

22 September 2022

By-Laws of Iberdrola Renovables Internacional, S.A.U.

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PREAMBLE

This Preamble establishes the principles that will serve as the basis for interpreting, implementing and developing these *By-Laws* of Iberdrola Renovables Internacional, S.A.U. (the “**Company**”), extending the usual content of these corporate rules.

The Company forms part of an international industrial group of which Iberdrola, S.A. (“Iberdrola”) is the controlling listed holding company (the “Group”) and the decentralised corporate decision-making structure of which, inspired by the principle of subsidiarity, with robust coordination mechanisms, ensure the global integration of all the businesses of the group to which the Company belongs in accordance with a business Model aimed at maximising the value of all the Group’s business activities in the interest of every one of its component companies, maintaining a system of checks and balances and a clear separation of functions and responsibilities.

On this basis, the Company is the head company of the international renewable energy business of the Group within its field of activity. Form the necessary corporate autonomy, it is responsible for the day-to-day running and effective management of the business that constitutes its corporate purpose and the consequent responsibility for its day-to-day control, without prejudice to the organising, supervising and strategic coordinating function attributed to Iberdrola Energía Internacional, S.A.U. as the Group’s subholding company for international area, observing at all times the applicable laws.

This Preamble also seeks to expressly state the Company’s *commitment to the Purpose (to continue building, collaboratively and on a daily basis, a more electrical, healthy and accessible energy model) and Values (sustainable energy, capacity for integration and driving force) of the Group*, as well as its *Code of Conduct*, which, as the foundation of its corporate philosophy and ethical principles, govern the Company’s activity that constitutes its corporate purpose and guide its business strategy and programme.

Furthermore, the Company shares the Iberdrola corporate interest in creating sustainable value for all its shareholders, taking into consideration and involving the other stakeholders related with the corporate activity and the institutional status of the Iberdrola Group, involving them in the social dividend generated by its activities, particularly by means of contributing to the achievement of Sustainable Development Goals (SDGs) adopted by the United Nations and the most demanding environmental, social commitment and good governance (ESG) requirements; and, in short, they are its hallmarks as a company and institutional reality, an actor in the economic and social environment in which it carries out its activity.

To the extent to which they may apply to them, these *By-Laws* of which this Preamble forms a part, govern the actions of the Company’s governing bodies, senior executive employees and other professionals, who are bound both to comply with them and to enforce their compliance.

TITLE I. GENERAL PROVISIONS

Article 1. Company Name

The company name is Iberdrola Renovables Internacional, S.A. (Sociedad Unipersonal) (the “**Company**”).

The Company, whose sole shareholder is Iberdrola Energía Internacional, S.A.U. (“**Iberdrola Internacional**”), shall place its sole proprietorship status on record as defined by law.

Article 2. Corporate Purpose

1. The purpose of the Company is:
 - (i) undertaking activities, work and own services of all sorts or those related to the businesses of:
 - a) Production and sale of electricity through facilities that use renewable energy sources, including yet not limited to hydropower, wind power, solar-thermal, photovoltaic, or biomass-based technologies;
 - b) Production, processing, and sale of bio-fuels and derivatives thereof; and
 - c) Planning, engineering, development, construction, operation, maintenance, decommissioning of the facilities referred to in sections a) and b) above, whether owned by the company or third parties; analysis services, engineering studies, or energy, environmental, technical and financial consulting services concerning such facilities.
 - (ii) Participation in a full range of enterprises and company groupings dedicated to any class of activities, work and services directly or indirectly connected with businesses related to the production or sale of electricity and derivatives thereof, including financial derivatives.
2. The activities shall be performed primarily abroad, although they may also be performed in Spain, either directly, wholly or in part, by the Company, or indirectly via ownership of shares or stakes in other companies, while remaining subject to the provisions of sectoral legislation applicable at all times, and especially to the electricity sector, guaranteeing compliance with the applicable rules.
3. The Company will carry out no activity for which legislation calls for the fulfilment of specific conditions or requirements unless it can fully comply therewith. If any of the activities within the breadth of the corporate purpose require professional certification, the Company will serve as intermediation, though they shall be excluded from the scope of application under Spanish Law 2/2007 of 15 March.

Article 3. Duration of the Company

The duration of the Company shall be unlimited, with operations commencing on the day of execution of the notarial instrument of formation.

Article 4. Registered Office and Branches

1. The company’s registered office is Plaza Euskadi 5, Bilbao, Bizkaia.
2. Said registered office may be moved within the same municipality if so resolved by the Board of Directors, which can also decide on the creation, closure or moving of branches, agencies, delegations and representations wherever it develops its activities.

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Article 5. The Company within the Iberdrola Group

1. The Company, is wholly owned by the *subholding company*, Iberdrola Internacional, the main share of which is, in turn, held by Iberdrola, which is the listed parent holding company of the Group.
2. The Company is the head company of the business that holds the stakes in the international companies that perform the renewables business activities in the jurisdictions where is active through a subsidiary.
3. The Company, as the head company of the international renewable energy business of the Group within its field of activity, takes on, with the requisite independence, the day-to-day running and effective management of the business, without prejudice to the strategic coordinating assigned to Iberdrola Internacional as the group subholding company in the international area.

Article 6. Corporate interests

The Company, as the Group's head company of the international renewable energy business within its field of activity, and Iberdrola share the concept of corporate interest as the common interest of the persons owning shares of an independent corporation aimed at creating sustainable value by undertaking the activities set out in the corporate purpose, considering the other stakeholders related with the business activities of the Company and its institutional reality, in accordance with the *Purpose and Values of the Iberdrola Group* and the commitments taken on under its *Code of Ethics*.

Article 7. Social Dividend

1. The pursuit of the activities indicated in the social purpose, particularly, the Company's innovation and digital transformation strategy must be directed towards creating sustainable value, in accordance with the *Purpose and Values of the Iberdrola Group* and the commitments taken on under its *Code of Ethics*.
2. As the head company of the business, the Company contributes to the social dividend of the Group, which is consistent with the contribution of direct, indirect or induced value that the pursuit of its activities represents for all stakeholders, especially its contribution to the achievement of the Sustainable Development Goals (SDGs) adopted by the United Nations and its commitment to all matters related to best environmental, social and corporate governance practices.

Accordingly, the Company may collaborate with foundation entities related to the Iberdrola Group aiming to promote and pursue activities related with sustainable development policies within its field of activity.

3. The Company's performance in social, environmental and sustainability areas, in addition to the social dividend generated and shared with its stakeholders, constitute the Company's non-financial information that it will ensure is publicly disseminated among these stakeholders.

Article 8. Applicable regulations and Governance and Sustainability System. *Purpose and corporate Values*

1. The Company will be governed by the legal provisions regarding public companies and any other applicable regulations, as well as by the governance and sustainability system set up by its governing bodies in the exercise of their corporate independence.
2. The Governance and Sustainability System is the internal regulation of the Company, configured in accordance with current legislation in exercise of the corporate autonomy that protects it; it aims to ensure the best performance of the corporate contract that binds its sole partner and, in particular, of the corporate object and the corporate interest and social dividend, as defined in the preceding articles.
3. The Governance and Sustainability System comprises these Articles of Association, other rules of governance and compliance approved by Company's management bodies and the set of Group standards that have been approved by the Iberdrola Board of Directors in the exercise of its functions as a holding company by definition and the Iberdrola Group organisational model, or by the Board of Iberdrola Energía Internacional, S.A.U. in the exercise of its powers as a subholding company, therefore incorporating them in the general strategy approved by Iberdrola which have been adopted by the Company, thus incorporating them into its Governance and Sustainability System (the Purpose and Values of the Iberdrola group, its Code of Ethics and those corporate policies and governance and compliance standards that have been adopted by the Company).
4. The Company's governance and sustainability system is inspired on and responds to the *Purpose and Values of the Iberdrola Group*, which define the ideology and value system of its business plan. Given its size and importance, the latter constitutes the central reference point for a host of stakeholders and the social and economic environment in which the entities that make up the group pursue their activities, and which satisfies the most stringent standards in terms of environmental protection, climate action, social commitment and corporate governance, within the general framework of respect for and protection of human rights, the social market economy and generally accepted ethical principles in its sphere of activity.
5. The sole shareholder 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. Complete or summarised versions of the regulations that make up the governance and sustainability system can be viewed on the Company's corporate website.
7. In addition, the Company has a Compliance system that is aimed at preventing and managing the risk of non-compliance with regulations, ethical standards or the governance and sustainability system, and to aid in the complete fulfilment of the *Purpose and Values* of Iberdrola Group and corporate interest.

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8. The application and further development of the Company's compliance function and Compliance System is the responsibility of the Compliance Division, which is established as an independent internal area linked to the Board of Directors, and which has powers to manage the risk of regulatory and ethical breaches or breaches of the Governance and Sustainability System itself in addition to the prevention and correction of illegal or fraudulent conduct, identifying procedures that might be most effective in promoting the highest ethical standards.

Article 9. Stakeholder Relations, Corporate Website, Presence on Social Media and Digital Transformation

1. As the head company of the business, the Company contributes to involving stakeholders in its activities, in accordance with a policy of relationship based on the principles of transparency, active listening, participation, consensus, cooperation and continuous improvement, which enables it to take into account all their legitimate interests. Moreover, it is the Company's responsibility to effectively disseminate information on its activities.
2. The Company's corporate website, its presence on social media and, in general, its digital innovation strategy contributes to the Group's digital communication strategy, which seeks, among other aims, to encourage the involvement of all its stakeholders, reinforce their sense of belonging and enhance the institutional significance of the Iberdrola brand, thereby favouring the development of the Group businesses and their digital transformation.
3. By promoting the accessibility of its corporate website, the Company attests to its commitment to transparency and engagement with its various stakeholders and society in general, which in turn serves as a basis for generating credibility and mutual trust.

Article 10. Dealings with Public Administrations

The Company can deal with the Public Administrations on behalf of other individuals or corporations, including those not belonging to the Group, in accordance with legal terms and conditions.

TITLE II. SHARE CAPITAL AND SHAREHOLDERS

Article 11. Share capital and representation of shares

1. The share capital is 60,000 euros represented by 6,000 ordinary shares, having a nominal value of €10, with consecutive numbers from 1 to 6,000 both inclusive, belonging to a single class and series which are fully subscribed and paid up.
2. Shares shall be registered in the register of shareholders, and the Board of Directors of the Company shall have authority to issue a multiple share certificate embracing all shares owned by the sole shareholder.

Article 12. Transfer of shares

1. Company shares may be transferred to any person in accordance with such laws and regulations as may apply.
2. When the transfer of shares entails the loss of status as a sole proprietorship, the necessary amendments must be made to these Company By-Laws.

Article 13. Shareholder Status

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 these *By-Laws*, with the special features determined by the status of a single shareholder.

The ownership of the shares by the sole shareholder entails the conformity with the Governance and sustainability system of the Company and the compliance with the decisions of the Company's governance bodies in accordance with the laws in force, and its corporate governance system.

TITLE III. CORPORATE BODIES

Section one. Executing the sole shareholder's decisions in the exercise of the General Shareholders Meeting's powers

Article 14. Executing the sole shareholder's decisions in the exercise of the General Shareholders Meeting's powers

1. The sole shareholder shall decide on the matters conferred on the General Shareholders' Meeting by law or by these *By-Laws*, and in particular regarding the following:
 - 1st The appointment of directors of such class as may be appropriate, pursuant to article 20 of the Company's *By-laws*, and the removal thereof.
 - 2nd Appointment and dismissal of accounts auditors and liquidators.
 - 3rd Approval of the annual accounts, the management report, the distribution of profit and corporate management, within the first six months of each year.
 - 4th Approval of the Company's non-financial information which, if applicable, has been prepared by the Board of Directors, in a timely manner in accordance with the current laws and the governance and sustainability system.
 - 5th Payment of interim dividends.
 - 6th Increase and reduction of share capital, with the ability to delegate to the Board of Directors, if applicable, within statutory time limits, the power to execute a decision already taken to increase share capital, or the power to resolve upon an increase in share capital on one or more occasions, in accordance with legal provisions.

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- 7th Issuance of bonds and other negotiable securities and delegation to the Board of Directors of the power so to issue, in accordance with legal provisions.
 - 8th Approval of related party transactions in accordance with the laws in force.
 - 9th Amendments to the *By-Laws*.
 - 10th Merger, spin-off, global assignment of assets and liabilities, and transformation of the Company.
 - 11th Liquidation and winding up and approval of the final winding up balance.
 - 12th Acquisition, disposal or contribution to another company of essential assets in the terms stipulated by law.
 - 13th Any matter that the Board of Directors may lay before the sole shareholder for a decision.
2. The sole shareholder shall immediately communicate to the Chairman of the Board of Directors any decisions taken in exercise of the powers of the General Shareholders Meeting.

Article 15. Documentary record of the resolutions of the sole shareholder

1. The powers of the General Shareholders Meeting shall be exercised by way of decisions taken by the sole shareholder, which shall be minuted, bearing his signature or that of his representative, and these decisions may be executed and formalised by the sole shareholder, by the Board of Directors, or by any person to whom the Board of Directors may delegate powers or grant a power of attorney.
2. The documentary record of the decisions by the sole shareholder taken in the exercise of the powers of the General Shareholders Meeting, their notarisation, and their registration in the Commercial Register, shall be carried out in accordance with the provisions of the law and the Regulations of the Commercial Registry.
3. In this regard, the secretary to the Board of Directors will manage and keep the sole shareholder's resolutions minutes' book in exercise of the powers of the General Meeting.

Section two. Company management

Article 16. Structure of company management and representation

1. The management of the Company is assigned to a Board of Directors, which may delegate any or all of its powers than can be legally and statutorily delegated to Chief Executive Officer.

The Board of Directors may also set up other committees or internal commissions with consultative or advisory functions or for compiling reports or drafting proposals, as determined by the Board of Directors itself.
2. The Company's representation corresponds to the Board of Director and, where applicable, to the Chief Executive Officer.
3. The Board of Directors will represent the Company acting as a collegial body. The Chief Executive Officer, shall have the power to represent the Company acting individually.
4. The resolutions of the Board of Directors shall be executed by its secretary, any director or by a third party specially designated in the resolution, acting either jointly or individually.

Article 17. General principles of action

The Board of Directors and, where appropriate, the Chief Executive Officer shall carry out their duties and exercise their powers with unity of purpose, independently and with loyalty to the social purpose, in accordance with the *Purpose and Values of the Iberdrola Group* and its *Code of Ethics* acting always in observance of the provisions of the applicable rules, as well as the governance and sustainability system and, in particular, as far as the Board of Directors is concerned, the rules of organisation and internal functioning that the Board establishes as part of its power of self-organisation.

Section three. The Board of Directors

Article 18 Powers of the Board of Directors

1. The Board of Directors is empowered to adopt resolutions on all matters which are not reserved by the *By-Laws* or by law to the sole shareholder in the exercise of the powers of the General Shareholders' Meeting. The widest powers to manage, conduct, administer and represent the Company correspond to the Board of Directors.
2. In accordance with its status as the Group's international renewables head of business company within its field of activity, the Company's Board of Directors is responsible for the following specific and non-delegable duties:
 - a) Collaborate with Iberdrola Internacional as a subholding company of the Group in international area in defining the Group's management guidelines and strategic objectives within its field of activities.

To this end, the Company shall submit to the subholding company its proposed annual objectives, results and the budget of resources required to achieve them, in order to facilitate the exercise by the subholding company of its functions regarding the organisation, supervision and strategic coordination of the Group within its field of activity.
 - b) Approve the short- and long-term strategic objectives and action programmes in relation to all the activities included in the renewable energy business that constitute its corporate purpose.

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- c) Prepare the proposals for the distribution of dividends that will be submitted to the decision of the sole shareholder, taking into consideration the criteria set by Iberdrola Internacional.
 - d) Supervise the implementation and undertaking of direct contact and dialogue with stakeholders related to its activity in accordance with the policy and model established in this respect at Group level, approving in particular, the collaboration frameworks with foundation entities related to Iberdrola group aiming at promoting and executing activities related to sustainable development policies within its field of activity.
 - e) Ensuring that the Company and its subsidiaries, directly or indirectly, comply with the regulations on personal data protection in accordance with the Group policies established in this regard. In this context, the Company's Data Protection Officer will report to the Board of Directors.
 - f) Approving the annual budget of the Company and its direct or indirect subsidiaries.
 - g) Approving the financial report relating to the Company and its direct or indirect subsidiaries, as the case may be, reviewed by the accounts auditor.
 - h) Take note of the recommendations from business committees established globally or locally and project them onto the implementation of its business activities, in order to generate synergies and use these to maximise the value of all businesses.
 - i) Participate, for the sake of greater efficiency in the development of its activity, in the synergies derived from the provision of intra-group services as well as corporate functions operating at the Group level.
 - j) Ensuring the proper use of the Iberdrola brand as the main symbol of the *Iberdrola Group's Purpose and Values*, as well as its *Code of Ethics*.
 - k) Promoting the presence of the Company on social media and developing the communication and innovation strategy and its digital transformation.
 - l) Establishing, in particular, from its scope of responsibility as head company of the renewable energy business in Spain, the structure and accessibility of the Company's corporate website, through which the *Purpose and Values* of the Group and its *Code of Ethics* will be disseminated, identifying its activities, its relationship with the Group and its position on matters of corporate governance, sustainability and the environment. It also serves as an instrument for promoting its relations with the most relevant Stakeholders and with society in general, establishing the necessary coordination for this purpose with the corporate website of the subholding company, to avoid confusion between them.
3. The Board of Directors shall also be responsible for directly exercising the following non-delegable powers:
- a) Establishing its own organisation and role.
 - b) Formulating annual financial statements, management report and the proposed allocation of profits/losses of the Company, taking care that those documents give a true and fair view of the equity, financial position and results of the Company in accordance with applicable law, and presenting them to the single shareholder in exercise of the powers of the General Shareholders Meeting.
 - c) Formulating the non-financial report, in a timely manner and in accordance with the provisions of current legislation and the Governance and Sustainability System, and presenting it to the sole shareholder, when exercising the powers of the General Shareholders' Meeting.
 - d) Formulating any class of report required by law from the Board of Directors whenever the operation to which the report refers cannot be delegated.
 - e) Planning and renewing internal positions on the Board of Directors and the members and positions of such committees as may be set up within the Board.
 - f) Submitting any relevant proposed resolutions relating to the remuneration of board members in their condition as such to the sole shareholder in exercise of the powers of the General Shareholders' Meeting, pursuant to the *By-Laws* and within the limits that these may impose.
 - g) Determining, in the case of executive board members, the remuneration for their executive duties and further conditions that their contracts must observe as stipulated by law.
 - h) Agreeing to the appointment and removal of directors in the Company. For these purposes, directors shall be considered senior executives who report directly to the Board of Directors or any of its members and, in any case, the person in charge of the management of Internal Audit ("Member of the High Management").
 - i) Approving the proposals for the appointment and removal of directors of direct subsidiaries of the Company, although for all existing external directors these proposals shall be passed on by the Board of Directors to the Appointments Committee of Iberdrola for its information. Likewise, the Company's Board of Directors shall take note of the proposals for the appointment and removal of directors relating to indirect subsidiaries.
 - j) Deciding upon proposals submitted to it by the Executive Committee or Chief Executive Officer, if such office is in existence, or such Board committees as the Board may have decided to set up.
 - k) Executing the sole shareholder's decisions in the exercise of the General Shareholders Meeting's powers.

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- l) Define the structure of general powers of the Company to be approved by the Board of Directors or by the representative management decision-making bodies.
 - m) Approve or propose to the sole shareholder for approval, as appropriate, Related-Party Transactions (as defined in these *By-Laws*) for which approval has not been delegated based on the provisions of section 8 of Article 38 below, and decide on any approval or waiver of obligations arising from the duty of loyalty, all upon the terms established by law and the Governance and Sustainability System, without prejudice to any powers in this regard of the Board of Directors of Iberdrola as the holding company of the Group.
 - n) Approving the disposition of the Company's substantial assets and, in general, all kinds of investments or transactions which are strategic in nature to the Company due to the large amount or special characteristics thereof (and whose approval, as provided for under law and in these *By-Laws*, does not correspond to the sole shareholder in exercise of the powers of the General Shareholders' Meeting), including industrial, commercial or financial transactions which are particularly significant or risky to the Company, establishing, if applicable, the Company's position with respect to its "controlled companies" within the meaning of article 42 of the Spanish Commercial Code regarding the aforementioned matters and transactions.

The aforementioned shall be understood notwithstanding the powers of the Board of Directors to require, for the decisions referred to in the paragraph above, the authorisation of the sole shareholder in exercise of the powers of the General Shareholders Meeting.
 - o) Take position, within its powers, of mergers, spin-offs or any other structural operations affecting any of the Company's controlled companies.
 - p) Supervising the effective operation of such committees as it may have established and the actions of such delegated bodies and managers as it may have designated.
 - q) To identify the main risks to the Company and organise suitable internal control and information systems as well as to carry out regular monitoring of said systems, bearing in mind the Iberdrola Group's general risk policy.
 - r) Receiving information from the Compliance Division concerning any relevant matter relating to regulatory compliance and the prevention and correction of illegal or fraudulent conduct.
 - s) Reviewing, through the Compliance Division, the Company's internal policies and procedures to confirm their effectiveness in preventing misconduct and identify possible policies or procedures that may be more effective in promoting the highest ethical standards.
 - t) Reviewing and approving the annual operating budget of the Compliance Division and ensure that the Compliance Division has the material and human resources needed to carry out its tasks, ensuring its independence and effectiveness.
 - u) Approving the annual activities plan of the Compliance Division.
 - v) Making a statement regarding any other matter within its authority that, at the discretion of the Board of Directors, is deemed to be in the interests of the Company.
4. Without prejudice to the non-delegable powers referred to in sections 2 and 3 above, the Board of Directors shall entrust the ordinary management and direction of the Company to the Chief Executive Officer and members of the board, promoting and supervising the management of the Company and, in particular, compliance with the guidelines and objectives established by the Board of Directors.
5. Powers reserved by law or by the *By-Laws* to be directly exercised by the Board of Directors may not be delegated.

Article 19. Composition of the Board of Directors

1. The Board of Directors shall be composed of a minimum of three and a maximum of ten members, who shall be appointed by a decision of the sole shareholder in the exercise of the powers of the General Shareholders' Meeting, subject to any applicable rules laid down by law or the *By-Laws*.
2. The sole shareholder, in the exercise of the powers of the General Shareholders' Meeting, shall be responsible for determining the actual number of Directors within the minimum and maximum limits stated in the previous section. Notwithstanding the foregoing, the Board of Directors shall propose to the single shareholder the number of directors, which, in accordance with the circumstances affecting the Company and considering the minimum and maximum numbers stated above, is most appropriate to enable the body to operate effectively.

Article 20. Classes of directors

1. Directors shall be classified in accordance with the following categories:
 - a) Executive directors: those who perform management duties within the Company, whatever the legal relationship the director maintains therewith.
 - b) Proprietary directors: those who represent the sole shareholder and who are not executive directors.
 - c) External directors: those who do not perform management duties within the Company or represent the sole shareholder.
2. The appointment of external directors by the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders' Meeting shall evaluate, based on the personal and professional qualities of the candidate, whether such candidate can carry out the duties of director without being constrained by relationships with the Company, with any other company of the Group, or with the directors, significant shareholders or members of management thereof.

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3. The category of Directors shall not affect the independence with which they must perform the functions pertaining to their office, and therefore their duties of diligence, fair dealing, and loyalty towards the Company.
4. The Company shall provide new members of the Board of Directors with an *Orientation Programme*, which shall be intended to facilitate their active participation from the outset, and shall develop a regular training plan to ensure the refreshment of their knowledge.

Article 21. Chairman and Vice-chairman

1. The Board of Directors shall elect a Chairman from among its members who shall exercise the powers that correspond to the position in accordance with the law and these *By-Laws* and, in particular, the following:
 - a) Call and chair meetings of the Board of Directors, establishing the agenda for the meetings and moderating discussions and deliberations.
 - b) Submit to the Board of Directors the proposals they deems appropriate for the smooth running of the Company and, especially, those corresponding to the functioning of the Board of Directors itself.
 - c) Ensure, in collaboration with the Board of Directors, that Directors receive sufficient information in advance on the items that figure in the agenda.
 - d) Encourage debate and the active participation of Directors during meetings, while ensuring their freedom to take the stance they consider appropriate.
 - e) Drive the work of the Board of Directors' committees and oversee their effectiveness in performing their functions and responsibility, as well as ensuring they have the appropriate human and material resources.
 - f) Invite to the Board of Directors meetings all those who can contribute to improve the information held by its members when it comes to deliberating particular issues.
2. The Board of Directors may decide to elect a Vice-chairman from among its members, at the proposal of the Chairman. If the Board of Directors has elected a Vice-Chairman, they will temporarily replace the Chairman of the Board of Directors in the event of absence, sickness leave or disability. If there is no Vice-chairman, the Chairman shall be replaced by the longest-serving member, and should there be a tie as to seniority, by the eldest.
3. The Chairman, and, as appropriate, the Vice-chairman, if re-elected as members of the Board of Directors by a decision of the single shareholder in the exercise of the powers of the General Shareholders' Meeting, shall continue to hold the offices they performed previously on the Board of Directors without a new election being necessary, and notwithstanding the power to revoke which belongs to the Board of Directors with regard to said offices.

Article 22. Chief Executive Officer

1. The Board of Directors, at the proposal of the Chairman and with the vote of two thirds of the Directors, may appoint from among the Directors a Chief Executive Officer having such powers as the Board deems fit and are delegable under these *By-laws* and under the law.
2. The office of Chief Executive Officer may also be held by the Chairman of the Board of Directors.
3. Where appropriate, the Chief Executive Officer shall be responsible for the day-to-day running and management of the Company under the supervision of the Board of Directors and, in particular, for:
 - a) Proposing to the Board of Directors short- and long-term strategic objectives, action programmes to develop the businesses and the budget for the resources needed to meet them, while also submitting the proposed distribution of income to the Board.
 - b) Performing the duties of the day-to-day running and the effective management of the businesses in accordance with the strategic objectives, programmes and budgets approved by the Board of Directors and in compliance with the applicable rules.
 - c) Carry out the duties of planning and implementing the Company's management, taking into consideration the recommendations made by global and local business committees and supporting corporate functions at Iberdrola Group level in order to generate and leverage synergies to maximise the joint value of the businesses, and, in particular, drive the innovation and digital transformation strategy.

Article 23. Secretary and Vice-Secretary

1. The Board of Directors, at the proposal of the chairman, will appoint a secretary who may or may not be a director, performing the duties assigned to him or her by law, the governance and sustainability system and, in particular, the following:
 - a) Keep a book on the decisions of the sole shareholder in exercise of the powers of the General Meeting of Shareholders, while also overseeing the conservation and safekeeping of said book. Notwithstanding the foregoing, the Secretary of the Board of Directors shall send the sole shareholder's secretary certification of the minutes regarding the decision taken by the sole shareholder.

In addition, the Secretary shall report to the Board of Directors on the resolutions adopted by the Company as sole shareholder in the exercise of the powers of the General Meeting of Shareholders in the companies in which it has the status of sole shareholder, keeping a record of the certificates of the minutes of the sole shareholder's resolutions.
 - b) Keeping the book of contracts concluded between the sole shareholder and the Company, also ensuring the preservation and safeguarding of said book.



- c) Keep a book of minutes of meetings of the Board and any other body for which he or she holds the post of secretary, duly reflecting the course of the meetings in the same, while also overseeing the conservation and safekeeping of the said books and of the company documentation generated in relation to the workings of these administrative bodies.
 - d) To keep the books referred to in sections a), b) and c) above under the terms and conditions and for the terms required by the Board of Directors and, in any case, as provided by law. Once they resign in their position, they should transfer to the incoming secretary all the corporate documentation they have and keep in custody under the terms and conditions and during the times above.
 - e) Take care of the legal and material formalities related to the actions of the Board of Directors and other governing bodies for which he or she acts as Secretary; and further oversee the regulatory compliance of said actions with the law, and the governance and sustainability system, taking into account for this purpose, among others, any orders issued by regulatory bodies.
 - f) Advise the Board of Directors on the implementation and update of the governance and sustainability system in accordance with the provisions if the by-laws.
 - g) Generally, act as a conduit for Company relations with the members of the Board of Directors as regards the workings of the Board, in accordance with the instructions of its chairman.
 - h) Assist the chairman of the Board of Directors in ensuring that Directors receive important information sufficiently in advance and in an appropriate format to carry out their duties, while also channelling request for information and documentation from directors regarding those matters of which the Board of Directors must have knowledge.
 - i) Exercise the functions envisaged in paragraphs e) and f) above with respect to commissions or committees of the Board of Directors for which he or she acts as secretary.
 - j) Provide the information that must be posted on the Company's corporate website in accordance with the governance and sustainability system.
 - k) Ensure, under the supervision of the Chairman of the Board of Directors, the effective coordination of the Board with internal committees or commissions that carry out consultancy or support functions for the Board that may be set up, particularly with respect to the establishing of the requisite information flows.
2. The secretary must state and record his opposition to agreements contrary to the law, governance and sustainability system or corporate interest.
 3. The Board of Directors may decide, at the proposal of the Chairman, to appoint a Vice-Secretary, who may or may not be a director, and who will replace the Secretary in the event of vacancy, absence, illness or impossibility. In the absence of a Secretary and Vice-Secretary, the Board of Directors shall appoint a Director from among the attendees to the meeting to act as such.
 4. Likewise, the Board of Directors shall appoint a Legal Advisor to the management body of the Company where required in accordance with current legislation. The Secretary, or where appropriate, the Vice-Secretary, may act as Legal Advisor if he or she is a practising lawyer and fulfils all the other requirements laid down by current legislation, and it is thus decided by the Board of Directors.
 5. The Chairman, the Vice-Chairman and, where applicable, the Secretary and Vice-Secretary of the Board of Directors, who are re-elected as members of the Board of Directors by a decision of the sole shareholder in the exercise of the powers of the General Shareholders' Meeting, shall continue to hold the offices they performed previously on the Board of Directors without a new election being necessary, and notwithstanding the power to revoke which belongs to the Board of Directors with regard to said positions.

Article 24. Meetings of the Board of Directors

1. The Board of Directors shall meet as often as deemed necessary by the Chairman of the Board and, at least, once a quarter. The schedule of ordinary meetings will be set by the Board of Directors before the beginning of each financial year and may be amended through a decision by the Board itself or by its Chairman.
2. Overall, the meetings shall be held in person at the location indicated in the notice of meeting.
3. When, as an exception, the Chairman of the Board of Directors so decides, the meeting called may be held at several connected sites or electronically, through the use of remote communication systems that allow the recognition and identification of the attendees, permanent communication between them and discussion and the casting of votes, all in real time. The meeting is understood to have been held at the registered office and, where appropriate, the procedures will be adopted to ensure that the connections are made with full guarantee of the identity of the intervening parties, the duty of secrecy and the protection of social interest in preserving access to the information that is transmitted and generated within the meeting and in the discussions that take place therein, as well as the decisions and agreements that are adopted, and the directors must comply with the security and privacy protocols established by the Company. The directors in attendance at any of such interconnected places shall be deemed to have attended the same single meeting of the Board of Directors for all purposes.
4. Notice of a meeting of the Board of Directors shall be made via e-mail or any other means that provides verification of receipt and shall be authorised by the signature of the Chairman, or the Secretary or Vice-Secretary, by order of the Chairman. A notice of meeting shall be given as far in advance as is necessary for the Directors to receive it and not later than the third day before the date of the meeting, except in the case of emergency meetings. The notice shall always include the Agenda of the meeting, except for just cause, and shall be accompanied, as appropriate, by the information judged necessary.

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5. The meeting notice and the information considered necessary, as well as any other communication, shall be sent or made available to the Board members using the new technologies and, in particular, on the board member website as a key tool for effectively carrying out the duties of the Board. Using the same procedure, Board of Directors' meetings can be cancelled, suspended or their date, agenda or venue modified. Failing this, notification will be sent to the email address that the member supplied to the Company on accepting his or her position, duly notifying the Company of any change with respect to the same, without prejudice to the mandatory restrictions regarding the use by Board members of the systems, applications and IT and telematic elements made available to them by the Company.
 6. Notwithstanding the foregoing, the Board of Directors shall be understood to be properly constituted without need for prior notice if, all members being present in person or dully represented, agree unanimously to hold a meeting as universal and accept the items on the agenda.
 7. Exceptionally, the Chairman of the Board of Directors, in view of the concurrent circumstances in each case, may authorize attendance at the meeting of one or more directors through the use of remote connection systems that allow their recognition and identification, permanent communication with the venue of the meeting and their intervention and casting of votes, all in real time, adopting, where appropriate, the procedures referred to in paragraph 3 above. It will be considered for all purposes that directors remotely connected are attending the Board of Directors' meeting.
 8. The chairman may invite to Board of Directors' meetings all those who can contribute to improving the information held by members avoiding their presence when it comes to the decision-making part of the meeting. Whenever deemed convenient, the chairman may authorise their remote attendance, based on what is indicated in paragraph 5 above. The secretary shall record the entrances and exits of guests at each meeting.

Article 25. Constitution and majority for adopting resolutions

1. The Board of Directors shall be properly constituted when the majority of the Directors are in attendance, whether in person or by proxy.
2. All Directors may cast their vote and confer a proxy to another Director. Any proxies shall be conferred individually for each separate meeting of the Board of Directors. Proxy notices may be given by any means allowing for the receipt thereof.
3. Resolutions shall be adopted by the majority vote of those present and represented at the meeting, unless the Law or the Corporate governance systems provides other types of majority. In the event of a tie, the Chairman shall have the tie-breaking vote.
4. If no member opposes it, votes of the Board may be cast in writing and without holding a meeting. In such a case, the directors may send their votes and the opinions to be included in the minutes to the Secretary of the Board of Directors, or to his substitute, by any means that allow the reception thereof, notwithstanding security and privacy protocols set by the Company. The resolutions adopted by this procedure shall be put on record in the minutes in compliance with the law.

Article 26. Formalisation of resolutions

The deliberations and resolutions of the Board of Directors shall be included in the minutes, and such minutes shall be signed by the Chairman and the Secretary or by the person(s) acting in their position.

In the latter case, any part of the minutes may be approved at the end of the corresponding meeting, provided that the text to which it refers has been made available to the directors prior to the Board meeting or has been read before the meeting is adjourned.

Article 27. Board of Directors Committees

1. The Board of Directors may also set up other committees or internal commissions with consultative or advisory functions or for compiling reports or drafting proposals, as determined by the Board of Directors itself.
2. The committees shall be governed on a supplementary basis, as far as they are not inconsistent with their nature, by the provisions set in these *By-Laws* relating to the operation and adoption of resolutions by the Board of Directors.

Any Company director, manager or professional may be required to attend committee meetings at the request of their respective chairman, who may also authorize the attendance of guests who can provide its members with better information for the exercise of their functions.

Article 28. Internal Audit Division

1. The Company may have an Internal Audit Division, established as an independent internal area, the main activity main activity of which consists in ensuring the effectiveness of the Group governance processes, risk management and internal controls proactively and independently.
2. The Internal Audit Division shall perform its duties with full autonomy, without prejudice to the establishment of an appropriate framework of reporting and collaboration on the performance of its functions with Iberdrola Internacional Internal Audit Division.

Article 29. Compliance Division

1. The Company shall have a Compliance Division, established as an independent internal area, with powers to manage the risk of regulatory and ethical breaches or breaches of the Governance and Sustainability System itself in addition to the prevention and correction of illegal or fraudulent conduct, identifying procedures that might be most effective in promoting the highest ethical standards, and the head of which shall be appointed by the Board of Directors.
2. The Compliance Division shall perform its duties with full autonomy, without prejudice to the establishment of an appropriate framework of reporting and collaboration on the performance of its functions with Iberdrola Internacional Compliance Unit.

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Article 30. Risk Division

1. The Company will have a Risk Division, which will operate as an internal, independent area, with powers to identify, measure, monitor and manage the risks of the Company and its subsidiaries' activities.
2. The Risk Division will perform its duties with total independence, notwithstanding the establishment of a suitable framework of collaboration and information exchange on the development of its functions with the Risk Division of Iberdrola Energía Internacional.

Section four. Legal status of administrators

Article 31. General duties of the directors

1. Directors must discharge and observe the duties of their office and those established by law and the governance and sustainability system with the diligence of a prudent business executive in keeping with the nature of the office and duties attributed to each one.

The directors must also carry out their office with the loyalty of a faithful representative, acting in good faith and to protect the corporate interest, in any case giving priority to the interest of the Company over their own interests.

2. In particular, they shall undertake to:
 - a) Properly prepare the meetings of the Board and, if applicable, the meetings of the Executive Committee or of the Committees of which the director is a member, for which purposes the Director must diligently obtain all relevant information regarding the running of the Company and the matters to be discussed at such meetings.
 - b) Attend meetings of the Board and of the Committees of which he is a member, and actively take part in deliberations so that his judgement effectively contributes to decision-making. If, on justified grounds, he is unable to attend a session to which he has been called, he must give instructions to the Director who is to represent him.
 - c) Perform any specific task commended to him by the Board, the Chairman or Chief Executive Officer (if such office is in existence), provided that such task reasonably falls within the scope of the Director's area of specialisation.
 - d) Inquire into and give notice to the Board of any irregularities in the management of the Company of which the Director may have had notice, and monitor any situation of risk.
 - e) Propose that an extraordinary Board meeting be called or further items be added to the agenda of the following meeting to be held so that such matters as the Director deems appropriate may be discussed.
 - f) Oppose to agreements that are against the law, the *By-Laws*, the governance and sustainability system or its interests, and demand that his dissent be noted in the minutes, and seek the invalidation of any such resolution.
3. The Secretary, even if not holding the position of Member, and, if applicable, and the Vice-Secretary of the Board shall be bound by those duties binding Directors that, by their very nature, apply likewise to the Secretary/Vice-Secretary.

Article 32. Director's duty of confidentiality

1. A Director shall keep the deliberations of the Board of Directors and of any Committee of which they are a member in confidence, and, in general, shall abstain from disclosing any information, data, report or background particulars to which they may gain access in the exercise of their office, and from using any such information for their own or any third party's benefit, subject to such duties of transparency and disclosure as applicable law may impose. Directors must also always observe the restrictions in place regarding the use of the systems, applications and IT and telematic elements made available to them by the Company.
2. A director's duty of confidentiality shall remain even after his/her departure from office, except where permitted or required by law.
3. The aforementioned obligation of confidentiality shall not prevent the normal flows of information between the Company and Iberdrola Internacional to facilitate the strategic coordination functions of the same with respect to its field of activity without prejudice to the obligations arising from specific applicable regulations and, in particular, the protection of commercially sensitive information, always within legal bounds and without undermining the independence of the Company and its subsidiaries.
4. The directors that resign in their position must return all the corporate documentation they may have had access to in the exercise of their position, including information stored in any kind of means or device, whether corporate or personal, and must expressly confirm, at the request of the Company, that they have complied with this obligation.

Article 33. Duty not to compete

1. A Director shall not be a Director or executive of, nor provide services to another company having a corporate purpose wholly or partly similar to that of the Company or operating as a competitor of the Company. The foregoing shall not apply to functions and offices held (i) at Group companies, (ii) at companies where the director acts in representation of the Group's interests, (iii) at investees of any Group company where the director does not act in representation of the Group's interests, unless the Board of Directors takes the view that corporate interests would be put at risk, and (iv) in other circumstances in which the sole shareholder, in exercising the powers of the General Shareholders Meeting, when thus required by law, or the Board of Directors in all other cases, releases him from the above restriction on the view that corporate interests are not thus put at risk or damage to the Company is unlikely, or it is expected that said director will be compensated by the benefits expected to be obtained from doing so.

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2. Non-executive directors whose term expires or who for any other reason cease to hold office may not be a Director or executive of, nor provide services to another entity having a corporate purpose wholly or partly similar to that of the Company or operating as a competitor of the Company for a period of two (2) years, unless such entity is a member of the Group. The no-competition obligation on executive directors is that specified in their respective contracts. The Board of Directors may, if deemed fit, release an outgoing Director from this obligation or shorten its term of effect.

Article 34. Conflicts of interest

1. Directors must adopt the necessary measures to prevent creating conflicts of interest as contemplated by law.
2. It will be deemed there is conflict of interest in those situations provided by law and, in particular, when the interests of the director, whether on their own behalf or on behalf of others, collide, directly or indirectly, with the interests of the Company or the Companies within the Group and their duties towards the Company.
3. It will be deemed there is conflict for directors when the matter affects them or a person linked to them directly.
4. Without prejudice to the provisions of paragraph 1 above, conflict of interest situations will be governed by the following rules:
 - a) **Communication:** when the director becomes aware of being involved in a conflict of interest, the director must report it in writing to the Board of Directors through its secretary as soon as possible.

This communication must contain a description of the situation that has given rise to the conflict of interest, indicating whether it is a direct one or an indirect one through a related person, in which case the latter party must be identified.

The description of the situation must specify, as appropriate, the purpose and the main terms and conditions of the transaction or the projected decision, including the amount involved or an approximate financial estimate.

Any doubt as to whether or not a director could be in a conflict of interest situation must be reported to the secretary of the Board of Directors. In such a case, the director must refrain from taking any action until the doubt is resolved.
 - b) **Abstention:** if the conflict of interest situation arises from some transaction or circumstance that requires some type of operation, report, decision or acceptance, the director must abstain or refrain from taking any action until the Board of Directors studies the case, adopts a decision and informs the director of the same, without prejudice to the exceptions provided by law.

In this regard, the director must leave the meeting during deliberation and voting on those matters in which the director is involved in a conflict of interest, and that director will not be counted in the number of members in attendance with respect to the calculation of the quorum and the majorities needed to adopt agreements.
 - c) The secretary will remind the directors at all Board of Directors and board committees' meetings of the reporting and abstention rule set forth in this article before proceeding with the meeting agenda.

Transparency: whenever so required by law, the Company must report on any conflict of interest situation directors may find themselves in during the financial year and that this has been put on record via communication by the party involved or by some other means.
5. The secretary to the Board of Directors will draw up a record of the conflicts of interest reported by directors. This record must be constantly updated. The information contained in this record will be sufficiently detailed to make it possible to understand the scope of each conflict of interest situation.

Article 35. Use of company assets

1. A director may not use the Company's assets or profit from the director's position in the Company in order to obtain any financial benefit, unless arm's length consideration has been paid and it is a standardised service.
2. As an exception, a Director may be released from the obligation to give consideration, but in that event the economic advantage shall be treated as remuneration in kind and must be authorised by the Board of Directors.

Article 36. Non-public information

A Director may use the Company's non-public information for private purposes only if the following conditions are met:

- a) That such information is not applied with respect to transactions for the purchase or sale of securities or financial instruments of the issuer to which the information directly or indirectly refers.
- b) The Director does not thus gain an advantage with respect to third parties, including suppliers and customers.
- c) The use of the information causes no detriment to the Company.
- d) That the Company does not own proprietary rights in, or have a similar legal position with respect to, the information that the director wishes to use.

Article 37. Business Opportunities

1. A Director may not, for their own or any related party's benefit, exploit any of the Company's business opportunities, unless such investment or transaction was previously offered to the Company and the Company declined to exploit it for reasons uninfluenced by the Director, and the Director's making use of the transaction is authorised by the Board of Directors.

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2. For the purposes of the foregoing paragraph, a “business opportunity” means any possibility of making an investment or entering into a business transaction that arises or is discovered in connection with the Director’s performance of their office or by the use of the Company’s resources and information or under such circumstances as make it reasonable to assume that the third party’s offer was in fact aimed at the Company.
3. Likewise, a Director shall abstain from using the Company’s name or relying on his status as a Director of the Company for the purpose of entering into transactions on his own or any related party’s behalf.

Article 38. Related Transactions

1. “Related-Party Transactions” shall be those transactions carried out by the Company or its subsidiaries with their directors and with Members of Senior Management or with their respective Related Parties, as well as transactions carried out by the Company with other companies of the Iberdrola group subject to a conflict of interest.
2. For purposes of these By-Laws, the following shall be deemed to be “Connected Persons” of the directors and of Members of Senior Management:
 - a) The spouse of a director and of Members of Senior Management or persons connected thereto by a like relationship of affection.
 - b) The ascendants, descendants and siblings of the director and of Members of Senior Management or the spouse thereof.
 - c) The spouses of the ascendants, descendants and siblings of the director and of Members of Senior Management.
 - d) Companies or entities in which the director or the Members of Senior Management directly or indirectly hold, including through an intermediary, an interest that gives them significant influence, or companies or entities, or the controlling company thereof, in which they hold a position on the management body or within the senior management thereof. For these purposes, it is assumed that any interest equal to or greater than 10% of the share capital or voting rights or based on which it has been possible to obtain representation on the company’s management body, in fact or by law, provides a significant influence.
 - e) The shareholders represented by the director on the Board of Directors.
3. By way of exception to the provisions of section 1, the following shall not be deemed to be a Related-Party Transaction: (i) transactions entered into by the Company with its sole shareholder or with its wholly-owned subsidiaries; (ii) transactions carried out by the Company with its subsidiaries or investees unless any of its directors or Members of Senior Management or their respective Related Parties is in turn a significant shareholder in the subsidiary or investee; (iii) transactions carried out on standard terms for customers and that are not significant, understood as those whose reporting is not necessary to give a true and fair view of the assets and liabilities, financial position and results of the Company; and (iv) the approval by the Board of the terms and conditions of the contract to be entered into between the Company and any director who is to perform executive duties, including the chief executive officer and the Members of Senior Management, and the determination by the Board of the specific amounts or remuneration to be paid under such contracts.
4. Related-Party Transactions must be approved by [the sole shareholder, in the exercise of the powers of shareholders acting at a General Shareholders’ Meeting, in the instances provided by law, and particularly if they relate to a transaction having a value of more than ten per cent of the corporate assets.
5. In other situations in which the law does not require the approval of the sole shareholder in the exercise of the powers of shareholders acting at a General Shareholders’ Meeting, the execution of Related-Party Transactions shall be subject to the approval of the Board of Directors.
6. The Board of Directors shall ensure that Related-Party Transactions are fair and reasonable from the viewpoint of the Company.
7. Without prejudice to the provisions of section 4 above, the Board of Directors may delegate the approval of Related-Party Transactions entered into by the Company when so allowed by law, and particularly those of the Company with other companies controlled thereby belonging to the Group and subject to a conflict of interest, provided that they are transactions entered into in the ordinary course of business, which shall include those resulting from the execution of a master agreement or contract and concluded on arm’s length terms.

The Board of Directors must establish a regular internal reporting and control procedure in relation to the delegated Related-Party Transactions to which this section refers in order to verify the fairness and transparency of such transactions and compliance with any legal criteria applicable to the foregoing exceptions.
8. The execution of a Related-Party Transaction puts the director engaging in said transaction or who is connected to the person engaging in the transaction in a conflict of interest, for which reason, to the extent applicable, the provisions of Article 33 above shall apply.
9. The directors must give written notice to the secretary of the Board of Directors, on an annual basis, within the first quarter of each year, regarding the Related-Party Transactions in which they or persons connected to the Company relating thereto have engaged during the immediately preceding period. The Members of Senior Management must do so through the Compliance Division, which must forward the information received to the secretary of the Board of Directors.

Without prejudice to the foregoing, directors must immediately inform the Board of Directors in writing of any Related-Party Transaction relating to them or to their Related Parties that must be approved by the Board of Directors or by the sole shareholder pursuant to the provisions of these Articles or the provisions of law.

The notice of Related-Party Transactions must include the following information: (i) object and nature of the transaction; (ii) date on which it originated; (iii) main terms and conditions, including the value or the amount of the consideration and the terms and conditions of and periods for payment; (iv) identity of the persons who participate in the transaction and the relationship, if any, with the director; and (v) other

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aspects, such as pricing policies, guarantees, and any other feature of the transaction that allows for a proper assessment thereof, particularly including such information as allows for verification that it is fair and reasonable from the viewpoint of the Company and of shareholders who are not related parties.

10. Every year the Board of Directors will inform the sole shareholder about related party transactions through the person of its secretary.
11. The Board of Directors shall approve the standards that must be met for transactions carried out between the Company and its subsidiaries and all other companies within the Group, to protect the corporate interest.

Article 39. Director's duty of information

1. A Director shall disclose, through the Secretary, to the Company any proprietary interest they may have in the capital of any company having the same, a similar or a complementary type of business to that constituting the corporate purpose of the Company, any position or function they may perform at such company, and their pursuit on their own or another's behalf of any manner of activity that is complementary to that constituting the corporate purpose of the Company. These disclosures shall be set out in the notes to the financial statements in accordance with statutory requirements.
2. A Director shall also disclose to the Company:
 - a) All positions the Director holds in, and services the Director provides to other companies or entities, with the exception of those within the Group, as well as all other professional duties they may have. In particular, the Director shall inform the Board of Directors prior to accepting any directorship or managerial office at another company or entity (except for the positions the Director is called upon to hold at companies belonging to the Group or at other companies in which they represent the interests of the Group).
 - b) Any material change in his professional situation that might impinge on the character or status by virtue of which he was appointed a Director.
 - c) Any judicial, administrative or other proceedings instituted against the director which, because of their significance or characteristics, may seriously reflect upon the reputation of the Company. In particular, every director must inform the Company, through its chair, in the event that the director is subject to an investigation or if an order for further prosecution or an order for commencement of an oral criminal trial is issued against the director for the commission of any of the crimes set out in Section 213 of the restated text of the Companies Act. In this case, the Board of Directors shall review this circumstance as soon as practicable and shall adopt the decisions it deems appropriate taking into account the interests of the Company.
 - d) In general, any circumstance or situation that may be relevant to his performance as a Director of the Company.

Article 40. Term of office, Resignation and Cessation of Office

1. Directors shall hold office for a term of four (4) years, as long as the sole shareholder, in the exercise of the powers of the General Shareholders' Meeting, does not decide to remove or dismiss them and they do not resign from office. In particular, Directors must leave their position and formally resign if they are in any of the situations of conflict of interests or disqualification from performance of the office of Director envisaged by law.
2. Directors may be re-elected one or more times for subsequent periods of four (4) years.

Article 41. Director's remuneration

1. The sole shareholder, in exercise of the powers of the General Shareholders Meeting, shall establish fixed pay for some or all of the Directors for their office, this is, for belonging to the Board of Director and, if applicable, in accordance with the committees to which they belong, their circumstances, their type of director position and the duties performed or offices held. The premiums corresponding to any liability insurance and life assurance that the Company takes out for the benefit of the directors shall form a part of this fixed remuneration.
2. Likewise, and also in accordance with their circumstances, all or some of the Directors shall be entitled to receive remuneration as an attendance allowance for Board meetings or (where appropriate) Committee meetings.
3. The said sums set by the sole shareholder in the exercise of the powers of the General Shareholders' Meeting shall remain in force for as long as they are not superseded by a new decision by the sole shareholder.
4. Executive directors shall only be remunerated for executive duties, in accordance with the provisions of section 5 of this article.
5. The remuneration of the directors who perform executive functions and in relation to said functions shall be set by the Board of Directors in the terms provided by law, within the limit established by the sole shareholder in the exercise of the powers of the General Meeting of Shareholders, which shall remain in force as long as the sole shareholder does not approve its modification. Said compensation will include a fixed allowance, a variable remuneration that will depend on the fulfilment of pre-established targets by the Board of Directors, compensation for termination and the savings or retirement schemes that the Board of Directors considers appropriate.
6. All rights and duties arising from membership on the Board of Directors shall be compatible with all other rights, duties and compensations to which the Director may be entitled by reason of other employment or professional relationships, if any, that such Director may have with the Company.
7. The Company may subscribe liability and legal defence insurance for the directors for the exercise of their duties, as well as, where appropriate, life insurance for them.

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 that this translation is intended to reflect, the text of the original Spanish-language document shall prevail.



Article 42. Powers of information and inspection

1. A director shall have the broadest powers to obtain information regarding any aspect of the Company, to examine its books, records, documents and other background information on corporate transactions, to inspect all of its facilities and to communicate with the members of senior management of the Company, notwithstanding limitations set in the applicable regulations.
2. The exercise of the aforementioned powers shall first be channelled through the Secretary of the Board of Directors, acting on behalf of the Chairman.

Article 43. Expert advice

1. For the purpose of procuring assistance for the exercise of his duties, any Director may request the engagement, at the Company's expense, of legal, accounting, technical, business or financial advisers or other experts.
Such engagement must relate to specific issues having appreciable importance and complexity and emerging in the course of the Director's performance of his office.
2. The request for an expert to be hired must be channelled through the Chairman or the Secretary of the Board of Directors, who may subject it to the prior approval of the Board of Directors; such approval may be denied in well-founded instances, including the following circumstances:
 - a) That it is not necessary for the proper performance of the duties entrusted to the Directors.
 - b) That the cost thereof is not reasonable in light of the significance of the issues and the assets and income of the Company.
 - c) That the technical assistance sought may be adequately provided by the Company's own experts and technical personnel.
 - d) That it may entail a risk to the confidentiality of the information that must be made available to the expert.

TITLE IV. FINANCIAL YEAR AND FINANCIAL AND NON-FINANCIAL INFORMATION

Chapter I. Financial year

Article 44. Financial year

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

Chapter II. Financial information

Article 45. Preparation

1. The Annual Financial Statements and the Management Report shall be drawn up in accordance with the structure, principles and instructions provided by current law.
2. Within the first three months of the year, the Board of Directors shall prepare the annual accounts, the management report, and the proposed allocation of profits or losses in accordance with the applicable laws and the governance and sustainability system.
3. The annual accounts and the management report must be signed by all Directors. Any documents from which one of their signatures is missing shall state this fact, along with an express indication of the reason.

Article 46. Verification

1. The Financial Statements and Management Report must be reviewed by Account Auditors.
2. The auditors shall be appointed by the sole shareholder in the exercise of the powers of the General Shareholders' Meeting before the end of the year to be audited, for an initial specified period no shorter than three years and no longer than nine, to be counted from the first day of the first year to be audited, and may be re-elected by the sole shareholder in the exercise of the powers of the General Shareholders' Meeting after the end of the initial period on the terms provided for by law.
3. The auditors shall draw up a detailed report on the results of their activity, in accordance with the legislation on auditing of accounts.

Article 47. Approval.

The Company's financial statements shall be submitted to the sole shareholder for approval, in the exercise of the powers of the General Shareholders Meeting, and the sole shareholder shall likewise decide upon the distribution of profits for the year in accordance with the approved balance sheet.

Article 48. Distribution of profit

1. Once the allocations required by law or these *By-laws* have been covered, dividends against the year's earnings or unrestricted reserves may be distributed only if the book value of net equity is not, or would not become as a result of the distribution, less than share capital.
2. Should the sole shareholder, in the exercise of the powers of the General Shareholders Meeting, decide to distribute dividends, the sole shareholder shall determine the timing and the method of payment. The determination of these matters and of any others that may be necessary or appropriate for the decision to be effective may be delegated to the management body.
3. The sole shareholder may resolve that the dividend be paid wholly or partly in kind.

Chapter III. Non-Financial information

Article 49. Preparation and verification

1. The Board of Directors will draw up the non-financial report, in a timely manner and in accordance with the provisions of current legislation and the Governance and Sustainability System, offering a clear and reliable picture of the performance of the Company and its subsidiaries in the social, environmental and sustainability spheres, as well as the social dividend generated and shared with its Stakeholders.
2. The non-financial report shall be reviewed by an external auditor, appointed by the Board of Directors, at the proposal of the Audit and Compliance Committee.
3. Said external auditor must comply with the professional and independence requirements specified by current legislation and those established in the Governance and Sustainability System.
4. The Company may not draw up the non-financial report, when it and its subsidiaries are included in the consolidated non-financial report prepared by its sole shareholder.

Article 50. Approval

1. In case the non-financial report of the Company is drawn up, it will be submitted to the approval of the sole shareholder.
2. When according to article 47.4 the Company decides not to draw up the non-financial report, the non-financial information of the Company and its subsidiaries to be included in the consolidated non-financial information report shall be approved by the Board of Directors and acknowledged by the sole shareholder.

TITLE V. DISSOLUTION AND LIQUIDATION

Article 51. Dissolution

The Company shall be dissolved when any of the causes established by law concur, which must be verified and assessed in accordance with the provisions of the Governance and Sustainability System, which will complement what is expressed in this paragraph by the current legislation.

Article 52. Liquidation of the Company

1. During the liquidation period and until its termination, the Company will be governed by the applicable legal provisions and the Governance and Sustainability System.
2. From the moment on which the Company is declared in liquidation, the Board of Directors shall cease its activities, with the Directors becoming liquidators of the Company. They shall constitute a collegial body whose number shall necessarily be odd. To this end, if necessary, the shortest-serving Director shall resign their office.
3. During the liquidation period, the sole shareholder shall be informed of the progress of the liquidation procedure so that, in the exercise of the powers of the General Shareholders' Meeting, it may adopt such decisions as are deemed fit.
4. The corporate decision-making bodies, within the scope of their respective powers, shall adopt such resolutions and make such decisions as are appropriate to finalise the liquidation, seeking the common interest of the shareholders, observing and complying with the *Purpose and Values of the Iberdrola group* and its *Code of Ethics*, as well as the legitimate rights of all of its Stakeholders.

