and the other entities belonging to the Group seek<u>seeks</u> to engage all <u>its</u> Stakeholders in its corporate enterprise in accordance with a policy on relations based on the principles of transparency and active listening, which allows for continuing to respond to their legitimate interests and to effectively disclose information regarding the its activities and businesses of the Group. The Company's Board of Directors is responsible for approving this policy and coordinating and supervising the application thereof.</p>
<p>2. The Company's corporate website, its presence on social media and its digital communication strategy generally are channels of communication serving the Stakeholder engagement policy. The ultimate goal thereof is to encourage the stakeholders' engagement, reinforce their sense of belonging, strengthen the Iberdrola brand and favour the development of the businesses of the Group and the digital transformation thereof.</p>	<p>2. The Company's corporate website, its presence on social media and its digital communication strategy generally are channels of communication serving the <u>Company's</u> Stakeholder engagement policy. The ultimate goal thereof is to encourage the stakeholders' engagement, reinforce their sense of belonging, <u>their engagement and identification with the Company, as well as to</u> strengthen the Iberdrola brand and favour the development of the businesses<u>activities</u> of the Group<u>Company</u> and the digital transformation thereof.</p>
<p>3. The Board of Directors shall promote the use of the corporate website to facilitate the exercise of the shareholders' rights to receive information and to participate in connection with the General Shareholders' Meeting and the corporate governance of the Company, upon</p>	<p>3. The Board of Directors shall promote the use of the corporate website to facilitate the exercise of the shareholders' rights to receive information and to participate in <u>corporate life, particularly in</u> connection with the General Shareholders' Meeting and the corporate governance of the</p>



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the terms provided by law and the Governance and Sustainability System.	Company, upon the terms provided by law and the Governance and Sustainability System.
4. The corporate websites and the presence on social media of the country subholding companies and of the head of business companies contribute to the Company's digital communication strategy and are one of the principal means for engaging their respective Stakeholders. The structure and content thereof shall conform to the Company's Stakeholder engagement policy and to the general guidelines approved by its Board of Directors.	4. <u>The Company shall promote the accessibility of its corporate website.</u>
5. All companies of the Group shall promote the accessibility of their respective corporate websites.	
	<u>Article 9. The Group</u>
	1. <u>The corporate and governance structure of the Group is defined based on the following:</u>
	a) <u>The Company, which is a listed holding company, has duties relating to the establishment and supervision of the policies and strategies covering the Group, the basic guidelines for the management thereof, and decisions on matters of strategic importance at the Group level, as well as the design of the Company's Governance and Sustainability System.</u>
	b) <u>Country subholding companies group together the equity stakes in the Group's head of business companies and strengthen the function of strategic supervision, organisation and coordination and further develop them in relation to such countries or businesses as are decided by the Company's Board of Directors, disseminating, implementing and ensuring</u>



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	<p><u>compliance with policies, strategies and general guidelines at the Group level based on the characteristics and unique aspects of their respective territories, countries and businesses.</u></p> <p><u>The listed country subholding companies of the Group enjoy a special framework of strengthened autonomy that contemplates the measures that are appropriate to safeguard the interests of the minority shareholders of said companies.</u></p>
	<p><u>c) Finally, the head of business companies of the Group are in charge of the day-to-day administration and effective management of the businesses, and of the day-to-day control thereof, without prejudice to observing the corporate autonomy of the subsidiaries thereof in accordance with law.</u></p>
	<p><u>2. The companies of the Group share the corporate interest, purpose and values, as well as some of the same ethical principles. They also seek to involve all their respective Stakeholders in their respective business enterprises.</u></p>
	<p><u>3. The country subholding companies and head of business companies have their own governance and sustainability systems, approved within the framework of the performance of their responsibilities and in the exercise of their powers, which systems constitute their internal regulations.</u></p>
	<p><u>4. These companies also have their own compliance functions, which have sufficient material and human resources to manage their respective compliance systems.</u></p>
	<p><u>5. The country subholding companies and head of business companies shall promote the</u></p>



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	<p><u>accessibility of their respective corporate websites.</u></p> <p>4.The corporate websites and the presence on social media of the country subholding companies and of the head of business companies contribute to the Company's digital communication strategy and are one of the principal means for engaging their respective Stakeholders <u>in their respective business enterprises</u>. The structure and content thereof shall conform to the Company's Stakeholder engagement policy and to the general guidelines approved by its <u>the Company's</u> Board of Directors.</p> <p>5. All companies of the Group shall promote the accessibility of their respective corporate websites.</p>
Chapter II. Shareholders	Chapter II. Shareholders <u>and Shareholder Engagement</u>
Article 12. Shareholder Status	Article 12. <u>Acquisition of Shareholder Status</u>
Article 13. Shareholder Engagement	Article 13. <u>Significance of Shareholder Engagement</u> Status
The Company shall foster the continuous provision of appropriate information for its shareholders, permanent contact therewith and their engagement in corporate life. For this purpose, the Board of Directors shall establish the channels for participation through which the Company will foster their engagement with appropriate guarantees and coordination mechanisms.	The Company shall foster the continuous provision of appropriate information for its shareholders, permanent contact therewith and their engagement in corporate life. For this purpose, the Board of Directors shall establish the channels for participation through which the Company will foster their engagement with appropriate guarantees and coordination mechanisms.
Article 14. Shareholders and the Governance and Sustainability System	Article 14. Shareholders and the Governance and Sustainability System
1. The ownership of shares entails consent to the Governance and Sustainability System and the duty to respect and comply with the legally	1. The ownership of shares entails consent to the Governance and Sustainability System and the duty to respect and comply with the legally



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adopted decisions of the governance bodies of the Company.	adopted decisions of the governance bodies of the Company.
2. Shareholders must exercise their rights vis-à-vis the Company and the other shareholders, and must comply with their duties, acting with loyalty, in good faith and transparently, within the framework of the corporate interest as the paramount interest ahead of the private interest of each shareholder and in accordance with the Governance and Sustainability System.	2. Shareholders must exercise their rights vis-à-vis the Company and the other shareholders, and must comply with their duties, acting with loyalty, in good faith and transparently, within the framework of the corporate interest as the paramount interest ahead of the private interest of each shareholder and in accordance with law and with the Governance and Sustainability System.
	<u>Article 14. Engagement of and Continuous Information for Shareholders</u>
	1. The Company shall promote the continuous and permanent engagement of its shareholders in the Company's life.
	2. To this end, the Board of Directors shall establish channels for dialogue, information, participation and interaction between the Company and its shareholders.
	3. Using the aforementioned channels that are implemented, the Company shall encourage the effective and sustainable engagement of its shareholders in the Company's life and in the achievement of its purpose and the realisation of its values, promote their sense of belonging, and favour the alignment of its interests with those of the shareholders, all with the appropriate guarantees and coordination mechanisms.
	4. In particular, the Company shall make available to its shareholders adequate and effective channels so that they are permanently informed of the Company's activities, of their status as shareholders, of the proposed resolutions to be



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	<p><u>submitted for their consideration, and of other matters deemed to be in their interest.</u></p> <p><u>In addition, the Company shall provide that the shareholders may, at any time, and not only upon the call to the General Meeting, make such enquiries or ask such questions as they deem appropriate regarding the documentation published by the Company on the corporate website in the last year as required by legal provisions, provided for in the Governance and Sustainability System or that which it voluntarily prepares, as well as regarding any other matter that the Board of Directors determines may be relevant to their position as shareholders, which shall include, among other things, corporate documentation, disclosures of inside information and of other relevant information, and periodic financial information and non-financial information.</u></p>
	<p><u>5. The engagement of the shareholders and the channels established by the Company for this purpose shall conform to the policies and general guidelines approved by the Board of Directors.</u></p>
<p>Article 16. Shareholder Participation</p>	<p>Article 16. Shareholder Participation</p>
<p>The Board of Directors shall adopt appropriate measures to encourage maximum participation of the shareholders at the General Shareholders' Meeting, including, if appropriate, the payment of financial incentives for participation (such as attendance bonuses or the payment of an engagement dividend subject to a specified minimum quorum being reached at the General Shareholders' Meeting) pursuant to a predefined and public policy.</p>	<p><u>1. To participate in the General Meeting and to exercise the rights of attendance, proxy-representation, deliberation and voting, shareholders must be the owners of at least one share with voting rights and cause the shares to be registered in their name in the corresponding book-entry register at least five days prior to the day on which the meeting is to be held.</u></p>



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	<p><u>2. The manner of exercising these rights shall be determined by the Board of Directors, taking into consideration the manner in which the General Meeting is held and for the purpose of facilitating the participation of the largest number of shareholders at the meeting, regardless of their residence.</u></p> <p>The<u>For this purpose, the</u> Board of Directors shall adopt appropriate measures to encourage maximum participation of the shareholders at the General Shareholders' Meeting, including, if appropriate, the payment of financial incentives for participation (such as attendance bonuses or the payment of an engagement dividend subject to a specified minimum quorum being reached at the General Shareholders' Meeting) pursuant to a predefined and public policy.</p>
<p>Article 18. Call to and Methods of Holding a General Shareholders' Meeting</p>	<p>Article 18. Call to and Methods of Holding a<u>the</u> General Shareholders' Meeting</p>
<p>1. A General Shareholders' Meeting must be called by the Board of Directors through an announcement published as much in advance as required by law, and which shall state the manner in which it will be held.</p>	<p>1. A General Shareholders' Meeting must be called by the Board of Directors through an announcement published as much in advance as required by law, and which shall state the manner in which it will be held.</p>
<p>2. A General Shareholders' Meeting may be held in the following ways: in person only, in person with the ability to attend remotely, or, if there are reasons that make it advisable, exclusively by remote means. In all cases, shareholders may grant a proxy and cast an absentee vote pursuant to the provisions of these <i>By-Laws</i>, the <i>Regulations for the General Shareholders' Meeting</i> and the implementing rules approved by the Board of Directors within the scope of its powers.</p>	<p><u>2. The announcement of the call to meeting shall be disseminated through the following media, at a minimum:</u></p>



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<p><u>3.</u> The announcement of the call to meeting shall be disseminated through the following media, at a minimum:</p>	<p>a) <u>The Official Bulletin of the Commercial Registry (<i>Boletín Oficial del Registro Mercantil</i>) or one of the more widely circulated newspapers in Spain.</u></p>
<p>a) The Official Bulletin of the Commercial Registry (<i>Boletín Oficial del Registro Mercantil</i>) or one of the more widely circulated newspapers in Spain.</p>	<p>b) <u>The website of the National Securities Market Commission (<i>Comisión Nacional del Mercado de Valores</i>).</u></p>
<p>b) The website of the National Securities Market Commission (<i>Comisión Nacional del Mercado de Valores</i>).</p>	<p>c) <u>The Company's corporate website.</u></p>
<p>c) The Company's corporate website.</p>	
	<p><u>Article 19. Methods of Holding the General Shareholders' Meeting</u></p>
	<p><u>1.</u> 2.A General Shareholders' Meeting may be held in the following ways: in person only, in person with the ability to attend remotely, or, if there are reasons that make it advisable, exclusively by remote means. In all cases,</p>
	<p><u>2.</u> <u>Regardless of the manner in which the General Meeting is held, the Company shall ensure that the shareholders can exercise their rights.</u></p> <p><u>Specifically,</u> shareholders may grant a proxy and cast an absentee vote <u>prior to the holding of the meeting</u> pursuant to the provisions of <u>the law</u>, these <i>By-Laws</i>, the <i>Regulations for the General Shareholders' Meeting</i> and the implementing rules approved by the Board of Directors within the scope of its powers.</p>
	<p>3. <u>The announcement of the call to meeting shall be disseminated through the following media, at a minimum:</u></p>



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	<p>a) The Official Bulletin of the Commercial Registry (Boletín Oficial del Registro Mercantil) or one of the more widely circulated newspapers in Spain.</p>
	<p>b) The website of the National Securities Market Commission (Comisión Nacional del Mercado de Valores).</p>
	<p>e) The Company's corporate website.</p>
<p>Article 19. Shareholders' Right to Receive Information</p>	<p>Article 1920. Shareholders' Right to Receive Information <u>upon the Call to the General Shareholders' Meeting</u></p>
<p>Article 22. Right to Attend</p>	<p>Article 2223. Right to Attend</p>
<p>1. The holders of at least one voting share may attend the General Shareholders' Meeting and take part in deliberations thereat, with the right to be heard and to vote.</p>	<p>1. The holders of at least one voting share may attend the General Shareholders' Meeting and take part in deliberations thereat, with the right to be heard and to vote.</p>
<p>2. The General Shareholders' Meeting may be attended in person by going to the place where the meeting is held or, if so indicated in the call to meeting, to other places provided for such purpose by the Company and that are connected with the principal meeting place by systems that allow for recognition and identification of the attendees, permanent communication among them, and participation and voting, all in real time. Attendees at any of such places shall be considered to be attendees at the same individual meeting, which shall be deemed to be held at the principal location thereof.</p>	<p><u>1. In the documentation published upon the call to the General Shareholders' Meeting, the Board of Directors shall determine the standards and procedures to be observed for those shareholders who desire to attend in person or remotely, as appropriate, always ensuring the equal treatment of all of them.</u></p>
<p>3. The General Shareholders' Meeting may be attended remotely using the systems determined by the Board of Directors, which must allow for the</p>	<p>2. The <u>if it is decided that the</u> General Shareholders' Meeting may be attended <u>is to be held entirely</u> in person <u>or in person with the ability to attend</u></p>



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<p>identification of attendees, the exercise of their rights and the proper conduct of the meeting.</p> <p>4. In order to exercise the right to attend, shareholders must cause the shares to be registered in their name in the corresponding book-entry register at least five days prior to the day on which the General Shareholders' Meeting is to be held.</p>	<p><u>remotely, attendance in person may take place</u> by going to the place<u>location</u> where the meeting is held or, if so indicated in the call to meeting, to other places provided for such purpose by the Company and that are connected with the principal meeting place by systems that allow for recognition and identification of the attendees, permanent communication among them, and participation and voting, all in real time. Attendees at any of such places shall be considered to be attendees at the same individual meeting, which shall be deemed to be held at the principal location thereof.</p> <p><u>Attendance in person at the General Shareholders' Meeting shall be subject to the limitations arising from the space available at the venue and any ancillary venues at which the meeting may held, the requirements for security and sustainability of the event, the proper operation of the computer systems and technology used, and the state of the art, as well as any other aspects that the Board of Directors deems relevant.</u></p>
<p>5. The chair of the General Shareholders' Meeting may authorise the in-person or remote attendance of management personnel, professionals of the companies of the Group and other persons related to the Company. The chair may also grant in-person or remote access to the media, to financial analysts and to any other person the chair deems appropriate, as well as authorise the simultaneous or delayed broadcast thereof, although the shareholders acting thereat may revoke such authorisation.</p>	<p>3. The <u>if it is resolved that the</u> General Shareholders' Meeting <u>is to be held exclusively by remote means, the meeting</u> may be attended remotely using the systems determined by the Board of Directors, which must allow for the identification of attendees, the exercise of their rights and the proper conduct of the meeting.</p> <p>4. In order to exercise the right to attend, shareholders must cause the shares to be registered in their name in the corresponding book-entry register at least five days prior to the day on which the General Shareholders' Meeting is to be held.</p>
	<p><u>4.</u> 5. The chair of the General Shareholders' Meeting may authorise the in-person or remote</p>



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	attendance of management personnel, professionals of the companies of the Group and other persons related to the Company. The chair may also grant in-person or remote access to the media, to financial analysts and to any other person the chair deems appropriate, as well as authorise the simultaneous or delayed broadcast thereof, although the shareholders acting thereat may revoke such authorisation.
Article 23. Right to Proxy Representation	Article 2324. Right to Proxy Representation
<ol style="list-style-type: none"> 1. All shareholders having the right to attend may be represented at the General Shareholders' Meeting by proxy through another person, whether or not such person is a shareholder, by complying with the requirements of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers. 	<ol style="list-style-type: none"> 1. All shareholders having the right to attend may be represented at the General Shareholders' Meeting by proxy through another person, whether or not such person is a shareholder, by complying with the requirements of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.
<ol style="list-style-type: none"> 2. Proxy representatives may participate in the General Shareholders' Meeting in person or remotely, as provided in the call to meeting. 	<ol style="list-style-type: none"> 2. Proxy representatives may participate in the General Shareholders' Meeting in person or remotely, as provided in the call to meeting.
<ol style="list-style-type: none"> 3. Proxies must be given in writing or by remote means of communication (such as by telephone or by postal or electronic correspondence), in which case the provisions of Article 27 below for the casting of absentee votes shall apply to the extent applicable. 	<ol style="list-style-type: none"> 3. Proxies must be given in writing or by remote means of communication (such as by telephone or by postal or electronic correspondence), in which case the provisions of Article 2728 below for the <u>early</u> casting of absentee votes shall apply to the extent applicable.
<ol style="list-style-type: none"> 4. Proxy and voting instructions of shareholders acting through intermediary and management institutions or depositaries shall be governed by the provisions of law, the Governance and Sustainability System and the implementing 	<ol style="list-style-type: none"> 4. Proxy and voting instructions of shareholders acting through intermediary and management institutions or depositaries shall be governed by the provisions of law, the Governance and Sustainability System and the implementing



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<p>rules approved by the Board of Directors within the scope of its powers.</p>	<p>rules approved by the Board of Directors within the scope of its powers.</p>
<p>5. In cases of absence of identification of the proxy representative, absence of express instructions for the exercise of voting rights, submission of items not included on the agenda of the call to the General Shareholders' Meeting or a conflict of interest affecting the proxy representative, the rules established in this regard in the Governance and Sustainability System and in the implementing rules approved by the Board of Directors within the scope of its powers shall apply to the proxy.</p>	<p>5. In cases of absence of identification of the proxy representative, absence of express instructions for the exercise of voting rights, submission of items not included on the agenda of the call to the General Shareholders' Meeting or a conflict of interest affecting the proxy representative, the rules established in this regard in the Governance and Sustainability System and in the implementing rules approved by the Board of Directors within the scope of its powers shall apply to the proxy.</p>
<p>6. The chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from either of them, shall be responsible for verifying the identity of the shareholders and their representatives, verifying the ownership and status of their rights, and recognising the validity of the attendance, proxy and absentee voting card or the instrument or means evidencing attendance or representation by proxy, including any means provided for authentication and participation by remote means.</p>	<p>6. The chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from either of them, shall be responsible for verifying the identity of the shareholders and their representatives, verifying the ownership and status of their rights, and recognising the validity of the attendance, proxy and absentee voting card or the instrument or means evidencing attendance or representation by proxy, including any means provided for authentication and participation by remote means.</p>
<p>Article 24. Presiding Committee, Chair of and Secretary for the General Shareholders' Meeting</p>	<p>Article 24255. Presiding Committee, Chair of and Secretary for the General Shareholders' Meeting</p>
<p>1. The Presiding Committee (<i>Mesa</i>) of the General Shareholders' Meeting shall be made up of the chair of and the secretary for the General Shareholders' Meeting and the other members</p>	<p>1. The Presiding Committee (<i>Mesa</i>) of the General Shareholders' Meeting shall be made up of the chair of and the secretary for the General Shareholders' Meeting and the other members</p>



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<p>of the Board of Directors present at the meeting, who may attend in person or remotely.</p>	<p>of the Board of Directors present at the meeting, who may attend in person or remotely.</p>
<p>2. Without prejudice to other powers that may be assigned thereto by these <i>By-Laws</i> or the Governance and Sustainability System, the Presiding Committee shall assist the chair of the General Shareholders' Meeting in carrying out the duties thereof.</p>	<p>2. Without prejudice to other powers that may be assigned thereto by these <i>By-Laws</i> or the Governance and Sustainability System, the Presiding Committee shall assist the chair of the General Shareholders' Meeting in carrying out the duties thereof.</p>
<p>3. The chairman of the Board of Directors or, in the absence thereof, the vice-chair, shall act as chair of the General Shareholders' Meeting. If there are several vice-chairs, they shall act in the order set forth in Article 42.6 below. In the absence of all of the foregoing, the Person appointed by the Presiding Committee shall act as chair of the General Shareholders' Meeting.</p>	<p>3. The chairman of the Board of Directors or, in the absence thereof, the vice-chair, shall act as chair of the General Shareholders' Meeting. If there are several vice-chairs, they shall act in the order set forth in Article 42.6<u>43.6</u> below. In the absence of all of the foregoing, the Person appointed by the Presiding Committee shall act as chair of the General Shareholders' Meeting.</p>
<p>4. The secretary of the Board of Directors or, in the absence thereof, the deputy secretary, shall act as secretary for the General Shareholders' Meeting. If there are several deputy secretaries, they shall act in the order set forth in Article 44.2 below. In the absence of all of the foregoing, the Person appointed by the Presiding Committee shall act as secretary for the General Shareholders' Meeting.</p>	<p>4. The secretary of the Board of Directors or, in the absence thereof, the deputy secretary, shall act as secretary for the General Shareholders' Meeting. If there are several deputy secretaries, they shall act in the order set forth in Article 44.2<u>45.2</u> below. In the absence of all of the foregoing, the Person appointed by the Presiding Committee shall act as secretary for the General Shareholders' Meeting.</p>
<p>Article 26. Deliberations and Voting</p>	<p>Article 26<u>27</u>. Deliberations and Voting</p>
<p>1. The chair of the General Shareholders' Meeting shall: direct the meeting; accept new proposed resolutions relating to matters on the agenda; organise the deliberations and presentations, granting the floor to shareholders attending in person and who so request it and taking the floor away or refusing to grant it when the chair</p>	<p>1. The chair of the General Shareholders' Meeting shall: direct the meeting; accept new proposed resolutions relating to matters on the agenda; organise the deliberations and presentations, granting the floor to shareholders attending in person and who so request it and taking the floor away or refusing to grant it when the chair</p>



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<p>deems that a particular matter has been sufficiently debated, is not included in the agenda or hinders the progress of the meeting; indicate the time and establish, pursuant to the <i>Regulations for the General Shareholders' Meeting</i>, the system or procedure for voting; decide on the suspension or limitation of political rights, especially the voting rights attaching to shares, pursuant to law and these <i>By-Laws</i>; approve the polling and vote counting system; announce the voting results; temporarily suspend or propose a continuation of the General Shareholders' Meeting; close the meeting; and, in general, exercise all powers, including those of order and discipline, that are required for the proper conduct of the proceedings.</p>	<p>deems that a particular matter has been sufficiently debated, is not included in the agenda or hinders the progress of the meeting; indicate the time and establish, pursuant to the <i>Regulations for the General Shareholders' Meeting</i>, the system or procedure for voting; decide on the suspension or limitation of political rights, especially the voting rights attaching to shares, pursuant to law and these <i>By-Laws</i>; approve the polling and vote counting system; announce the voting results; temporarily suspend or propose a continuation of the General Shareholders' Meeting; close the meeting; and, in general, exercise all powers, including those of order and discipline, that are required for the proper conduct of the proceedings.</p>
<p>2. The chair of the General Shareholders' Meeting may entrust the management of the meeting to a director the chair deems appropriate, or to the secretary for the General Shareholders' Meeting, who shall carry out this duty on behalf of the chair, with the chair having the right to retake it at any time. In the event of temporary absence or supervening incapacity of the chair or of the secretary for the General Shareholders' Meeting, the appropriate persons under sections 3 and 4 of Article 24 above, respectively, shall assume the duties thereof.</p>	<p>2. The chair of the General Shareholders' Meeting may entrust the management of the meeting to a director the chair deems appropriate, or to the secretary for the General Shareholders' Meeting, who shall carry out this duty on behalf of the chair, with the chair having the right to retake it at any time. In the event of temporary absence or supervening incapacity of the chair or of the secretary for the General Shareholders' Meeting, the appropriate persons under sections 3 and 4 of Article 24<u>25</u> above, respectively, shall assume the duties thereof.</p>
<p>3. Proposed resolutions shall be voted upon by the shareholders at the General Shareholders' Meeting pursuant to the provisions of the following articles and the <i>Regulations for the General Shareholders' Meeting</i>.</p>	<p>3. Proposed resolutions shall be voted upon by the shareholders at the General Shareholders' Meeting pursuant to the provisions of the following articles and the Regulations for the General Shareholders' Meeting.</p>
<p>Article 27. Absentee Voting</p>	<p>Article 27<u>28</u>. Early Casting of Absentee Voting<u>Votes</u></p>



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<p>1. Shareholders may cast their absentee vote in writing or by remote means of communication (such as by telephone or by postal or electronic correspondence) on proposed resolutions relating to the items on the agenda of the call to meeting by complying with the requirements of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.</p>	<p>1. Shareholders <u>Prior to the holding of the General Meeting, shareholders</u> may cast their absentee vote in writing or by remote means of communication (such as by telephone or by postal or electronic correspondence) on proposed resolutions relating to the items on the agenda of the call to meeting by complying with the requirements of law, the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.</p>
<p>2. Shareholders that have cast their absentee vote shall be deemed present for purposes of the establishment of a quorum for the General Shareholders' Meeting.</p>	<p>2. Shareholders that have cast their absentee vote <u>prior to the meeting</u> shall be deemed present for purposes of the establishment of a quorum for the General Shareholders' Meeting.</p>
<p>3. Absentee votes must be received by the Company before 24:00 on the day immediately prior to the day set for the holding of the General Shareholders' Meeting upon first call or upon second call, as applicable.</p>	<p>3. Absentee votes <u>cast prior to the meeting</u> must be received by the Company before 24:00 on the day immediately prior to the day set for the holding of the General Shareholders' Meeting upon first call or upon second call, as applicable.</p>
<p>4. The Board of Directors is authorised to develop the rules, means and procedures for absentee voting, including applicable rules on priority and conflict.</p> <p>Specifically, the Board of Directors may reduce the advance period set forth in section 3 above for receipt by the Company of absentee votes, and accept and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation therefrom to accept, any absentee votes received after such period, to the extent permitted by the means available.</p>	<p>4. The Board of Directors is authorised to develop the rules, means and procedures for absentee voting <u>votes cast prior to the meeting</u>, including applicable rules on priority and conflict.</p> <p>Specifically, the Board of Directors may reduce the advance period set forth in section 3 above for receipt by the Company of absentee votes <u>cast prior to the meeting</u>, and accept and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation therefrom to accept, any absentee votes received after such period, to the extent permitted by the means available.</p>
<p>5. The chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons</p>	<p>5. The chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons</p>



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<p>acting by delegation from either of them, shall be responsible for verifying and recognising the validity of the absentee votes cast in accordance with the provisions set forth in the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.</p>	<p>acting by delegation from either of them, shall be responsible for verifying and recognising the validity of the absentee votes cast prior to the meeting in accordance with the provisions set forth in the Governance and Sustainability System and the implementing rules approved by the Board of Directors within the scope of its powers.</p>
<p>6. The provisions of the preceding sections of this article shall not apply to shareholders or their proxy representatives if they attend the General Shareholders' Meeting remotely. The casting of votes by those attending remotely during the General Shareholders' Meeting shall be governed by the provisions of these <i>By-Laws</i>, the <i>Regulations for the General Shareholders' Meeting</i> and the implementing rules approved by the Board of Directors within the scope of its powers.</p>	<p>6. The provisions of the preceding sections of this article shall not apply to shareholders or their proxy representatives if they attend the General Shareholders' Meeting remotely. The casting of votes by those attending remotely during the General Shareholders' Meeting shall be governed by the provisions of these <i>By-Laws</i>, the <i>Regulations for the General Shareholders' Meeting</i> and the implementing rules approved by the Board of Directors within the scope of its powers.</p>
<p>Article 28. Conflicts of Interest</p>	<p>Article 2829. Conflicts of Interest</p>
<p>1. A shareholder may not exercise the shareholder's right to vote at a General Shareholders' Meeting, either in person or by proxy, with respect to the adoption of a resolution to:</p>	<p>1. A shareholder may not exercise the shareholder's right to vote at a General Shareholders' Meeting, either in person or by proxy, with respect to the adoption of a resolution to:</p>
<p>a) Relieve the shareholder of an obligation or grant the shareholder a right.</p>	<p>a) Relieve the shareholder of an obligation or grant the shareholder a right.</p>
<p>b) Provide the shareholder with any kind of financial assistance, including the provision of guarantees in favour thereof.</p>	<p>b) Provide the shareholder with any kind of financial assistance, including the provision of guarantees in favour thereof.</p>
<p>c) Release the shareholder, if a director, from obligations arising from the duty of loyalty established in accordance with the provisions of law.</p>	<p>c) Release the shareholder, if a director, from obligations arising from the duty of loyalty established in accordance with the provisions of law.</p>
<p>d) Approve a related-party transaction that affects the shareholder, unless the</p>	<p>d) Approve a related-party transaction that affects the shareholder, unless the</p>



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<p>corresponding proposed resolution has been approved in accordance with the provisions of law.</p>	<p>corresponding proposed resolution has been approved in accordance with the provisions of law.</p>
<p>2. The provisions of the preceding section shall also apply when the resolutions affect, in the case of an individual shareholder, the entities or companies controlled thereby, and in the case of corporate shareholders, the entities or companies belonging to their group (within the meaning indicated in Article 29.3 below), even if these latter companies or entities are not shareholders.</p>	<p>2. The provisions of the preceding section shall also apply when the resolutions affect, in the case of an individual shareholder, the entities or companies controlled thereby, and in the case of corporate shareholders, the entities or companies belonging to their group (within the meaning indicated in Article 29.3<u>30.3</u> below), even if these latter companies or entities are not shareholders.</p>
<p>3. If the shareholder subject to any of the voting prohibitions above attends the General Shareholders' Meeting, such shareholder's shares shall be deducted from those in attendance for purposes of determining the number of shares upon which the majority needed for the adoption of the relevant resolutions shall be calculated.</p>	<p>3. If the shareholder subject to any of the voting prohibitions above attends the General Shareholders' Meeting, such shareholder's shares shall be deducted from those in attendance for purposes of determining the number of shares upon which the majority needed for the adoption of the relevant resolutions shall be calculated.</p>
<p>Article 29. Approval of Resolutions</p>	<p>Article 29<u>30</u>. Approval of Resolutions</p>
<p>1. Except in cases in which the law or these <i>By-Laws</i> require a greater majority, the shareholders acting at a General Shareholders' Meeting shall adopt resolutions by simple majority of the shareholders present in person or by proxy, with a resolution being deemed adopted when it receives more votes in favour than against. Each voting share that is represented in person or by proxy at the General Shareholders' Meeting shall give the right to one vote.</p>	<p>1. Except in cases in which the law or these <i>By-Laws</i> require a greater majority, the shareholders acting at a General Shareholders' Meeting shall adopt resolutions by simple majority of the shareholders present in person or by proxy, with a resolution being deemed adopted when it receives more votes in favour than against. Each voting share that is represented in person or by proxy at the General Shareholders' Meeting shall give the right to one vote.</p>
<p>2. No shareholder may cast a number of votes greater than those corresponding to shares representing ten (10%) per cent of share capital, even if the number of shares held exceeds such percentage of the share capital. This limitation does not affect votes corresponding to shares with respect to which a shareholder is holding a proxy as a result of the</p>	<p>2. No shareholder may cast a number of votes greater than those corresponding to shares representing ten (10%) per cent of share capital, even if the number of shares held exceeds such percentage of the share capital. This limitation does not affect votes corresponding to shares with respect to which a shareholder is holding a proxy</p>



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<p>provisions of Article 23 above, provided, however, that with respect to the number of votes corresponding to the shares of each shareholder represented by proxy, the limitation set forth above shall apply.</p>	<p>as a result of the provisions of Article 23<u>24</u> above, provided, however, that with respect to the number of votes corresponding to the shares of each shareholder represented by proxy, the limitation set forth above shall apply.</p>
<p>3. The limitation set forth in the preceding section shall also apply to the maximum number of votes that may be collectively or individually cast by two or more shareholders that are entities or companies belonging to the same group. Such limitation shall also apply to the number of votes that may be cast collectively or individually by an individual and the shareholder entity, entities or companies controlled by such individual. A group shall be deemed to exist under the circumstances provided by law, and also when a person controls one or more entities or companies.</p>	<p>3. The limitation set forth in the preceding section shall also apply to the maximum number of votes that may be collectively or individually cast by two or more shareholders that are entities or companies belonging to the same group. Such limitation shall also apply to the number of votes that may be cast collectively or individually by an individual and the shareholder entity, entities or companies controlled by such individual. A group shall be deemed to exist under the circumstances provided by law, and also when a person controls one or more entities or companies.</p>
<p>4. Shares deprived of voting rights pursuant to the application of the preceding sections shall be deducted from the shares in attendance at the General Shareholders' Meeting for purposes of determining the number of shares upon which the majorities needed for the approval of resolutions by the shareholders at a General Shareholders' Meeting shall be calculated.</p>	<p>4. Shares deprived of voting rights pursuant to the application of the preceding sections shall be deducted from the shares in attendance at the General Shareholders' Meeting for purposes of determining the number of shares upon which the majorities needed for the approval of resolutions by the shareholders at a General Shareholders' Meeting shall be calculated.</p>
<p>Article 50. Removal of Voting Limitations</p>	<p>Article 50<u>51</u>. Removal of Voting Limitations</p>
<p>The prohibition on voting for shareholders affected by conflicts of interest established in Article 28 above and the limitation on the maximum number of votes that may be cast by a single shareholder contained in sections 2 to 4 of Article 29 above shall be deprived of effect upon the occurrence of the following circumstances:</p>	<p>The prohibition on voting for shareholders affected by conflicts of interest established in Article 28<u>29</u> above and the limitation on the maximum number of votes that may be cast by a single shareholder contained in sections 2 to 4 of Article 29<u>30</u> above shall be deprived of effect upon the occurrence of the following circumstances:</p>
<p>a) when the Company is the target of a takeover bid aimed at the share capital as a whole; and</p>	<p>a) when the Company is the target of a takeover bid aimed at the share capital as a whole; and</p>



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<p>b) when, as a result of the takeover bid, an individual or a legal entity, or several of them acting in concert, acquire an interest equal to two-thirds of the voting share capital of the Company, provided the full consideration therefor consists only of cash; or, alternatively,</p>	<p>b) when, as a result of the takeover bid, an individual or a legal entity, or several of them acting in concert, acquire an interest equal to two-thirds of the voting share capital of the Company, provided the full consideration therefor consists only of cash; or, alternatively,</p>
<p>c) when, as a result of the takeover bid, an individual or a legal entity, or several of them acting in concert, acquire an interest equal to three-fourths of the voting share capital of the Company, provided that the consideration therefor consists, in whole or in part, of securities, without giving the recipient an alternative right to receive such consideration wholly in cash.</p>	<p>c) when, as a result of the takeover bid, an individual or a legal entity, or several of them acting in concert, acquire an interest equal to three-fourths of the voting share capital of the Company, provided that the consideration therefor consists, in whole or in part, of securities, without giving the recipient an alternative right to receive such consideration wholly in cash.</p>
<p>Article 52. Amendments to Articles in Title IV and Related Provisions</p>	<p>Article 52<u>53</u>. Amendments to Articles in Title IV and Related Provisions</p>
<p>All resolutions intended to eliminate or amend the provisions contained in this Title, in Article 28 and in sections 2 to 4 of Article 29 above shall require the affirmative vote of three-fourths of the share capital represented in person or by proxy at a General Shareholders' Meeting.</p>	<p>All resolutions intended to eliminate or amend the provisions contained in this Title, in Article 28<u>29</u> and in sections 2 to 4 of Article 29<u>30</u> above shall require the affirmative vote of three-fourths of the share capital represented in person or by proxy at a General Shareholders' Meeting.</p>
<p>Article 56. Approval</p>	<p>Article 56<u>57</u>. Approval <u>and dissemination</u></p>
<p>The separate and consolidated annual financial statements and directors' reports shall be submitted for the approval of the shareholders at the General Shareholders' Meeting by a simple majority of votes, in accordance with the provisions of Article 29 of these <i>By-Laws</i>.</p>	<p>The separate and consolidated annual financial statements and directors'<u>management</u> reports shall be submitted for the approval of the shareholders at the General Shareholders' Meeting by a simple majority of votes, in accordance with the provisions of Article 29<u>30</u> of these <i>By-Laws</i>.</p>
	<p><u>The Company shall promote the public dissemination of its financial information, especially among its Stakeholders.</u></p>



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Article 60. Approval	Article 60<u>61</u>. Approval <u>and dissemination</u>
	The statement of non-financial information shall be submitted for the approval of the shareholders at the General Shareholders' Meeting by a simple majority of votes, in accordance with the provisions of Article 29 <u>30</u> of these By-Laws.
	<u>The Company shall promote the public dissemination of its non-financial information, especially among its Stakeholders.</u>



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TITLE II. CALL TO THE GENERAL SHAREHOLDERS' MEETING	TITLE II. <u>METHODS OF HOLDING AND</u> CALL TO THE GENERAL SHAREHOLDERS' MEETING
Article 10. Call to the General Shareholders' Meeting	Article 10. Call to <u>Methods of Holding the Meeting</u>
1. The General Shareholders' Meeting shall be formally called by the Board of Directors.	1. <u>The</u> General Shareholders' Meeting <u>may be held in any of the following ways:</u>
2. The Board of Directors must call the General Shareholders' Meeting in the following cases:	a) <u>In person only.</u>
a) In the event set forth in Article 8.2 above.	b) <u>In person with the ability to attend remotely.</u>
b) If the meeting is requested, in the manner provided by law, by shareholders who individually or collectively represent at least three per cent of the share capital, which request sets forth the matters to be addressed. In this event, the Board of Directors shall call for the General Shareholders' Meeting to be held within the period established by law. The Board of Directors shall prepare the agenda of the call to meeting, which must include the matters specified in the request.	c) <u>If there are reasons that make it advisable, and under the conditions provided by law and the Governance and Sustainability System, exclusively by remote means.</u>



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<p>3. The Board of Directors may request the presence of a notary public to assist with and draw up the minutes of the General Shareholders' Meeting. In any event, the Board must request the presence of a notary public under the circumstances provided by law.</p>	<p>2. <u>Regardless of the manner in which the General Meeting is held, the Company shall ensure that the shareholders can exercise their rights.</u></p>
<p>Article 11. Methods of Holding the Meeting, Announcement of the Call to Meeting and Agenda</p>	<p><u>Article 11. Call to the General Shareholders' Meeting and Agenda</u></p>
<p>1. The General Shareholders' Meeting may be held in any of the following ways:</p>	<p>1. The General Shareholders' Meeting shall be formally called by the Board of Directors.</p>
<p>a) In person only.</p>	<p>2. The Board of Directors must call the General Shareholders' Meeting in the following cases:</p>
<p>b) In person with the ability to attend remotely.</p>	<p>a) In the event set forth in Article 8.2 above.</p>
<p>c) If there are reasons that make it advisable, and under the conditions provided by law and the Governance and Sustainability System, exclusively by remote means.</p>	<p>b) If the meeting is requested, in the manner provided by law, by shareholders who individually or collectively represent at least three per cent of the share capital, which request sets forth the matters to be addressed. In this event, the Board of Directors shall call for the General Shareholders' Meeting to be held within the period established by law. The Board of Directors shall prepare the agenda of the call to meeting, which must include the matters specified in the request.</p>



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2. The announcement of the call to meeting shall be published as much in advance as required by law, using at least the following media:	3. The Board of Directors may request the presence of a notary public to assist with and draw up the minutes of the General Shareholders' Meeting. In any event, the Board must request the presence of a notary public under the circumstances provided by law.
a) The Official Bulletin of the Commercial Registry (<i>Boletín Oficial del Registro Mercantil</i>) or one of the more widely circulated newspapers in Spain.	Article 11. Methods of Holding the Meeting, Announcement of the Call to Meeting and Agenda
b) The website of the National Securities Market Commission (<i>Comisión Nacional del Mercado de Valores</i>).	1. The General Shareholders' Meeting may be held in any of the following ways:
c) The Company's corporate website.	a) In person only.
3. The announcement of the call to meeting must contain all statements required by law in each case and must set forth:	b) In person with the ability to attend remotely.
a) The manner in which it will be held (in person only, in person with the ability to attend remotely, or exclusively by remote means).	c) If there are reasons that make it advisable, and under the conditions provided by law and the Governance and Sustainability System, exclusively by remote means.
b) The date, time and, if applicable, the place of the meeting on first call, and the agenda, with a statement of all matters to be dealt with.	2. The announcement of the call to meeting shall be published as much in advance as required by law, using at least the following media:
c) A clear and specific description of the procedures and periods that the shareholders must observe in order to request the publication of a	a) The Official Bulletin of the Commercial Registry (<i>Boletín Oficial del Registro Mercantil</i>) or one of the more widely circulated newspapers in Spain.



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<p>supplement to the call to the Annual General Shareholders' Meeting, to submit well-founded proposed resolutions, or to exercise their rights to receive information, to cast an absentee vote and to grant a proxy, upon the terms provided by law.</p>	
<p>d) The date on which the holders of the Company's shares must have them registered in their name in the corresponding book-entry register to be able to attend and vote at the General Shareholders' Meeting being called.</p>	<p>b) The website of the National Securities Market Commission (Comisión Nacional del Mercado de Valores).</p>
<p>e) A statement of where and how the complete text of the documents to be submitted at the General Shareholders' Meeting can be obtained, particularly including the reports of the directors, of the statutory auditors and of the independent experts to be submitted, and the complete text of the proposed resolutions submitted to the shareholders for approval at the General Shareholders' Meeting.</p>	<p>e) The Company's corporate website.</p>
<p>f) Information regarding the steps and procedures to be followed in order to remotely attend the General Shareholders' Meeting (if remote attendance is provided for) which allows for the identification of the shareholders or their proxy representatives, the registration and</p>	<p>3. The announcement of the call to meeting must contain all statements required by law in each case and must set forth:</p>



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preparation of the list of attendees, the correct exercise of the rights thereof and the proper conduct of the meeting.	
g) The address of the Company's corporate website.	a. The manner in which it will be held (in person only, in person with the ability to attend remotely, or exclusively by remote means).
h) Any financial incentive for participation that the Board of Directors resolves to pay in accordance with the policy approved for such purpose (such as attendance bonuses or the payment of an engagement dividend subject to a specified minimum quorum being reached at the General Shareholders' Meeting).	b. The date, time and, — <u>place</u> (if applicable, the place) of the meeting on first call, and the agenda, with a statement of all matters to be dealt with.
The announcement may also set forth the date on which the General Shareholders' Meeting shall proceed on second call, if applicable.	c. A clear and specific description of the procedures and periods that the shareholders must observe in order to request the publication of a supplement to the call to the Annual General Shareholders' Meeting, to submit well-founded proposed resolutions, or to exercise their rights to receive information, to cast an absentee vote <u>prior to the meeting</u> and to grant a proxy, upon the terms provided by law.
4. The shareholders at the General Shareholders' Meeting may not deliberate on or decide matters that are not included	d. The date on which the holders of the Company's shares must have them registered in their name in the corresponding book-entry register to



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in the agenda of the call to meeting, unless otherwise provided by law.	be able to attend and vote at the General Shareholders' Meeting being called.
	e. A statement of where and how the complete text of the documents to be submitted at the General Shareholders' Meeting can be obtained, particularly including the reports of the directors, of the statutory auditors and of the independent experts to be submitted, and the complete text of the proposed resolutions submitted to the shareholders for approval at the General Shareholders' Meeting.
	f. Information regarding the steps and procedures to be followed in order to remotely attend the General Shareholders' Meeting (if remote attendance is provided for) which allows for the identification of the shareholders or their proxy representatives, the registration and preparation of the list of attendees, the correct exercise of the rights thereof and the proper conduct of the meeting.
	g. The address of the Company's corporate website.
	h. Any financial incentive for participation that the Board of Directors resolves to pay in accordance with the policy approved for such purpose (such as attendance



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	bonuses or the payment of an engagement dividend subject to a specified minimum quorum being reached at the General Shareholders' Meeting).
	The announcement may also set forth the date on which the General Shareholders' Meeting shall proceed on second call, if applicable.
	<u>4.</u> <u>The announcement of the call to meeting shall be published as much in advance as required by law, using at least the following media:</u>
	<u>a)</u> <u>The Official Bulletin of the Commercial Registry (<i>Boletín Oficial del Registro Mercantil</i>) or one of the more widely circulated newspapers in Spain.</u>
	<u>b)</u> <u>The website of the National Securities Market Commission (<i>Comisión Nacional del Mercado de Valores</i>).</u>
	<u>c)</u> <u>The Company's corporate website.</u>
	<u>5.</u> 4. —The shareholders at the General Shareholders' Meeting may not deliberate on or decide matters that are not included in the agenda of the call to meeting, unless otherwise provided by law.
	<u>6.</u> <u>The Board of Directors may request the presence of a notary public to assist with and draw up the minutes of the General Shareholders' Meeting. In any event, the Board must request the presence of a</u>



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	<u>notary public under the circumstances provided by law.</u>
Article 12. Supplement to the Call to Meeting and Submission of Well-founded Proposed Resolutions	Article 12. Supplement to the Call to Meeting and Submission of Well-founded Proposed Resolutions
1. Shareholders who individually or collectively represent at least three per cent of the share capital may:	1. Shareholders who individually or collectively represent at least three per cent of the share capital may:
a) Request the publication of a supplement to the call to the Annual General Shareholders' Meeting including one or more items in the agenda of the call to meeting, so long as the new items are accompanied by a rationale or, if applicable, by a well-founded proposed resolution.	a) Request the publication of a supplement to the call to the Annual General Shareholders' Meeting including one or more items in the agenda of the call to meeting, so long as the new items are accompanied by a rationale or, if applicable, by a well-founded proposed resolution.
b) Submit well-founded proposed resolutions regarding matters already included or that should be included in the agenda of the call to the General Shareholders' Meeting.	b) Submit well-founded proposed resolutions regarding matters already included or that should be included in the agenda of the call to the General Shareholders' Meeting.
The written notice of the exercise of such rights shall specify the name or the corporate name of the requesting shareholder or shareholders, and there shall be attached thereto such documentation as evidences the status thereof as shareholder, in order for such information to be checked against that provided by "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U."	The written notice of the exercise of such rights shall specify the name or the corporate name of the requesting shareholder or shareholders, and there shall be attached thereto such documentation as evidences the status thereof as shareholder, in order for such information to be checked against that provided by "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U."



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<p>(IBERCLEAR), as well as the text of the item or items proposed. Under the circumstances set forth in letter a), the Board of Directors may require that the shareholder also attach the proposed resolution or resolutions and, if legally required, in the instances set forth in letters a) and b), the report or reports providing a rationale for the proposals.</p>	<p>(IBERCLEAR), as well as the text of the item or items proposed. Under the circumstances set forth in letter a), the Board of Directors may require that the shareholders<u>shareholders</u> also attach the proposed resolution or resolutions and, if legally required, in the instances set forth in letters a) and b), the report or reports providing a rationale for the proposals.</p>
<p>2. The shareholders' rights mentioned in the preceding section must be exercised by duly authenticated notice sent to the Company's registered office within the periods provided by law.</p>	<p>2. The shareholders' rights mentioned in the preceding section must be exercised by duly authenticated notice sent to the Company's registered office within the periods provided by law.</p>
<p>3. The Company shall publicise the items on the agenda and/or the proposed resolutions submitted in accordance with the preceding sections as soon as possible, within the period established by law, and shall publish a new form of attendance, proxy and absentee voting card that takes them into account. The Company shall also ensure the dissemination of these proposed resolutions and any documentation attached thereto to the other shareholders, in accordance with the provisions of law.</p>	<p>3. The Company shall publicise the items on the agenda and/or the proposed resolutions submitted in accordance with the preceding sections as soon as possible, within the period established by law, and shall publish a new form of attendance, proxy and absentee voting card that takes them into account. The Company shall also ensure the dissemination of these proposed resolutions and any documentation attached thereto to the other shareholders, in accordance with the provisions of law.</p>
<p>4. At the time of the call to meeting, the Board of Directors shall make available to the shareholders all information additional to that required by law that it deems appropriate and that contributes to a better understanding by the shareholders with respect to the exercise of their rights in connection with the</p>	<p>4. At the time of the call to meeting, the Board of Directors shall make available to the shareholders all information additional to that required by law that it deems appropriate and that contributes to a better understanding by the shareholders with respect to the exercise of their rights in connection with the</p>



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General Shareholders' Meeting and the matters to be dealt with thereat.	General Shareholders' Meeting and the matters to be dealt with thereat.
Article 14. Corporate Website	Article 14. Corporate Website
1. The Company shall use its corporate website to promote the informed participation of all shareholders in the General Shareholders' Meeting and to facilitate the exercise of their rights related thereto.	1. The Company shall use its corporate website to promote the informed participation of all shareholders in the General Shareholders' Meeting and to facilitate the exercise of their rights related thereto.
2. From the date of publication of the announcement of the call to meeting through the date of holding of the General Shareholders' Meeting in question, the Company shall continuously publish on its corporate website in electronic format and in an organised and environmentally-friendly manner, such information as is required by law or deemed appropriate to facilitate and promote the attendance and participation of the shareholders at the General Shareholders' Meeting, including in any case the following:	2. From the date of publication of the announcement of the call to meeting through the date of holding of the General Shareholders' Meeting in question, the Company shall continuously publish on its corporate website in electronic format and in an organised and environmentally-friendly manner, such information as is required by law or deemed appropriate to facilitate and promote the attendance and participation of the shareholders at the General Shareholders' Meeting, including in any case the following:
a) The announcement of the call to the General Shareholders' Meeting.	a) The announcement of the call to the General Shareholders' Meeting.
b) The total number of shares and voting rights existing on the date of the announcement of the call to meeting, broken down by classes of shares, if any.	b) The total number of shares and voting rights existing on the date of the announcement of the call to meeting, broken down by classes of shares, if any.
c) Such documents relating to the General Shareholders' Meeting as are required by law, including the reports	c) Such documents relating to the General Shareholders' Meeting as are required by law, including the reports



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<p>of the directors, the statutory auditors and the independent experts that are expected to be submitted, proposed resolutions submitted by the Board of Directors or by the shareholders, and any other relevant information that the shareholders might need in order to cast their vote.</p>	<p>of the directors, the statutory auditors and the independent experts that are expected to be submitted, proposed resolutions submitted by the Board of Directors or by the shareholders, and any other relevant information that the shareholders might need in order to cast their vote.</p>
<p>d) In the event that the shareholders acting at a General Shareholders' Meeting must deliberate on the appointment, re-election or ratification of directors, the corresponding proposed resolution shall be accompanied by the following information: professional profile and biographical data of the director; other boards of directors on which the director holds office, at listed companies or otherwise; type of director such person is or should be, with mention, in the case of proprietary directors, of the shareholder that proposes or proposed the appointment thereof or who the director represents or with which the director maintains ties; date of the director's first and any subsequent appointments as director of the Company; shares of the Company and derivative financial instruments whose underlying assets are shares of the Company of which such director is the holder; the explanatory report prepared by the Board of Directors and the proposal of the Appointments Committee in the case of independent directors, and</p>	<p>d) In the event that the shareholders acting at a General Shareholders' Meeting must deliberate on the appointment, re-election or ratification of directors, the corresponding proposed resolution shall be accompanied by the following information: professional profile and biographical data of the director; other boards of directors on which the director holds office, at listed companies or otherwise; type of director such person is or should be, with mention, in the case of proprietary directors, of the shareholder that proposes or proposed the appointment thereof or who the director represents or with which the director maintains ties; date of the director's first and any subsequent appointments as director of the Company; shares of the Company and derivative financial instruments whose underlying assets are shares of the Company of which such director is the holder; the explanatory report prepared by the Board of Directors and the proposal of the Appointments Committee in the case of independent directors, and the</p>



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the report of said committee in other cases.	report of said committee in other cases.
e) The existing channels of communication between the Company and the shareholders and, in particular, explanations pertinent to the exercise of the right to receive information, indicating the postal and e-mail addresses to which the shareholders may direct their requests.	e) The existing channels of communication between the Company and the shareholders and, in particular, explanations pertinent to the exercise of the right to receive information, indicating the postal and e-mail addresses to which the shareholders may direct their requests.
f) The means and procedures for granting a proxy to attend the General Shareholders' Meeting and for casting absentee votes, including the form of attendance, proxy and absentee voting card, if any.	f) The means and procedures for granting a proxy to attend the General Shareholders' Meeting and for casting absentee votes <u>prior to the meeting</u> , including the form of attendance , proxy and absentee voting card, if any.
g) The means and procedures for attending the General Shareholders' Meeting remotely, if remote attendance is provided for.	g) The means and procedures for attending the General Shareholders' Meeting remotely, if remote attendance is provided for.
3. Furthermore, after the publication of the announcement of the call to the Annual General Shareholders' Meeting, the Company shall include on its corporate website the following documentation, which the Board of Directors may group into one or more reports:	3. Furthermore, after the publication of the announcement of the call to the Annual General Shareholders' Meeting, the Company shall include on its corporate website the following documentation, which the Board of Directors may group into one or more reports:
a) The report on the independence of the statutory auditor prepared by the Audit and Risk Supervision Committee.	a) The report on the independence of the statutory auditor prepared by the Audit and Risk Supervision Committee



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b) The related-party transactions report prepared by the Audit and Risk Supervision Committee.	b) The related-party transactions report prepared by the Audit and Risk Supervision Committee.
c) The activities report of the Board of Directors and of the Committees thereof.	c) The activities report of the Board of Directors and of the Committees thereof.
d) The integrated report.	d) The integrated report.
e) Any other reports determined by the Board of Directors.	e) Any other reports determined by the Board of Directors.
4. After the publication of the announcement of the call to meeting, the Company shall use its best efforts to include in its corporate website an English version of the information and the principal documents related to the General Shareholders' Meeting. In the event of a discrepancy between the Spanish and English versions, the former shall prevail.	4. After the publication of the announcement of the call to meeting, the Company shall use its best efforts to include in its corporate website an English version of the information and the principal documents related to the General Shareholders' Meeting. In the event of a discrepancy between the Spanish and English versions, the former shall prevail.
5. Pursuant to the provisions of applicable law, an Electronic Shareholders' Forum shall be enabled on the Company's corporate website upon the call to the General Shareholders' Meeting. Duly verified shareholders and shareholder groups may access the Electronic Shareholders' Forum, the use of which shall conform to its legal purpose and to the assurances and rules of operation established by the Company.	5. Pursuant to the provisions of applicable law, an Electronic Shareholders' Forum shall be enabled on the Company's corporate website upon the call to the General Shareholders' Meeting. Duly verified shareholders and shareholder groups may access the Electronic Shareholders' Forum, the use of which shall conform to its legal purpose and to the assurances and rules of operation established by the Company.
Article 16. Participation	Article 16. Participation



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<p>The Board of Directors shall adopt appropriate measures to encourage maximum participation of the shareholders at the General Shareholders' Meeting, including the ability to deliver promotional material or gifts with symbolic value to the shareholders participating in the General Shareholders' Meeting or in the holding of similar promotions. Any items remaining from the promotions or gifts may be used for social welfare purposes.</p>	<p><u>1. The manner of exercising the rights of attendance, proxy-representation, deliberation and voting shall be determined by the Board of Directors in order to facilitate the participation of the largest number of shareholders at the meeting, regardless of their residence, and taking into account the method of holding the meeting, among other issues.</u></p>
	<p><u>2. The Board of Directors shall adopt appropriate measures <u>for these purposes in order</u> to encourage maximum participation of the shareholders in the General Shareholders' Meeting, including the ability to deliver, if appropriate, <u>the implementation of various channels to attend, grant a proxy or cast an absentee vote prior to the meeting, the payment of financial incentives for participation pursuant to a predefined and public policy, and the delivery</u> of promotional material or gifts with symbolic value to the shareholders participating in the General Shareholders' Meeting or to hold similar promotions. Any items remaining from the promotions or gifts may be used for social welfare purposes.</u></p>
<p>Article 19. Right to Proxy Representation</p>	<p>Article 19. Right to Proxy Representation</p>
<p>1. Shareholders may exercise the right to attend personally or through proxy representation by another person, whether or not such person is a</p>	<p>1. Shareholders may exercise the right to attend personally or through proxy representation by another person, whether or not such person is a</p>



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<p>shareholder, by complying with the requirements of law and the Governance and Sustainability System.</p>	<p>shareholder, by complying with the requirements of law and the Governance and Sustainability System.</p>
<p>2. The proxy may be granted by delivering to the proxy representative the attendance, proxy and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company, or by any of the following means, as determined by the Board of Directors:</p>	<p>2. The proxy may be granted by delivering to the proxy representative the attendance, proxy and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company, or by any of the following means, as determined by the Board of Directors:</p>
<p>a) Through the financial institutions that are intermediaries, managers and depositaries in which their shares are deposited, in order for said institutions to in turn cause the instructions received to be delivered to the Company.</p>	<p>a) Through the financial institutions that are intermediaries, managers and depositaries in which their shares are deposited, in order for said institutions to in turn cause the instructions received to be delivered to the Company.</p>
<p>b) Through the proxy form available on the Company's corporate website, using the instant authentication systems implemented by the Company, recognised electronic signature of the shareholder or other type of guarantee that the Company deems proper to ensure the authenticity and identification of the shareholder granting the proxy.</p> <p>For these purposes, the use of the personal passwords that the Company has previously delivered to the shareholder by postal or electronic correspondence to the address that the shareholder has communicated to the Company or through any other form determined</p>	<p>b) Through the proxy form available on the Company's corporate website, using the instant authentication systems implemented by the Company, recognised electronic signature of the shareholder or other type of guarantee that the Company deems proper to ensure the authenticity and identification of the shareholder granting the proxy.</p> <p>For these purposes, the use of the personal passwords that the Company has previously delivered to the shareholder by postal or electronic correspondence to the address that the shareholder has communicated to the Company or</p>



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<p>by the Board of Directors shall be deemed to be a proper assurance.</p>	<p>through any other form determined by the Board of Directors shall be deemed to be a proper assurance.</p>
<p>c) Advance delivery of the attendance, proxy and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company at the premises provided by the Company on the days announced on the Company's corporate website.</p>	<p>c) Advance delivery of the attendance, proxy and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company at the premises provided by the Company on the days announced on the Company's corporate website.</p>
<p>d) Sending the attendance, proxy and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company by postal correspondence addressed to the Company.</p>	<p>d) Sending the attendance, proxy and absentee voting card or any other means of verifying the grant of a proxy that is accepted by the Company by postal correspondence addressed to the Company.</p>
<p>e) By any other means of remote communication (including communication by telephone) that the Board of Directors determines to favour the participation of the largest possible number of shareholders, provided that notice thereof is given on the corporate website at the time of publishing the announcement of the call to meeting, that it provides sufficient guarantees of the authenticity and identification of the shareholder granting the proxy, and, if appropriate, that it duly ensures the security of the communications.</p>	<p>e) By any other means of remote communication (including communication by telephone) that the Board of Directors determines to favour the participation of the largest possible number of shareholders, provided that notice thereof is given on the corporate website at the time of publishing the announcement of the call to meeting, that it provides sufficient guarantees of the authenticity and identification of the shareholder granting the proxy, and, if appropriate, that it duly ensures the security of the communications.</p>
<p>3. A proxy granted by any of the means indicated in the preceding section must be received by the Company before 24:00 on</p>	<p>3. A proxy granted by any of the means indicated in the preceding section must be received by the Company before</p>



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<p>the day immediately prior to the day on which the General Shareholders' Meeting is to be held on first call or on second call, as applicable.</p>	<p>24:00 on the day immediately prior to the day on which the General Shareholders' Meeting is to be held on first call or on second call, as applicable.</p>
<p>4. The Board of Directors is authorised to further develop the foregoing provisions by establishing rules, means and procedures adjusted to current techniques in order to organise the grant of proxies by other means, in each case in accordance with the rules and regulations issued for such purpose.</p> <p>Specifically, the Board of Directors may: (i) establish rules for the use of personal passwords and other safeguards other than electronic signatures and the instant authentication system for the grant of proxies by electronic correspondence or by other valid remote means of communication, as well as establish and regulate the appropriate safeguards in the case of telephone communication; (ii) reduce the advance period established above for receipt by the Company of proxies granted by postal or electronic correspondence or by other means of remote communication; and (iii) accept, and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation therefrom to accept, proxies received after such period, to the extent allowed by the means available.</p>	<p>4. The Board of Directors is authorised to further develop the foregoing provisions by establishing rules, means and procedures adjusted to current techniques in order to organise the grant of proxies by other means, in each case in accordance with the rules and regulations issued for such purpose.</p> <p>Specifically, the Board of Directors may: (i) establish rules for the use of personal passwords and other safeguards other than electronic signatures and the instant authentication system for the grant of proxies by electronic correspondence or by other valid remote means of communication, as well as establish and regulate the appropriate safeguards in the case of telephone communication; (ii) reduce the advance period established above for receipt by the Company of proxies granted by postal or electronic correspondence or by other means of remote communication; and (iii) accept, and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation therefrom to accept, proxies received after such period, to the extent allowed by the means available.</p>
<p>5. The chairman and the secretary of the Board of Directors or the chair of and the secretary for the General Shareholders'</p>	<p>5. The chairman and the secretary of the Board of Directors or the chair of and the secretary for the General Shareholders'</p>



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<p>Meeting, from the constitution thereof, and the persons acting by delegation from either of them, shall have the broadest powers for verifying the identity of the shareholders and their representatives, verifying the ownership and status of their rights, and recognising the validity of the attendance, proxy and absentee voting card or the instrument evidencing attendance or representation by proxy.</p>	<p>Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from any of them, shall have the broadest powers for verifying the identity of the shareholders and their representatives, verifying the ownership and legitimacy of their rights, and recognising the validity of the <u>attendance</u>, proxy and absentee voting card or <u>of</u> the instrument evidencing attendance or representation by proxy.</p>
<p>6. A proxy is always revocable. Attendance in person, or remotely if permissible, by the shareholder granting the proxy at the General Shareholders' Meeting, whether in person or due to having cast an absentee vote on a date subsequent to that of the proxy, shall have the effect of revoking the proxy.</p>	<p>6. A proxy is always revocable. Attendance in person, or remotely if <u>permissible possible</u>, by the shareholder granting the proxy at the General Shareholders' Meeting, whether in person or due to having cast an absentee vote <u>prior to the meeting and</u> on a date subsequent to that of the proxy, shall have the effect of revoking the proxy.</p>
<p>7. A public solicitation for proxies by the Board of Directors or any of its members shall be governed by the provisions of law and by the corresponding resolution of the Board of Directors, if any.</p>	<p>7. A public solicitation for proxies by the Board of Directors or any of its members shall be governed by the provisions of law and by the corresponding resolution of the Board of Directors, if any.</p>
<p>8. A proxy may cover those matters that the law allows to be dealt with at the General Shareholders' Meeting even when not included in the agenda of the call to meeting.</p>	<p>8. A proxy may cover those matters that the law allows to be dealt with at the General Shareholders' Meeting even when not included in the agenda of the call to meeting.</p>
<p>9. If a proxy has been validly granted pursuant to law and these <i>Regulations</i> but does not include voting instructions or questions arise as to the intended proxy</p>	<p>9. If a proxy has been validly granted pursuant to law and these <i>Regulations</i> but does not include voting instructions or questions arise as to the intended proxy</p>



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<p>representative or the scope of the representation, and unless otherwise expressly indicated by the shareholder, it shall be deemed that the proxy: (i) is granted in favour of the chairman of the Board of Directors; (ii) refers to all of the items included in the agenda of the call to meeting; (iii) contains the instruction to vote favourably on all proposals made by the Board of Directors with respect to the items on the agenda of the call to meeting; and (iv) extends to matters that, although not included in the agenda of the call to meeting, may be dealt with at the General Shareholders' Meeting in accordance with law, in respect of which the proxy representative shall vote in the direction the proxy representative deems most favourable to the interests of the shareholder granting the proxy, within the framework of the corporate interest.</p> <p>This provision may be further developed by any rules approved by the Board of Directors that systematise, further develop, adapt and specify the provisions of the Governance and Sustainability System regarding the management of the General Shareholders' Meeting.</p>	<p>representative or the scope of the representation, and unless otherwise expressly indicated by the shareholder, it shall be deemed that the proxy: (i) is granted in favour of the chairman of the Board of Directors; (ii) refers to all of the items included in the agenda of the call to meeting; (iii) contains the instruction to vote favourably on all proposals made by the Board of Directors with respect to the items on the agenda of the call to meeting; and (iv) extends to matters that, although not included in the agenda of the call to meeting, may be dealt with at the General Shareholders' Meeting in accordance with law, in respect of which the proxy representative shall vote in the direction the proxy representative deems most favourable to the interests of the shareholder granting the proxy, within the framework of the corporate interest.</p> <p>This provision may be further developed by any rules approved by the Board of Directors that systematise, further develop, adapt and specify the provisions of the Governance and Sustainability System regarding the management of the General Shareholders' Meeting.</p>
<p>10. Before being appointed, the proxy representative shall provide detailed information to the shareholder regarding the existence of any conflict of interest. If the conflict is subsequent to the appointment and the shareholder granting the proxy has not been advised of the possible existence of such conflict, the proxy representative shall immediately</p>	<p>10. Before being appointed, the proxy representative shall provide detailed information to the shareholder regarding the existence of any conflict of interest. If the conflict is subsequent to the appointment and the shareholder granting the proxy has not been advised of the possible existence of such conflict, the proxy representative shall immediately</p>



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<p>inform the shareholder thereof. In both cases, if the proxy representative has not received new specific voting instructions regarding each of the matters on which the proxy representative has to vote on behalf of the shareholder, the proxy representative shall abstain from voting, without prejudice to the provisions of the following section.</p>	<p>inform the shareholder thereof. In both cases, if the proxy representative has not received new specific voting instructions regarding each of the matters on which the proxy representative has to vote on behalf of the shareholder, the proxy representative shall abstain from voting, without prejudice to the provisions of the following section.</p>
<p>11. Unless otherwise expressly indicated by the shareholder, if the proxy representative is affected by a conflict of interest and has no specific voting instructions, or if the proxy representative has them but it is deemed preferable that the proxy representative not exercise the proxy with respect to the items involved in the conflict of interest, the shareholder shall be deemed to have appointed the following persons as proxy representatives for such items, severally and successively, in the event that any of them is in turn affected by a conflict of interest: first, the chair of the General Shareholders' Meeting, second, the secretary therefor, and finally, the deputy secretary of the Board of Directors, if any. In this latter event, if there are several deputy secretaries, the order to be used shall be the order established at the time of their appointment (first deputy secretary, second deputy secretary, etc.). The proxy representative so designated shall cast the vote in the direction deemed most favourable to the interests of the</p>	<p>11. Unless otherwise expressly indicated by the shareholder, if the proxy representative is affected by a conflict of interest and has no specific voting instructions, or if the proxy representative has them but it is deemed preferable that the proxy representative not exercise the proxy with respect to the items involved in the conflict of interest, the shareholder shall be deemed to have appointed the following persons as proxy representatives for such items, severally and successively, in the event that any of them is in turn affected by a conflict of interest: first, the chair of the General Shareholders' Meeting, second, the secretary therefor, and finally, the deputy secretary of the Board of Directors, if any. In this latter event, if there are several deputy secretaries, the order to be used shall be the order established at the time of their appointment (first deputy secretary, second deputy secretary, etc.). The proxy representative so designated shall cast the vote in the direction deemed most favourable to the interests of the</p>



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<p>person represented thereby, within the framework of the corporate interest.</p>	<p>person represented thereby, within the framework of the corporate interest.</p>
<p>12. A proxy representative may hold the proxy of more than one shareholder without limitation as to the number of shareholders being represented, and exercise the corresponding voting rights pursuant to the provisions of Article 41.5 below.</p>	<p>12. A proxy representative may hold the proxy of more than one shareholder without limitation as to the number of shareholders being represented, and exercise the corresponding voting rights pursuant to the provisions of Article 41.5 below.</p>
<p>Article 20. Attendance, Proxy and Absentee Voting Cards</p>	<p>Article 20. Attendance, Proxy and Absentee Voting Cards</p>
<p>1. The Company may issue the attendance, proxy and absentee voting cards for the participation of the shareholders at the General Shareholders' Meeting, and also propose to the entities members of "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U." (IBERCLEAR) and to the intermediary and management institutions and depositaries in general, the form of such cards as well as the formula that must be recited in order to grant a proxy, which, in the absence of specific instructions from the party granting the proxy, may also set forth the direction in which the proxy representative is to vote with respect to each of the resolutions proposed by the Board of Directors in connection with each item on the agenda of the call to meeting. The attendance, proxy and absentee voting card may also specify the identity of the proxy representative and the alternate or alternates for the proxy representative</p>	<p>1. The Company may issue the attendance, proxy and absentee voting cards for the participation of the shareholders at the General Shareholders' Meeting, and also propose to the entities members of "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U." (IBERCLEAR) and to the intermediary and management institutions and depositaries in general, the form of such cards as well as the formula that must be recited in order to grant a proxy, which, in the absence of specific instructions from the party granting the proxy, may also set forth the direction in which the proxy representative is to vote with respect to each of the resolutions proposed by the Board of Directors in connection with each item on the agenda of the call to meeting. The attendance, proxy and absentee voting card may also specify the identity of the proxy representative and the alternate or alternates for the proxy</p>



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<p>in the event of a conflict of interest, in the absence of express appointment by the shareholder being represented.</p> <p>The Company shall ensure that the cards are uniform and include a bar code or other system that allows for electronic or remote scanning in order to facilitate the computerised calculation of shares represented in person and by proxy at the General Shareholders' Meeting.</p>	<p>representative in the event of a conflict of interest, in the absence of express appointment by the shareholder being represented.</p> <p>The Company shall ensure that the cards are uniform and include a bar code or other system that allows for electronic or remote scanning in order to facilitate the computerised calculation of shares represented in person and by proxy at the General Shareholders' Meeting.</p>
<p>2. The proxy or voting instructions of the shareholders acting through intermediary and management institutions or depositaries may be received by the Company through any valid system or remote means of communication, signed by the shareholder or by the institution. The institutions may group together instructions received from shareholders and send them in a block to the Company, indicating the direction of such instructions.</p>	<p>2. The proxy or voting instructions of the shareholders acting through intermediary and management institutions or depositaries may be received by the Company through any valid system or remote means of communication, signed by the shareholder or by the institution. The institutions may group together instructions received from shareholders and send them in a block to the Company, indicating the direction of such instructions.</p>
<p>3. If an intermediary or management institution or depositary sends to the Company an attendance, proxy and absentee voting card or verification instrument of a shareholder duly identified in the document and bearing the signature, stamp and/or mechanical impression of the institution, and unless the shareholder expressly indicates otherwise, it shall be deemed that the shareholder has instructed such institution to exercise the proxy or voting right, as applicable, in the direction</p>	<p>3. If an intermediary or management institution or depositary sends to the Company an attendance, a proxy and absentee voting card or verification instrument of a shareholder duly identified in the document and bearing the signature, stamp and/or mechanical impression of the institution, and unless the shareholder expressly indicates otherwise, it shall be deemed that the shareholder has instructed such institution to exercise the proxy or voting right, as applicable, in the direction</p>



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<p>indicated in such card or instrument evidencing the proxy or vote. If there are questions regarding such instructions, it shall be deemed that the shareholder grants the proxy to the chairman of the Board of Directors with the scope set forth in these Regulations and that the shareholder gives specific instructions to vote in favour of the proposals made by the Board of Directors in connection with the items on the agenda of the call to meeting.</p>	<p>indicated in such card or instrument evidencing the proxy or vote. If there are questions regarding such instructions, it shall be deemed that the shareholder grants the proxy to the chairman of the Board of Directors with the scope set forth in these Regulations and that the shareholder gives specific instructions to vote in favour of the proposals made by the Board of Directors in connection with the items on the agenda of the call to meeting.</p>
<p>4. In other respects, the other rules contained in the Governance and Sustainability System and those that may be established by the Board of Directors in order to further develop such rules shall apply to the proxies and absentee votes referred to in this article.</p>	<p>4. In other respects, the other rules contained in the Governance and Sustainability System and those that may be established by the Board of Directors in order to further develop such rules shall apply to the proxies and to the absentee votes cast prior to the meeting referred to in this article.</p>
<p>5. All of the foregoing shall be without prejudice to the regulations applicable to the relations between financial intermediaries and their customers for purposes of the exercise of the rights to grant a proxy and to vote. The Company is only answerable to the entity or person validated as a shareholder pursuant to the book-entry register.</p>	<p>5. All of the foregoing shall be without prejudice to the regulations applicable to the relations between financial intermediaries and their customers for purposes of the exercise of the rights to grant a proxy and to vote. The Company is only answerable to the entity or person validated as a shareholder pursuant to the book-entry register.</p>
<p>Article 21. Place of the Meeting</p>	<p>Article 21. Place of the Meeting</p>
<p>1. A General Shareholders' Meeting called to be held only in person or in person with the ability to attend remotely shall be held at the place indicated in the call to meeting within the municipal territory of Bilbao. If no place is indicated in the call to</p>	<p>1. A General Shareholders' Meeting that is called to be held only in person or in person with the ability to attend remotely shall be held at the place indicated in the call to meeting within the municipal territory of Bilbao. If no place is indicated</p>



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<p>meeting, it shall be deemed that the meeting will take place at the registered office.</p>	<p>in the call to meeting, it shall be deemed that the meeting will take place at the registered office.</p>
<p>2. The General Shareholders' Meeting may be attended in person by going to the place where the meeting is held or, if so indicated in the call to meeting, to other places provided for such purpose by the Company and that are connected with the principal meeting place by systems that allow for recognition and identification of the attendees, permanent communication among them, and participation and voting, all in real time. Attendees at any of such places shall be considered to be attendees at the same individual meeting, which shall be deemed to be held at the principal location thereof.</p>	<p>2. The <u>if it is decided that the</u> General Shareholders' Meeting may be attended <u>is to be held entirely</u> in person <u>or in person with the ability to attend remotely,</u> <u>attendance in person may take place</u> by going to the place <u>location</u> where the meeting is held or, if so indicated in the call to meeting, to other places provided for such purpose by the Company and that are connected with the principal meeting place by systems that allow for recognition and identification of the attendees, permanent communication among them, and participation and voting, all in real time. Attendees at any of such places shall be considered to be attendees at the same individual meeting, which shall be deemed to be held at the principal location thereof.</p> <p><u>Attendance in person at the General Shareholders' Meeting shall in any case conform to the limitations arising from the space available at the venue and any ancillary venues at which the meeting may held, the requirements for security and sustainability of the event, the proper operation of the computer systems and technology used, and the state of the art, as well as any other aspects that the Board of Directors deems relevant for the organisation of the General Meeting.</u></p>
<p>3. A General Shareholders' Meeting held exclusively by remote means shall be</p>	<p>3. A General Shareholders' Meeting <u>that is called to be</u> held exclusively by remote</p>



Current text of the Regulations for the General Shareholders' Meeting	Proposed amendments
<p>deemed to be held at the registered office, regardless of where the chair of the General Shareholders' Meeting is located.</p>	<p>means shall be deemed to be held at the registered office, regardless of where the chair of the General Shareholders' Meeting is located.</p>
<p>Article 22. Infrastructure, Equipment and Services</p>	<p>Article 22. Infrastructure, Equipment and Services</p>
<p>1. The premises, if any, to be used to hold the General Shareholders' Meeting shall have the personnel, technical equipment, and safety, assistance and emergency measures commensurate with the nature and location of the building and with the importance of the event. In addition, the premises for holding the General Shareholders' Meeting shall have the emergency and evacuation measures required by law, as well other measures deemed appropriate in light of the circumstances.</p>	<p>1. The premises, if any, to be used to hold the General Shareholders' Meeting shall have the personnel, technical equipment, and safety, assistance and emergency measures commensurate with the nature and location of the building and with the importance of the event. In addition, the premises for holding the General Shareholders' Meeting shall have the emergency and evacuation measures required by law, as well other measures deemed appropriate in light of the circumstances.</p>
<p>2. The Company may make available other licensed premises where the General Shareholders' Meeting can be held in the event of an emergency.</p>	<p>2. The Company may make available other licensed premises where the General Shareholders' Meeting can be held in the event of an emergency.</p>
<p>3. Appropriate controls and surveillance and protection measures, including systems for controlling access to the meeting, shall be established in order to ensure the safety of any attendees in person and the orderly conduct of the General Shareholders' Meeting.</p>	<p>3. Appropriate controls and surveillance and protection measures, including systems for controlling access to the meeting, shall be established in order to ensure the safety of any attendees in person and the orderly conduct of the General Shareholders' Meeting.</p>
<p>4. Once the General Shareholders' Meeting has commenced, the attendees are</p>	<p>4. Once the General Shareholders' Meeting has commenced, the attendees are</p>



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<p>prohibited from using voice amplification instruments, mobile phones, photographic equipment, audio and/or video recording and/or transmission equipment and in general any instrument that might alter the visibility, sound or lighting conditions of the proceedings, except to the extent authorised by the chair thereof.</p>	<p>prohibited from using voice amplification instruments, mobile phones, photographic equipment, audio and/or video recording and/or transmission equipment and in general any instrument that might alter the visibility, sound or lighting conditions of the proceedings, except to the extent authorised by the chair thereof.</p>
<p>5. The proceedings of the General Shareholders' Meeting shall be the subject of audiovisual recording, unless the chair of the General Shareholders' Meeting decides otherwise. They may also be the subject of storage and live or recorded broadcast by any means, including over the internet, and dissemination on social media, on the legal basis of the Company's legitimate interest in complying with best transparency practices. A data subject shall have the rights of access, rectification, objection, erasure and restriction of processing of the data collected by the Company on the terms established by law by sending a letter addressed to the registered office or to the Shareholder's Office (the postal address of which shall be provided by the Company for each Meeting) and at the e-mail address established by the Company for each Meeting. The data subject may also request more detailed information regarding the Company's privacy policy at the postal and electronic addresses indicated above.</p>	<p><u>5. If it is resolved that the General Shareholders' Meeting is to be held exclusively by remote means, the systems determined by the Board of Directors to attend the meeting must allow for the identification of attendees, the exercise of their rights and the proper conduct of the meeting.</u></p>



Current text of the Regulations for the General Shareholders' Meeting	Proposed amendments
<p><u>6.</u> Whenever reasonably possible, the Company shall endeavour to ensure that the premises, if any, at which the General Shareholders' Meeting is held have the means to allow access by persons with reduced mobility and the simultaneous interpretation of the proceedings into Euskera (Basque), English and those other languages that the Board of Directors deems appropriate. The Company shall also establish measures that facilitate participation in the General Shareholders' Meeting by attendees with auditory or visual limitations.</p>	<p><u>6.</u> 5.—The proceedings of the General Shareholders' Meeting shall be the subject of audiovisual recording, unless the chair of the General Shareholders' Meeting decides otherwise. They may also be the subject of storage and live or recorded broadcast by any means, including over the internet, and dissemination on social media, on the legal basis of the Company's legitimate interest in complying with best transparency practices. A data subject shall have the rights of access, rectification, objection, erasure and restriction of processing of the data collected by the Company on the terms established by law by sending a letter addressed to the registered office or to the Shareholder's Office (the postal address of which shall be provided by the Company for each Meeting) and at the e-mail address established by the Company for each Meeting. The data subject may also request more detailed information regarding the Company's privacy policy at the postal and electronic addresses indicated above.</p>
<p><u>7.</u> The Company may also make available to the shareholders any additional information that facilitates following the General Shareholders' Meeting, such as programmes for the meeting or any other documentation deemed useful for such purpose.</p>	<p><u>7.</u> 6. Whenever reasonably possible, the Company shall endeavour to ensure that the premises, if any, at which the General Shareholders' Meeting is held have the means to allow access by persons with reduced mobility and the simultaneous interpretation of the proceedings into Euskera (Basque), English and those other languages that the Board of Directors deems appropriate. The Company shall also establish measures that facilitate participation in the General Shareholders'</p>



Current text of the Regulations for the General Shareholders' Meeting	Proposed amendments
	Meeting by attendees with auditory or visual limitations.
	<p><u>8.</u> 7. The Company may also make available to the shareholders any additional information that facilitates following the General Shareholders' Meeting, such as programmes for the meeting or any other documentation deemed useful for such purpose.</p>
<p>Article 23. Computer System for the Recording of Proxies and Voting Instructions, Preparation of the List of Attendees, and Calculation of Voting Results</p>	<p>Article 23. Computer System for the Recording of Proxies and Voting Instructions, Preparation of the List of Attendees, and Calculation of Voting Results</p>
<p>1. The Company shall have the personnel and technical equipment required to perform the monitoring and counting of the attendance, proxy and absentee voting cards.</p>	<p>1. The Company shall have the personnel<u>workforce</u> and technical equipment required to perform the monitoring and counting of the attendance, proxy and absentee voting cards.</p>
<p>2. On the day of the General Shareholders' Meeting, the premises, if any, indicated for the meeting shall be supplied with the personnel and technical equipment required to monitor the entry of those attending the meeting and to determine the quorum, prepare the list of attendees present in person and by proxy, and calculate the voting results.</p>	<p>2. On the day of the General Shareholders' Meeting, the premises, if any, indicated for the meeting shall be supplied with the personnel and technical equipment required to monitor the entry of those attending the meeting and to determine the quorum, prepare the list of attendees present in person and by proxy, and calculate the voting results.</p>
<p>3. In order to undertake such activities, the Company may, in accordance with applicable rules and regulations, ask "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U." (IBERCLEAR) to provide a</p>	<p>3. In order to undertake such activities, the Company may, in accordance with applicable rules and regulations, ask "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U." (IBERCLEAR) to provide a</p>



Current text of the Regulations for the General Shareholders' Meeting	Proposed amendments
list of the Company's shareholders and the number of shares appearing in the name of each shareholder.	list of the Company's shareholders and the number of shares appearing in the name of each shareholder.
Article 27. Duties of the Chair of the General Shareholders' Meeting	Article 27. Duties of the Chair of the General Shareholders' Meeting
1. The chair of the General Shareholders' Meeting, who is responsible for progress of the meeting, shall generally have the powers needed for such purposes (including those of order and discipline) and the following powers, among others:	1. The chair of the General Shareholders' Meeting, who is responsible for progress of the meeting, shall generally have the powers needed for such purposes (including those of order and discipline) and the following powers, among others:
a) To call the meeting to order.	a) To call the meeting to order.
b) To verify that there is a valid quorum for the General Shareholders' Meeting and, if applicable, to declare it to be validly in session.	b) To verify that there is a valid quorum for the General Shareholders' Meeting and, if applicable, to declare it to be validly in session.
c) To report on the presence of a notary public, if any, to prepare the minutes of the meeting as a result of a request made by the Board of Directors for such purpose.	c) To report on the presence of a notary public, if any, to prepare the minutes of the meeting as a result of a request made by the Board of Directors for such purpose.
d) To make decisions regarding questions, requests for clarification, or claims raised with respect to the list of attendees, the identity and status of the shareholders and their proxy representatives, the authenticity and integrity of the attendance, proxy and absentee voting cards or relevant verification instruments, as well as all matters relating to the possible exclusion, suspension or limitation of political	d) To make decisions regarding questions, requests for clarification, or claims raised with respect to the list of attendees, the identity and status of the shareholders and their proxy representatives, the authenticity and integrity of the attendance , proxy and absentee voting cards or relevant verification instruments, as well as all matters relating to the possible exclusion, suspension or



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rights and, specifically, the right to vote pursuant to law and the <i>By-Laws</i> .	limitation of political rights and, specifically, the right to vote pursuant to law and the <i>By-Laws</i> .
e) To grant the floor to executive directors or officers that the chair deems appropriate in order to address the shareholders at the General Shareholders' Meeting to report on the progress of the Company, as well as to present the results, goals and plans thereof. If the chair of the General Shareholders' Meeting has the status of executive director, such presentation may be made directly thereby, in whole or in part.	e) To grant the floor to executive directors or officers that the chair deems appropriate in order to address the shareholders at the General Shareholders' Meeting to report on the progress of the Company, as well as to present the results, goals and plans thereof. If the chair of the General Shareholders' Meeting has the status of executive director, such presentation may be made directly thereby, in whole or in part.
f) To organise and direct the progress of the meeting in accordance with the powers set forth in Article 36 below. To indicate the time for voting, establish the voting systems and procedures, determine the system for counting and calculating the votes, and announce the voting results.	f) To organise and direct the progress of the meeting in accordance with the powers set forth in Article 36 below. To indicate the time for voting, establish the voting systems and procedures, determine the system for counting and calculating the votes, and announce the voting results.
g) To temporarily suspend the General Shareholders' Meeting and propose the continuation thereof.	g) To temporarily suspend the General Shareholders' Meeting and propose the continuation thereof.
h) To bring the meeting to a close.	h) To bring the meeting to a close.
2. The chair of the General Shareholders' Meeting may entrust the management of the debate to a director the chair deems appropriate, or to the secretary for the General Shareholders' Meeting, who shall	2. The chair of the General Shareholders' Meeting may entrust the management of the debate to a director the chair deems appropriate, or to the secretary for the General Shareholders' Meeting, who shall



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<p>carry out these duties on behalf of the chair, with the chair having the right to retake them at any time.</p>	<p>carry out these duties on behalf of the chair, with the chair having the right to retake them at any time.</p>
<p>3. The chair of the General Shareholders' Meeting may appoint a representative of the Company to make an organised presentation to the shareholders on those questions or considerations that the Company's shareholders –even if they are not in attendance or represented by proxy at the General Shareholders' Meeting– have submitted to the Company through other channels of participation and that the chair of the General Shareholders' Meeting deems appropriate to present.</p>	<p>3. The chair of the General Shareholders' Meeting may appoint a representative of the Company to make an organised presentation to the shareholders on those questions or considerations that the Company's shareholders –even if they are not in attendance or represented by proxy at the General Shareholders' Meeting– have submitted to the Company through other channels of participation and that the chair of the General Shareholders' Meeting deems appropriate to present.</p>
<p>Such representative may also present other issues raised by those attending the General Shareholders' Meeting who prefer to ask their questions of the representative for the latter to transmit them to the chair.</p>	<p>Such representative may also present other issues raised by those attending the General Shareholders' Meeting who prefer to ask their questions of the representative for the latter to transmit them to the chair.</p>
<p>Article 40. Absentee Voting; Powers to Engage in Proxy-Granting and Absentee Voting</p>	<p>Article 40. Absentee<u>Early</u> Voting; Powers to Engage in Proxy-Granting and Absentee-Voting <u>Prior to the Meeting</u></p>
<p>1. Shareholders may cast their absentee vote regarding proposals relating to the items included in the agenda of the call to meeting by the means indicated in section 2 of article 19 above. In all such cases, they shall be deemed to be present for purposes of the establishment of a quorum at the General Shareholders' Meeting.</p>	<p>1. Shareholders may cast their absentee vote <u>prior to the holding of the General Meeting</u> regarding proposals relating to the items included in the agenda of the call to meeting by the means indicated in section 2 of article 19 above. In all such cases, they shall be deemed to be present for purposes of the establishment of a quorum at the General Shareholders' Meeting.</p>



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<p>2. In order to vote by postal correspondence, shareholders must send to the Company the duly completed and signed attendance, proxy and absentee voting card issued in their favour by the corresponding institution, setting forth thereon the direction of their vote, their abstention or their blank vote.</p>	<p>2. In order to vote by postal correspondence, shareholders must send to the Company the duly completed and signed attendance, proxy and absentee voting card issued in their favour by the corresponding institution, setting forth thereon the direction of their vote, their abstention or their blank vote.</p>
<p>3. Votes through the form available on the corporate website shall be cast using the means referred to in letter b) of Article 19.2 above.</p>	<p>3. Votes through the form available on the corporate website shall be cast using the means referred to in letter b) of Article 19.2 above.</p>
<p>4. Votes cast by any of the means set forth in the preceding sections must be received by the Company before 24:00 on the day immediately prior to the day for the holding of the General Shareholders' Meeting on first call or second call, as applicable.</p>	<p>4. Votes cast by any of the means set forth in the preceding sections must be received by the Company before 24:00 on the day immediately prior to the day for the holding of the General Shareholders' Meeting on first call or second call, as applicable.</p>
<p>5. The absentee votes referred to in this article shall be rendered void:</p>	<p>5. The absentee votes referred to in this article shall be rendered void:</p>
<p>a) By subsequent express revocation made by the same means used to cast the vote and within the period established for such voting.</p>	<p>a) By subsequent express revocation made by the same means used to cast the vote and within the period established for such voting.</p>
<p>b) By attendance at the meeting of the shareholder casting the vote.</p>	<p>b) By attendance at the meeting of the shareholder casting the vote.</p>



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<p>c) If the shareholder validly grants a proxy within the established period after the date of casting the absentee vote.</p>	<p>c) If the shareholder validly grants a proxy within the established period after the date of casting the absentee vote.</p>
<p>6. If no express instructions are included when casting the absentee vote, or instructions are included only with respect to some of the items on the agenda of the call to meeting, and unless expressly indicated otherwise by the shareholder, it shall be deemed that the absentee vote refers to all of the items included in the agenda of the call to the General Shareholders' Meeting and that the vote is in favour of the proposals made by the Board of Directors regarding the items included in the agenda of the call to meeting with respect to which no express instructions are included.</p>	<p>6. If no express instructions are included when casting the absentee vote <u>prior to the meeting</u>, or instructions are included only with respect to some of the items on the agenda of the call to meeting, and unless expressly indicated otherwise by the shareholder, it shall be deemed that the absentee vote refers to all of the items included in the agenda of the call to the General Shareholders' Meeting and that the said vote is in favour of the proposals made by the Board of Directors regarding the items included in the agenda of the call to meeting with respect to which no express instructions are included.</p>
<p>7. As regards proposed resolutions other than those submitted by the Board of Directors or regarding items not included in the agenda of the call to meeting, the shareholder casting an absentee vote may grant proxy representation through any of the means contemplated in these <i>Regulations</i>, in which case the rules established for such purpose shall apply to the proxy, which shall be deemed granted to the chairman of the Board of Directors unless expressly indicated otherwise by the shareholder.</p>	<p>7. As regards proposed resolutions other than those submitted by the Board of Directors or regarding items not included in the agenda of the call to meeting, the shareholder casting an absentee vote <u>prior to the meeting</u> may grant proxy representation through any of the means contemplated in these <i>Regulations</i>, in which case the rules established for such purpose shall apply to the proxy, which shall be deemed granted to the chairman of the Board of Directors unless expressly indicated otherwise by the shareholder.</p>
<p>8. The Board of Directors is authorised to further develop the rules, means and</p>	<p>8. The Board of Directors is authorised to further develop the rules, means and</p>



Current text of the Regulations for the General Shareholders' Meeting	Proposed amendments
<p>procedures adjusted to current techniques in order to organise the casting of votes by other means, in each case in accordance with the rules and regulations issued for such purpose.</p> <p>Specifically, the Board of Directors may: (i) establish rules for the use of personal passwords and other guarantees other than electronic signatures and the instant authentication system for casting votes by electronic correspondence or by other valid remote means of communication, as well as establish and regulate the appropriate assurances in the case of telephone communication; (ii) reduce the advance period established above for receipt by the Company of absentee votes cast by postal or electronic correspondence or by other means of remote communication; and (iii) accept, and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation from either of them to accept, absentee votes received after such period, to the extent allowed by the means available.</p>	<p>procedures adjusted to current techniques in order to organise the casting of votes by other means, in each case in accordance with the rules and regulations issued for such purpose.</p> <p>Specifically, the Board of Directors may: (i) establish rules for the use of personal passwords and other guarantees other than electronic signatures and the instant authentication system for casting votes by electronic correspondence or by other valid remote means of communication, as well as establish and regulate the appropriate assurances in the case of telephone communication; (ii) reduce the advance period established above for receipt by the Company of absentee votes cast <u>prior to the meeting</u> by postal or electronic correspondence or by other means of remote communication; and (iii) accept, and authorise the chair of and the secretary for the General Shareholders' Meeting and the persons acting by delegation from either of them to accept, absentee votes <u>cast prior to the meeting that have been</u> received after suchthe period <u>provided for the receipt thereof</u>, to the extent allowed by the means available.</p>
<p>9. The Board of Directors is also authorised to further develop the procedures for granting proxies and for absentee voting in general, including the rules of priority and conflict applicable thereto. The implementing rules adopted by the Board of Directors under the provisions of this</p>	<p>9. The Board of Directors is also authorised to further develop <u>on a general basis</u> the procedures for granting proxies and for absentee voting in general<u>prior to the meeting</u>, including the rules of priority and conflict applicable thereto. The implementing rules adopted by the Board of Directors under the provisions of this</p>



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<p>section shall be published on the Company's corporate website.</p>	<p>section shall be published on the Company's corporate website.</p>
<p>10. The chairman and the secretary of the Board of Directors or the chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from any of them, shall have the broadest powers to verify the identity of the shareholders and their representatives; check the legitimacy of the exercise of the rights of attendance, proxy-granting, information and voting by the shareholders and their representatives; check and accept the validity and effectiveness of the proxies and absentee votes (particularly the attendance, proxy and absentee voting card or verification document or instrument for attendance or proxy-granting), as well as the validity and effectiveness of the instructions received through intermediary and management institutions or depositaries of shares, all in accordance with the provisions set forth in the Company's Governance and Sustainability System and in the rules that the Board of Directors may establish in order to further develop such provisions.</p>	<p>10. The chairman and the secretary of the Board of Directors or the chair of and the secretary for the General Shareholders' Meeting, from the establishment of a valid quorum thereat, and the persons acting by delegation from any of them, shall have the broadest powers to verify the identity of the shareholders and their representatives; check the legitimacy of the exercise of the rights of attendance, proxy-granting, information and voting by the shareholders and their representatives; check and accept the validity and effectiveness of the proxies and absentee votes <u>cast prior to the meeting</u> (particularly the attendance, proxy and absentee voting card or verification document or instrument for attendance or proxy-granting), as well as the validity and effectiveness of the instructions received through intermediary and management institutions or depositaries of shares, all in accordance with the provisions set forth in the Company's Governance and Sustainability System and in the rules that the Board of Directors may establish in order to further develop such provisions.</p>



General Shareholders' Meeting

17 May 2024

Sustainable
Event



Committed



Report of the Board of Directors

Proposed *Director Remuneration Policy*



REPORT OF THE BOARD OF DIRECTORS OF "IBERDROLA, S.A." REGARDING THE PROPOSED *DIRECTOR REMUNERATION POLICY* FOR WHICH APPROVAL IS REQUESTED UNDER ITEM 9 ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING

1. Rationale

This report is prepared by the Board of Directors of "Iberdrola, S.A." (the "**Company**") pursuant to the provisions of Section 529 *novodecies.4* of the *Companies Act (Ley de Sociedades de Capital)*, which provides that a rationale shall be provided for the proposed director remuneration policy and that a specific report of the appointments and remuneration committee must be attached thereto.

Section 529 *novodecies.1* of the *Companies Act* provides that the director remuneration policy must be approved by the shareholders at a general shareholders' meeting as a separate item on the agenda, to be applied for a maximum period of three financial years, although proposed new director remuneration policies must be submitted to the shareholders prior to the end of the last year of application of the preceding policy, and the shareholders may decide that the new policy applies as from the date of approval thereof and during the next three financial years.

The current *Director Remuneration Policy* was approved by the shareholders at the Company's General Shareholders' Meeting held on 18 June 2021 for application as from the financial year of its approval and during financial years 2022, 2023 and 2024.

As this is the last financial year of the current *Director Remuneration Policy*, a new *Director Remuneration Policy* should be submitted to the shareholders for approval at the next General Shareholders' Meeting of the Company, which is intended to apply as from the date of its approval and for the next three financial years, i.e. 2025, 2026 and 2027.

In this respect, pursuant to the provisions of the *Companies Act*, every three years the Remuneration Committee has engaged in an exhaustive review of the *Director Remuneration Policy* to ensure that the principles, content and disclosures are in line with legal requirements, the expectations of the Company's shareholders and of proxy advisors, and best market and corporate governance practices.

There has been consideration of the following issues in particular, which derive from the action plan for continuous improvement developed by the Remuneration Committee:

- Information gathered annually through the Company's ongoing and transparent dialogue with its shareholders and proxy advisors regarding expectations with respect to the *Director Remuneration Policy* and potential modifications.
- Results of the annual analysis of best remuneration practices at comparable companies and global companies with the advice of an independent expert.
- Best corporate governance practices.

The result of all this work is the Company's proposed new *Director Remuneration Policy*, which will be submitted to the shareholders for approval at the General Shareholders' Meeting 2024, together with the specific report issued by the Remuneration Committee on 15 March 2024.



As noted in the proposed new *Director Remuneration Policy*, its general lines are consistent with those of previous years, although certain significant milestones that have occurred since the last review thereof have also been taken into account, such as the separation of the duties of the executive chairman and chief executive officer, the approval of the Strategic Bonus aimed at professionals of companies of the Iberdrola Group for the 2023-2025 period, and the Group-level strategy communicated to the markets at the Capital Markets & ESG Day held on 9 November 2022.

In particular, the main changes and improvements summarised below have been made to the *Director Remuneration Policy* as a strategic tool for the creation of sustainable value for all Stakeholders:

(i) For directors in their capacity as such:

- The fixed remuneration of the directors in their capacity as such, which has remained unchanged since 2008, is updated to ensure that it is in line with the increase in responsibilities and workload, as well as the size and complexity of the Company, and in order to be competitive for the creation of value and the attraction and retention of qualified professionals with significant international experience.
- For directors in their capacity as such, a shareholding policy has been established requiring an amount equivalent to at least 20% of annual fixed remuneration to be maintained for a period of four years.

(ii) For officers:

- The maximum limit of short-term variable remuneration (annual bonus) is reduced from 200% to 150% of fixed remuneration.
- As regards clauses for the cancellation or clawback of amounts already paid as short- and long-term variable remuneration, the Board of Directors is empowered to cancel or claw back the variable components of remuneration in the event of a material restatement of the financial statements that is not due to a change in accounting laws or regulations, as well as in situations of fraud or serious violation of law declared by a final court judgement.
- The period during which ownership of the shares received may not be transferred (shareholding policy) is set at four years, unless an amount equal to at least twice their fixed remuneration is maintained.

Pursuant to the foregoing, the Board of Directors of the Company, upon a proposal of the Remuneration Committee, has resolved to submit the new *Director Remuneration Policy* for the approval of the shareholders at the General Shareholders' Meeting 2024 as a separate item on the agenda (item 9), in compliance with the provisions of Section 529 *novodecies* of the *Companies Act*, to apply as from the date of approval thereof and for the next three financial years (2025, 2026 and 2027).

With this *Director Remuneration Policy*, the Board of Directors intends to continue to promote appropriate remuneration principles and practices throughout the Group in order to contribute to the achievement of the Company's long-term strategic and sustainability goals.

Both the proposed new *Director Remuneration Policy* of the Company and the mandatory specific report of the Remuneration Committee will be made available to shareholders on the Company's website as from the



call to the General Meeting, and the shareholders may also request that they be delivered or sent free of charge, in accordance with the provisions of Section 529 *novodecies.4* of the *Companies Act*.

For these purposes, the following are included as annexes to this reasoned proposal:

- Annex 1: Specific report of the Remuneration Committee regarding the new *Director Remuneration Policy*.
- Annex 2: Full text of the new *Director Remuneration Policy*, the approval of which is proposed to the shareholders at the General Shareholders' Meeting.

2. Proposed resolution submitted to the shareholders at the General Shareholders' Meeting

The proposed resolution relating to the *Director Remuneration Policy* submitted to the shareholders for approval at the General Shareholders' Meeting reads as follows:

ITEM 9 ON THE AGENDA

Director Remuneration Policy

RESOLUTION

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

*Pursuant to the provisions of Section 529 *novodecies.1* of the Companies Act, the new Director Remuneration Policy shall apply as from the date of its approval and during financial years 2025, 2026 and 2027.*

In Bilbao, on 19 March 2024



ANNEX 1

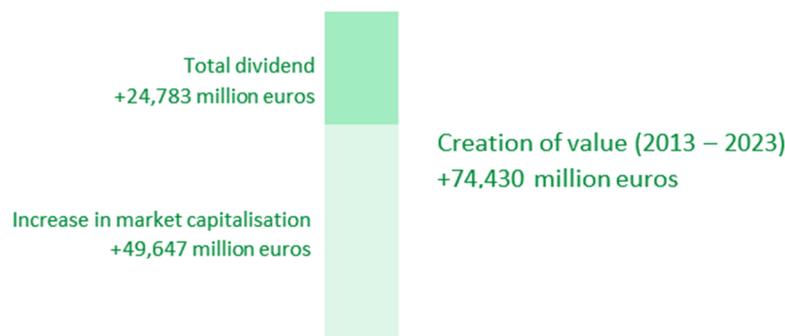
REPORT PREPARED BY THE REMUNERATION COMMITTEE OF IBERDROLA, S.A. IN RELATION TO THE PROPOSED APPROVAL OF THE *DIRECTOR REMUNERATION POLICY* FOR FINANCIAL YEARS 2025, 2026 AND 2027 INCLUDED IN ITEM 9 ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING CALLED TO BE HELD ON 17 MAY 2024 ON FIRST CALL

1. Context and evolution of the Company

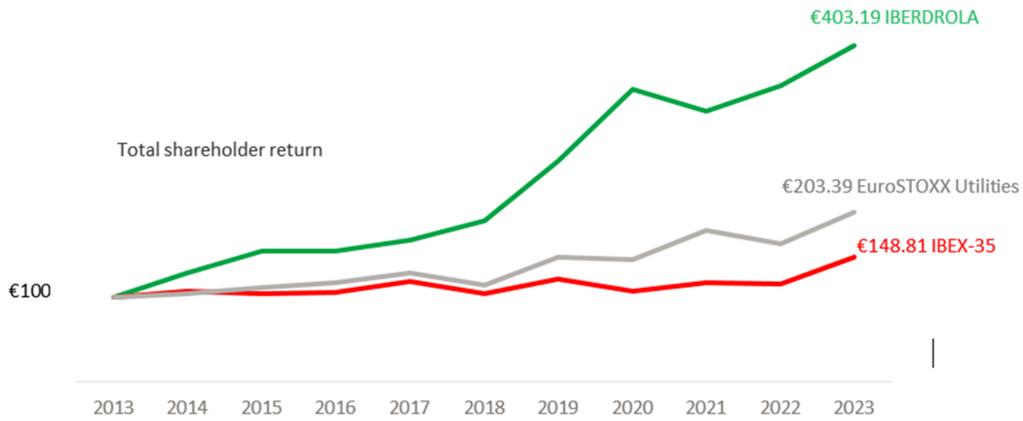
Iberdrola's *Remuneration Policy* aims to **attract, retain, motivate and develop the best talent**, providing incentives for the **creation of sustainable value** and the achievement of corporate goals to ensure **maximum alignment with stakeholders**, in accordance with the provisions of other policies. However, what sets Iberdrola apart is the manner in which the *Policy* is put into practice, with **notable consistency and continuity over the years**, which has made it possible to provide clarity to its directors and officers regarding what is expected of them with respect to the achievement of the strategic goals and the principles to which they must adhere in order to reach them.

Among other things, this *Policy* has allowed Iberdrola to significantly increase its international presence, operating in multiple markets to become a global player in the energy sector.

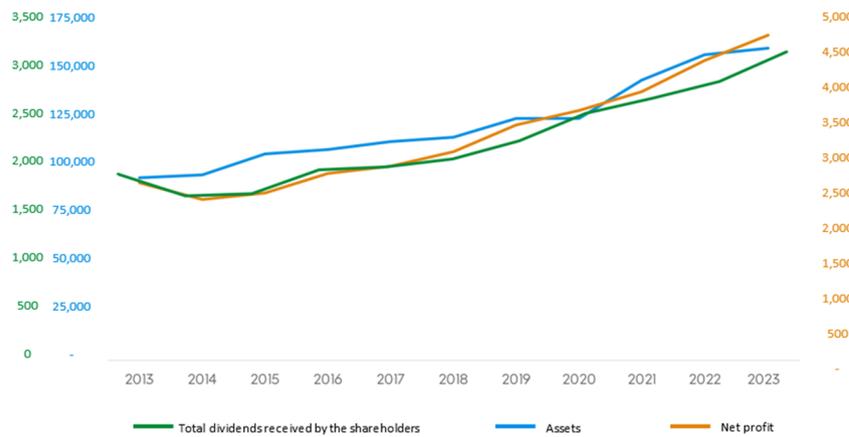
- Since 2013 Iberdrola has generated **€75 billion in value as a result of tripling its capitalisation and distributing dividends of more than €25 billion.**



- Iberdrola's total shareholder return has **significantly outperformed the total return** of the Spanish market index (Ibex 35) and the total return of the European sector index (EuroSTOXX Utilities) since 2013.



- Iberdrola has achieved a constant increase in turnover, net profits and total dividends received by the shareholders aligned with the long-term, non-volatile (stable and sustainable) growth of the Company since 2013.



All of the foregoing ensures alignment with the Company’s business strategy, interests and long-term sustainability.

2. Object of the Report

Pursuant to the provisions of Article 3, section (a) of the Regulations of the Remuneration Committee, this Committee is responsible for proposing to the Board of Directors the *Remuneration Policy* to be submitted for the approval of the shareholders at the General Shareholders’ Meeting.

Pursuant to the provisions of the Companies Act (*Ley de Sociedades de Capital*), every three years the Remuneration Committee engages in an *exhaustive review of the Remuneration Policy* to ensure that the principles, content and disclosures are in line with the expectations of its shareholders and proxy advisors and with best market and corporate governance practices.

This review process takes into consideration the following issues, which derive from the *action plan for continuous improvement developed by the Remuneration Committee*:

- Information gathered annually through the Company’s ongoing and transparent dialogue with its *shareholders and proxy advisors* regarding expectations with respect to the *Policy* and potential modifications.
- Results of the annual analyses of *best remuneration practices* at comparable companies and global companies.



- Best corporate governance practices.

In the exercise of its powers, the Remuneration Committee has been advised by independent external firms on certain aspects of the drafting of the new Policy.

3. General lines of the new Remuneration Policy

The general lines of the new Remuneration Policy are similar to those of previous years, maintaining consistency in three key areas:

1. Fully aligned with the creation of sustainable value for the shareholders

- Shareholding policy:

Directors in their capacity as such must maintain an amount equivalent to 20% of annual fixed remuneration for a period of four years.

Officers may not transfer ownership of the shares received for a period of four years unless an amount equal to at least twice their fixed remuneration is maintained.

- Pay for performance: a portion of the total remuneration of the officers is variable and subject to the achievement of objectives linked to the business strategy and to the interests and long-term sustainability of the Company.

- Delivery of shares: long-term variable remuneration is implemented through deferred share delivery plans linked to the achievement of long-term objectives, which are subject to the *ex ante* approval of the shareholders at a General Shareholders' Meeting.

These plans have a duration of six years (three for performance evaluation and three for payment) and are granted every three years and not annually, which ensures that there are no overlaps.

2. Long-term (not short-term) commitment to the Company's business enterprise

The Policy promotes a long-term sustainable remuneration system and maintains a reasonable balance between the various elements making up remuneration, reflecting an appropriate assumption of risk that contributes to attracting, retaining, motivating and developing the best talent, taking into account the following principles:

Principles of the Remuneration Policy	Elements of the Remuneration Policy		
	Fixed remuneration	Short-term variable remuneration (annual bonus)	Long-term variable remuneration (strategic bonus)
Transparency	•	•	•
Non-discrimination	•	•	•
Alignment with the remuneration policy for the Company's professionals	•	•	•
Competitiveness for the creation of value	•	•	•
Neutrality in variable remuneration for the creation of value		•	•
Long-term commitment to the interests of the shareholders and to sustainability		•	•
Proportionality to risk measures in the remuneration systems		•	•



3. Aligned with the remuneration policy for the Company's professionals

The Remuneration Committee approaches the preparation of the new *Remuneration Policy* with the knowledge that the Company's competitive advantage is the combination of experience, talent, dedication, innovation and leadership commitment of the directors, officers and professionals of Iberdrola.

Therefore, the *Policy* shares the same principles and goals as the remuneration policy for all of the Company's professionals: to contribute decisively to attracting, retaining, motivating and developing the best talent on fair and competitive terms for the creation of value.

The *Director Remuneration Policy* that the Committee proposes to the Board of Directors is attached to this Report.



ANNEX 2

DIRECTOR REMUNERATION POLICY

1. Introduction. Changes to the Policy from the previous one

The Board of Directors of Iberdrola, S.A. (the “Board” or the “Board of Directors”) recognises that the *strategic decision-making skills* of the directors and officers and their *unwavering commitment to the Purpose and Values* are the fundamental factors in the sustained leadership of Iberdrola, S.A. (“Iberdrola” or the “Company”) year after year. The combination of experience, talent, dedication, innovation and leadership commitment of the directors, officers and professionals of Iberdrola constitute its competitive advantage, and it is from this perspective that the Remuneration Committee approaches the preparation of the *new Director Remuneration Policy* (the “Policy” or “Remuneration Policy”); *a strategic tool to maintain Iberdrola’s leadership in the energy sector.*

Iberdrola’s *Remuneration Policy* is intended to *attract, retain, motivate and develop the best talent*, providing incentives for the *creation of sustainable value* and the achievement of corporate goals to ensure *maximum alignment with the stakeholders*, in accordance with the provisions of other policies. However, what sets Iberdrola apart is the manner in which the *Policy* is put into practice, *with notable consistency and continuity over the years*, which has made it possible to provide clarity to its directors and officers regarding what is expected of them with respect to the fulfilment of the strategic goals and the principles to which they must adhere in order to achieve them.

This *Policy*, among others, has helped Iberdrola to significantly increase its international presence, operating in multiple markets, and to become a global player in the energy sector, where Iberdrola has generated *€75 billion in value as a result of tripling its capitalisation and distributing dividends of more than €25 billion since 2013. Total shareholder return (TSR) is significantly higher than the Euro STOXX 50, the Euro STOXX Utilities and the Ibex-35. All of the foregoing guarantees the long-term sustainability of the Company.*

Pursuant to the provisions of the Companies Act (*Ley de Sociedades de Capital*), *every three years* the Remuneration Committee engages in an *exhaustive review of the Remuneration Policy* to ensure that the principles, content and disclosures are in line with the expectations of its shareholders and proxy advisors and with best market and corporate governance practices.

This review process takes into consideration the following issues, which derive from the *action plan for continuous improvement developed by the Remuneration Committee*:

- Information gathered annually through the Company’s ongoing and transparent dialogue with its *shareholders and proxy advisors* regarding expectations with respect to the *Policy* and potential modifications.
- Results of the annual analysis of *best remuneration practices* at comparable companies and global companies with the advice of an independent expert.
- *Best corporate governance practices.*

The *general lines* of the new *Remuneration Policy* are *consistent with those of previous years*, although, taking into account certain *significant milestones* that have occurred since the last revision of the *Policy*, such as the separation of the duties of the Executive Chairman and Chief Executive Officer, the approval of the Strategic Bonus aimed at professionals of companies of the Iberdrola group for the 2023-2025 period, and the strategy of Iberdrola communicated to the markets at the Capital Markets & ESG Day held on 9 November 2022, the following *changes to the Policy as a strategic tool for the creation of sustainable value for all the stakeholders have been introduced*:

For directors in their capacity as such:

- The *fixed remuneration of the directors in their capacity as such*, which has remained unchanged since 2008, is updated to ensure that it is in line with the *increase in responsibilities and workload*, as well as the *size and complexity* of the Company and to be *competitive for the creation of value and the attraction and retention of qualified professionals with significant international experience.*



For directors in their capacity as such, a shareholding policy has been established requiring an amount equivalent to at least 20% of annual fixed remuneration to be maintained for a period of four years.

For officers:

- The maximum limit of short-term variable remuneration (annual bonus) is reduced from 200% to 150% of fixed remuneration.
- As regards clauses for the cancellation or clawback of amounts already paid as short- and long-term variable remuneration, the Board of Directors is empowered to cancel or claw back the variable components of remuneration in the event of a material restatement of the financial statements that is not due to a change in accounting laws or regulations, as well as in situations of fraud or serious violation of law declared by a final court judgement.
- The period during which the shares received may not be transferred (shareholding policy) is set at four years unless an amount equal to twice their fixed remuneration is maintained.

2. Object and scope of application

At its meeting held on 19 March 2024, Iberdrola's Board of Directors, upon a proposal of the Remuneration Committee, resolved to submit this *Director Remuneration Policy* for the approval of the shareholders at the General Shareholders' Meeting 2024 as a separate item on the agenda, in compliance with the provisions of Section 529 *novodecies* of the Companies Act.

The purpose of this *Policy* is to establish the framework governing the remuneration of directors in their capacity as such and officers who are directors, taking into account various factors such as economic volatility and geopolitical tensions, among other things. The *Policy* is intended to promote appropriate remuneration principles and practices throughout the group in order to contribute to the achievement of the Company's long-term strategic and sustainability goals, as well as to define the procedure for determining the revision and implementation thereof.

This *Policy* shall apply to the remuneration of all members of the Company's Board of Directors and, if approved by the shareholders at the General Shareholders' Meeting, shall apply as from the approval hereof and during financial years 2025, 2026 and 2027.

3. Principles of the Policy and remuneration practices

3.1. Principles of the *Policy*

The Board of Directors has found that proper strategic decision-making and a clear commitment to the corporate values are two of the main factors determining the performance of companies, particularly in the energy sector. Companies may choose similar businesses, markets and technologies, yet their performance is different. Thus, experience, talent, effort, innovation, leadership and the ability to realise the commitment to its *Purpose and Values* are the main differentiating elements.

The *Purpose and Values* of the Iberdrola group define the Company as a driver of an energetic, electric, efficient, healthy and accessible model, fully aligned with financial and non-financial objectives relating to sustainable development and consistent with the highest environmental, social and corporate governance standards and requirements. This is all within the general framework of respect for and protection of human rights, the social market economy, sustainability and generally accepted ethical principles.

Therefore, the ultimate goal of this *Policy*, like that of the remuneration programmes for the Iberdrola group's professionals, is to contribute decisively to the attraction, retention, motivation and development of the best talent, on fair and competitive terms, which is the best way to contribute to the business strategy and to the interests and long-term sustainability of the Company and of the Iberdrola group, as well as its stakeholders, including the shareholders.



For directors in their capacity as such:

The principles governing the *Remuneration Policy* are the following:

Principles of the *Policy*

Transparency

The Remuneration Committee assumes a commitment to enforce the principle of transparency of all the items of remuneration received by all directors, providing complete, relevant and adequate information in line with the good governance recommendations generally recognised in international markets in the area of director remuneration.

Non-discrimination

The Remuneration Committee endeavours to ensure non-discrimination, at all times ensuring non-discriminatory remuneration in terms of gender, age, culture, religion, race or any other issue.

Alignment with the remuneration policy for the Company's professionals

The *Policy* shares the same principles and goals as the remuneration policy for all of the Company's professionals: to contribute decisively to attracting, retaining, motivating and developing the best talent on fair and competitive terms.

Competitiveness for the creation of value

Properly reward the dedication and responsibility assumed by the directors to maximise value creation and the commitment to the Company's *Purpose and Values*.
Ensure that the structure and total amount of remuneration maximises the social dividend and shareholder return and the achievement of the Company's long-term sustainability.
Comply with best practices by being competitive with comparable global companies in terms of capitalisation, turnover, complexity (including risk management and internal control), sustainable ambition, ownership structure and international presence within the framework of its commitment to all stakeholders.

Remuneration system without variable remuneration

Link remuneration to effective dedication, the responsibilities assumed and the performance of their duties as directors, without participating in remuneration formulas linked to the Company's long-term results or to short-term personal performance.

For officers:

Neutrality in variable remuneration for the creation of value

The Remuneration Committee shall endeavour to ensure that the accrual of variable remuneration of any kind is not based merely on the general performance of the markets, of the industry in which the Company operates, or on other similar circumstances, thus endeavouring to ensure the effective creation of value.

Long-term commitment to the interests of the shareholders and to sustainability

Foster and encourage the attainment of the strategic goals of the Company through the inclusion of annual variable remuneration and long-term incentives to align the interests of officers with those of the shareholders, while strengthening continuity in the competitive development of the group, generating motivation and loyalty.

Proportionality to risk measures in the remuneration systems

Set maximum limits to any variable remuneration as well as suitable mechanisms in order for the Company to be able to cancel ("malus" clause) or obtain reimbursement ("clawback" clause) of the variable components of remuneration.

The Company's Board of Directors can cancel or claw back the variable components of remuneration in the event of a material restatement of the financial statements that is not due to a change in accounting laws or regulations, as well as in situations of fraud or serious violation of law declared by a final court judgement.



3.2. Remuneration practices

In its decision-making process, the Remuneration Committee actively listens to the shareholders (both retail and institutional) and proxy advisors, the opinion of independent external advisors, together with the experience and expertise present in other committees of the Board of Directors, as well as the technical support of the officers.

To ensure the effectiveness of the *Remuneration Policy* through a cross-cutting approach, the Remuneration Committee applies the principles described above via the following remuneration practices:

Remuneration practices

Establish a sustainable remuneration system that is not based on the short term

The Remuneration Committee promotes a long-term sustainable remuneration system and maintains a reasonable balance between the various elements making up remuneration, reflecting an appropriate assumption of risk that contributes to attracting, retaining, motivating and developing the best talent.

Active and responsive listening

The Remuneration Committee takes into consideration the information received from the Company's shareholders (both retail and institutional) and proxy advisors, as well as an analysis of their main expectations.

Consider competencies present in other committees

In the performance of its duties, the Remuneration Committee works proactively and in consultation with other committees, particularly the Audit and Risk Supervision Committee, the Sustainable Development Committee and the Appointments Committee.

Shareholding policy

For directors in their capacity as such, a shareholding policy has been established requiring an amount equivalent to at least 20% of annual fixed remuneration to be maintained for a period of four years.

No guaranteed remuneration

There are no contracts with guaranteed remuneration (salary increases or variable remuneration).

No loans or advances

No loans or advances are given to directors.

No long-term savings schemes (pensions)

There are long-term savings schemes for officers who are not directors, but no long-term savings scheme has been established for directors in their capacity as such.

For officers:

Defer the payment of long-term variable remuneration

The delivery of shares under the long-term variable remuneration system is paid in thirds on a deferred basis over a three-year period, with no overlap of plans.

Shareholding policy

Ownership of the shares received may not be transferred for a period of four years unless an amount equal to twice fixed remuneration is maintained.

No share delivery plans with capital increases

Share delivery plans are not implemented by means of capital increases or similar instruments.

No hedging transactions



Hedging of the Company's share-based remuneration plans is not authorised.
Hedging, pledging or short-selling of or derivatives contracts on shares received in variable remuneration schemes is not permitted.

No overlapping long-term incentive plans

No annual awards of long-term variable remuneration can be made if there is an overlap.

4. Structure of remuneration

4.1 Directors in their capacity as such

The remuneration to which directors are entitled in their capacity as such is structured in accordance with the following sections within the framework of legal and by-law provisions:

4.2.1 Maximum aggregate amount

The maximum aggregate amount of annual remuneration to be paid to the directors as a whole in their capacity as such is €9,000 thousand in each financial year in which this Policy is in effect, which includes:

1. Fixed remuneration and attendance fees.
2. Benefits.
3. Commitment not to compete.

This aggregate maximum amount has remained unchanged since 2008.

4.2.2 Fixed remuneration and attendance fees

From 2013 to 2023, Iberdrola notably increased its international presence, operating in multiple markets, and becoming a global player in the energy sector, and it has generated €75 billion in value as a result of tripling its capitalisation and distributing dividends of more than €25 billion. Total shareholder return (TSR) is significantly higher than the Euro STOXX 50, the Euro STOXX Utilities and the Ibx-35. All of the foregoing guarantees the long-term sustainability of the Company.

From 2008 until 2023, the Board of Directors, upon a proposal of the Remuneration Committee, unanimously decided to maintain unchanged the amounts of fixed remuneration of the directors in their capacity as such. During this period, the level of dedication and responsibility assumed by the members of the Board of Directors has increased considerably, mainly due to increased regulatory requirements and the complexity of the topics discussed at the meetings of the Board and its committees, which has required more preparation time for each meeting.

For financial year 2024, and after performing a benchmark analysis, it is proposed to update the annual fixed remuneration to ensure that it is in line with the increase in responsibilities and workload, as well as the size, international nature and complexity of the Company and to be competitive for the creation of value and the attraction and retention of qualified professionals with significant international experience.

(thousands of euros)	Annual fixed remuneration
Chairman of the Board of Directors	600
Vice-Chair of the Board of Directors	480
Committee chair	440
Member of the Board of Directors (*)	200
Per member of each committee	100

(*) Not cumulative with previous positions

Reducing attendance fees for attending meetings of the Board of Directors and its committees (**):



(thousands of euros)	Attendance fees per meeting
Chairman of the Board of Directors	6
Vice-Chair of the Board of Directors	4
Committee chair at the chair's committee	6
Members of the Board of Directors and of the committees thereof	4

(**) The Regulations of the Board of Directors provide that the Board of Directors must meet at least 8 times per year and the Executive Committee meets on average 12 times per year. The regulations of each of the committees provide for a maximum of seven meetings per year, except for the Audit and Risk Supervision Committee.

The Board of Directors is responsible for determining the annual fixed remuneration of the directors in their capacity as such, within the aggregate maximum amount, taking into account the positions held by each director on the Board of Directors and the membership thereof on delegated or consultative bodies of the Board of Directors, as well as their dedication to the Company.

The fixed remuneration for membership on the Board of Directors and the committees thereof and the holding of positions on such bodies is compatible with and independent from the remuneration to which the officers that are directors are entitled for the performance of their executive duties as provided in Section 4.2. of the Policy.

4.2.3 Benefits

Risk benefits

The Company pays the premiums under insurance policies that it has taken with certain insurance companies for the coverage of the death or disability of directors caused by accidents, and the Company itself assumes coverage of benefits for the death or disability of directors due to natural causes.

Civil liability

The Company pays the premiums under insurance policies providing coverage against civil liability deriving from holding the office of director, if applicable, obtaining a policy in common with the other officers of the group, on standard market terms and proportional to the circumstances of the Company itself.

Electricity rate

The directors in their capacity as such, as well as the rest of the Company's professionals, are entitled to limited electricity discounts through rate concessions.

4.2.4 Shareholding policy

For directors in their capacity as such, a shareholding policy has been established requiring an amount equivalent to at least 20% of annual fixed remuneration to be maintained for a period of four years.

4.2.5 Commitment not to compete

A director who ends the term of office to which the director was appointed or who, for any other reason, ceases to act as such, may not be a director or officer of, or provide services to, any entity whose object is similar, in whole or in part, to that of the Company or which is a competitor of the Company, for a term of two years. The Board of Directors may, if it deems it appropriate, relieve the outgoing director from this obligation or shorten the period thereof.

In the case of cessation of office of a non-executive director who is not a proprietary director (that is not due to a breach of director duties attributable to the director) prior to the end of the period for which they were appointed, the Board of Directors may ultimately resolve to provide compensation for an agreement not to compete.

The above circumstance must be justified and explained in the *Annual Director and Officer Remuneration Report*.



4.2 Officers

4.2.1 Remuneration mix

The principles of the *Policy* are implemented through an appropriate remuneration mix that includes:

1. Fixed remuneration.
2. Short-term variable remuneration (annual bonus).
3. Long-term variable remuneration (strategic bonus).
4. Benefits.

It is designed to attract, retain and motivate the best talent and align their performance with the interests of the Iberdrola group and the achievement of its business strategy, promoting its long-term sustainability, in accordance with best practices at the domestic and international level.

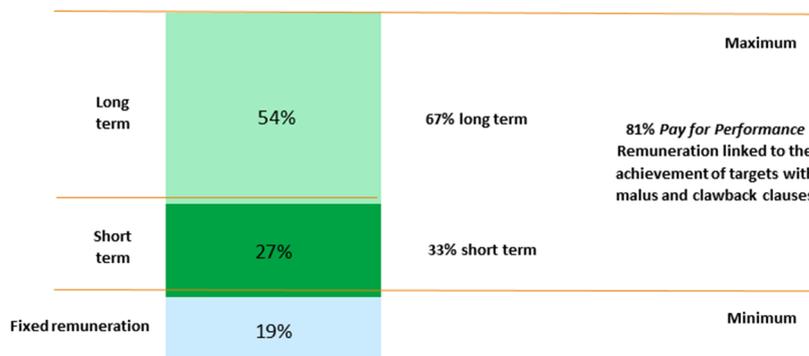
When determining the proportion of each element of total remuneration (remuneration mix), the Remuneration Committee continuously monitors market practices and trends.

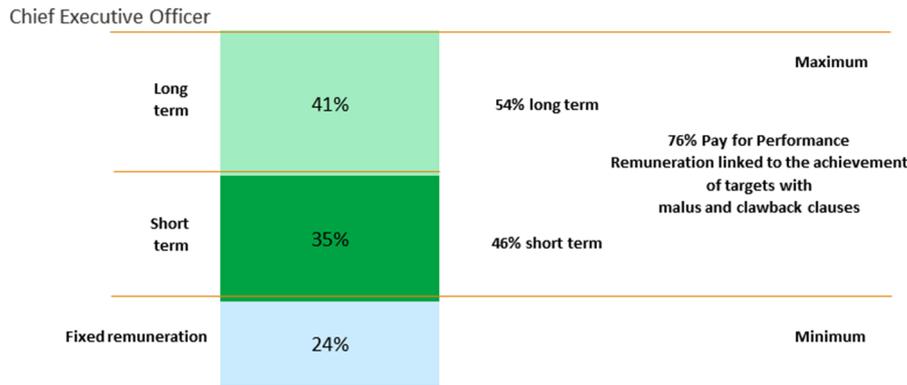
Principles of the <i>Remuneration Policy</i>	Elements of the <i>Remuneration Policy</i>		
	Fixed remuneration	Short-term variable remuneration (annual bonus)	Long-term variable remuneration (strategic bonus)
Transparency	•	•	•
Non-discrimination	•	•	•
Alignment with the remuneration policy for the Company's professionals	•	•	•
Competitiveness for the creation of value	•	•	•
Neutrality in variable remuneration for the creation of value		•	•
Commitment to the interests of the shareholders and to long-term sustainability		•	•
Proportionality to risk measures in the remuneration systems		•	•

The specific weights of each element of the remuneration mix for each financial year shall be identified in the corresponding *Annual Director and Officer Remuneration Report*.

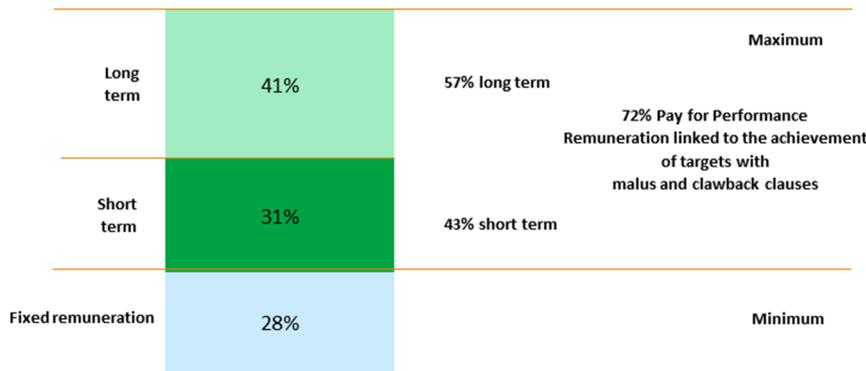
Those corresponding to financial year 2024:

Executive chairman





Other officers



4.2.2 Fixed remuneration

The remuneration of the officers may vary based on the specific responsibilities and nature of the functions performed and are reviewed annually by the Board of Directors upon a proposal of the Remuneration Committee, particularly taking into account, without limitation, the following factors: the financial position of the Company, market standards, their calibre and merits, the risks of retention and general salary updates within the Iberdrola group. For these purposes, the Remuneration Committee may rely on external advisors to perform the market studies and analyses that it deems appropriate.

In 2024 the annual fixed remuneration for the Executive Chairman is €2,250 thousand and for the Chief Executive Officer is €1,000 thousand. The fixed remuneration of the Executive Chairman has remained unchanged since 2008 and that of the Chief Executive Officer has remained unchanged since his appointment on 25 October 2022.

The Board of Directors, at the proposal of and following a reasoned report from the Remuneration Committee, has the ability to revise the fixed remuneration during the term of this *Policy*.

4.2.3 Short-term variable remuneration (annual bonus)

Purpose

A portion of the annual remuneration of the officers is variable, in order to incentivise the achievement of the Company's annual objectives and those specific to the position, aligning dedication and efforts with the business strategy.



Metrics

Annual variable remuneration is linked to the achievement of strategic, quantitative and qualitative, predetermined, specific, quantifiable, challenging and clear objectives aligned with the *Purpose and Values*, the achievement of the business strategy and the long-term economic/financial interests and sustainability of the Company, growth (operational/industrial) and other non-financial objectives relating to sustainable development.

The pool of targets to which short-term variable remuneration will be linked relates to parameters such as the following:

Economic / Financial

- Net profit, gross operating income (EBITDA), cash flow, etc.
- Investments.
- Evolution of shareholder remuneration in comparison with other values and indices.
- Financial strength.
- Efficiency level of the group.

Growth

- **Selection and implementation of investments.**
- Project portfolio.

Non-financial relating to sustainable development

- Development and application of the Stakeholder Engagement Policy, the Policy on Respect for Human Rights, and the commitment to the social dividend.
- Development of the Equality, Diversity and Inclusion Policy.
- Results in the fight against climate change.
- Management of corporate reputation, measured in terms of presence in sustainability and ethics indices.
- Training of the group's professionals.
- Resiliency and reinforcement of cybersecurity plans.
- Levels of occupational safety, health, well-being and labour climate.

Each metric has a related achievement scale where a minimum threshold and an upper limit are set. If the minimum performance level is not reached, no annual variable short-term remuneration will accrue. For each of the metrics, any intermediate results will be calculated by linear interpolation.

The specific weights and parameters for each financial year to which the short-term variable remuneration will be linked are published in the corresponding *Annual Director and Officer Remuneration Report*.

Maximum amount

The maximum limit of the annual variable remuneration is set at 150% of the fixed remuneration, which will be reached in the event of 100% achievement.

For the **Executive Chairman**, the Board of Directors has resolved to maintain the same level for 2024 as in 2023, with the maximum limit of annual variable remuneration being 144% of the annual fixed remuneration, which will



be reached in the event of 100% achievement of the established objectives, which is lower than the maximum established limit.

For the **Chief Executive Officer**, the Board of Directors has resolved to maintain the same level for 2024 as in 2023, with the maximum limit of annual variable remuneration being 150% of the annual fixed remuneration, which will be reached in the event of 100% achievement of the established objectives.

The maximum limit on short-term variable remuneration, as well as the level of achievement reached, shall be reported annually in the corresponding *Annual Director and Officer Remuneration Report*.

Operation

The Remuneration Committee, in consultation with the Audit and Risk Supervision Committee and the Sustainable Development Committee, shall evaluate the performance of the officers, for which purposes it may rely on the advice of an independent expert, and it shall submit a reasoned proposal to the Board of Directors for approval thereof.

The Board of Directors, based on a proposal made by the Remuneration Committee, taking into account exceptional circumstances (including major corporate transactions) during the financial year, among other factors, shall have a margin of discretion in evaluating compliance with the indicators that could give rise to both upward and downward adjustments, and which in no case may give rise to a payment above the maximum approved for variable remuneration. Any use of this discretionality must be justified and explained in the *Annual Director and Officer Remuneration Report*.

The annual variable remuneration of the Executive Chairman and of the Chief Executive Officer is paid entirely in cash once the annual financial statements have been audited and subsequently formulated by the Board of Directors.

If there is a restatement of the financial statements during the financial year following payment, the Board of Directors, based on any proposal made by the Remuneration Committee, may resolve to cancel pending payments ("malus" clauses) and claim the reimbursement of amounts delivered during the previous financial year ("clawback" clauses).

4.2.4 Long-term variable remuneration (strategic bonus): share delivery plans

Purpose

Long-term variable remuneration encourages **commitment to the Iberdrola group's business enterprise over the long term**, linking a portion of remuneration to the creation of value for the stakeholders, as well as to the sustainable achievement of the strategic objectives of the Company and the maximisation of its social dividend and shareholder return.

It is implemented through **share delivery plans** linked to the achievement of long-term objectives, which are submitted for the *ex ante* approval of the shareholders at a General Shareholders' Meeting, and which establish the maximum number of shares to be delivered to officers who are directors and also set the objective and quantifiable parameters determining the accrual thereof as well as their relative weighting.

These long-term plans typically have a **duration of six years** (three for performance evaluation and three for payment). Long-term variable remuneration plans are awarded every three years rather than annually, which ensures that there is no overlap.

As at the date of this *Policy*, the 2020-2022 Strategic Bonus is in the payment period (with two of the three scheduled deliveries having been made) and the 2023-2025 Strategic Bonus, which received 92% approval at the General Shareholders' Meeting held on 28 April 2023, is in the evaluation period.



2020-2022 Strategic Bonus (during payment period)	6-year period					
	2020	2021	2022	2023	2024	2025
	Evaluation period			1/3	1/3	1/3
	Grant	Payment period with malus and clawback clauses				

2023-2025 Strategic Bonus (during evaluation period)	6-year period					
	2023	2024	2025	2026	2027	2028
	Evaluation period			1/3	1/3	1/3
	Grant	Payment period with malus and clawback clauses				

Metrics

Long-term variable remuneration is linked to the achievement of strategic, quantitative and qualitative, predetermined, specific, quantifiable, challenging and clear objectives (each parameter is assigned a specific weighting as well as a minimum level above which it is considered to be achieved and another level above which it is considered fully achieved), a description of which shall be provided in the Annual Director and Officer Remuneration Report:

- The 2020-2022 Strategic Bonus was approved at the General Shareholders' Meeting held on 2 April 2020.
- The 2023-2025 Strategic Bonus was approved at the General Shareholders' Meeting held on 28 April 2023.

These metrics assume the achievement of the business strategy, interests and long-term sustainability of the Company.

Maximum amount

Maximum number of shares to be delivered for the entire 2023-2025 Strategic Bonus:

- Executive Chairman:** up to a maximum of 1,900,000 shares.
- Chief Executive Officer:** up to a maximum of 500,000 shares.

These shares will be delivered through shares purchased in the market, and not through the issue of new shares.

Operation

Iberdrola's long-term variable remuneration system has a duration of six years, of which the initial three-year period is the period for evaluating the performance level compared to the parameters to which the plan is linked, and the one comprising the next three financial years is its payment period, which occurs through the delivery of shares. Long-term variable remuneration plans are awarded every three years rather than annually, which ensures that there is no overlap between them.

Therefore, the delivery of shares under the multi-annual variable remuneration system is deferred for three years.



The Board of Directors, upon a proposal of the Remuneration Committee, which may be assisted by an independent expert, must evaluate the Company's performance regarding the goals described above and determine the level of achievement thereof.

In order to engage in a proper overall evaluation of performance, circumstances occurring after the approval of each of the plans having a material impact, either positive or negative, on the main financial variables of the Company (including major corporate transactions) may be taken into account.

The level of achievement reached shall be reported in the corresponding *Annual Director and Officer Remuneration Report*.

At the end of the evaluation period for each of the incentive plans, the plan shall accrue annually in equal parts during the next three financial years. Each annual accrual and the corresponding payment thereof must be approved by the Board of Directors, after a report from the Remuneration Committee.

In this connection, during each of the three years of the accrual and payment period and for each delivery of shares, it is expected that there will be an evaluation whether to confirm or totally or partially cancel the corresponding payment and, if applicable, to claim the total or partial reimbursement of the shares already delivered (or the amount thereof in cash).

4.2.5 Benefits

The officers are insured under a long-term savings scheme, implemented through an insurance policy that provides coverage for the supplementary social security contributions regime established to enhance the regime that would apply to them pursuant to applicable law and the Collective Bargaining Agreement.

This is a defined contribution plan applicable for retirement, death and disability for any reason, meaning that the officers will have the financial rights acquired at the normal retirement age, and the grounds for any early termination of the contractual relationship will determine the rights thereof. The policy expressly acknowledges that in the event of cessation of office or resignation or improper payment, the policyholder undertakes to pay the amount that has been surrendered under the policy in relation to the retirement contingency.

The Chief Executive Officer is insured under the group life insurance policy described above, with an undertaking assumed when he was a member of senior management, and which has not been changed as a result of his appointment as Chief Executive Officer.

The Company has no commitment to any long-term defined-contribution, defined-benefit retirement or savings system for the group of directors.

The Executive Chairman is not a participant in any long-term savings schemes (pensions).

The remuneration system for officers will be supplemented by health, life and accident insurance and other benefits in line with the practice followed in the market by comparable global companies.

The officers, as well as the rest of the Company's professionals, are entitled to limited electricity discounts through rate concessions.

4.2.6 Malus and clawback clauses

As regards the long-term remuneration previously indicated in Section 4.2.4., the Board of Directors, with due regard to any proposal made by the Remuneration Committee, has the power to totally or partially cancel the payment of long-term variable remuneration or to demand the partial or total return of remuneration already paid.

These circumstances include the case of a material restatement during the next three financial years of the financial statements on which the Board of Directors based the evaluation of the performance level, provided that said restatement is confirmed by the external auditors and is not due to a change in accounting rules, as well as situations of fraud or serious violation of law declared by a final court judgement.

The procedure for the application and determination of the amounts or shares subject to cancellation or reimbursement, which includes a hearing, establishes a period of thirty (30) days for reimbursement to the Company.



4.2.7 Shareholding policy

The Executive Chairman and the Chief Executive Officer may not transfer ownership of the shares received for a period of four years unless they maintain an amount equal to at least twice their fixed remuneration.

4.2.8 Remuneration for holding the position of director at other companies of the group that are not wholly owned

Officers who hold the position of director at companies that are not wholly owned by the Company, either directly or indirectly, may receive remuneration corresponding to the position from said companies in accordance with their corporate governance rules on the same terms as the other external directors.

4.2.9 Appointment of new officers who are directors

The remuneration of new officers who are directors shall conform to the provisions of the Remuneration Policy. The fixed remuneration shall be set on the date of their appointment, particularly taking into account their level of remuneration prior to their promotion or hiring, market terms and terms applicable to comparable positions, their experience and qualification level, and the duties assigned and responsibilities assumed.

New officers who are directors shall participate in annual and long-term incentives based on the same principles as those applicable to directors holding the position at the time of their appointment.

If a new director with executive duties joins the Company, the Company may offer incentives, in cash or shares, to compensate for variable remuneration or contractual rights forfeited upon leaving their office, subject to the maximum limits established by the shareholders at the General Shareholders' Meeting.

5. Contract terms and conditions

The terms and conditions of the **contracts of the officers** are as follows:

Duration

The contracts of the Company's officers are of indefinite duration.

Applicable legal provisions

The contracts with the officers of the Company are governed by the legal provisions applicable to senior officer special employment relationship agreements or by such special terms and conditions of the common employment system (*régimen laboral común*) as are determined by the Company or as legally apply from time to time.

The contracts with the Executive Chairman and the Chief Executive Officer are governed by the legal provisions applicable in each case, based on commercial law.

Compliance with the Governance and Sustainability System

All of the officers of the Company have the duty to strictly observe the rules and provisions contained in the Company's Governance and Sustainability System to the extent applicable thereto.

Non-compete clause

The contracts with the officers in all cases establish a duty not to compete with respect to companies and activities that are similar in nature to those of the Company and of the other companies of the Group, during the term of their relationship with the Company and for a period of not less than one year following termination thereof, and also provide for consideration for each year of duration of such agreement not to compete.



The contractual relationship with the **Executive Chairman** establishes a duty not to compete with respect to companies and activities that are similar in nature to those of the Company during the term of his relationship with the Company and for a period of three years after the termination of the contract. In compensation for this commitment, he is entitled to a severance payment equal to two times annual remuneration.

In the case of the **Chief Executive Officer**, during the term of the contract and for one year after the termination thereof. In compensation for this post-contractual commitment not to compete, he is entitled to compensation equal to one times annual his annual fixed remuneration, which is in any case included in the severance payment for termination of contract, if one exists.

Confidentiality and return of documents

A rigorous duty of confidentiality is established, which must be assumed by the officer and complied with both during the term of the contract and once the relationship has terminated, with the Company reserving the right to bring such legal actions as may be appropriate to defend its interests. In addition, the officer must return to the Company any documents and items relating to the officer's activity that are in the possession thereof upon termination of the relationship with the Company, in accordance with such terms and conditions as are set forth by the Company.

Indemnification

The contracts of the officers contemplate financial compensation in the event of termination of the contractual relationship with the Company, provided that such termination does not occur exclusively due to the professional's decision to withdraw or as a result of a breach of the duties thereof. The amount of the severance payment is established in accordance with length of service and the reasons for the professional's cessation of office, up to a maximum of five times annual salary.

Since 2011, for new contracts signed with officers, the limit on the amount of the severance payment is **two times annual remuneration**, and as at 31 December 2023, there are a total of 12 contracts with a severance limit higher than two times annual remuneration, which means that from 2001 to 31 December 2023, the number of officers with a severance limit higher than two times annual remuneration was reduced by more than 100.

When the current **Executive Chairman** joined the Company in 2001, the Company included clauses in the contracts with its key officers providing for severance pay of up to five times annual salary in order to achieve an effective and sufficient level of loyalty. Although the treatment in effect for such officers was applied to him at that time, he would currently be entitled to **two times annual remuneration** as severance pay for instances in which a severance payment was required for termination of contract.

The **Chief Executive Officer** is entitled to receive severance pay equivalent to **two times annual remuneration** in the event of termination of his relationship with the Company, provided that said termination is not due to a breach attributable to the beneficiary or solely due to a voluntary decision thereof. This severance payment for termination of contract includes compensation for the commitment not to compete.

Application of "malus" and "clawback" clauses

Provided for in contracts with officers of the Company, for both short-term variable remuneration and long-term variable remuneration.

6. Alignment with business strategy, interests and long-term sustainability

The following features of the *Policy* ensure consistency with long-term strategy, interests and sustainability focused on the achievement of long-term results:

- Total remuneration of the officers is mainly composed of: (i) **fixed remuneration** (ii) **short-term** variable remuneration (annual bonus) and (iii) **long-term** variable remuneration (strategic bonus).



- The total remuneration is designed to attract and retain the best talent and align their performance with the interests of the Iberdrola group and the achievement of its business strategy, promoting its long-term sustainability, in accordance with best practices.
- An appropriate balance between fixed and variable components of remuneration is established: officers have a variable remuneration system with risk measures ensuring that no variable remuneration is paid if they do not meet the minimum achievement threshold.
- The weighting of variable remuneration, both short and long-term, for the 2024 annual amount within a scenario of maximum target achievement is 81% for the Executive Chairman and 76% for the Chief Executive Officer. The above “pay for performance” percentages are for remuneration based on the achievement of targets linked to the business strategy and to the interests and long-term sustainability of the Company.
- The long-term incentives (described in Section 4.2.4 above) are designed as a multi-annual plan with deferred delivery of shares that is intended to encourage commitment to the Iberdrola group’s long-term strategic goals, aligning a portion of remuneration to the creation of value and shareholder return, as well as to the sustainable achievement of the strategic objectives of the Company and the maximisation of its social dividend.
- The officers may not transfer ownership of the shares received for a period of four years unless they maintain an amount equal to at least twice their annual fixed remuneration (shareholding policy).
- Both short- and long-term variable remuneration is subject to the application of clauses for the cancellation (“malus”) or clawback of variable remuneration, as described in Section 4.2.6 of this Policy.

In addition, the following measures allow for a reduction in exposure to excessive risks and strengthen alignment with the long-term objectives, values and interests of the Company:

- Iberdrola’s Remuneration Committee is currently made up of three members, 67% of whom are independent directors (two members) and 33% of whom are other external directors (one member).
- The Remuneration Committee is responsible for proposing, reviewing, analysing and implementing the Director Remuneration Policy.
- The Company’s Audit and Risk Supervision Committee participates in the process of evaluating whether the remuneration system encourages excessive or inappropriate risk-taking. This evaluation takes into account the nature of Iberdrola’s risks in the design of variable remuneration plans.
- The Sustainable Development Committee participates in the process of evaluating the appropriate transposition of the Company’s sustainable development strategy, with particular emphasis on environmental, social and corporate governance and regulatory compliance policies in the remuneration system. This evaluation takes into account Iberdrola’s commitment to sustainable development in the design of variable remuneration plans.
- There is no guaranteed variable remuneration with risk measures for which reason no variable remuneration is paid if the minimum achievement threshold is not met.

7. Consideration of the terms and conditions of remuneration and employment of the Company’s professionals

People fundamentally determine the difference between competitive companies and those that are not, as well as between those that sustainably create value and those that gradually lose their ability to generate wealth.

In this regard, Iberdrola’s management model promotes not only the physical and mental well-being of its professionals, but also an adequate, pleasant, satisfactory and stimulating working environment that generates confidence and motivation, promoting professional and personal development of the workforce, which results in greater creativity and productivity, thus contributing to the achievement of business objectives and long-term sustainability.

The Company’s individual employee value proposition favours the selection, hiring, promotion and retention of talent, consisting of competitive remuneration for the creation of value and a diverse and inclusive work environment that



facilitates reconciliation between personal and working life and promotes the professional growth of the Company's workforce.

This professional growth must be based on objective performance standards, equal opportunity, and a commitment to the Purpose and Values of the Iberdrola group and to the business enterprise established at the Group level.

The Remuneration Committee regularly reviews the general remuneration programmes for the professionals of the group, evaluating the adequacy and results thereof, and takes them into account when determining the Director Remuneration Policy.

The remuneration systems for the Company's professionals share the principles of the Director Remuneration Policy, and their purpose is to attract, retain and motivate the most qualified professionals so that the Company and the other companies of the group can meet their strategic objectives within an increasingly competitive and globalised framework, continuing with their leadership commitment in the energy sector, all within a framework of non-discrimination.

The Remuneration Committee considers it a priority for the remuneration system to promote the strengthening of its human capital, as the main factor differentiating it from its competitors.

The principles of conduct informing the remuneration systems are:

- Favour the attraction, hiring and retention of the best professionals.
 - Maintain consistency between strategic positioning at the group level and its development, its international and multicultural reality, as well as its objective of excellence.
 - Recognise and reward the dedication, responsibility and performance of all its professionals.
 - Adjust to the various local circumstances in which the different companies of the group operate.
 - Be and stay at the forefront of the market, consistently with the position achieved by the Company and the other companies of the group.
-

8. Temporary exceptions

Pursuant to the provisions of Section 529 *novodecies*.6. of the Companies Act, the Board of Directors, after a favourable report from the Remuneration Committee, may apply temporary exceptions to the variable components of remuneration (both short- and long-term) of the officers when exceptional circumstances so require to serve the long-term interests and the sustainability of the Company as a whole or to ensure the viability thereof.

The temporary exception to the variable components of remuneration (both short- and long-term) may result in both upward and downward adjustments, and in no case may it result in a payment in excess of the maximum approved variable remuneration. Any use of this temporary exception should be justified and explained in the *Annual Director and Officer Remuneration Report*.

9. Governance of the Policy

The decision-making process for the determination, review and implementation of the Policy is described below.

General Shareholders' Meeting

- Approves the *Director Remuneration Policy*, which constitutes the Company's highest-level set of regulations on director remuneration after the By-Laws.
 - Approves the remuneration of the directors consisting of the delivery of shares of the Company or of any options thereon or which is indexed to the price of the Company's shares.
-

Board of Directors

- Upon a proposal of the Remuneration Committee, proposes the *Director Remuneration Policy* to the shareholders for approval on the terms established by law and the Governance and Sustainability System.
-



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- Upon a proposal of the Remuneration Committee, **approves the remuneration** of the directors in accordance with the provisions of law and the *Director Remuneration Policy*.
 - Upon a proposal of the Remuneration Committee, **proposes variable share-based remuneration plans** for approval by the shareholders at a General Shareholders' Meeting.
 - Upon a proposal of the Remuneration Committee, **approves the performance of the officers** in short-term variable remuneration.
 - Upon a proposal of the Remuneration Committee, **approves the performance of the Company** in long-term variable remuneration.
-

Remuneration Committee

- **Submits the proposed *Director Remuneration Policy*** to the Board of Directors for approval and subsequent submission to the shareholders at the General Shareholders' Meeting, issuing the corresponding specific explanatory report required by Section 529 *novodecies* of the Companies Act.
 - **Regularly reviews the *Director Remuneration Policy***, proposing to the Board of Directors any amendment and update thereof and reporting thereto on any issues that may arise in connection with the interpretation and application of said *Policy* and standards. In the process of reviewing the *Policy*, the Remuneration Committee considers employee remuneration and how **remuneration is aligned with the *Purpose and Values*** of Iberdrola.
 - **Proposes** to the Board of Directors **the system and amount of the annual remuneration of the directors, as well as** the individual remuneration of the **officers** and the other terms and conditions of their contracts, including fixed remuneration, annual or multi-annual variable remuneration, incentive plans and strategic bonuses in shares and any potential compensation or severance payment that may be established in the event of removal, in all cases in accordance with the provisions of the Governance and Sustainability System and of the *Director Remuneration Policy*.
 - **Endeavours to ensure** that the Board of Directors is in a **position to approve** in advance the application, objectives, standards and metrics of the various items of remuneration established for the current financial year in accordance with the *Policy* approved by the shareholders at the General Shareholders' Meeting.
 - **Ensures** that the Board of Directors is in a **position to evaluate** the achievement of the objectives, standards and metrics established during the previous year to determine the variable remuneration earned by the officers in that year sufficiently in advance. And, if applicable, for short- and long-term variable remuneration, proposes to the Board the cancellation or reimbursement of remuneration that has been paid to the respective beneficiaries.
 - In **consultation with other committees**, particularly the **Audit and Risk Supervision Committee**, the Remuneration Committee evaluates whether the remuneration system encourages excessive or inappropriate risk-taking. This evaluation takes into account the nature of Iberdrola's risks in the design of variable remuneration plans.
 - In **consultation with other committees**, particularly the **Sustainable Development Committee**, the Remuneration Committee evaluates the appropriate transposition of the Company's sustainable development strategy, with particular emphasis on environmental, social and corporate governance and regulatory compliance policies in the remuneration system. This evaluation takes into account Iberdrola's commitment to sustainable development in the design of variable remuneration plans.
 - **Annually verifies**, on the basis of information provided to the Remuneration Committee, **that the remuneration policies** for directors and officers **are properly applied**, that no payments are made that are not provided for therein, whether circumstances have arisen that justify the application of "malus" (cancellation) or "clawback" (reimbursement) clauses, and propose, if appropriate, suitable measures to recover any amounts that may be due.
 - **Endeavours to ensure** compliance with the **remuneration programmes** of the Company and reports on the documents to be approved by the Board of Directors regarding remuneration, including the *Annual Director and Officer Remuneration Report* and the corresponding sections of the Company's *Annual Corporate Governance Report*.
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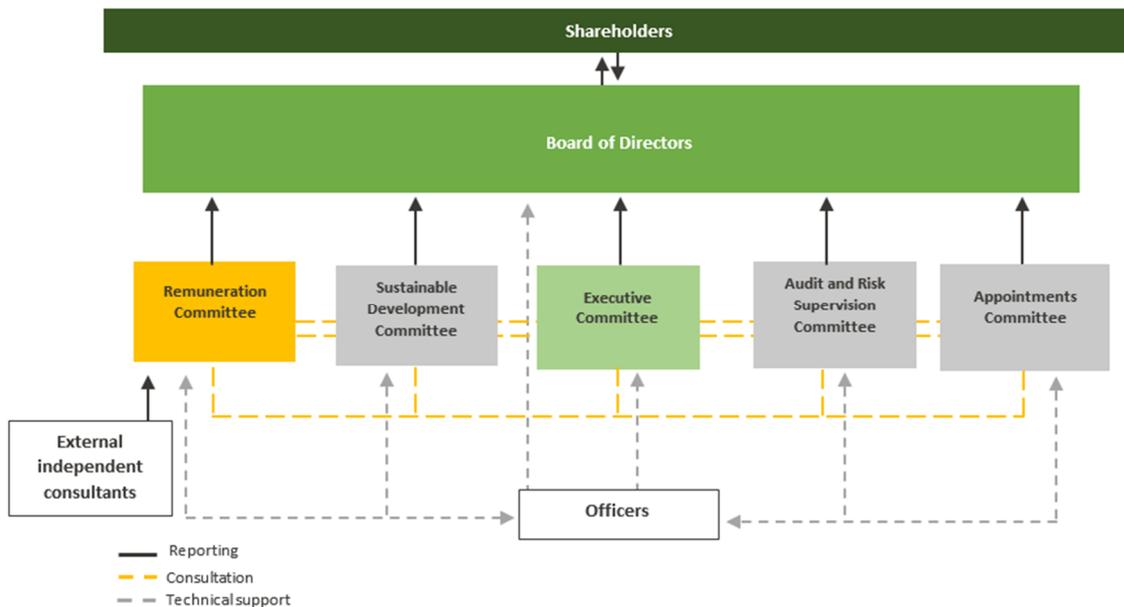
- Regularly reviews the general remuneration programmes for the group's professionals, assessing the suitability and results thereof, considering that they promote physical, mental and emotional well-being, as well as a healthy, safe, pleasant, diverse and inclusive working environment.

External advisors of the Remuneration Committee

- Performs an appropriate assessment of the independence of the external advisor if the participation thereof is required for the preparation of the Director Remuneration Policy.
- Seeks the help or advice of external professionals, who must address their reports directly to the chair of the Remuneration Committee, endeavouring to ensure that any possible conflicts of interest do not prejudice the independence of the external advice received.

Interaction of the Remuneration Committee

In the performance of its duties, the Remuneration Committee works proactively and in consultation with other committees, particularly the Audit and Risk Supervision Committee, the Sustainable Development Committee and the Appointments Committee.



10. Effectiveness

This Director Remuneration Policy shall be in effect as from the date of approval hereof by the shareholders acting at the General Shareholders' Meeting and during financial years 2025, 2026 and 2027.

* * *

The Director Remuneration Policy was initially approved by the Board of Directors on 18 December 2007 and was last approved by the shareholders at the Company's General Shareholders' Meeting held on 17 May 2024.



General Shareholders' Meeting

17 May 2024

Sustainable
Event



Committed



Report of the Board of Directors

Proposed increases in capital by means of scrip issues of the “Iberdrola Retribución Flexible” optional dividend



REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF "IBERDROLA, S.A." REGARDING THE PROPOSED IMPLEMENTATION OF TWO INCREASES IN CAPITAL BY MEANS OF SCRIP ISSUES IN ORDER TO IMPLEMENT THE "IBERDROLA RETRIBUCIÓN FLEXIBLE" OPTIONAL DIVIDEND SYSTEM INCLUDED IN ITEMS 12 AND 13 ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING

1. Object of the report

This report has been prepared by the Board of Directors of "Iberdrola, S.A." (the "**Company**") pursuant to the provisions of Sections 286 and 296 of the *Companies Act (Ley de Sociedades de Capital)*, in order to provide a rationale for the two proposed increases in share capital by means of scrip issues through the issuance of new shares with a charge to reserves, which are submitted to the shareholders for approval at the General Shareholders' Meeting under items 12 and 13 on the agenda and under the section "Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items number 11, 12 and 13 on the agenda, pursuant to which the "Iberdrola Retribución Flexible" optional dividend system is implemented" (the "**Common Terms**").

Pursuant to such sections of the *Companies Act*, to the extent that the approval of each of the increases in share capital and the implementation thereof entails the amendment of the article of the *By-Laws* setting the share capital, the Board of Directors has prepared this report setting forth the purpose of and rationale for the proposals being submitted to the shareholders at the General Shareholders' Meeting.

Given that the two increases in share capital by means of scrip issues have the same purpose and are implemented in a similar manner, this report provides the rationale for both proposals. For purposes of easier understanding by the shareholders of the transaction that gives rise to them, a description of the purpose of, rationale for and structure of the proposals is first provided. Set forth below are the main terms and conditions of the increases in capital by means of scrip issues. Finally, the proposed resolutions submitted to the shareholders for approval at the General Shareholders' Meeting are included.

2. Purpose of, rationale for and structure of the proposals

2.1. Purpose of and rationale for the proposals

The "Iberdrola Retribución Flexible" optional dividend system reflects the Company's desire to continuously apply the best corporate governance practices, especially in the area of its shareholder remuneration policy.

This system, the approval of which is again submitted to the shareholders at the General Shareholders' Meeting, offers shareholders the ability to receive their remuneration in new bonus shares or to monetise the amount of their remuneration.

Thus, shareholders who prefer to receive their remuneration in cash may do so through a supplementary dividend approved by the General Shareholders' Meeting or through payment of the interim dividend for financial year 2024 approved by the Board of Directors. These shareholders will also have the option to sell their free-of-charge allocation rights on the market, although in this case the amount of the



remuneration they receive will depend on market conditions in general and the listing price of the free-of-charge allocation rights in particular.

For this reason, in addition to the dividend contemplated in the proposed resolution corresponding to item 11 on the agenda for the General Shareholders' Meeting (the "**Supplementary Dividend**"), it is expected that, prior to 31 December 2024, the Board of Directors will approve the payment of an amount on account of the dividend for financial year 2024 (the "**Interim Dividend**"), which will in any case be subject to compliance with the requirements established in Section 277 of the *Companies Act* (the "**Requirements**").

Notwithstanding the foregoing, if the Requirements to pay the Interim Dividend are not met in the Second Implementation (as such term is defined below), the Company will make an irrevocable commitment to acquire the free-of-charge allocation rights arising from the second Increase in Capital (as such term is defined below) at a guaranteed fixed price upon the terms and conditions described below (the "**Purchase Commitment**" and the "**Fixed Purchase Price**", respectively).

2.2. Structure of the proposals

The proposals submitted to the shareholders for approval at the General Shareholders' Meeting under items 12 and 13 on the agenda and under the Common Terms have been structured in the form of two increases in share capital with a charge to the reserves contemplated in Section 303.1 of the *Companies Act* (each such increase in capital shall be referred to as an "**Increase in Capital**" and both of them collectively as the "**Increases in Capital**"), which shall be implemented together with the payment of the Supplementary Dividend and the Interim Dividend, respectively (each a "**Dividend**" and collectively the "**Dividends**"). In particular:

- (i) The first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2024 (the "**First Implementation**") shall be carried out through the implementation of the Increase in Capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 12 on the agenda, together with the payment of the Supplementary Dividend.
- (ii) The second implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2024 (the "**Second Implementation**", and collectively with the First Implementation, the "**Implementations**" and each of the Implementations, individually, an "**Implementation**") shall be carried out through the implementation of the Increase in Capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 13 on the agenda together with the payment of the Interim Dividend, to the extent that the Requirements are met. The Purchase Commitment would be implemented if they are not met.

It is expected that the First Implementation will take place in the month of July 2024 and that the Second Implementation will occur in the month of January 2025.

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

- (a) Receiving their remuneration in newly-issued bonus shares of the Company. To this end, shareholders must refrain from transferring their free-of-charge allocation rights on the market. In this case, upon completion of the trading period for the free-of-charge allocation rights and implementation of the Increase in Capital, the shareholders shall receive such number of new shares as they are proportionately entitled to receive, entirely as bonus shares. This is the default option.



- (b) Transferring their free-of-charge allocation rights on the market during the trading period pursuant to the provisions of Section 3.2 below. In this case, the consideration for such rights will depend on market conditions in general and on the listing price of such rights in particular.
- (c) Receiving their remuneration in cash by collecting the Dividend in question, for which purpose the shareholders shall be required to make an express election in this regard.

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

Within the year following the date of approval of the resolutions included in items 12 and 13 on the agenda, each of the Implementations may be made by the Board of Directors (with express power of substitution) at its sole discretion, and therefore without having to once again obtain the approval of the shareholders at a General Shareholders' Meeting, and based on the legal and financial conditions existing at the time of each Implementation, in order to offer the Company's shareholders a flexible and efficient remuneration formula.

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

In addition, the default option will apply to shareholders who do not communicate the flexible remuneration option chosen in respect of their different groups of shares during the Common Election Period, for which reason they will receive their remuneration through the delivery of new fully paid-up shares of the Company (i.e. the remuneration option referred to in paragraph (a) above).

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

Furthermore, as already mentioned, if the Requirements for the payment of the Interim Dividend are not met on occasion of the Second Implementation, the shareholders may monetise their free-of-charge allocation rights by transferring them to the Company at the Fixed Purchase Price within the framework of the Purchase Commitment and thus receive a cash amount equal to the one that the Company would have paid as Interim Dividend.

In this regard, it should be borne in mind that the tax treatment of the above alternatives may be different, as described in Section 3.7 below.

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

The Company also rejects any liability of any kind as a result of the failure of the depositaries to transmit in due time and form the election requests made by the holders of free-of-charge allocation rights. In this regard, it should be noted that, in the event that the elections of the holders of free-of-charge



allocation rights are not processed by the depositaries in a timely manner, they may receive the default flexible remuneration option (i.e. the delivery of new fully paid-up shares in the Company). Any claims on these grounds must be made directly to the depositaries.

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

3. Main terms and conditions of the Increases in Capital.

Set forth below are the main terms and conditions of the Increases in Capital.

3.1 Nominal amount of the Increases in Capital, number of shares to be issued, and number of free-of-charge allocation rights required for the allocation of one new share

The amount of each of the Increases in Capital shall be the amount resulting from multiplying: (a) the nominal value of each share of the Company, equal to seventy-five euro cents; by (b) the total determinable number of new shares of the Company to be issued on the date of each of the Implementations (the new shares of the Company issued by way of implementation of each of the Increases in Capital shall be collectively referred to as the "New Shares", and each one, individually, as a "New Share"). The Increases in Capital will thus be carried out at par (i.e. without a share premium).

In turn, the maximum number of New Shares to be issued in each Increase in Capital shall be the number resulting from the application of the following formula (with the result being rounded to the next lower integer):

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

where:

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

TNShrs. = Number of shares of the Company outstanding on the date that the Board of Directors (with express power of substitution) resolves to implement the relevant Increase in Capital. In this regard, those shares of the Company that have previously been retired by virtue of the implementation of the resolution approving the reduction in share capital by means of the retirement of own shares submitted to the shareholders for approval at the General Shareholders' Meeting under item 14 on the agenda, even if the corresponding public instrument formalising the reduction in share capital has not been executed or is pending registration with the Commercial Registry, shall not be deemed to be outstanding shares of the Company; and



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

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

where:

$$\text{Provisional number of shares} = \text{Amount of the Option} / \text{ListPri.}$$

For these purposes, "**Amount of the Option**" shall mean the maximum reference market value of the relevant Increase in Capital to be set by the Board of Directors (with express power of substitution) and which shall not be greater than the amount referred to in the proposed Increase in Capital resolutions submitted for the approval of the shareholders at the General Shareholders' Meeting under items 12 and 13 on the agenda (i.e. €2,600 and €1,700 million, respectively).

For its part, "**ListPri**" shall be the arithmetic mean of the average weighted listing prices of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market) for the five trading sessions determined by the Board of Directors (or the body acting by delegation therefrom) to set the number of free-of-charge allocation rights needed for the allocation of one New Share in the relevant Increase in Capital, rounding the result to the closest one-thousandth part of one euro.

The maximum number of New Shares to be issued thus calculated shall be rounded to obtain a whole number of shares (with the result being rounded to the next lower integer) and a ratio for the conversion of rights into shares that is also an integer (with the result being rounded to the next higher integer). In addition, and for the same purposes, the Company (or any company within its group that holds shares of the Company) shall waive the corresponding free-of-charge allocation rights as provided in section 3.2 below.

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

$$\text{Dividend (or, if applicable, Fixed Purchase Price)} = \text{ListPri} / (\text{Num. rights} + 1)$$

Solely for purposes of facilitating an understanding of the application hereof, the Common Terms include a sample calculation of the maximum number of New Shares to be issued in the Increase in Capital submitted for approval of the shareholders under item 12 on the agenda for the General Shareholders' Meeting, of the maximum nominal value of such Increase in Capital, of the number of free-of-charge allocation rights required for the allocation of one new share, and of the gross Supplementary Dividend per share.

The Amount of the Option of each Increase in Capital, together with the other items to be determined on each of the Implementations, shall be made public by means of a corresponding notice, which will be sent to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).



3.2 Free-of-charge allocation rights

In each Increase in Capital, each outstanding share will grant its holder one free-of-charge allocation right.

It shall be deemed that those shareholders choosing to receive their remuneration in cash through the Dividend expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares and the ability to transfer them on the market. To this end, the participants in "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) ("**IBERCLEAR**") will block said free-of-charge allocation rights, which may not be transferred on the market and which shall automatically expire at the end of the trading period, without the holders thereof being entitled to receive New Shares.

The number of free-of-charge allocation rights required to receive one New Share in each Increase in Capital shall be automatically determined according to the ratio existing between the number of shares of the Company then outstanding on the date of implementation of the Increase in Capital in question (TNShrs.) and the provisional number of New Shares, calculated by using the formula contained in Section 3.1 above. Specifically, the holders of free-of-charge allocation rights shall be entitled to receive one New Share in exchange for the number of free-of-charge allocation rights held by them, which shall be determined as provided in Section 3.1 above.

In the event that the number of free-of-charge allocation rights required for the allocation of one New Share (Num. rights) multiplied by the maximum number of New Shares to be issued (NNS) results in a number that is lower than the number of outstanding shares of the Company on the date of implementation of the Increase in Capital in question, the Company (or any company within its group that holds shares of the Company) shall waive a number of free-of-charge allocation rights equal to the difference between both figures for the sole purpose that the number of New Shares be a whole number and not a fraction. In such an event, as well as to the extent that shareholders of the Company elect to receive the Dividend, there will be an incomplete allocation of the Increase in Capital in question, and share capital shall be increased solely by the amount corresponding to the free-of-charge allocation rights that have not been waived, pursuant to the provisions of Section 311 of the *Companies Act*.

The free-of-charge allocation rights shall be allocated to those who are registered as being entitled thereto in the book-entry registers of IBERCLEAR on the relevant date pursuant to the securities clearing and settlement rules from time to time in effect.

The Company will waive the free-of-charge allocation rights corresponding to the shares of the Company that have been retired prior to the date of implementation of the corresponding Increase in Capital if said shares have not yet been removed from the book-entry registers of IBERCLEAR because the corresponding public instrument formalising the implementation of the resolution on the reduction in capital, the approval of which is submitted to the shareholders at the General Shareholders' Meeting under item 14 on the agenda, has not yet been executed or is still pending registration.

The free-of-charge allocation rights may be traded during such term as is established by the Board of Directors (with express power of substitution), which term shall not be less than fourteen calendar days. During such term, a sufficient number of free-of-charge allocation rights may be acquired on the market in the proportion required to receive New Shares. Notwithstanding the foregoing, these free-of-charge allocation rights acquired on the market during the trading period shall not give the acquiring party the right to choose to receive the Dividend. Therefore, the new holders of these rights may only monetise their investment through the sale thereof on the market, or alternatively receive any paid-up New Shares of the Company to which they are entitled.



Shareholders that do not have free-of-charge allocation rights in a number sufficient to receive one New Share in each Increase in Capital may: (a) acquire on the market a sufficient number of free-of-charge allocation rights which, added to those already held by them, grant them the right to receive one New Share; (b) transfer their free-of-charge allocation rights on the market (with the consideration for their rights depending on market conditions in general and on the listing price of the free-of-charge allocation rights in particular); or (c) elect to receive the Dividend.

Upon completion of the trading period for the free-of-charge allocation rights and implementation of the Increase in Capital in question, the holders of the free-of-charge allocation rights (provided that they have not waived them upon the terms set forth above) shall receive a number of New Shares –as they are proportionately entitled to receive– entirely as bonus shares.

3.3 Gross amount per share to be paid to the shareholders as a Dividend in the Implementations

As previously explained, upon the implementation of each Increase in Capital, the shareholders may choose to receive a certain Dividend per share. The gross amount to be paid to the shareholders as the Dividend for each share of the Company with the right to receive it shall be determined within the context of each of the Implementations by the Board of Directors (with express power of substitution), pursuant to the rules set forth below.

In both Implementations, the gross amount per share of the Dividend will be the amount resulting from the application of the following formula, with the result being rounded to the closest one-thousandth part of one euro:

$$\text{Dividend (or, if applicable, Fixed Purchase Price)} = \text{ListPri} / (\text{Num. rights} + 1)$$

In the Second Implementation, the Board of Directors shall approve the payment of the Interim Dividend prior to 31 December 2024, subject in any case to the Requirements being met¹.

During the Common Election Period for each Implementation, the Company's shareholders shall have the ability to expressly choose to receive the Dividend per share with respect to all or part of the shares they own and that are outstanding on the relevant date upon the terms set by the Board of Directors (with express power of substitution), and pursuant to applicable securities clearing and settlement rules from time to time in effect. If they choose to receive the Dividend per share in question with respect to all or part of their shares, the shareholders shall expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares pursuant to the provisions of Section 3.2 above.

After the Common Election Period has ended, the Board of Directors (with express power of substitution) shall determine the aggregate gross amount in euros corresponding to the Dividend payment from each of the Implementations and shall make payment thereof through the participants in IBERCLEAR, the Board of Directors being hereby authorised for such purpose (with express power of substitution) to establish the specific date on which the payment of the Dividend should occur, to designate the entity that is to act as paying agent and to take such other steps as may be required or appropriate for the successful payment of the Dividend. Furthermore, after calculating said aggregate gross amount of the Dividend corresponding to each Implementation, the Board of Directors (with express power of substitution) shall rescind any resolution on payment of the corresponding Dividend

¹ If the Requirements to pay the Interim Dividend are not met, the gross amount of the Fixed Purchase Price per free-of-charge allocation right will be equal to the gross amount of the Interim Dividend per share resulting from the above formula (see Section 3.4 below).



with respect to the amounts that were not paid to those shareholders who elected (expressly or implicitly) to receive New Shares.

Moreover, in the case of the First Implementation, after calculating the aggregate gross amount of the Dividend for such Implementation, the aggregate total amount paid as a dividend with a charge to the results for the financial year ended 31 December 2023 pursuant to the provisions of item 11 on the agenda shall be determined and, in view of said amount, the amount of the total basis for distribution established in said item on the agenda to be allocated to remainder shall be specified, and the resulting proposed allocation of profits/losses and payment of the dividend for financial year 2023 shall be completed.

3.4 Purchase Commitment within the framework of the Second Implementation

As already mentioned, if the Requirements to pay the Interim Dividend are not met within the framework of the Second Implementation, and in order to ensure that the shareholders can receive all or part of their remuneration in cash, the Company will make an irrevocable commitment to acquire the free-of-charge allocation rights arising from the second Increase in Capital at a guaranteed fixed price (i.e. the Purchase Commitment and the Fixed Purchase Price, respectively) upon the following terms and conditions.

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

The Purchase Commitment assumed by the Company shall cover the free-of-charge allocation rights received by those who are registered as being entitled thereto in the book-entry records of IBERCLEAR on the relevant date pursuant to the securities clearing and settlement rules from time to time in effect, but excluding those rights that have been transferred on the market.

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

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

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

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



3.5 Rights attaching to the New Shares

The New Shares issued in each Increase in Capital shall be ordinary shares having a nominal value of seventy-five euro cents each, of the same class and series as those currently outstanding, represented by book entries, and the book-entry registration of which will be entrusted to IBERCLEAR and its participants.

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

The Increases in Capital shall be carried out free of expenses and fees as to the allocation of the New Shares issued. The Company shall bear the costs of issuance, subscription, flotation, admission to trading and other costs associated with the Increases in Capital.

Without prejudice to the foregoing, the Company's shareholders should bear in mind that the participants in IBERCLEAR with which they keep their shares on deposit may establish such pass-through management fees and expenses as they may freely determine as a consequence of maintaining the securities in their book-entry records. Moreover, these participants may establish such pass-through fees and expenses as they may freely determine for the processing of orders to purchase and sell free-of-charge allocation rights.

3.6 Balance sheet for the transaction and reserves with a charge to which the Increases in Capital are carried out

The balance sheet used as a basis for the Increases in Capital is the one for the financial year ended 31 December 2023, which has been audited by "KPMG Auditores, S.L." and which is submitted to the shareholders for approval at the General Shareholders' Meeting under item 1 on the agenda.

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

3.7 Tax Regime

Within the framework of the implementation of the "Iberdrola Retribución Flexible" optional dividend system in 2018, and particularly the option for the Supplementary Dividend and the Interim Dividend, the Company submitted a binding consultation to the General Tax Authority (*Dirección General de Tributos*) (the "DGT") regarding the tax treatment applicable to its shareholders in Spain subject to the Personal Income Tax (*Impuesto sobre la Renta de las Personas Físicas*) ("**IRPF**"), which was submitted to such agency on 14 July 2017. This binding consultation was answered by the DGT on 16 January 2018 with reference number V0042-18.

In addition to the foregoing, on 10 October 2019 the Company submitted a binding consultation to the DGT in order to clarify the tax impact for purposes of withholding of the Resolution of 5 March 2019 of the Accounting and Statutory Auditing Institute developing the standards for presentation of financial instruments and other accounting aspects relating to the commercial regulation of capital enterprises published in the Spanish Official Government Bulletin (*Boletín Oficial del Estado*) on 11 March 2019 (the



"ICAC Resolution") on the delivery of bonus shares or free-of-charge allocation rights in this context (the "Consultation"). The consultation was answered on 12 May 2020 with reference number V1357-20.

The answers to the binding consultation, as well as the answers by the DGT to the binding consultations obtained by the Company on 27 April 2010 and 1 October 2010 (made in relation to the traditional "Iberdrola Flexible Dividend" remuneration system), indicate that the tax treatment applicable on the date of preparation of this report is as described below.

In any event, shareholders and the holders of free-of-charge allocation rights are advised to consult their tax advisers before making a decision regarding the "Iberdrola Retribución Flexible" optional dividend system, taking into account the particular circumstances of each shareholder or holder of free-of-charge allocation rights.

As stated above, for tax purposes, the following possibilities should be distinguished based on the option chosen by each shareholder within the framework of the "Iberdrola Retribución Flexible" optional dividend system:

A) If choosing to receive fully paid-up New Shares

Pursuant to Spanish tax regulations, individual shareholders choosing to receive New Shares as a consequence of the Increases in Capital will not include any income within their tax basis upon delivery thereof for purposes of the Spanish IRPF or the Non-Resident Income Tax (*Impuesto sobre la Renta de no Residentes*) ("IRNR") if they do not act through a permanent establishment in Spain, nor will any withholding or payment on account apply.

However, the acquisition value for these shareholders of both the New Shares received as a consequence of each Increase in Capital and the shares from which they derive will result from distributing the total cost of acquisition among the applicable number of securities, including both existing securities and those issued as bonus shares. In respect of these shareholders, such bonus shares will be deemed to have been held for as long as the shares from which they derive. Consequently, in the event of a subsequent transfer, the income subject to taxation that is obtained will be calculated by reference to such new acquisition value.

Shareholders subject to the Corporate Income Tax (*Impuesto sobre Sociedades*) ("IS") of the IRNR for non-residents with a permanent establishment in Spain, to the extent that a complete commercial cycle is closed, will pay tax pursuant to applicable accounting rules (taking into account the ICAC Resolution, and particularly Article 35.4 thereof regarding the treatment of members of shareholder remuneration programmes that can be implemented by acquiring newly-issued bonus shares, disposing of the free-of-charge allocation rights on the market or selling them to the issuing company, which is mandatory for financial years beginning on 1 January 2020), and any specific rules regarding the above taxes. All of the foregoing is without prejudice to the rules for determining any applicable tax basis for these taxes, and particularly the ability to apply the exemption of Section 21 of Law 27/2014 of 27 November on the Corporate Income Tax (*Ley del Impuesto sobre Sociedades*) ("LIS"), upon compliance with the requirements set forth therein, or, in cases where the reserve used to issue the bonus shares in the Increase in Capital is the reserve from the share premium, the rule set forth in Section 17.6 of the LIS. Shareholders subject to the IS or the IRNR who act through a permanent establishment in Spain are advised to consult their tax advisers on the impact of the ICAC Resolution and the government's approach as described above before making a decision regarding the Increases in Capital.



In any case, pursuant to the standard provided by the DGT in the Consultation in favour of the Company, the Company is not required to apply withholding or payments on account upon the delivery of bonus shares or free-of-charge allocation rights within this context.

B) If choosing to transfer their free-of-charge allocation rights on the market

In the event that the shareholders sell their free-of-charge allocation rights on the market, the amount obtained for the transfer of such rights on the market will be subject to the following tax treatment:

- For individual shareholders subject to the Spanish IRPF or the IRNR for non-residents who do not act through a permanent establishment in Spain, the amount obtained in transfers of free-of-charge allocation rights will be deemed to be a financial profit, all without prejudice to the potential application to persons subject to the IRNR without a permanent establishment of international treaties, including the treaties signed by Spain for the avoidance of double taxation and for the prevention of tax evasion in the area of Income Tax and to which they might be entitled, and the exemptions established in the IRNR rules.

In addition, for individual shareholders subject to the IRPF applicable within the common regions of Spain, the amount obtained in the transfers of free-of-charge allocation rights will be subject to the corresponding withholding on account of this tax. The withholding will be applied by the corresponding depositary (and in the absence thereof, by the financial intermediary or notary public that has participated in the transfer thereof).

- For shareholders subject to the IS or the IRNR with a permanent establishment in Spain, to the extent that a complete commercial cycle is closed, taxes will be paid pursuant to applicable rules (taking into account, if applicable, the ICAC Resolution, and particularly the aforementioned Article 35.4 thereof, which will be mandatory for financial years beginning on 1 January 2020), and any specific rules regarding the aforementioned taxes. All of the foregoing is without prejudice to the rules for determining any applicable tax basis for these taxes, and particularly the ability to apply the exemption of Section 21 of the LIS, upon compliance with the requirements set forth therein, or, in cases where the reserve used to issue the bonus shares in the Increase in Capital is the reserve from the share premium, the rule set forth in Section 17.6 of the LIS. Shareholders subject to the IS and the IRNR who act through a permanent establishment in Spain are advised to consult their tax advisers on the impact of the ICAC Resolution and the government's approach as described above before making a decision regarding the Increases in Capital.
- In any case, pursuant to the standard provided by the DGT in the Consultation in favour of the Company, the Company is not required to apply withholding or payments on account upon the sale of free-of-charge allocation rights on the market within this context.

C) If choosing to receive their remuneration in cash by collecting the Dividend in question, or alternatively, transferring all of their free-of-charge allocation rights to the Company at the Fixed Purchase Price pursuant to the Purchase Commitment²

Finally, if the shareholders (whether individuals or legal entities) choose to receive the Supplementary Dividend or the Interim Dividend (or if they receive the Fixed Purchase Price, if

² If the Requirements to pay the Interim Dividend are not met.



applicable), the amount obtained will be covered by the tax regime for returns obtained from participation in the own funds of entities (as dividends), and will therefore be subject to the corresponding withholding and taxation.

D) Other considerations regarding the tax regime

It should be borne in mind that this analysis of the tax regime (which has been performed on the basis of specific assumptions) does not cover all the possible tax consequences of the various options relating to the "Iberdrola Retribución Flexible" optional dividend system, the implementation of the Increases in Capital or the payment of the Supplementary Dividend and of the Interim Dividend. If a change in these assumptions changes the description of the taxation of the proposals covered by this report, the new tax treatment will be communicated to the market as appropriate. In particular, it does not describe the consequences to which shareholders that are not residents in Spain for tax purposes may be subject in their countries of residence. Nor is there an analysis of any particularities that may apply to shareholders residing in the Historical Territories of the Basque Country or the Chartered Community of Navarre. Therefore, it is recommended that shareholders and holders of free-of-charge allocation rights consult with their tax advisers regarding the specific tax impact of the proposed remuneration system, taking into account the particular circumstances of each shareholder or holder of free-of-charge allocation rights, and that they pay attention to: (i) any amendments that may be made to the law applicable following the date of this report; (ii) the text of the transitional provisions thereof; and (iii) the rules for interpretation.

Finally, the holders of American Depositary Receipts (ADRs) and CREST Depositary Interests (CDIs) representing shares of the Company are advised to consult with their tax advisers on the taxation thereof in Spain or their jurisdictions of residence before making a decision in connection with the Increases in Capital.

In any case, it should be noted that the Financial Transactions Tax Act (*Ley del Impuesto sobre las Transacciones Financieras*) (the "LITF" and the "ITF", respectively) came into force on 16 January 2021.

According to the terms of the LITF, the ITF taxes acquisitions for consideration of shares of Spanish companies that are admitted to trading on a Spanish market, a regulated market of the European Union or a market considered equivalent in a third country at a fixed rate of 0.2%, provided that the capitalisation of the company as at 1 December of the year preceding the acquisition is more than €1,000 million. A taxable event for purposes of the ITF also covers the acquisition of shares arising from the acquisition of certificates of deposit representing said shares (e.g. ADRs or CDIs), among other transactions or contracts.

Pursuant to the provisions of the LITF, the Spanish National Tax Administration Agency has published a list of Spanish companies whose shares have a market capitalisation of more than €1,000 million as at 1 December 2023. The Company is included in this list, for which reason, in principle, acquisitions for consideration of its shares (or certificates of deposit representing such shares, like ADRs or CDIs) during 2024 would fall within the scope of the ITF (without prejudice to the corresponding exemptions that may apply).

That said, the Spanish National Tax Administration Agency has published a document on "Frequently asked questions regarding the Financial Transactions Tax" document (which is regularly updated), pursuant to which acquisitions of shares within the framework of shareholder remuneration programmes known as "scrip dividend" programmes (to the extent that the shares delivered are



new shares resulting from a totally paid-up increase in capital) are not subject to the ITF.

However, the ITF may subject to taxation (at a fixed rate of 0.2%) other transactions in shares of the Company (or ADRs or CDIs), regardless of the residence of the participating parties.

In any event, shareholders and the holders of free-of-charge allocation rights are advised to consult their tax advisers regarding the impact of the ITF and of any other tax measure, taking into account the particular circumstances of each shareholder or holder of free-of-charge allocation rights.

3.8 Delegation to carry out each of the Implementations

It is proposed to delegate to the Board of Directors (with express power of substitution) the power to set the date on which each of the Implementations is to be carried out, as well as to establish the terms and conditions applicable to each of the Implementations as to all matters not provided for by the shareholders at the General Shareholders' Meeting (including, in particular, the Amount of the Option), all on the terms and within the period of one year contemplated in Section 297.1.a) of the *Companies Act*. Notwithstanding the foregoing, if the Board of Directors (with express power of substitution) does not deem it advisable to carry out one or both Implementations, in whole or in part, within the aforementioned period, it may refrain from doing so, with the duty to inform the shareholders thereof at the next General Shareholders' Meeting. Specifically, the Board of Directors (with express power of substitution) shall analyse and take into account the market conditions, the circumstances of the Company itself or those deriving from an event that has social or financial significance for the Company, and if these or other factors make it inadvisable, in its opinion, to carry out one or both Implementations, it may refrain from doing so. In addition, the resolutions approved by the shareholders at this General Shareholders' Meeting relating to the Supplementary Dividend and to the Increases in Capital shall be deprived of any and all effect in the event that the Board of Directors (or the body acting by delegation thereof) does not exercise the powers delegated thereto or, in the case of the Second Implementation, does not approve the payment of the Interim Dividend or honour the Purchase Commitment, within a period of one year from approval of the resolutions.

On the dates that the Board of Directors (or the body acting by delegation therefrom) decides to implement an Increase in Capital, establishing for such purpose all of the final terms and conditions thereof as to all matters not provided for by the shareholders at the General Shareholders' Meeting, the Company shall make public such terms and conditions. In particular, prior to the commencement of each free-of-charge allocation period, the Company shall make available to the public a document containing information on the number and nature of the shares, the reasons for the Increase in Capital and the gross amount of the Dividend per share, all as provided by Article 1.5.(g) of *Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC* or the legal provisions that apply at any particular time.

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

- i. The New Shares shall be allocated to those who, according to the book-entry registers maintained by IBERCLEAR and its participants, are the holders of free-of-charge allocation rights in the required proportion (due to not having waived them on the terms provided above).
- ii. The period for trading the free-of-charge allocation rights shall be declared to have ended and the appropriation of the account(s) with a charge to which the relevant Increase in Capital will be



implemented shall be formalised on the books in the respective amount, with which appropriation the Increase in Capital will be paid up.

- iii. The Company shall pay the Supplementary Dividend or the Interim Dividend (or, if the Requirements are not met within the framework of the Second Implementation, the Fixed Purchase Price), as applicable, to the shareholders that have expressly chosen this remuneration option within the period and subject to the terms and conditions determined for these purposes by the Board of Directors (with express power of substitution).

Finally, in each Increase in Capital, the Board of Directors (with express power of substitution) shall adopt the resolutions required to amend the By-Laws so that they reflect the new amount of share capital and the number of shares resulting from the Increase in Capital in question, and to make application for trading the New Shares as described in the next section.

3.9 Admission of the New Shares to trading

The Company shall make application for trading the New Shares to be issued as a consequence of each Increase in Capital on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market), and shall carry out such acts and formalities as are required for this purpose.

4. Proposed Resolutions Submitted to the Shareholders at the General Shareholders' Meeting

The proposed resolutions relating to the allocation of profits/losses and dividend for financial year 2023 and to the increases in share capital by means of scrip issues submitted to the shareholders for approval at the General Shareholders' Meeting read as follows:

ITEM 11 ON THE AGENDA

Allocation of profits/losses and 2023 dividends: approval and supplementary payment that will be made within the framework of the "Iberdrola Retribución Flexible" optional dividend system

RESOLUTION

To approve the proposed allocation of profits/losses and payment of dividends for financial year 2023 formulated by the Board of Directors at its meeting held on 20 February 2024, which is described below:

To approve the payment, with a charge to the results for the financial year ended 31 December 2023 and to the balance from prior financial years, of a dividend in the aggregate gross amount equal to the sum of the following amounts (the "Dividend"):

- a) *€427,242,101.62, which was paid on account of the dividend for financial year 2023 on 31 January 2024 to the holders of 2,115,059,909 shares of "Iberdrola, S.A." (the "Company") who elected to receive their remuneration in cash within the framework of the second implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2023 by collecting an amount of €0.202 (gross) per share (the total amount paid to said holders will be referred to as the "Total Interim Dividend"); and*



- b) *the determinable amount resulting from multiplying:*
- i. *the gross amount per share to be paid by the Company as a supplementary dividend payment for financial year 2023 within the framework of the first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2024 (the "Supplementary Dividend"), and which will be as determined by the Company's Board of Directors pursuant to the rules set forth in the section "Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 11, 12 and 13 on the agenda pursuant to which the "Iberdrola Retribución Flexible" optional dividend system is implemented" (the "Common Terms"); by*
 - ii. *the total number of shares with respect to which the holders thereof have elected to receive the Supplementary Dividend within the framework of the first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2024.*

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

For the purposes hereof, it is hereby noted that the payment of the Supplementary Dividend shall be made together with the implementation of the increase in share capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 12 on the agenda, in order to offer the shareholders the ability to receive their remuneration in cash (by collecting the Supplementary Dividend) or in newly-issued bonus shares of the Company (through said increase in share capital).

The collection of the Supplementary Dividend provided for in this resolution is thus configured, in accordance with the Common Terms, as one of the alternatives that a shareholder of the Company can choose when receiving their remuneration within the framework of the first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2024. As a result of the foregoing, and as described below in the Common Terms, it shall be deemed that those shareholders choosing to receive their remuneration in cash through the Supplementary Dividend with respect to all or part of their shares expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares and therefore the ability to transfer them on the market or to receive newly-issued bonus shares corresponding to said free-of-charge allocation rights.

The payment of the Supplementary Dividend, which is expected to be made during the month of July 2024, shall be implemented through the participants in "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR), the Board of Directors being hereby authorised to establish the specific date for payment of the Supplementary Dividend, to designate the entity that is to act as paying agent and to take such other steps as may be required or appropriate for the successful completion of the payment.

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

Finally, pursuant to the provisions of Section 249 bis.1) of the Companies Act, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.

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

**BASIS FOR DISTRIBUTION:**

Balance from prior financial years:	10,102,988,556.65
Profits for financial year 2023:	5,065,681,237.24
TOTAL BASIS FOR DISTRIBUTION:	15,168,669,793.89

DISTRIBUTION:

To Dividend:	Amount pending determination which will result from adding: (a) the Total Interim Dividend; and (b) the result of multiplying the Supplementary Dividend by the total number of shares with respect to which the holders thereof have elected to receive the Supplementary Dividend within the framework of the first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2024.
To remainder:	Determinable amount that will result from subtracting the amount allocated to the Dividend from the total basis for distribution.

TOTAL: **15,168,669,793.89**

On the date that the Board of Directors (or the body acting by delegation therefrom) decides to implement the increase in share capital that is being submitted for approval of the shareholders at the General Shareholders' Meeting under item 12 on the agenda (and therefore, to commence the first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2024), the minimum amount of the Supplementary Dividend shall be announced. The final amount of the Supplementary Dividend shall be communicated as soon as the Board of Directors (or the body acting by delegation therefrom) determines it in accordance with the provisions of the Common Terms. Furthermore, once the first implementation of the "Iberdrola Retribución Flexible" optional dividend system for financial year 2024 is completed, the Board of Directors (with express power of substitution) shall proceed to specify the aforementioned proposed distribution, determining the final amount of the Dividend and the amount to be allocated to remainder.

The Common Terms include a sample calculation of the Supplementary Dividend, among other figures relating to the implementation of the increase in share capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 12 on the agenda.

ITEM 12 ON THE AGENDA

First increase in capital by means of a scrip issue at a maximum reference market value of €2,600 million in order to implement the "Iberdrola Retribución Flexible" optional dividend system

RESOLUTION

To increase the share capital of "Iberdrola, S.A." (the "**Company**") upon the terms and conditions described in the section below, entitled "Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 11, 12 and 13 on the agenda, pursuant to which the "Iberdrola



Retribución Flexible" optional dividend system is implemented" (the "Common Terms"), at a maximum reference market value of €2,600 million for the shares to be issued in implementation of said increase.

The increase in share capital shall be implemented together with the supplementary payment of the dividend submitted for approval of the shareholders at the General Shareholders' Meeting under item 11 on the agenda, in order to offer the Company's shareholders the ability to receive their remuneration in cash (receiving said supplementary payment of the dividend) or in newly-issued bonus shares of the Company (through the increase in share capital). The delivery of bonus shares issued within the context of the increase in share capital is thus configured as one of the alternatives that a shareholder can choose when receiving their remuneration, pursuant to the provisions of the Common Terms.

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

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

This increase in share capital is expected to be implemented together with the supplementary payment of the dividend contemplated in item 11 on the agenda during the month of July 2024.

ITEM 13 ON THE AGENDA

Second increase in capital by means of a scrip issue at a maximum reference market value of €1,700 million in order to implement the "Iberdrola Retribución Flexible" optional dividend system

RESOLUTION

To increase the share capital of "Iberdrola, S.A." (the "Company") upon the terms and conditions described in the section below, entitled "Common terms and conditions of the dividend payment and increase in share capital resolutions proposed under items 11, 12 and 13 on the agenda, pursuant to which the "Iberdrola Retribución Flexible" optional dividend system is implemented" (the "Common Terms"), at a maximum reference market value of €1,700 million for the shares to be issued in implementation of said increase.

The increase in share capital is expected to be implemented together with the payment of the interim dividend amount for financial year 2024, if any, to be approved by the Company's Board of Directors (the "Interim Dividend") in order to offer the Company's shareholders the ability to receive their remuneration in cash (by collecting the Interim Dividend) or in newly-issued bonus shares of the Company (through the increase in share capital). The delivery of bonus shares issued within the context of the increase in share capital is thus configured as one of the alternatives that a shareholder can choose when receiving their remuneration, pursuant to the provisions of the Common Terms.

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

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

This increase in share capital is expected to be implemented together with the Interim Dividend payment during the month of January 2025.



COMMON TERMS AND CONDITIONS OF THE DIVIDEND PAYMENT AND INCREASE IN SHARE CAPITAL RESOLUTIONS PROPOSED UNDER ITEMS 11, 12 AND 13 ON THE AGENDA PURSUANT TO WHICH THE "IBERDROLA RETRIBUCIÓN FLEXIBLE" OPTIONAL DIVIDEND SYSTEM IS IMPLEMENTED

1. Main characteristics of the "Iberdrola Retribución Flexible" optional dividend system

The purpose of the resolutions for the allocation of profits/losses and dividend payment and of the increase in share capital resolutions proposed under items 11, 12 and 13 on the agenda is to implement the "Iberdrola Retribución Flexible" optional dividend system for financial year 2024 pursuant to which the shareholders of "Iberdrola, S.A." (the "**Company**") are offered the ability to receive their remuneration in cash or in newly-issued bonus shares.

For this purpose, there shall be two implementations of said optional dividend system in each of which dividend payments shall be made (the "**Dividend Payments**", and individually a "**Dividend Payment**") along with the implementations of the increases in share capital (the "**Increases in Capital**", and individually, an "**Increase in Capital**") submitted for approval of the shareholders at the General Shareholders' Meeting under items number 12 and 13 on the agenda:

- (i) The first implementation, which is expected to take place during the month of July 2024 (the "**First Implementation**"), shall be carried out through the supplementary payment of the dividend for financial year 2023 contemplated in item 11 on the agenda (the "**Supplementary Dividend**") together with the implementation of the Increase in Capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 12 on the agenda.
- (ii) The second implementation, which is expected to take place during the month of January 2025 (the "**Second Implementation**"), and collectively with the First Implementation, the "**Implementations**" and each of the Implementations, individually, an "**Implementation**"), shall be carried out through the payment of an interim amount of the dividend for financial year 2024 (the "**Interim Dividend**") to be approved, if appropriate, by the Board of Directors pursuant to the provisions of section 2.2 below, together with the implementation of the Increase in Capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 13 on the agenda.

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

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

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



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

Within the year following the date of approval of the resolutions included in items 12 and 13 on the agenda, each of the Implementations may be made by the Board of Directors (with express power of substitution) at its sole discretion, and therefore without having to once again obtain the approval of the shareholders at a General Shareholders' Meeting, and based on the legal and financial conditions existing at the time of each Implementation, in order to offer the Company's shareholders a flexible and efficient remuneration formula.

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

In addition, the default option will apply to shareholders who do not communicate the flexible remuneration option chosen in respect of their different groups of shares during the Common Election Period, for which reason they will receive their remuneration through the delivery of new fully paid-up shares of the Company (i.e. the remuneration option referred to in paragraph (a) above).

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

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

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

The Company also rejects any liability of any kind as a result of the failure of the depositaries to transmit in due time and form the election requests made by the holders of free-of-charge allocation rights. In this regard, it should be noted that, in the event that the elections of the holders of free-of-charge allocation rights are not processed by the depositaries in a timely manner, they may receive the default flexible remuneration option (i.e. the delivery of new fully paid-up shares in the Company). Any claims on these grounds must be made directly to the depositaries.

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



2. Amount of the Dividends

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

The gross amount to be paid to the shareholders as a Supplementary Dividend for each share of the Company with the right to receive it shall be determined within the context of the First Implementation by the Board of Directors (with express power of substitution), subject to the terms and conditions set forth in item 11 on the agenda and in this section (the "Supplementary Dividend").

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

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

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

Moreover, after calculating the aggregate gross amount of the Supplementary Dividend, the aggregate total amount paid as a dividend with a charge to the results for the financial year ended 31 December 2023 pursuant to the provisions of item 11 on the agenda shall be determined and, in view of said amount, the amount of the total basis for distribution established in said item on the agenda to be allocated to remainder shall be specified, and the resulting proposed allocation of profits/losses and payment of the dividend for financial year 2023 shall be completed.

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



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

The gross amount to be paid as an Interim Dividend, if any, for each share of the Company with the right to receive it shall be as determined by the Board of Directors pursuant to the corresponding resolution to be adopted prior to 31 December 2024, and which will be subject in any event to confirmation that the Requirements have been met (the "Interim Dividend").

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

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

After the Common Election Period for the Second Implementation, the Board of Directors (with express power of substitution) shall determine the aggregate gross amount in euros corresponding to the Dividend Payment for the Second Implementation and shall make payment thereof through the participants in IBERCLEAR. To this end, the Board of Directors (with express power of substitution) shall establish the specific date on which the Dividend Payment should occur, shall designate the entity that is to act as paying agent, and shall take such other steps as may be required or appropriate for the successful completion of the Dividend Payment. Furthermore, after calculating said aggregate gross amount corresponding to the Dividend Payment for the Second Implementation, the Board of Directors (with express power of substitution) shall, if applicable, rescind the resolution on payment of the Interim Dividend with respect to the amounts that were not paid to those shareholders who elected (expressly or implicitly) to receive newly-issued bonus shares of the Company or who sold their free-of-charge allocation rights on the market.

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

3. Purchase Commitment within the framework of the Second Implementation

If the Requirements are not met to pay the Interim Dividend within the framework of the Second Implementation (which circumstance shall be communicated to the market), the Company shall make the Purchase Commitment upon the terms described in this section in order to ensure that the shareholders can receive all or part of their remuneration in cash.

The Fixed Purchase Price shall be calculated by applying the formula used to determine the gross amount per share of the Interim Dividend (see section 4.1 below), such that the amount that would be received by shareholders choosing this option would be equal to the amount they would have received if it had been possible to pay the Interim Dividend. The Fixed Purchase Price shall be calculated prior to the commencement



of the trading period for the free-of-charge allocation rights of the second Increase in Capital and shall be published as soon as it is determined.

The Purchase Commitment assumed by the Company shall cover the free-of-charge allocation rights received by those who are registered as being entitled thereto in the book-entry registers of IBERCLEAR on the relevant date pursuant to the securities clearing and settlement rules from time to time in effect. The free-of-charge allocation rights acquired on the market during the trading period established for this purpose by the Board of Directors (or the body acting by delegation therefrom) shall not give the acquiring parties the right to exercise the Purchase Commitment or, therefore, to receive the Fixed Purchase Price. Therefore, the new holders of these rights may only monetise their investment through the sale thereof on the market during said trading period that has been activated for this purpose. Alternatively, they may choose to receive the newly-issued bonus shares to which they are entitled at the end of the aforementioned trading period.

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

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

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

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

4. Common characteristics of the Increases in Capital

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

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

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

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



Pursuant to the provisions of Section 311 of the Companies Act, the possibility of an incomplete allocation of the Increases in Capital is contemplated in the event that the Company, a company within its group, a shareholder or a third party waives all or part of the free-of-charge allocation rights to which they are entitled at the time of implementation of each of the Increases in Capital, for which reason, in the event of such waiver, the share capital shall be increased by the corresponding amount. For these purposes, it shall be deemed that those who have chosen to receive their remuneration in cash by means of collecting the Dividend in question with respect to all or part of their shares expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares, upon the terms and conditions set forth herein.

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

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

$$NNS = TNShrs. / Num. rights$$

where:

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

TNShrs. = Number of shares of the Company outstanding on the date that the Board of Directors (with express power of substitution) resolves to implement the relevant Increase in Capital. In this regard, those shares of the Company that have previously been retired by virtue of the implementation of the resolution approving the reduction in share capital by means of the retirement of own shares submitted to the shareholders for approval at the General Shareholders' Meeting under item 14 on the agenda, even if the corresponding public instrument formalising the reduction in share capital has not been executed or is pending registration with the Commercial Registry, shall not be deemed to be outstanding shares of the Company; and

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

$$Num. rights = TNShrs. / Provisional number of shares$$

where:

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

For these purposes, "Amount of the Option" shall mean the maximum reference market value of the relevant Increase in Capital to be set by the Board of Directors (with express power of substitution) and which shall not be greater than the amount referred to in the proposed Increase in Capital resolutions submitted for the approval of the shareholders at the General Shareholders' Meeting under items 12 and 13 on the agenda (i.e. €2,600 and €1,700 million, respectively).

For its part, "ListPri" shall be the arithmetic mean of the average weighted listing prices of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (Sistema de Interconexión Bursátil) (Continuous Market) for the five trading sessions determined by the Board of Directors (or the body acting by delegation therefrom) to set the number of



free-of-charge allocation rights needed for the allocation of one New Share in the relevant Increase in Capital, with the result being rounded to the closest one-thousandth part of one euro.

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

Furthermore, the gross amount per share of the Dividend in question, or if the Requirements are not met in the Second Implementation, the Fixed Purchase Price per free-of-charge allocation right will be that which results from the application of the following formula, with the result being rounded to the closest one-thousandth part of one euro:

$$\text{Dividend (or, if applicable, Fixed Purchase Price)} = \text{ListPri} / (\text{Num. rights} + 1)$$

4.2 Free-of-charge allocation rights

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

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

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

The free-of-charge allocation rights shall be allocated to those who are registered as being entitled thereto in the book-entry registers of IBERCLEAR on the relevant date pursuant to the securities clearing and settlement rules from time to time in effect. In this regard, the Company will waive the free-of-charge allocation rights corresponding to the shares of the Company that have been retired prior to the date of Implementation of the corresponding Increase in Capital if said shares have not yet been removed from the book-entry registers of IBERCLEAR because the corresponding public instrument formalising the implementation of the resolution on the reduction in share capital, the approval of which is submitted to the shareholders at the General Shareholders' Meeting under item 14 on the agenda, has not yet been executed or is still pending registration.

The free-of-charge allocation rights shall be transferable upon the same terms as the shares from which they derive and may be traded on the market during such term as is established by the Board of Directors



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

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

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

In this case, it shall be deemed that those choosing to receive their remuneration in cash with respect to all or part of their shares expressly, automatically and irrevocably waive the free-of-charge allocation rights corresponding to said shares and the ability to transfer them on the market. To this end, the participants in IBERCLEAR will block said free-of-charge allocation rights, which may not be transferred on the market and which shall automatically expire at the end of the trading period, without the holders thereof being entitled to receive New Shares.

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

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

The Company also rejects any liability of any kind as a result of the failure of the depositaries to transmit in due time and form the election requests made by the holders of free-of-charge allocation rights. In this regard, it should be noted that, in the event that the elections of the holders of free-of-charge allocation rights are not processed by the depositaries in a timely manner, they may receive the default flexible remuneration option (i.e. the delivery of new fully paid-up shares in the Company). Any claims on these grounds must be made directly to the depositaries.



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

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

The balance sheet used as a basis for the two Increases in Capital is the one for the financial year ended 31 December 2023, duly audited and submitted to the shareholders for approval at this General Shareholders' Meeting under item 1 on the agenda.

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

4.4 Representation of the New Shares

The New Shares will be represented by book entries, the book-entry registration of which is entrusted to IBERCLEAR and its participants.

4.5 Rights attaching to the New Shares

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

4.6 Shares on deposit

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

4.7 Application for admission to trading

The Company shall make application for trading the New Shares to be issued as a consequence of each of the Increases in Capital on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (Sistema de Interconexión Bursátil) (Continuous Market), and shall carry



out such acts and formalities as are required and submit the documents needed to the appropriate bodies for admission to trading of the New Shares issued as a result of each of the approved Increases in Capital, with an express statement for the record of the Company's submission to the rules that may now or hereafter exist with respect to Stock Exchange matters, and especially regarding trading, continued trading and removal from trading on official markets.

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

5. Application of the "Iberdrola Retribución Flexible" optional dividend system. Implementations

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

Furthermore, it is expected that prior to 31 December 2024, the Board of Directors will determine the Interim Dividend to be paid for purposes of the Second Implementation as well as the other conditions applicable to the Interim Dividend, pursuant to the provisions of Section 277 of the Companies Act. To this end, and in accordance with the provisions of Section 161 of the Companies Act, the shareholders acting at this General Shareholders' Meeting hereby instruct the Board of Directors, if the Requirements are met, to approve the payment of the Interim Dividend and set the terms and conditions applicable to the corresponding Dividend Payment, all in order to carry out the Second Implementation.

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

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

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

- (a) The New Shares shall be allocated to those who, according to the book-entry registers maintained by IBERCLEAR and its participants, are the holders of free-of-charge allocation rights in the proportion resulting from section 4 above due to not having waived them on the terms provided above.*
- (b) The period for trading the free-of-charge allocation rights shall be declared to have ended and the appropriation of the account(s) with a charge to which the relevant Increase in Capital will be implemented*



shall be formalised on the books in the respective amount, with which appropriation the Increase in Capital will be paid up.

- (c) *The Company shall pay the Supplementary Dividend or the Interim Dividend (or, if the Requirements are not met within the framework of the Second Implementation, the Fixed Purchase Price), as applicable, to the shareholders that have expressly chosen this remuneration option within the period and subject to the terms and conditions determined for these purposes by the Board of Directors (with express power of substitution), pursuant to the provisions of section 2 above.*

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

6. Delegation to carry out each of the Implementations

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

- (a) *To set the date on which each of the Implementations must be carried out, which shall in any case be within a period of one year from the approval of this resolution, and to determine the specific schedule for each of the Implementations.*
- (b) *As regards each of the Implementations, to set the Amount of the Option, the amount of the Supplementary Dividend (in the case of the First Implementation), the number of New Shares and the number of free-of-charge allocation rights necessary for the allocation of one New Share, applying the rules established by this resolution for such purpose.*
- (c) *To determine the reserve(s), among those contemplated in this resolution, with a charge to which each of the Increases in Capital will be implemented.*
- (d) *To designate the company or companies that will assume the duties of agent and/or financial adviser in connection with each of the Implementations, and sign all required contracts and documents for such purpose. In particular, to appoint the entity that must act as paying agent in each of the Dividend Payments.*
- (e) *To determine the five trading sessions used to set the "ListPri"; as well as to perform the mathematical calculations provided for this resolution and thus to calculate and set the "ListPri", which shall be the arithmetic mean of the average weighted listing prices of the Company's shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (Sistema de Interconexión Bursátil) (Continuous Market) during said five trading sessions.*
- (f) *To set the duration of the periods for trading the free-of-charge allocation rights corresponding to each of the Increases in Capital.*
- (g) *As regards each of the Implementations, to set the specific duration of the Common Election Period and the terms and conditions under which the shareholders may state their preferences regarding the receipt of their remuneration (in cash or in New Shares).*



- (h) After the Common Election Period for each Implementation has ended, to determine the aggregate gross amount in euros corresponding to the Dividend Payment in question and to make payment thereof through the participants in IBERCLEAR.
- (i) To declare the Increases in Capital to be closed and implemented, for such purpose setting the number of New Shares actually allocated in each of them, and therefore the amount by which the Company's share capital must be increased in accordance with the rules established by the shareholders at this General Shareholders' Meeting, as well as declare, if applicable, the existence of an incomplete allocation of each of the Increases in Capital.
- (j) To rescind the resolution on payment of the corresponding Dividend with respect to the amounts that were not paid to those shareholders who elected (expressly or implicitly) to receive New Shares.
- (k) In the case of the First Implementation, to determine the aggregate total amount to be paid as a dividend with a charge to the results for the financial year ended 31 December 2023 pursuant to the provisions of item 11 on the agenda (i.e. the final amount of the Supplementary Dividend), to specify, in view of said amount, the amount of the total basis for distribution established in said item on the agenda to be allocated to remainder, and to complete the resulting proposed allocation of profits/losses and payment of the dividend for financial year 2023.
- (l) In the case of the First Implementation and if the Board of Directors, with express power of substitution, does not deem it appropriate to implement it, in whole or in part, during said period, to determine the aggregate total amount that has been paid as a dividend with a charge to the results for the financial year ended 31 December 2023 (which shall be equal to the total amount paid on account of the dividend for said financial year), to specify the amount of the total basis for distribution established in said item on the agenda to be allocated to remainder, and to complete the resulting proposed allocation of profits/losses and payment of the dividend for financial year 2023.
- (m) To amend the article of the By-Laws setting the share capital such that it reflects the amount of share capital and the number of outstanding shares resulting from the implementation of the relevant Increase in Capital.
- (n) To waive, if appropriate, and in each of the Increases in Capital, free-of-charge allocation rights to subscribe New Shares for the sole purpose of facilitating that the number of New Shares be a whole number and not a fraction, as well as any free-of-charge allocation rights allocated to shares of the Company that have been retired prior to the date of implementation of the corresponding Increase in Capital if said shares have not yet been removed from the book-entry registers of IBERCLEAR because the corresponding public instrument formalising the implementation of the resolution approving the reduction in share capital, the approval of which is submitted to the shareholders at the General Shareholders' Meeting under item 14 on the agenda, has not yet been executed or is still pending registration.
- (o) If the Purchase Commitment must be honoured within the framework of the Second Implementation due to the Requirements for the payment of the Interim Dividend not having been met, to determine the acquisition by the Company of the corresponding free-of-charge allocation rights, set the period of time during which the Purchase Commitment will be in effect (within the limits established in the resolutions), honour the Purchase Commitment by paying the corresponding amounts to the shareholders who have accepted said commitment, waive the free-of-charge allocation rights owned by the Company at the end of the trading period of the Second Implementation as a result of the Purchase Commitment, and thus the New Shares corresponding to such rights, and take any other measures or actions needed to fully honour the Purchase Commitment.



- (p) To take all steps required for the New Shares to be included in the book-entry registers of IBERCLEAR and admitted to trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Automated Quotation System (Continuous Market) after each of the Increases in Capital.
- (q) To take any actions that are necessary or appropriate to implement and formalise each of the Increases in Capital before any Spanish or foreign public or private entities or agencies, including acts for purposes of representation, supplementation, or correction of defects or omissions that might prevent or hinder the full effectiveness of the foregoing resolutions.
- (r) To approve and implement such technical or other mechanisms as IBERCLEAR and the IBERCLEAR participants may deem necessary or appropriate in order to make any corresponding payment on account.

7. Sample calculation relating to the First Implementation

Set out below, solely for purposes of facilitating an understanding of the application hereof, is a sample calculation, in the case of the First Implementation, of the maximum number of New Shares to be issued in the Increase in Capital submitted for the approval of the shareholders at the General Shareholders' Meeting under item 12 on the agenda, of the maximum nominal value of such increase, of the number of free-of-charge allocation rights required for the allocation of one new share and of the Dividend (which in this First Implementation would be the Supplementary Dividend).

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

Solely for the purposes of this example:

- The Amount of the Option is €2,280 million.
- The TNShrs. is 6,240,000,000³.
- A ListPri of €10.960 is assumed (solely for the purposes of this example, the listing price of the Company's shares at the closing of the trading session of 13 March 2024 has been used as a reference).

Therefore:

Provisional number of shares = Amount of the Option / ListPri	$2,280,000,000 / 10.960 = 208,029,197.080292 \approx 208,029,197$ shares <i>(rounded downwards)</i>
Num. rights = TNShrs. / Provisional number of shares	$6,240,000,000 / 208,029,197 = 29.9957894852615000 \approx 30$ rights <i>(rounded upwards)</i>

³ For purposes of this example, it is assumed that this would be the total number of shares of the Company outstanding after the implementation of the reduction in share capital provided for in the resolution corresponding to item 14 on the agenda if it is implemented in the total maximum amount thereof (i.e. 6,240,000,000 outstanding shares of the Company).



$NNS = TNShrs. / Num. rights$	$6,240,000,000 / 30 = 208,000,000 shares$
$Dividend = ListPri / (Num. rights + 1)$	$10.960 / (30 + 1) = 0.354 euro$

Therefore:

- (i) *The maximum number of New Shares to be issued in the First Implementation would be 208,000,000.*
- (ii) *The maximum nominal amount of the Increase in Capital submitted for approval of the shareholders at the General Shareholders' Meeting under item 12 on the agenda would be €156,000,000.00 (208,000,000 x 0.75).*
- (iii) *30 free-of-charge allocation rights (or old shares) would be necessary for the allocation of one new share.*
- (iv) *In this example, the Supplementary Dividend would be equal to 0.354 euros (gross) per share.*

In Bilbao, on 19 March 2024



General Shareholders' Meeting

17 May 2024

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Report of the Board of Directors

Proposed reduction in capital



REPORT PREPARED BY THE BOARD OF DIRECTORS OF “IBERDROLA, S.A.” REGARDING THE PROPOSED REDUCTION IN SHARE CAPITAL BY MEANS OF THE RETIREMENT OF OWN SHARES INCLUDED IN ITEM 14 ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING

1. Object of the report

This report has been prepared by the Board of Directors of “Iberdrola, S.A.” (the “**Company**”) pursuant to the provisions of Sections 286 and 318 of the *Companies Act (Ley de Sociedades de Capital)*, in order to provide a rationale for the proposed reduction in share capital by means of the retirement of own shares (the “**Reduction in Capital**”) being submitted for the approval of the shareholders at the General Shareholders' Meeting under item 14 on the agenda.

Pursuant to such provisions of the *Companies Act*, to the extent that the Reduction in Capital entails the amendment of Article 10 of the *By-Laws* setting the share capital, the Board of Directors has prepared this report, which includes the purpose of and rationale for the proposal being submitted to the shareholders at the General Shareholders' Meeting.

2. Purpose of and rationale for the proposal

Pursuant to the provisions of the *Shareholder Remuneration Policy*, the Company maintains a strategy for growth in such remuneration in line with the increase in results, with a pay-out of between 65% and 75% of net profits attributed to the Company, as the controlling company, in its consolidated annual financial statements. Therefore, since 2010, the Company has been implementing an optional dividend system currently called “Iberdrola Retribución Flexible”, which consists of the implementation of two increases in share capital by means of scrip issues, combined with the ability of the shareholders to decide to receive all or part of their remuneration in cash, choosing in this case to receive a dividend instead of receiving shares.

These increases in share capital by means of scrip issues are complemented with reductions in share capital like the one now proposed and like those that the Company has implemented each year since 2013, which are intended to maintain the number of outstanding shares of the Company used to calculate earnings per share at approximately 6,240 million. This avoids the dilution of interests in the share capital leading to repeated issues of new shares and contributes to maintaining the earnings per share of the Company, all of which has a positive impact on the shareholders.

Therefore, the Board of Directors has resolved to propose to the shareholders at the General Shareholders' Meeting a reduction in share capital that offsets the effects of the increases in share capital by means of scrip issues approved by the shareholders at the General Shareholders' Meeting held on first call on 28 April 2023 under items 10 and 11 on the agenda¹ and which were implemented in the months of July 2023 and January 2024, respectively. If the Reduction in Capital is ultimately approved, the total number of shares that the Company will retire will be a maximum of 183,299,000 own shares, each with a nominal value of €0.75, representing not more than 2.854% of the Company's share capital (the “**Maximum Limit**”), so that the number of outstanding shares is set at the target amount of 6,240 million.

¹ And under the section entitled “Common terms and conditions of the dividend payment and increase in capital resolutions proposed under items 9, 10 and 11 on the agenda, pursuant to which the “Iberdrola Retribución Flexible” optional dividend system is implemented”.



3. Main terms and conditions of the Reduction in Capital

The Reduction in Capital is proposed to reduce the share capital of the Company by a maximum of €137,474,250.00 through the retirement of a maximum of 183,299,000 own shares, each with a nominal value of €0.75, representing not more than 2.854% of the share capital at the time of approval of the corresponding resolution by the shareholders at the General Shareholders' Meeting.

The Reduction in Capital shall be implemented by means of:

- (a) The acquisition of shares for their retirement through:
 - (i) the implementation of a programme for the buy-back of own shares, targeted at all the shareholders, approved by the Board of Directors at its meeting held on 19 March 2024² (the "**Buy-back Programme**"), which will be launched following the call to the General Shareholders' Meeting; and
 - (ii) the settlement of certain derivatives on own shares acquired by the Company prior to the date on which the Board of Directors (or the body acting by delegation therefrom) launches the Buy-back Programme (the "**Settlement of Derivatives**").
- (b) The retirement of own shares in treasury following the close of the trading session on the day before the Board of Directors (or the body acting by delegation therefrom) launches the Buy-back Programme (the "**Treasury Shares**").

In this regard, in order to observe the Maximum Limit in any case, an overall limitation would apply to the maximum number of shares to be retired that have been acquired in implementation of the Buy-back Programme and pursuant to the Settlement of Derivatives (the "**Overall Limit**").

Thus, if the number of shares acquired in implementation of the Buy-back Programme and by virtue of the Settlement of Derivatives does not exceed the Overall Limit, pursuant to Section 340.3 of the *Companies Act* it would be deemed that the share capital of the Company is reduced by the sum of the Treasury Shares and the total number of shares acquired in implementation of the Buy-back Programme and by virtue of the Settlement of Derivatives.

However, if the shares acquired in implementation of the Buy-back Programme and pursuant to the Settlement of Derivatives do exceed the Overall Limit, the Treasury Shares and all of the own shares acquired in implementation of the Buy-back Programme would be retired. On the other hand, a number equal to the difference between the Overall Limit and the shares actually acquired in implementation of the Buy-back Programme would be retired from the own shares acquired pursuant to the Settlement of Derivatives. In this way, the remainder of any own shares acquired as a result of the Settlement of Derivatives would not be subject to retirement upon the Reduction in Capital and will remain in treasury, always within the limits provided by applicable law.

The Company shall notify the market of both the approval and the launch of the Buy-back Programme by issuing the corresponding notices of other relevant information, which shall be published on the corporate website (www.iberdrola.com) and on the website of the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (CNMV) (www.cnmv.es).

² Pursuant to: (i) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures; and (ii) the authorisation granted by the shareholders at the General Shareholders' Meeting held on second call on 17 June 2022 under item 19 on the agenda.



In the event of approval of the resolution regarding the Reduction in Capital that is the object of this report, the Board of Directors (with express power of substitution): (a) would set the terms and conditions and the final amount of the Reduction in Capital; and (b) would amend Article 10 of the *By-Laws* setting the share capital such that it reflects the new amount of share capital and the new number of outstanding shares (after deducting the number of own shares proposed to be retired).

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

Therefore, in order to simplify the implementation and in accordance with the provisions of such provision, creditors of the Company would not be entitled to assert the right of objection established in Section 334 of the *Companies Act* in connection with the Reduction in Capital.

It is also proposed that the shareholders at the General Shareholders' Meeting ratify the acts performed to date by the Board of Directors in connection with the Buy-back Programme approved on 19 March 2024 and that they authorise the Board of Directors to implement the Reduction in Capital resolution (with express power of substitution pursuant to the provisions of Section 249 *bis.l*) of the *Companies Act*) within a period not to exceed one month following the expiration of the Buy-back Programme. For this purpose, the Board of Directors (with express power of substitution) may establish any terms that are not expressly set forth in the resolution approving the Reduction in Capital or that are a consequence thereof and approve the resolutions, publish the announcements, take the steps, and execute the public or private documents that may be required or appropriate for the successful implementation of the Reduction in Capital.

Specifically, it is proposed to authorise the Board of Directors, with express powers of substitution, to adopt the corresponding resolutions amending the By-Laws in order to reflect the new amount of share capital and the number of shares resulting from the Reduction in Capital, as well as to take the steps and carry out the formalities required to cause the exclusion from trading of the retired shares from the Spanish Stock Exchanges and the removal thereof from the book-entry registers once the resolution regarding the Reduction in Capital has been implemented.

4. Proposed resolution submitted to the shareholders at the General Shareholders' Meeting

The proposed resolution relating to the Reduction in Capital submitted to the shareholders for approval at the General Shareholders' Meeting reads as follows:

ITEM 14 ON THE AGENDA

Reduction in capital by means of the retirement of a maximum of 183,299,000 own shares (2.854% of the share capital)

RESOLUTION

1. Reduction in share capital by means of the retirement of own shares

To reduce the share capital of "Iberdrola, S.A." (the "Company") by a maximum of €137,474,250.00 through the retirement of a maximum of 183,299,000 own shares, each with a nominal value of €0.75, representing not



more than 2.854% of the share capital at the time of approval of the corresponding resolution by the shareholders at the General Shareholders' Meeting (the "**Reduction in Capital**").

The Reduction in Capital shall be implemented by means of:

- i. The acquisition of shares for their retirement through:
 - (i) the implementation of a programme for the buy-back of own shares, targeted at all the shareholders, approved by the Board of Directors at its meeting held on 19 March 2024³ (the "**Buy-back Programme**"), which will be launched following the call to the General Shareholders' Meeting; and
 - (ii) the settlement of certain derivatives acquired by the Company prior to the date on which the Board of Directors (or the body acting by delegation therefrom) launches the Buy-back Programme (the "**Settlement of Derivatives**").
- ii. The retirement of own shares held in treasury following the close of the trading session on the day prior to the date on which the Board of Directors (or the body acting by delegation therefrom) launches the Buy-back Programme (the "**Treasury Shares**").

The Company shall communicate both the approval and the launch of the Buy-back Programme to the market by issuing the corresponding notices of other relevant information, which shall be published on the corporate website (www.iberdrola.com) and on the website of the National Securities Market Commission (Comisión Nacional del Mercado de Valores) (CNMV) (www.cnmv.es).

The Company's Board of Directors (with express power of substitution) shall set the terms and conditions of the Buy-back Programme (including the setting of the maximum number of shares to be acquired within the framework thereof and its effective period), the maximum potential amount of the Settlement of Derivatives, and the final figures for the Treasury Shares and the Reduction in Capital.

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

2. Procedure for acquisition of the shares that will be retired

The total number of shares that the Company will be able to retire will be the sum of: (a) the shares acquired through the Buy-back Programme and the Settlement of Derivatives; and (b) the Treasury Shares. This number will be a maximum of 183,299,000 own shares, each with a nominal value of €0.75, representing not more than 2.854% of the Company's share capital (the "**Maximum Limit**").

As provided in the resolution of the Board of Directors approved at its meeting held on 19 March 2024, own shares shall be acquired within the framework of the Buy-back Programme subject to the terms as to price and volume established in the Regulations.

In order to observe the Maximum Limit in any case, an overall limitation would apply to the maximum number of shares to be retired that have been acquired in implementation of the Buy-back Programme and pursuant to the Settlement of Derivatives (the "**Overall Limit**").

³ Pursuant to: (i) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) No 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures (the "**Regulations**"); and (ii) the authorisation granted by the shareholders at the General Shareholders' Meeting held on second call on 17 June 2022 under item 19 on the agenda.



Thus, if the number of shares acquired in implementation of the Buy-back Programme and by virtue of the Settlement of Derivatives does not exceed the Overall Limit, pursuant to Section 340.3 of the Companies Act it would be deemed that the share capital of the Company is reduced by the sum of the Treasury Shares and the total number of shares acquired in implementation of the Buy-back Programme and by virtue of the Settlement of Derivatives.

However, if the shares acquired in implementation of the Buy-back Programme and pursuant to the Settlement of Derivatives do exceed the Overall Limit, the Treasury Shares and all of the own shares acquired in implementation of the Buy-back Programme would be retired. On the other hand, a number equal to the difference between the Overall Limit and the shares actually acquired in implementation of the Buy-back Programme would be retired from the own shares acquired pursuant to the Settlement of Derivatives. In this way, the remainder of any own shares acquired as a result of the Settlement of Derivatives would not be subject to retirement upon the Reduction in Capital and will remain in treasury, always within the limits provided by applicable law.

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

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

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

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

4. Ratification of the resolutions of the Board of Directors

To ratify both the resolutions of the Board of Directors regarding the approval of the Buy-back Programme as well as the actions, statements and formalities to date regarding the public communication of the Buy-back Programme.

5. Delegation of powers

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

- (a) To perform any acts, make any statements or take any steps that may be required in connection with the public communication of the Buy-back Programme and with the formalities, if any, that must be carried out at Spanish regulatory agencies and Stock Exchanges; and negotiate, agree to and sign all contracts, agreements, commitments or instructions that may be necessary or appropriate for the successful completion of the Buy-back Programme.*



- (b) To cause all legally required announcements to be published, acquire the shares under the Buy-back Programme and retire them within one month following the expiration of the Buy-back Programme, in accordance with the terms approved herein.*
- (c) To declare the approved Reduction in Capital completed and implemented, establishing, for such purpose, the final number of shares that must be retired and, as a result, the amount by which the share capital of the Company must be reduced in accordance with the terms established in this resolution.*
- (d) To set the final amount of the Reduction in Capital based on the provisions of this resolution and establish any other terms that may be required to implement it, including, without limitation, the setting of the unrestricted reserves account that will be used to fund the retired capital reserve, all in accordance with the terms and conditions set forth above.*
- (e) To amend Article 10 of the By-Laws setting the share capital such that it reflects the amount of share capital and the number of outstanding shares resulting from the implementation of the Reduction in Capital.*
- (f) To take such steps and carry out such formalities as may be required and submit such documents as may be necessary to the competent bodies such that, once the shares of the Company have been retired and the notarial instrument for the Reduction in Capital has been executed and registered with the Commercial Registry, the retired shares are delisted from the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market), and they are removed from the corresponding book-entry registers of "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (Sociedad Unipersonal) (IBERCLEAR).*
- (g) To perform all acts that may be necessary or appropriate to implement and formalise the Reduction in Capital before any Spanish or foreign public or private entities and agencies, including acts for purposes of representation, supplementation or correction of defects or omissions that might prevent or hinder the full effectiveness of the foregoing resolutions.*

Pursuant to the provisions of Section 249 bis.1) of the Companies Act, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.

In Bilbao, on 19 March 2024.



General Shareholders' Meeting

17 May 2024

Sustainable
Event



Committed



Report of the Board of Directors

Re-election of directors



MASTER REPORT OF THE BOARD OF DIRECTORS OF “IBERDROLA, S.A.” REGARDING THE PROPOSED RE-ELECTIONS OF DIRECTORS INCLUDED IN ITEMS 16 TO 18 ON THE AGENDA FOR THE GENERAL SHAREHOLDERS’ MEETING

1. Object of the report

This explanatory report has been prepared by the Board of Directors of “Iberdrola, S.A.” (the “**Company**”) in accordance with the provisions of Section 529 *decies* of the *Companies Act (Ley de Sociedades de Capital)* in relation to the following proposals being submitted to the shareholders at the General Shareholders’ Meeting:

- the re-election of Ms Nicola Mary Brewer as a director under the category of independent director (item 16 on the agenda for the General Shareholders’ Meeting);
- the re-election of Ms Regina Helena Jorge Nunes as a director under the category of independent director (item 17 on the agenda for the General Shareholders’ Meeting); and
- the re-election of Mr Víctor de Oriol Ibarra as a director under the category of other external director (item 18 on the agenda for the General Shareholders’ Meeting).

As regards the re-election of Ms Nicola Mary Brewer and Ms Regina Helena Jorge Nunes, the Board of Directors has taken into account the conclusions contained in the corresponding proposals of the Appointments Committee dated 5 March 2024, and in relation to the re-election of Mr Víctor de Oriol Ibarra, the Board of Directors shares the conclusions of the report of the Appointments Committee of that same date in favour of the re-election thereof as a director under the category of other external director.

The aforementioned proposals and report of the Appointments Committee attached as annexes to this document contain the information required by Article 14.2.d) of the *Regulations for the General Shareholders’ Meeting* regarding each of the candidates and fall within the selection criteria (particularly skills, knowledge and experience) defined by the Appointments Committee, which also examines the appropriateness of each re-election prior to the end of the term for which a director was appointed and, if relevant, evaluates the quality of their work and dedication to the position during the preceding term of office.

As will be seen below in the information relating to each of the candidates, the proposed re-elections concern candidates who, based on the skills matrix prepared by the Appointments Committee, have suitable profiles for performing the duties of the Board of Directors and its committees, thanks to their highly qualified knowledge and backgrounds in the fields of finance and risk analysis; international relations, equality and human rights; and domestic and international strategy in the energy sector.

Therefore, with the advice of the Appointments Committee, the Board of Directors finds that the process of re-election of the candidates does not suffer from implicit bias that might entail any kind of discrimination.

In addition, the proposals submitted to the shareholders at the General Shareholders’ Meeting, considered as a whole, strengthen the high level of independence of the management decision-making body as well as the diversity of skills, knowledge, experience, origin, nationality, age and gender in accordance with the Sustainable Development Goals (SDGs) approved by the United Nations (UN), particularly goal five relating to the empowerment of women, which enables the Board of Directors to better perform the duties entrusted thereto.



In this regard, if the proposals submitted to the shareholders at the General Shareholders' Meeting are approved, the Board of Directors would be composed of fourteen members, two of whom would be classified as executive (14.29% of the total number of directors), ten of whom would be classified as independent (71.43% of the total) and two of whom would be classified as other external (14.29% of the total), with a large majority of external directors (85.71% would be external (non-executive) directors, as opposed to 14.29% who would be classified as executive directors).

Furthermore, the proposals would maintain the presence of directors with six nationalities and, in terms of gender diversity, a balanced composition of women and men (50/50 distribution of external directors of each gender and the less represented gender representing more than 40% of the total number of members of the Board of Directors). The percentage of women in the governing body would remain at 42.86%.

2. Governance model, checks and balances and separation of executive duties within the Company

The Company is the controlling entity of a multinational group that is diversified and efficiently organised and coordinated for the best development of the corporate object and the achievement of the corporate interest (the "Group").

The *By-Laws* of the Company define the corporate and governance structure of the Group, which is further developed in the *Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation* approved by the Board of Directors, and which is integrated into the Company's Governance and Sustainability System and into the governance and sustainability systems of the other companies of the Group.

This corporate and governance structure is inspired by: (i) the principle of "subsidiarity", which pursues a balance between decentralised management of the companies of the Group and the exploitation of synergies arising from belonging to the Group; and (ii) respect for the corporate autonomy of the companies that comprise it, which must do business in accordance with the highest ethical standards and in compliance with the good governance recommendations generally recognised in international markets, adjusted to their needs and particularities.

The corporate structure comprises "Iberdrola, S.A.", which is configured as a listed holding entity, the main function of which is to act as the owner of the equity interests of the country subholding companies, which in turn group together the equity stakes in the head of business companies. Based on this corporate organisation, the governance structure is governed by principles that differentiate the duties of strategic definition and supervision belonging to the Company, on the one hand, and those of day-to-day administration and effective management attributed to the head of business companies, with the country subholding companies being responsible for strengthening the function of strategic supervision, organisation and coordination in relation to the territories, countries or businesses decided by the Company's Board of Directors.

Each of these companies has its own legal personality, assets and governing bodies and is organised through its respective board of directors, which appoints the corresponding chief executive officers and assigns them the duties to be performed, and through its management decision-making bodies, and it may also have audit committees, internal audit areas and compliance divisions or units.

This corporate and governance structure, which is intended to foster an agile and autonomous decision-making process by the companies of the Group, operates jointly with the Business Model, which allows the global integration of the businesses, seeks to achieve maximum operational efficiency of the various units, and ensures the dissemination, implementation and monitoring of the overall strategy, the basic management guidelines established for each of the businesses, and best practices.



This Business Model combines a decentralised decision-making structure, inspired by the principle of subsidiarity, with robust coordination mechanisms that ensure the global integration of the businesses carried out by the companies making up the Group, all based on a system of checks and balances that prevents management power from being concentrated within a single governance body or a single person.

The composition of the Board of Directors, the configuration of its positions, the existence of consultative committees, together with the corporate and governance structure and the Business Model described above articulate a system of checks and balances ensuring that none of the executive chairman, the chief executive officer or the Executive Committee has a decision-making power that is not subject to appropriate controls and balances, ensuring that they are under the effective supervision of the Board of Directors, which will adopt the measures required in this regard.

As stated, this system of checks and balances is based, in particular:

- (i) On the composition of the Board of Directors, which is a benchmark in terms of independence, refreshment and diversity, the result of a pioneering transformation process initiated two decades ago.

As guaranteed in the *By-Laws*, it has a large majority of independent directors, which has been strengthened over the last 11 years, positioning the Company at the forefront of this area. In 2003, the Company had 48% independent directors, in 2012, this figure increased to 65%, and the board is currently composed of a considerable majority of independent directors, 10 of its 14 members, representing 71% of the total number of directors, which is more than 15 percentage points above the average for Ibx 35 companies.

Furthermore, the Board of Directors is today a leader in the diversity of its members in terms of origin, gender, knowledge, skills and experience. It has members of six nationalities (from Spain, Italy, Brazil, France, the United States of America and Great Britain), in line with the international scope of the Group and as a result of a process of internationalisation that began in 2009 with the appointment of a British director, with 29% of the directors currently being of international origin.

Since the first appointment of a woman to the Board of Directors in 2006, the Company has continued to make progress in a renewal process committed to gender equality that has led to the current balanced presence of women and men, which is reflected in the fact that each gender represents 50% of the total number of external directors and none of them has a representation of less than 40% of the total number of members of the management decision-making body, with the percentage of women (42.86%) also exceeding the figure set out in the recommendation of the Good Governance Code of Listed Companies and in Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures, and the average of Ibx 35 companies.

In terms of the diversity of knowledge and skills of members of the Board of Directors, 71% of board members have a business or economics and finance background, 43% have a legal background, 29% have an engineering background and 14% have a humanities background.

For the proper performance of the duties of a director, the Company provides all directors with the necessary information and promotes access by all directors to extensive training materials and sessions that allow for the continuous updating and reinforcement of their knowledge and skills and which respond to the need for professionalisation, diversification and qualification of the members of the management decision-making body.



(ii) On the configuration of positions within the Company's governance body:

- a) With a lead independent director as a counterweight, who has been assigned enhanced duties that go beyond what is provided by law and are in line with the recommendations of the *Good Governance Code of Listed Companies* and with best practices in this area (i.e. chairing the meetings of the Board of Directors in the absence of the chair and vice-chairs; participating with the chair in planning the annual calendar of meetings of this corporate decision-making body and in preparing the agenda for each meeting; reflecting the concerns of the non-executive directors; maintaining contacts with shareholders and proxy advisors, and leading any process of succession of the chair of the Board of Directors; in addition to the duties assigned thereto by law).

The role of the lead independent director is also reinforced by serving at the same time as the first vice-chair of the Board of Directors, the chairman of the Remuneration Committee of the Company and a member of the Executive Committee.

- b) With the existence of two non-executive vice-chairs, both classified as independent, which strengthens the Company's checks-and-balances mechanisms and prevents any possible risk of a temporary power vacuum within the Board of Directors.
- c) With the separation of the positions of chairman and chief executive officer within the Company as from 25 October 2022.

Until that time, the holding of both positions by Mr José Ignacio Sánchez Galán resulted in excellent economic and financial performance and enabled the Company to cement a business model capable of generating sustainable value for its shareholders, as reflected in the key financial and non-financial indicators.

Following the separation of the aforementioned positions, the chairman of the Board of Directors assumes all duties not expressly assigned to the chief executive officer and those areas, divisions and positions that do not report thereto or to other specific bodies report to the chair.

As regards duties relating to the structuring of the activity by business, the chief executive officer is responsible for coordinating the businesses of the companies of the Group as the person with overall responsibility for all of them (without prejudice to the powers of supervision of the country subholding companies and those of day-to-day administration and effective management of the head of business companies).

The chief executive officer also reinforces and facilitates the exercise of the powers vested in the chairman of the Board of Directors, to whom the chief executive officer reports. The chief executive officer reports to the executive chairman for this purpose.

The chief executive officer also reports to the Board of Directors and regularly submits the management report thereto, presenting any proposed decisions regarding the matters within their purview.

- (iii) On the consultative committees of the Board of Directors, made up of a majority of independent directors and chaired by directors from that category, with the Audit and Risk Supervision Committee and the Sustainable Development Committee made up entirely of directors classified as independent directors.

- (iv) On the corporate and governance structure of the Group, designed such that management power is not centralised within a single governance body or a single person, with the existence of executive checks and balances through the figures of the chief executive officers of the country subholding and head of business companies.

The Board of Directors believes that this system of effective checks and balances, defined and described in the Company's Governance and Sustainability System in the context of the aforementioned corporate and governance structure, effectively differentiates the supervisory and management functions and ensures the cohesion of strategic coordination and organisation at the Group level with the effective coordination of the businesses of the Group's companies, in all territories and countries in which they operate, with the Company's Board of Directors maintaining responsibility for approving strategic objectives at the Group level, the definition of its organisational model, and the supervision of compliance therewith and the development thereof.

With the separation of the positions of chair and chief executive officer within the Company, together with the retention of the management team, there is a continuation of a path of success and excellence that the Board of Directors believes is the most appropriate to ensure that the 2023-2025 Strategic Plan is achieved. The continuity of the current management team, which has demonstrated its resiliency, excellent track record and that its skills are suited to the future context and environment, also provides security to the Company's shareholders, reducing potential risks associated with a change of leadership.

This, together with the in-depth knowledge of the Group and the businesses carried out by the companies that comprise it, the global vision of the Company's strategy, and the extensive professional experience of the people who perform the highest executive duties within the Company, guarantees the successful development of the business enterprise at the Group level, which transcends financial aspects and is capable of generating sustainable value for all its Stakeholders.

All of the foregoing is backed by external recognition of the Company's good governance, which shows that the Company has the most advanced corporate governance practices, particularly in the areas of transparency, appointment of directors, remuneration, risk supervision and control of conflicts of interest.

The Board of Directors and its committees are subject to an annual external evaluation to confirm the proper operation thereof and their alignment with the highest corporate governance standards. This has led to an average rate of 99% compliance with the indicators evaluated over the last four years (400 indicators).

This evaluation exercise is supported by the various corporate governance awards given to the Company and by the maintenance of one of the highest ratings in the ISS QualityScore, ISS ESG Corporate Rating and Dow Jones Sustainability indices.

The effectiveness of the governance model has also been supported by the Company's shareholders, who have approved the management of the Board of Directors by an overwhelming majority at the last four general meetings, with average voting support exceeding 95% in favour. This level of support is particularly significant in the context of a *Company Shareholder Engagement Policy* that proactively encourages shareholder participation at the General Meeting, as shown by high quorum percentages averaging over 71% of share capital at the general meetings held between 2020 and 2023, despite the geographic dispersion of the Company's shareholders. This engagement of the shareholders in the life of the Company is the result of the two-way interaction that the Company encourages with the holders of its shares as a measure of transparency and to ensure the proper functioning of the General Shareholders' Meeting, among other things. In 2015 the Company was the first Spanish company, and one of the first worldwide, to approve a shareholder engagement policy in order to reinforce the role of its shareholders as a key element in its corporate governance, fostering their effective engagement to ensure the alignment of their interests with those of the Company.



3. Competence, experience and merits of Ms Nicola Mary Brewer, whose re-election as a director is submitted to the shareholders at the General Shareholders' Meeting

The competence, experience and merits of Ms Nicola Mary Brewer, whose re-election as a director is submitted to the shareholders at the General Shareholders' Meeting, are described in detail in the proposal of the Appointments Committee attached to this report.

Based on the information set out in the aforementioned proposal of the Appointments Committee, the Board of Directors has been able to verify that the candidate continues to have the competence, experience and merits required to hold the position of director.

In particular, the Board of Directors has evaluated the broad experience and professional background of the candidate (especially in the area of international relations and defence of equality and human rights), her training, her knowledge of the operation of the Group, and particularly of the businesses carried out by the companies of Iberdrola in a key market like the United Kingdom, acquired by acting as an independent director at the country subholding company "Scottish Power Ltd.", as well as her contribution to diversity within the Board of Directors due to her origin and nationality (British) as well as from the viewpoint of gender.

The Board of Directors has also taken into account the good results obtained by the candidate in the regular evaluations of her performance as a director of the Company.

Ms Nicola Mary Brewer has been proposed based on the personal and professional qualities thereof. In particular, the Appointments Committee has verified that the candidate can perform the duties thereof without being constrained by the relationships with the Company, its significant shareholders or the members of its management team, thus making the candidate deserving of the classification of independent director.

4. Competence, experience and merits of Ms Regina Helena Jorge Nunes, whose re-election as a director is submitted to the shareholders at the General Shareholders' Meeting

The competence, experience and merits of Ms Regina Helena Jorge Nunes, whose re-election as a director is submitted to the shareholders at the General Shareholders' Meeting, are described in detail in the proposal of the Appointments Committee attached to this report.

Based on the information set out in the aforementioned proposal of the Appointments Committee, the Board of Directors has been able to verify that the candidate continues to have the competence, experience and merits required to hold the position of director.

In particular, the Board of Directors has evaluated the broad experience and professional background of the candidate (especially in relation to the financial sector, credit ratings and risk analysis), her training, her knowledge of the operation of the Group, and particularly of the businesses carried out by the companies of Iberdrola in a key market like Brazil, acquired by acting as an independent director at the country subholding company "Neoenergia, S.A.", as well as her contribution to diversity within the Board of Directors due to her origin and nationality (Brazilian) as well as from the viewpoint of gender.

The Board of Directors has also taken into account the good results obtained by Ms Regina Helena Jorge Nunes in the regular evaluations of her performance as a director of the Company.



The candidate has been proposed based on the personal and professional qualities thereof. In particular, the Appointments Committee has verified that the candidate can perform the duties thereof without being constrained by the relationships with the Company, its significant shareholders or the members of its management team, thus making the candidate deserving of the classification of independent director.

5. Competence, experience and merits of Mr Víctor de Oriol Ibarra, whose re-election as a director is submitted to the shareholders at the General Shareholders' Meeting

The competence, experience and merits of Mr Víctor de Oriol Ibarra, whose re-election as a director is submitted to the shareholders at the General Shareholders' Meeting, are described in detail in the report of the Appointments Committee attached to this document.

Based on the information set out in the aforementioned report of the Appointments Committee, the Board of Directors has been able to verify that the candidate continues to have the competence, experience and merits required to hold the position of director.

Specifically, the Board of Directors has quite favourably assessed the experience and well-versed knowledge of Mr de Oriol Ibarra regarding the energy sector, the Company and its Group, and particularly its domestic and international businesses, acquired during his long professional association with the Company, as well as the good results of the regular evaluations of his performance as a director of the Company, which will allow him to continue contributing quite positively to the operation of the Board of Directors.

The candidate has been proposed based on the personal and professional qualities thereof. Mr Íñigo Víctor de Oriol Ibarra will continue to be assigned to the category of other external director since more than twelve consecutive years have passed since his first appointment as a director of the Company.

6. Contribution of the proposed candidates to the diversity of skills, knowledge, experience, origin, nationality, age and gender within the Board of Directors

Considered as a whole, the three candidates allow for a strengthening of the diversity of skills, knowledge, experience, origin, nationality, age and gender in the composition of the Board of Directors required for the best performance of the duties thereof, in accordance with the Sustainable Development Goals (SDGs) approved by the United Nations (UN).

On the one hand, as described in the proposals and in the report of the Appointments Committee attached hereto, the three candidates have specific and appropriate knowledge to hold the position of director of the Company, a majority of them have experience in the main countries and sectors in which the Group's companies do business, and they are respectable, suitable and qualified persons, widely recognised for their expertise, competence, experience, qualifications, training, availability and ability to commit to the duties of said position.

Furthermore, the British citizenship of Ms Nicola Mary Brewer and the Brazilian citizenship of Ms Regina Helena Jorge Nunes contribute to the diversity of origins and nationalities and therefore benefit the diversity of the Board of Directors in this aspect.

In addition, all of the candidates are upstanding professionals, whose conduct and professional track record are aligned with the principles set forth in the *Code of Ethics* and with the purpose and values of the Group established in the *Purpose and Values of the Iberdrola Group*. The Appointments Committee has also verified that none of them have directly or indirectly incurred any grounds for disqualification, prohibition, conflict or



opposition of interests to the corporate interest set forth in provisions of a general nature or in the Governance and Sustainability System for holding the position of director.

Furthermore, the proposed re-elections of the candidates help maintain a diverse and balanced composition of the Board of Directors as a whole, based on the nature and complexity of the businesses of the Group's companies as well as the social and environmental context in which it has a presence.

Specifically, the various professional profiles and backgrounds of the candidates ensure the contribution of multiple viewpoints and guarantee an enriching debate and a decision-making process without implicit biases, and contribute very positively to the operation of the Board of Directors.

Finally, it is stated for the record that all of the candidates have sufficient knowledge of the Spanish and English languages to be able to perform their duties.

7. Proposed resolutions

The proposed resolutions submitted to the shareholders for approval at the General Shareholders' Meeting in relation to the re-election of directors and the determination of the number of members of the Board of Directors are as follows:

ITEM 16 ON THE AGENDA

Re-election of Ms Nicola Mary Brewer as an independent director

RESOLUTION

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

ITEM 17 ON THE AGENDA

Re-election of Ms Regina Helena Jorge Nunes as an independent director

RESOLUTION

To re-elect Ms Regina Helena Jorge Nunes as a director, upon a proposal of the Appointments Committee, for the by-law mandated four-year term and with the classification of independent director.

ITEM 18 ON THE AGENDA

Re-election of Mr Iñigo Víctor de Oriol Ibarra as an external director

RESOLUTION

To re-elect Mr Iñigo Víctor de Oriol Ibarra as a director, after a report from the Appointments Committee, for the by-law mandated four-year term and with the classification of other external director.

ITEM 19 ON THE AGENDA

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

RESOLUTION

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

8. Composition of the Board of Directors

If all proposed resolutions regarding the re-election of Ms Nicola Mary Brewer, Ms Regina Helena Jorge Nunes and Mr Víctor de Oriol Ibarra as directors of the Company submitted to the shareholders at the General Shareholders' Meeting under items 16 to 18 on the agenda are approved, the Board of Directors would be made up of the following fourteen members:

Name	Position	Classification
Mr José Ignacio Sánchez Galán	Chairman	Executive
Mr Armando Martínez Martínez	Chief Executive Officer	Executive
Mr Juan Manuel González Serna	First vice-chair and lead independent director	Independent
Mr Anthony Luzzatto Gardner	Second vice-chair	Independent
Mr Íñigo Víctor de Oriol Ibarra	Member	Other external
Ms María Helena Antolín Raybaud	Member	Other external
Mr Manuel Moreu Munaiz	Member	Independent
Mr Xabier Sagredo Ormaza	Member	Independent
Ms Sara de la Rica Goiricelaya	Member	Independent
Ms Nicola Mary Brewer	Member	Independent
Ms Regina Helena Jorge Nunes	Member	Independent
Mr Ángel Jesús Acebes Paniagua	Member	Independent
Ms María Ángeles Alcalá Díaz	Member	Independent
Ms Isabel García Tejerina	Member	Independent

In Bilbao, on 19 March 2024

ANNEX

PROPOSAL OF THE APPOINTMENTS COMMITTEE REGARDING THE RE-ELECTION OF MS NICOLA MARY BREWER AS AN INDEPENDENT DIRECTOR OF "IBERDROLA, S.A."

1. Introduction

Pursuant to the provisions of Article 5, sections d) and e), of the *Regulations of the Appointments Committee* of "Iberdrola, S.A." (the "**Company**"), the Appointments Committee (the "**Committee**") is responsible for proposing to the Board of Directors the re-election of independent directors for submission to a decision by the shareholders at a General Shareholders' Meeting, as well as for verifying that the candidate to be re-elected continues to comply with the general requirements for all directors of the Company, pursuant to the provisions of law and the Governance and Sustainability System, and for compiling appropriate information regarding their personal qualities, experience, knowledge and effective availability.

Ms Nicola Mary Brewer was first appointed as a director of the Company, for the bylaw-mandated term of four years, by the shareholders at the General Shareholders' Meeting held on 2 April 2020.

Given that the term for which Ms Brewer was appointed as a director of the Company ends during this financial year 2024, the Committee has examined the advisability of the re-election thereof and has performed the verifications and evaluations referred to in Article 5, sections c) and d) of its regulations.

Therefore, the purpose of this document is to reflect the results of the work performed by the Committee relating to the potential re-election of Ms Brewer as a director of the Company with the classification of independent director.

2. Professional profile and biographical data of the candidate.

Born in Taplow (United Kingdom), in 1957.

Was educated at the Belfast Royal Academy and read English at the University of Leeds, graduating with a BA in 1980, then taking a Doctorate in linguistics in 1988. Leeds granted her an Honorary Doctorate of Laws in 2009.

Noteworthy experience for holding this position within the Company

Energy sector

Ms Brewer has held the position of independent director at "Scottish Power Ltd.", the country subholding company of the energy businesses in the United Kingdom. While holding this position, she obtained a first-hand understanding of the operation of the Iberdrola Group and the main challenges and opportunities of the energy sector in a key market. She has also held the position of non-executive director of "Aggreko plc."

Other sectors

Ms Nicola Mary Brewer was a diplomat until 2014, having been the Founding Director of the Diplomatic Academy of the Foreign and Commonwealth Office ("**FCO**") of the British government.



She joined the FCO in 1983, completing overseas postings in South Africa, India, France and Mexico.

Ms Brewer was appointed as the FCO's Director for Global Issues from 2001 to 2002, and then as Director-General for Regional Programmes at the Department for International Development (DfID), the DfID board member supervising the UK's overseas bilateral aid programmes.

In 2004 she was appointed Director-General for Europe at the FCO, leading the FCO's contribution to the UK's 2005 Presidency of the European Union, advising the Foreign Secretary and the Minister on the European Union and other European policy issues.

In December 2006 Ms Brewer was appointed by open competition as the first Chief Executive of the newly established Equality and Human Rights Commission, the successor body to the Commission for Racial Equality, the Disability Rights Commission and the Equal Opportunities Commission, holding the position from 2007 until 2009.

In 2009 she succeeded Mr Paul Boateng as British High Commissioner to South Africa, Swaziland and Lesotho, completing her mission in September 2013.

She was also Vice-Provost (International) of University College London, a trustee of the charity Sentebale, and a director of the not-for-profit organisation London First.

She was appointed Companion of the Order of St Michael and St George (CMG) in the 2003 New Year Honours and Dame Commander of the Order of St Michael and St George (DCMG) in Queen Elizabeth's 2011 Birthday Honours, and she was distinguished as "Chevalier dans l'Ordre de la Légion d'Honneur" by the French Republic in 2022.

3. Membership on other boards of directors and other activities currently performed

Ms Brewer is an independent director and a member of the Nomination Committee, the Remuneration Committee and the Sustainability and Technology Committee of the Board of Directors of "The Weir Group plc", which has also appointed her lead independent director effective from 25 April 2024.

She is also a visiting professor at University College London, a member of the Trilateral Commission international think tank and a trustee of the Middle Temple Charity.

4. Category to which the director candidate should belong

Ms Nicola Mary Brewer has been proposed based on her personal and professional qualities, after verifying that she can discharge her duties without being constrained by the relationships with the Company, its significant shareholders or the members of its management team, thus meriting the classification of independent director.

5. Availability

Before the beginning of each financial year, the Board of Directors prepares a schedule of regular meetings, both of the full Board and of its committees, accommodating the needs of the Company to the agreed dedication of the directors.



Based on the schedule, the effective availability of the candidate to prepare for each meeting of the Board of Directors and to provide the dedication necessary for holding the position of director has been verified with the candidate.

6. Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company of which the director candidate is a holder.

As at the date of this proposal, Ms Nicola Mary Brewer is the holder of 1,000 shares of the Company.

7. Compliance with the provisions of the *Board of Directors Diversity and Member Selection Policy*.

Pursuant to the provisions of the *Board of Directors Diversity and Member Selection Policy*, in order to determine the appropriateness of re-electing Ms Brewer to the position of director, the Committee has evaluated the needs of the Company and of the other companies of the Iberdrola Group, taking into consideration the specific particularities of their businesses and of the territories in which they do business, comparing them to the profile of the candidate for re-election.

The Committee believes that the Board of Directors should have members with broad knowledge in the domestic and international energy industry and in the area of international relations, like that of Ms Brewer.

The Committee also very favourably assesses the knowledge and experience of the candidate for re-election acquired during her extensive professional career and particularly as a director of "Scottish Power Ltd.", as well as the continuation thereof, based on the positive evaluation of her performance and the good results achieved by Ms Nicola Mary Brewer, her dedication to the position throughout her entire term of office as a director of the Company, her strategic vision and decision-making ability, and the continued presence of a very valuable profile for the Board of Directors.

The re-election of Ms Brewer will also contribute to consolidating the already high percentages of independent directors and women on the Board of Directors, thus strengthening gender diversity on the Board. It would also maintain the Company's commitment in favour of gender equality and contribution to the achievement of the Sustainable Development Goals (SDGs) approved by the United Nations (UN), particularly SDG number five relating to the empowerment of women.

The Committee has also taken into account that the candidate's profile and professional background will bring a pluralistic viewpoint to debate within the Board of Directors and enrich it, ensuring a decision-making process without implicit biases and positively favouring the operation thereof.

The Committee therefore considers the re-election of Ms Nicola Mary Brewer as a director to be appropriate.

8. Verification of compliance with the requirements to be a director of the Company

The Committee very favourably values the profile, skills and experience of the candidate, and specifically such director's respectability, capability, expertise, competence, experience, qualifications, education, availability and ability to commit to the duties of the position, which were verified in each of the annual evaluations of the individual performance thereof.



In addition, the Committee has verified that the conduct and professional track record of Ms Nicola Mary Brewer are fully aligned with the principles contained in the *Code of Ethics* and with the corporate purpose and values set out in the *Purpose and Values of the Iberdrola Group* and that the candidate has not directly or indirectly incurred any grounds for disqualification, prohibition, conflict or opposition of interests to the corporate interest set forth in provisions of a general nature or in the Governance and Sustainability System for holding the position of director.

Therefore, it is deemed to have been verified that the candidate meets the general requirements for all directors of the Company as provided by law and the Governance and Sustainability System.

9. Conclusion

The Committee has unanimously decided to propose the re-election of Ms Nicola Mary Brewer as a director of the Company, with the classification of independent director.

ANNEX

PROPOSAL OF THE APPOINTMENTS COMMITTEE REGARDING THE RE-ELECTION OF MS REGINA HELENA JORGE NUNES AS AN INDEPENDENT DIRECTOR OF “IBERDROLA, S.A.”

1. Introduction

Pursuant to the provisions of Article 5, sections d) and e), of the *Regulations of the Appointments Committee* of “Iberdrola, S.A.” (the “**Company**”), the Appointments Committee (the “**Committee**”) is responsible for proposing to the Board of Directors the re-election of independent directors for submission to a decision by the shareholders at a General Shareholders’ Meeting, as well as for verifying that the candidate to be re-elected continues to comply with the general requirements for all directors of the Company, pursuant to the provisions of law and the Governance and Sustainability System, and for compiling appropriate information regarding their personal qualities, experience, knowledge and effective availability.

Ms Regina Helena Jorge Nunes was first appointed as a director of the Company, for the bylaw-mandated term of four years, by the shareholders at the General Shareholders’ Meeting held on 2 April 2020.

Given that the term for which Ms Jorge Nunes was appointed as a director of the Company ends during this financial year 2024, the Committee has examined the advisability of the re-election thereof and has performed the verifications and evaluations referred to in Article 5, sections c) and d) of its regulations.

Therefore, the purpose of this document is to reflect the results of the work performed by the Committee relating to the potential re-election of Ms Jorge Nunes as a director of the Company with the classification of independent director.

2. Professional profile and biographical data of the candidate.

Born in São Paulo (Brazil), in 1965.

Degree in Business Administration from Mackenzie University. She attended courses in Trade Finance and Corporate Finance at the School of Continuing Studies at New York University, Leadership at Columbia University and International, Global and Multinational Business Development at INSEAD Fontainebleau.

Noteworthy experience for holding this position within the Company

Energy sector

Ms Regina Helena Jorge Nunes has acted as an independent director at “Neoenergia S.A.”, the country subholding company of the energy businesses in Brazil. While holding this position, she obtained a first-hand understanding of the operation of the Iberdrola Group and the main challenges and opportunities of the energy sector in a key market. She has been an independent director and member of the audit committee of “Companhia Distribuidora de Gás do Rio de Janeiro” (CEG), the main activity of which is the distribution and retail sale of natural gas in the State of Rio de Janeiro (Brazil).



Other sectors

She has more than 30 years of experience in the domestic and international financial market.

She has been a member of the Risk and Capital Committee of “Banco do Brasil”, an independent director of IRB-Brasil Resseguros, S.A., the coordinating chair of its Risk and Solvency Committee and a member of its Investment, Capital Structure and Dividends Committee, as well as a member of the advisory board of “Mercado Eletrônico”, a B2B e-commerce company.

She served for 20 years at “S&P Global Ratings”. She was president of operation in Brazil and Argentina, and was Head of the Southern Cone in Latin America, Deputy-Head in Latin America, board member of “BRC Ratings” (Colombia) and head of Global Development Markets.

Before joining “S&P Global Ratings”, she also worked at other financial institutions such as “Chase Manhattan” and “Citibank” in the areas of credit and risk analysis. At the “Commercial Bank of New York”, she led the Credit Areas for Latin America and Trade Finance and Risk Areas focused on Latin America.

For three years, she was an independent consultant in Brazil, having worked on privatisation programmes, investments of international funds in the Brazilian market, M&A and financial engineering projects.

3. Membership on other boards of directors and other activities currently performed

Ms. Regina Helena Jorge Nunes is a founding partner and CEO of “RNA Capital Ltda.”, as well as a director of “Cielo, S.A.”.

4. Category to which the director candidate should belong

Ms Regina Helena Jorge Nunes has been proposed based on her personal and professional qualities, after verifying that she can discharge her duties without being constrained by the relationships with the Company, its significant shareholders or the members of its management team, thus meriting the classification of independent director.

5. Availability

Before the beginning of each financial year, the Board of Directors prepares a schedule of regular meetings, both of the full Board and of its committees, accommodating the needs of the Company to the agreed dedication of the directors.

Based on the schedule, the effective availability of the candidate to prepare for each meeting of the Board of Directors and to provide the dedication necessary for holding the position of director has been verified with the candidate.

6. Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company of which the director candidate is a holder.

As at the date of this proposal, Ms Regina Helena Jorge Nunes does not hold any shares of the Company.



7. Compliance with the provisions of the *Board of Directors Diversity and Member Selection Policy*.

Pursuant to the provisions of the *Board of Directors Diversity and Member Selection Policy*, in order to determine the appropriateness of re-electing Ms Regina Helena Jorge Nunes to the position of director, the Committee has evaluated the needs of the Company and of the Iberdrola Group, taking into consideration the specific particularities of the businesses thereof and the territories in which it does business, comparing them to the profile of the candidate for re-election.

The Committee believes that the Board of Directors should have members with knowledge and experience in the financial and energy sectors like those of Ms Jorge Nunes.

The Board of Directors should also have members with in-depth and well-versed knowledge of the Company and of the Iberdrola Group and of the businesses thereof, like that of Ms Regina Helena Jorge Nunes, which will allow her to continue to contribute very positively to the operation of the Board of Directors.

The Committee also very favourably assesses the knowledge and experience of the candidate for re-election acquired during her extensive professional career and particularly as a director of "Neoenergia S.A.", as well as the continuation thereof, based on the positive evaluation of her performance and the good results achieved by Ms Regina Helena Jorge Nunes, her dedication to the position throughout her term of office as a director of the Company, her strategic vision and decision-making ability, and the continued presence of a very valuable profile for the Board of Directors.

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

The Committee has also taken into account that the candidate's profile and professional background will bring a pluralistic viewpoint to debate within the Board of Directors and enrich it, ensuring a decision-making process without implicit biases and positively favouring the operation thereof.

The Committee therefore considers the re-election of Ms Regina Helena Jorge Nunes as a director to be appropriate.

8. Verification of compliance with the requirements to be a director of the Company

The Committee very favourably values the profile, skills and experience of the candidate, and specifically such director's respectability, capability, expertise, competence, experience, qualifications, education, availability and ability to commit to the duties of the position, which were verified in each of the annual evaluations of the individual performance thereof.

In addition, the Committee has verified that the conduct and professional track record of Ms Regina Helena Jorge Nunes are fully aligned with the principles contained in the *Code of Ethics* and with the corporate purpose and values set out in the *Purpose and Values of the Iberdrola Group* and that the candidate has not directly or indirectly incurred any grounds for disqualification, prohibition, conflict or opposition of interests to the corporate interest set forth in provisions of a general nature or in the Governance and Sustainability System for holding the position of director.

Therefore, it is deemed to have been verified that the candidate meets the general requirements for all directors of the Company as provided by law and the Governance and Sustainability System.



9. Conclusion

The Committee has unanimously decided to propose the re-election of Ms Regina Helena Jorge Nunes as a director of the Company, with the classification of independent director.

ANNEX

REPORT OF THE APPOINTMENTS COMMITTEE REGARDING THE RE-ELECTION OF MR IÑIGO VÍCTOR DE ORIOL IBARRA AS AN EXTERNAL DIRECTOR OF "IBERDROLA, S.A."

1. Introduction

Pursuant to the provisions of Article 5, sections d) and e), of the *Regulations of the Appointments Committee* of "Iberdrola, S.A." (the "**Company**"), the Appointments Committee (the "**Committee**") is responsible for reporting on proposals for the re-election of other external directors for submission to a decision by the shareholders at a General Shareholders' Meeting, as well as for verifying that the candidate to be re-elected continues to comply with the general requirements for all directors of the Company, pursuant to the provisions of law and the Governance and Sustainability System, and for evaluating the quality of the relevant director's work and dedication to the position during their preceding term of office and, specifically, their respectability, capability, expertise, competence, experience, qualifications, availability and commitment to their duties.

Mr Íñigo Víctor de Oriol Ibarra was last re-elected as a director of the Company for the bylaw-mandated four-year term at the General Shareholders' Meeting held on 2 April 2020, having been appointed for the first time on 26 April 2006 and re-elected on 29 March 2007, 22 June 2012 and 8 April 2016.

Given that the term for which Mr Oriol Ibarra was appointed as a director of the Company ends during this financial year 2024, the Committee has examined the advisability of the re-election thereof and has performed the verifications and evaluations referred to in Article 5, sections c) and d) of the regulations thereof.

Therefore, the purpose of this report is to gather the results of the work performed by the Committee relating to the potential re-election of Mr de Oriol Ibarra, as well as to report to the Board of Directors, for submission to the shareholders at the General Shareholders' Meeting, on the re-election thereof with the classification of other external director.

2. Professional profile and biographical data of the candidate

Born in Madrid (Spain), in 1962.

Holding a Bachelor of Arts in International Business from Schiller International University (Madrid), he is a graduate of the Executive Corporate Management programme of IESE Business School, and holds the Certified European Financial Analyst (CEFA) diploma from Instituto Español de Analistas Financieros.

Noteworthy experience for holding this position within the Company

He was chair of "Electricidad de La Paz, S.A." (Bolivia), of "Empresa de Luz y Fuerza Eléctrica de Oruro, S.A." (Bolivia), and of "Iberoamericana de Energía Ibener, S.A." (Chile), as well as a member of the board of "Neoenergía, S.A." (Brazil), of "Empresa Eléctrica de Guatemala, S.A." and of "Empresa de Alumbrado Eléctrico de Ceuta, S.A.".



He has also been a director of Corporate Governance for the Americas of "Iberdrola, S.A." director of Management Control at "Amara, S.A.", and a financial analyst in the Financial Division and the International Division of the Company.

Noteworthy experience in other industries

He was chair of "Empresa de Servicios Sanitarios de Los Lagos, S.A." (ESSAL) in Chile.

3. Membership on other boards of directors

Mr de Oriol Ibarra is not a member of other boards of directors.

4. Category to which the director candidate should belong

Mr Íñigo Víctor de Oriol Ibarra is assigned to the category of other external director since more than twelve consecutive years have passed since his first appointment as a director of the Company.

5. Availability

Before the beginning of each financial year, the Board of Directors prepares a schedule of regular meetings, both of the full Board and of its committees, accommodating the needs of the Company to the agreed dedication of the directors.

Based on the schedule, the effective availability of the candidate to prepare for each meeting of the Board of Directors and to provide the dedication necessary for holding the position of director has been verified with the candidate.

6. Shares of the Company and Derivative Financial Instruments Whose Underlying Assets are Shares of the Company of Which the Director Candidate is a Holder.

As at the date of this report, Mr Íñigo Víctor de Oriol Ibarra is the holder of 1,274,014 shares of the Company, which represent 0.020% of the share capital.

7. Compliance with the provisions of the *Board of Directors Diversity and Member Selection Policy*.

Pursuant to the provisions of the *Board of Directors Diversity and Member Selection Policy*, in order to determine the appropriateness of re-electing Mr de Oriol Ibarra to the position of director, the Committee has evaluated the needs of the Company and of the Iberdrola Group, taking into consideration the specific particularities of the businesses thereof and of the territories in which it does business, comparing them to the profile of the candidate for re-election.

The Committee believes that the Board of Directors should have members with broad experience in the domestic and international energy industry and in the financial industry with a deep and thorough knowledge of the internal operation of the Iberdrola Group, like Mr de Oriol Ibarra.

The Committee also quite favourably assesses the knowledge and experience of the candidate for re-election acquired during his distinguished professional career and as a director and member of some of the consultative committees of the Company, as well as the continuation thereof, based on the positive evaluation of his performance during the entire term thereof, his strategic vision and management capacity, and the



continuation of a very valuable profile for the Board, with a broad understanding of the energy sector, of the Company and its Group and the businesses thereof, at both the domestic and international levels. The Committee therefore considers his re-election as a director to be appropriate.

8. Verification of compliance with the requirements to be a director of the Company.

The Committee quite favourably values the profile, skills and experience of the candidate, and specifically such director's respectability, capability, expertise, competence, experience, qualifications, education, availability and ability to commit to the duties of the position, which were verified in each of the annual evaluations of the individual performance thereof.

In addition, the Committee has verified that the conduct and professional track record of Mr Íñigo Víctor de Oriol Ibarra continue to be fully aligned with the principles contained in the *Code of Ethics* and with the corporate purpose and values set out in the *Purpose and Values of the Iberdrola Group* and that the candidate has not directly or indirectly incurred any grounds for disqualification, prohibition, conflict or opposition of interests to the corporate interest set forth in provisions of a general nature or in the Governance and Sustainability System for holding the position of director.

Therefore, it is deemed to have been verified that the candidate meets the general requirements for all directors of the Company as provided by law and the Governance and Sustainability System.

9. Conclusion

The Committee has unanimously decided to favourably report on the re-election of Mr Íñigo Víctor de Oriol Ibarra as a director of the Company, with the classification of other external director.



General Shareholders' Meeting

17 May 2024

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Report of the Board of Directors

Proposed Authorisation to Increase Share Capital



REPORT OF THE BOARD OF DIRECTORS OF "IBERDROLA, S.A." REGARDING THE PROPOSED AUTHORISATION TO INCREASE SHARE CAPITAL INCLUDED IN ITEM 20 ON THE AGENDA FOR THE GENERAL SHAREHOLDERS' MEETING

1. Object of the Report

This report has been prepared by the Board of Directors of "Iberdrola, S.A." (the "**Company**") pursuant to the provisions of Sections 286, 297.1.b) and 506 of the *Companies Act* in order to provide a rationale for the proposal regarding authorisation to the Board of Directors (with express power of substitution) to increase the share capital, within a term of five years, by up to one-half of the share capital existing at the time of the authorisation, on one or more occasions and at the time and in the amount it deems appropriate, with the power to exclude pre-emptive rights as provided in Section 506 of the *Companies Act*.

2. Purpose of and rationale for the proposal

Pursuant to Section 297.1.b) of the *Companies Act*, the shareholders at the General Shareholders' Meeting may, by complying with the requirements established for the amendment of the *By-Laws*, delegate to the Board of Directors the power to resolve, on one or more occasions, to increase the share capital up to a given amount, at the time and in the amount the Board decides. The aforementioned legal provision establishes that the aggregate amount of such capital increases may under no circumstances exceed one-half of the share capital of the Company at the time of the authorisation and that they must be made by means of cash contributions within a maximum period of five years from the date that the resolution is adopted by the shareholders at the General Shareholders' Meeting.

The Board of Directors believes that the proposed resolution submitted for approval by the shareholders at the General Shareholders' Meeting is justified by the advisability of making use of the mechanism contemplated by current corporate laws and regulations whereby this body may approve one or more increases in share capital without the need to call and hold a new General Shareholders' Meeting for such purpose. Thus, the aim is to give the Company's Board of Directors greater responsiveness to operate in an environment in which the success of a strategic initiative frequently depends on the ability to deal with it quickly, without incurring the delays and costs associated with holding a General Shareholders' Meeting.

In addition, Section 506 of the *Companies Act* provides that, at listed companies, when the shareholders at the General Shareholders' Meeting delegate the power to increase the share capital as permitted by Section 297.1.b) of said Act, the Board of Directors may also be given the power to exclude pre-emptive rights when the circumstances described in such section are present.

In this case, the par value of the shares to be issued plus any share premium must be equal to the fair value of the shares of the Company as set forth in the report to be prepared, at the request of the Board of Directors, by a statutory auditor other than the statutory auditor of the Company, appointed for such purpose by the Commercial Registry on each occasion that the Board exercises the power to exclude pre-emptive rights.

The Board of Directors believes that the power to exclude pre-emptive rights, as a supplement to the power to increase share capital, is justified for several reasons. First, it tends to entail a relative reduction in the costs associated with the transaction (including, in particular, the fees of the financial institutions participating in

the issuance) as compared to an issuance with pre-emptive rights. Second, it appreciably increases the promptness of action and responsiveness of the Board of Directors, such that the Company may thus take advantage of the times when market conditions are more favourable.

In addition, the exclusion of pre-emptive rights may allow the Company to optimise the financial conditions of the transaction and, in particular, the issue price of the new shares, as it may bring it closer to the expectations of the qualified investors to whom such capital increases are customarily addressed, while reducing execution risks through a lower exposure of the transaction to changes in market conditions.

Finally, it mitigates the effect of distortion in the trading of the Company's shares during the issuance period, which is normally shorter than in the case of an issuance with pre-emptive rights.

In sum, it is a device the use of which in a specific capital increase transaction can be critical to its success and the exclusion of which might entail the loss of manoeuvring capacity and a significant advantage vis-à-vis other companies competing with Iberdrola in raising funds on primary markets.

In any event, the ability to exclude pre-emptive rights is a power that the shareholders acting at the General Shareholders' Meeting delegate to the Board of Directors, and it is within the purview of the Board to resolve in each case, in view of the specific circumstances and the corporate interest and in compliance with legal requirements, whether or not such rights should effectively be excluded.

In the event that the Board of Directors resolves to use the power to exclude pre-emptive rights in connection with a specific capital increase that it may ultimately approve in exercise of the authorisation granted by the shareholders at the General Shareholders' Meeting, a directors' report and a statutory auditor's report shall be prepared as required by Section 308 of the *Companies Act*, which shall be made available to the shareholders on the corporate website of the Company and reported to the shareholders at the first General Shareholders' Meeting held after the increase in capital resolution is approved. Furthermore, it is hereby stated for the record that the Board of Directors is not authorised to make use of this power in the case of a public takeover bid for shares of the Company pursuant to the provisions of Section 28 of *Royal Decree 1066/2007* of 27 July on the Rules Applicable to Takeover Bids for Securities.

On the other hand, pursuant to the provisions of Article 9.2 of the Company's *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors* and in view of the best internationally recognised corporate governance practices and the recommendations set out in the guides of the principal proxy advisors, it is proposed that the authorisation to totally or partially exclude pre-emptive rights in increases in capital carried out pursuant to this authorisation and to the authorisation contemplated in item 21 on the agenda be limited, in the aggregate, to 10% of the Company's share capital on the date of adoption of the resolution by the shareholders at the General Shareholders' Meeting.

The proposal also contemplates making application, when appropriate, for listing of the shares to be issued by the Company under the delegation of powers on Spanish or foreign, official or unofficial, organised or other secondary markets, authorising the Board of Directors to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.

Furthermore, given that the last authorisation approved by the shareholders to delegate to the Board of Directors the power to increase capital (upon the terms of Section 297.1.b) of the *Companies Act*) took place at the General Shareholders' Meeting held on 2 April 2020 under item 22 on the agenda will remain in force at the time of any approval of this resolution, this proposal also contemplates depriving of effect the prior authorisation.



Finally, all the powers to be granted to the Board of Directors if the resolution proposed herein is adopted shall be granted with express power of substitution, so as to further contribute to achieving the purpose of expediting the proposed transactions.

3. Proposed resolution submitted to the shareholders at the General Shareholders' Meeting

The proposed resolution submitted for the approval of the shareholders at the General Shareholders' Meeting to increase the share capital on the terms and within the limits provided by law, for a maximum period of five years and with the power to exclude pre-emptive rights, limited to an aggregate maximum of 10% of the share capital, is as follows:

ITEM 20 ON THE AGENDA

Authorisation to increase the share capital on the terms and within the limits provided by law, for a maximum period of five years and with the power to exclude pre-emptive rights, limited to an aggregate maximum of 10% of the share capital

RESOLUTION

To authorise the Board of Directors to increase the share capital on one or more occasions and at any time upon the terms and within the limits set out in Section 297.1.b) of the Companies Act, i.e. within a term of five years from the date of approval of this resolution and by up to one-half of the current share capital.

Increases in share capital under this authorisation shall be carried out through the issuance and flotation of new shares with or without a premium the consideration for which shall be cash contributions.

In each increase, the Board of Directors shall decide whether the new shares to be issued are ordinary, preferred, redeemable, non-voting or any other kinds of shares among those permitted by law.

As to all matters not otherwise contemplated, the Board of Directors may establish the terms and conditions of the increases in share capital and the characteristics of the shares, and may also freely offer the new shares that are not subscribed for within the period or periods for the exercise of pre-emptive rights. The Board of Directors may also resolve that, in the event of incomplete subscription, the share capital shall be increased only by the amount of the subscriptions made, and amend the article of the By-Laws relating to share capital.

In connection with the increases in share capital that may be carried out under this authorisation, the Board of Directors is authorised to totally or partially exclude pre-emptive rights as permitted by Section 506 of the Companies Act, provided, however, that such power shall be limited to increases in share capital carried out pursuant to this authorisation and to the authorisation contemplated in item 21 on the agenda up to a maximum amount equal, in the aggregate, to 10% of the share capital on the date this resolution is adopted.

The Company shall, when appropriate, make application for listing of the shares issued under this authorisation on Spanish or foreign, official or unofficial, organised or other secondary markets, and the Board of Directors shall be authorised to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.



Pursuant to the provisions of Section 249.2 of the Companies Act, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.

This resolution deprives of effect the power to increase the share capital on one or more occasions and at any time upon the terms and within the limits set out in Section 297.1.b) of the Companies Act, granted to the Board of Directors by the shareholders acting at the General Shareholders' Meeting held on 2 April 2020 under item twenty-two on the agenda.

In Bilbao, on 19 March 2024



General Shareholders' Meeting

17 May 2024

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Report of the Board of Directors

Proposed Authorisation to Issue
Convertible and/or Exchangeable
Debentures and Bonds



REPORT OF THE BOARD OF DIRECTORS OF “IBERDROLA, S.A.” REGARDING THE PROPOSED AUTHORISATION TO ISSUE DEBENTURES AND BONDS CONVERTIBLE FOR AND/OR EXCHANGEABLE INTO SHARES AND WARRANTS INCLUDED IN ITEM 21 ON THE AGENDA FOR THE GENERAL SHAREHOLDERS’ MEETING

1. Object of the Report

This report has been drawn up by the Board of Directors of “Iberdrola, S.A.” (hereinafter, “**Company**”) pursuant to the provisions of Sections 511 of the *Companies Act (Ley de Sociedades de Capital)* and 319 of the *Regulations of the Commercial Registry (Reglamento del Registro Mercantil)*, applying the provisions of Section 297.1.b) of the *Companies Act* by analogy, to provide a rationale for the proposal regarding authorisation to the Board of Directors (with express power of substitution) such that it may, within a term of five years, issue debentures and bonds that are convertible into and/or exchangeable for shares of the Company or of other companies within or outside of the group of companies of which the Company is the controlling entity, within the meaning established by law (the “**Group**”) and warrants on newly-issued shares or outstanding shares of the Company or of other companies within or outside of its Group.

2. Purpose of and rationale for the proposal

The Board of Directors regards it as highly desirable to have the delegated powers allowed by current legislation in order to be at all times in a position to raise, on the primary securities markets, the funds that are necessary to satisfy the corporate interest.

The purpose of the authorisation to the Board of Directors is to provide the Company’s decision-making body with the manoeuvrability and responsiveness required by the competitive environment in which the Company operates, in which the success of a strategic initiative or a financial transaction often depends on the possibility of dealing with it quickly, without incurring the delays and costs that inevitably ensue from the call to and holding of a General Shareholders’ Meeting. The Board of Directors of the Company will thus be empowered, if necessary, to raise a significant volume of funds within a short period of time. This flexibility and agility is especially desirable in the current economic environment, where changing market circumstances make it advisable for the Board of Directors to have the necessary means to have recourse, at any time, to the different sources of financing available, in order to obtain the most advantageous financial terms.

The issuance of debentures that are convertible into and/or exchangeable for shares is one of the instruments for the financing of companies by raising third-party funds. These securities provide an advantage to both the Company and investors in that they offer investors the possibility of converting their receivables from the Company into shares of the Company, receiving a potential return in excess of that offered by other debt instruments. As for the Company, they may allow it to increase its equity. In addition, the convertible or exchangeable nature thereof means that the coupon on these debentures is generally lower than the cost of simple fixed-income securities and of bank financing, because the interest rate of the debentures reflects the value of the investors’ option to convert them into shares of the Company.



For such purpose, pursuant to the provisions of Section 319 of the *Regulations of the Commercial Registry* and of the general rules regarding issuance of debentures, and in accordance with Article 17.1.q) of the *By-Laws* which gives the shareholders at the General Shareholders' Meeting the ability to delegate to the Board of Directors the power to issue the negotiable securities covered by the proposal, the resolution proposed under item 21 of the agenda is submitted to the shareholders for consideration at the General Shareholders' Meeting.

The proposal specifically grants the Board of Directors the power to issue, on one or more occasions, convertible and/or exchangeable debentures and bonds and warrants entitling the holders thereof to subscribe for newly-issued shares or to acquire shares of the Company or other companies that may then be outstanding and to resolve, when appropriate, to effect the increase in share capital required to accommodate the conversion or the exercise of the option to subscribe for the shares, provided such increase, individually or added to any increases resolved to be carried out in reliance on other authorisations proposed by the Board of Directors to the shareholders at a General Shareholders' Meeting pursuant to the provisions of Section 297.1.b) of the *Companies Act*, does not exceed one-half of the Company's share capital at the time of the authorisation. The amount of the increases in capital, if any, carried out to accommodate the conversion or exchange of debentures, warrants or other securities pursuant to this authorisation will be deemed to be included within the limit available at any time to increase the share capital. Furthermore, it is hereby stated for the record that the Board of Directors is not authorised to make use of this power in the case of a public takeover bid for shares of the Company pursuant to the provisions of Section 28 of *Royal Decree 1066/2007* of 27 July on the Rules Applicable to Takeover Bids for Securities.

The proposed resolution submitted to the shareholders for approval at the General Shareholders' Meeting also establishes the standards to determine the basis for and terms and conditions applicable to the conversion and/or exchange, although it entrusts to the Board of Directors, in the event that it resolves to use this authorisation, the specific determination of some of such terms and conditions in respect of each specific issuance within the limits and in accordance with the standards established by the shareholders at the General Shareholders' Meeting. The Board of Directors shall thus be responsible for, among other things, determining the specific ratio for conversion and, for such purpose, upon approving an issuance of convertible securities in reliance on the authorisation granted by the shareholders at the General Shareholders' Meeting, it shall prepare a report describing the specific basis for and terms and conditions applicable to the conversion, on which the corresponding report of the statutory auditors mentioned in Sections 414 and 511 of the *Companies Act* shall be prepared.

Specifically, the proposed resolution submitted by the Board of Directors for approval by the shareholders at the General Shareholders' Meeting provides that, for purposes of the conversion and/or exchange, the securities issued pursuant to the authorisation shall be valued at their nominal amount and the shares at the fixed (determined or determinable) or variable ratio established in the respective resolution of the Board of Directors on the date(s) indicated in the resolution itself, based on the listing price of the Company's shares on the date(s) or during the period(s) used as a reference in the resolution.

In any event, the value may not be less than the average exchange ratio for the Company's shares on the Continuous Market of the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market) in accordance with closing listing prices during a period to be set by the Board of Directors and which shall not be greater than three months or less than five calendar days prior to the date of approval by the Board of Directors of the relevant resolution providing for the issuance of the fixed-income securities or prior to the date of payment for the securities by the subscribers. A premium or discount, as appropriate, on such price per share may also be set.



It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange shall be the arithmetic mean of the closing prices of the shares of the Company on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market) during a period to be determined by the Board of Directors, which shall not be greater than three months or less than five calendar days prior to the date of conversion and/or exchange. A premium or discount, as appropriate, may also be set on such price per share in this case.

In any of the cases described in the two preceding paragraphs, it is provided that, if a discount on the price per share is established, such discount may not exceed 25%.

The Board of Directors thus considers it is given an adequate degree of flexibility to set the value of the shares for purposes of the conversion and/or exchange on the basis of market conditions and other applicable considerations.

Similar standards shall be used, with any changes that may be required and to the extent applicable, for the issuance of debentures (or warrants) exchangeable for shares of other companies (in this case, any references to the Spanish Stock Exchanges shall be deemed to be references to the markets where such shares are listed).

In the case of warrants on newly-issued shares, the rules on convertible debentures set forth in the proposed resolution shall apply, to the extent that they are consistent with the nature thereof.

Furthermore, and as provided in Section 415.2 of the *Companies Act*, the resolution authorising the Board of Directors to issue convertible securities provides, for purposes of the conversion thereof, that the nominal value of the debentures may not be less than the par value of the shares. Convertible debentures may likewise not be issued for an amount lower than the nominal value thereof.

In addition, it is stated for the record that the authorisation to issue convertible and/or exchangeable securities as well as warrants or similar securities that may carry the right, directly or indirectly, to subscribe for or acquire shares of the Company includes, pursuant to the provisions of Section 511 of the *Companies Act*, the grant to the Board of Directors of the power to totally or partially exclude the pre-emptive rights of the shareholders when so required to raise funds on the markets or otherwise justified by the corporate interest.

The Board of Directors believes that the exclusion of pre-emptive rights allows for a significant reduction in the financial cost and the costs associated with the transaction (including, in particular, the fees of the financial institutions participating in the issuance), as compared to an issue with pre-emptive rights, while causing less distortion in the trading of the shares of the Company during the issuance period.

In sum, the use of this tool within the framework of a specific issue could be crucial to the success thereof, and a failure to provide it could entail the loss of a significant advantage over companies competing with the Company in raising funds on the primary markets.

In any event, pursuant to the provisions of Section 511 of the *Companies Act*, in the event that the Board of Directors decides to exclude the pre-emptive rights of the shareholders in connection with a specific issue, it must, when adopting the respective resolution to effect the issue, issue a report specifying the reasons of corporate interest that justify such measure, on which there shall also be prepared the corresponding report of a statutory auditor appointed by the Commercial Registry other than the Company's auditor. This report must contain a technical opinion regarding the reasonableness of the data contained in the Board of Directors'



report and regarding the fairness of the conversion ratio and, if applicable, of the adjustment formulas to offset a possible dilution of the financial interest of the shareholders.

In case of the exercise of such power to totally or partially exclude pre-emptive rights, pursuant to the provisions of Section 511 of the *Companies Act*, the two reports mentioned in the preceding paragraph shall be made available to the shareholders on the Company's corporate website and disclosed to them at the first General Shareholders' Meeting held after the capital increase resolution is adopted.

On the other hand, pursuant to the provisions of Article 9.2 of the Company's *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors* and in view of the best internationally recognised corporate governance practices and the recommendations set out in the guides of the principal proxy advisors, the authorisation to totally or partially exclude pre-emptive rights in increases in capital carried out pursuant to this authorisation and to the authorisation contemplated in item 20 on the agenda is limited, in the aggregate, to 10% of the Company's share capital at the time of adoption of the resolution by the shareholders at the General Shareholders' Meeting.

The proposal also contemplates making application, when appropriate, for listing of the convertible and/or exchangeable debentures and/or bonds or warrants to be issued by the Company pursuant to the authorisation on Spanish or foreign, official or unofficial, organised or other secondary markets, authorising the Board of Directors to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.

Furthermore, it may sometimes be desirable to issue the securities under this proposed resolution through a subsidiary, with the Company acting as guarantor. Accordingly, it is deemed to be of interest for the shareholders at the General Shareholders' Meeting to authorise the Board of Directors to guarantee, in the name of the Company, within the limits described above, such new issuances of convertible and/or exchangeable fixed-income securities or warrants as may be made by subsidiaries during the effective period of this resolution, in order that the Board of Directors may be granted the utmost degree of flexibility in structuring the issuances of securities in such manner as may be most appropriate in the circumstances.

In addition, given that the last authorisation approved by the shareholders to delegate to the Board of Directors the power to issue bonds convertible into and/or exchangeable for shares of the Company or other companies at General Shareholders' Meeting held on 2 April 2020 under item 23 on the agenda will remain in force at the time of any approval of this resolution, this proposal also contemplates depriving the prior authorisation of effect.

Finally, all the powers to be granted to the Board of Directors if the resolution proposed herein is adopted shall be granted with express power of substitution, so as to further contribute to achieving the purpose of expediting the proposed transactions.

3. Proposed Resolution submitted to the shareholders at the General Shareholders' Meeting

The proposed resolution submitted for approval of the shareholders at the General Shareholders' Meeting in relation to the authorisation to issue debentures exchangeable for and/or convertible into shares and warrants, in an amount of up to €5,000 million and for a maximum term of five years, with the power to exclude pre-emptive rights, limited to an aggregate maximum of 10% of the share capital, is as follows:



ITEM 21 ON THE AGENDA

Authorisation to issue bonds exchangeable and/or convertible into shares and warrants, in an amount of up to €5,000 million and a maximum term of five years, with the power to exclude pre-emptive rights, limited to an aggregate maximum of 10% of the share capital

RESOLUTION

1. Authorisation to the Board of Directors to issue securities

To authorise the Board of Directors to issue debentures and bonds exchangeable for shares of the Company or of any other company and/or convertible into shares of the Company, as well as warrants (options to subscribe for new shares of the Company or to acquire outstanding shares of the Company or of any other company).

2. Term

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

3. Maximum amount

The maximum total amount of the issuance(s) of securities approved under this authorisation shall be up to 5,000 million euros or the equivalent thereof in another currency. For purposes of calculation of the aforementioned limit, in the case of warrants, the sum of the premiums and exercise prices of the warrants on issuances approved under this authorisation shall be taken into account.

4. Scope

For each issuance, the Board of Directors shall be authorised to, among other things, determine the amount thereof, always within the above-mentioned overall quantitative limit, the place of issuance (in Spain or abroad) and the domestic or foreign currency and, in the case of foreign currency, its equivalence in euros; the specific instrument to be issued, whether bonds or debentures, including subordinated bonds or debentures, warrants (which may in turn be settled by means of the physical delivery of the shares or, if applicable, through the payment of differences in price), or any other form permitted by law; the date or dates of issuance; the number of securities and the nominal value thereof, which, in the case of convertible and/or exchangeable bonds or debentures, shall not be less than the par value of the shares; in the case of warrants and similar securities, the issue price and/or premium, the exercise price (which may be fixed or variable) and the procedure, period, and other terms and conditions applicable to the exercise of the right to subscribe for the underlying shares or, if applicable, the exclusion of such right; the interest rate (whether fixed or variable); the dates and procedures for payment of the coupon; whether the instrument issued is perpetual or subject to repayment and, in the latter case, the period for repayment and the maturity date or dates; guarantees, reimbursement rate, premiums and lots; the form of representation, as securities or book entries; the establishment of anti-dilution provisions; the rules applicable to subscription; the rank of the securities and the subordination clauses, if any; the law applicable to the issuance; the power to make application, where appropriate, for the trading of the securities to be issued on Spanish or foreign, official or unofficial, organised or other secondary markets, subject to the requirements established by applicable regulations in each case and, in general, any other terms of the issuance, as well as, if applicable, the appointment of the security-holders' syndicate representative (comisario) and the approval of the basic rules that are to govern the legal relations between the Company and the



syndicate of holders of the securities to be issued in the event that such syndicate must or is decided to be created.

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

5. Basis for and terms and conditions applicable to the conversion and/or exchange

In the case of issuance of convertible and/or exchangeable debentures or bonds, and for purposes of determining the basis and terms and conditions for conversion and/or exchange, it is resolved to establish the following standards:

- (a) The securities issued pursuant to this resolution shall be exchangeable for shares of the Company or of any other company and/or convertible into shares of the Company, in accordance with a fixed or variable conversion and/or exchange ratio determined or to be determined, with the Board of Directors being authorised to determine whether they are convertible and/or exchangeable, as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable, and if voluntarily, at the option of the holder thereof or of the Company, at the intervals, and during the period established in the resolution providing for the issuance and which, without prejudice to perpetual issuances, may not exceed thirty years from the date of issuance.*
- (b) In the event that the issue is convertible and/or exchangeable, the Board of Directors may also provide that the issuer reserves the right at any time to elect between conversion into new shares or the exchange thereof for outstanding shares of the Company, with the nature of the shares to be delivered being determined at the time of conversion or exchange, and may also elect to deliver a combination of newly-issued shares and existing shares of the Company and even to pay the difference in cash. In any event, the issuer shall afford equal treatment to all holders of fixed-income securities converting and/or exchanging their securities on the same date.*
- (c) For purposes of the conversion and/or exchange, the securities shall be valued at the nominal amount thereof and the shares at the fixed exchange ratio established in the resolution of the Board of Directors making use of this authorisation, or at the variable ratio to be determined on the date or dates specified in the resolution of the Board, based on the listing price of the Company's shares on the date(s) or during the period(s) used as a reference in such resolution. In any event, the fixed ratio thus determined may not be less than the average exchange ratio for the shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market), in accordance with closing listing prices during a period to be set by the Board of Directors, which shall not be greater than three months or less than five calendar days prior to the date of approval by the Board of Directors of the resolution providing for the issuance of the fixed-income securities or prior to the date of payment of the securities by the subscribers, at a premium or at a discount, as the case may be, on such price per share, provided, however, that if a discount on the price per share is established, it shall not be greater than 25% of the value of the shares used as a reference as set forth above.*



- (d) *It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange shall be the arithmetic mean of the closing prices of the shares of the Company on the Continuous Market during a period to be determined by the Board of Directors, which shall not be greater than three months or less than five calendar days prior to the date of conversion and/or exchange, at a premium or at a discount, as the case may be, on such price per share. The premium or discount may be different for each date of conversion and/or exchange of each issuance (or for each tranche of an issuance, if any), provided, however, that if a discount is established on the price per share, it shall not be greater than 25% of the value of the shares used as a reference as set forth above.*
- (e) *Whenever a conversion and/or exchange is admissible, any fractional shares to be delivered to the holder of the debentures or bonds shall be rounded downwards by default to the immediately lower integer, and each holder shall receive in cash, if so provided in the terms of issuance, any difference that may arise in such case.*
- (f) *In no event may the value of the shares for purposes of the ratio for conversion of debentures into shares be less than the par value thereof. Furthermore, debentures may not be converted into shares if the nominal value of the former is less than that of the latter.*
- (g) *When approving an issuance of convertible and/or exchangeable debentures or bonds under the authorisation granted in this resolution, the Board of Directors shall issue a directors' report, elaborating on and specifying, on the basis of the standards described above, the basis and terms and conditions for conversion and/or exchange that are specifically applicable to the respective issuance. This report shall be accompanied by the corresponding report of the statutory auditors as provided by law.*

6. Basis for and terms and conditions applicable to the exercise of warrants and other similar securities

In the case of issuance of warrants, it is resolved to establish the following standards:

- (a) *In the case of issuances of warrants, to which the provisions of the Companies Act on convertible debentures shall apply by analogy, the Board of Directors is authorised to determine, in the broadest terms, in connection with the basis for and terms and conditions applicable to the exercise of such warrants, the standards applicable to the exercise of rights to subscribe for or acquire shares of the Company or of another company, or to a combination thereof, arising from the securities of this kind issued under this authorisation. The standards set forth in section 5 above shall apply to such issuances, with such adjustments as may be necessary in order to bring them into compliance with the legal and financial rules governing these kinds of securities.*
- (b) *The preceding standards shall apply, with any changes that may be required and to the extent applicable, to the issuance of fixed-income securities (or warrants) that are exchangeable for shares of other companies. Where appropriate, all references to the Spanish Stock Exchanges shall be deemed made to the markets, if any, on which the respective shares are listed.*

7. Admission to trading

The Company shall, when appropriate, make application for the admission to trading of the convertible and/or exchangeable debentures and/or bonds or warrants issued by the Company under this authorisation on Spanish or foreign, official or unofficial, organised or other secondary markets, and the Board of Directors shall be



authorised as broadly as required to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets. It is expressly stated for the record that if application is subsequently made for delisting, it shall be made in compliance with the same formalities as the application for listing, to the extent any such formalities are required, and in such case, the interests of the shareholders or debenture-holders opposing or not voting in favour of the resolution shall be safeguarded as provided by applicable law.

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

8. Guarantee in support of issuances of convertible and/or exchangeable fixed-income securities or warrants by subsidiaries

The Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issuances of convertible and/or exchangeable fixed-income securities or warrants carried out by subsidiaries during the effective period of this resolution.

9. Delegation of powers to the Board of Directors

This authorisation to the Board of Directors also includes, without limitation, the delegation thereto of the following powers:

- (a) The power of the Board of Directors, pursuant to the provisions of Section 511 of the Companies Act, to totally or partially exclude the pre-emptive rights of the shareholders. In any event, if the Board of Directors decides to exclude the pre-emptive rights of the shareholders in connection with any specific issuance of convertible bonds or debentures, warrants and other securities similar thereto that it ultimately decides to effect under this authorisation, the Board shall issue, at the time of approval of the issuance and pursuant to applicable laws and regulations, a report setting forth the specific reasons based on the corporate interest that justify such measure, on which there shall be prepared the corresponding report of a statutory auditor appointed by the Commercial Registry other than the Company's auditor, mentioned in Sections 414 and 511 of the Companies Act. Such reports shall be made available to the shareholders and disclosed at the first General Shareholders' Meeting that is held following approval of the resolution providing for the issuance. This power shall in any event be limited to those increases in capital carried out pursuant to this authorisation and to the authorisation contemplated in item 20 of the agenda up to a maximum amount equal, in the aggregate, to 10% of the share capital on the date of adoption of this resolution.*
- (b) The power to increase share capital in the amount required to accommodate requests for conversion and/or for exercise of the right to subscribe for shares. Such power may only be exercised to the extent that the Board of Directors, adding the increase in capital effected to accommodate the issuance of convertible debentures, warrants and other similar securities and the other increases in capital approved under authorisations granted by the shareholders at this General Shareholders' Meeting, does not exceed the limit of one-half of the amount of the share capital provided by Section 297.1.b) of the Companies Act. This authorisation to increase capital includes the authorisation to issue and float, on one or more occasions, the shares representing such capital that are necessary to carry out the conversion and/or to exercise the right to subscribe for shares, as well as the power to amend the article of the By-Laws relating to the amount of the share capital and, if appropriate, to cancel the portion of such increase in capital that was not required for the conversion and/or the exercise of the right to subscribe for shares.*



- (c) *The power to elaborate on and specify the basis for and terms and conditions applicable to the conversion, exchange and/or exercise of the rights to subscribe for and/or acquire shares arising from the securities to be issued, taking into account the standards set out in sections 5 and 6 above.*

Pursuant to the provisions of Section 249.2 of the Companies Act, to expressly authorise the Board of Directors to further delegate the powers referred to in this resolution.

10. Revocation of current authorisation

This resolution deprives of effect the authorisation to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company and warrants on newly-issued or outstanding shares of the Company granted to the Board of Directors by the shareholders at the General Shareholders' Meeting held on 2 April 2020 under item twenty-three on the agenda.

In Bilbao, on 19 March 2024