



**IBERDROLA
ESPAÑA**

BOARD OF DIRECTORS

OPERATION



Powers



Independent
directors



Audit and
Compliance
Committee



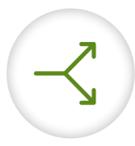
Duties



Corporate
interest



Relations with
third parties



Separation of
activities



POWERS

Article 20 of the [By-laws](#), as set out in the [Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation](#), confers on the Board of Directors the broadest powers to manage and represent the Company. It coordinates and oversees the dissemination, implementation and monitoring of the Group's policies, strategies and general guidelines in the parent companies of the energy businesses in Spain and in the other companies partly owned directly or indirectly by the Company.



INDEPENDENT DIRECTORS

In accordance with article 23 of the Company's [By-laws](#), independent directors are appointed for their personal and professional merit, and may perform their duties without being constrained by their relations with the Company, with any other companies within the Iberdrola Group, or with the directors, significant shareholders, or managers thereof. They are appointed at the proposal of, or subject to a preliminary report by the Appointments Committee of Iberdrola, S.A.



AUDIT AND COMPLIANCE COMMITTEE

The Board of Directors has a permanent advisory committee made up of three directors, two of them independent. Among other functions, it oversees the Company's Internal Audit area and the process for preparing and reporting the financial information; ensures the independence of the Company's auditors; approves the annual activities plan of the Compliance Division; and issues a prior opinion on the reports drafted on the separation of regulated activities.



DUTIES

The directors are subject to the general obligations and legal, statutory and ethical duties established in the Company's Corporate Governance System.



CORPORATE INTEREST

The Board of Directors discharges its duties and exercises its powers with unity of purpose, independence of judgment and loyalty to the corporate interest, defined as the interest of the Company, aimed at the sustainable exploitation of the corporate purpose and the creation of value over the long term for the benefit of the Group and its shareholders, considering other stakeholders related with the business activities of the Company and its institutional reality, and, in particular, the legitimate interests of the different communities and territories in which the Company and its employees are engaged.



RELATIONS WITH THIRD PARTIES

The Board of Directors ensures that the Company abides by laws and regulations in its dealings with stakeholders, fulfills its obligations and contracts in good faith, respects the customs and good practices of the sectors and territories where it does business, and upholds any additional social responsibility principles it has subscribed to voluntarily.



SEPARATION OF ACTIVITIES

The Company's Board of Directors is responsible for ensuring compliance with the regulations on the [separation of regulated activities](#) in Spain, notwithstanding the autonomy of decision of each company and the requirements imposed on their directors by law and those from the Corporate Governance System, in the interest of all the companies making up the Group.