

B. STRUCTURE OF THE COMPANY'S MANAGEMENT

B.1. Board of Directors

B.1.1. State the maximum and minimum number of Directors set forth in the By-Laws:

Maximum number of directors	15
Minimum number of directors	8

B.1.2. Complete the following table identifying the members of the Board of Directors:

Individual or corporate name of director	Representative	Position	Date of first appointment	Date of last appointment	Election procedure
MR. JOSÉ IGNACIO SÁNCHEZ GALÁN		CHAIRMAN	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. XABIER VITERI SOLAUN		CEO	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MS. MARÍA HELENA ANTOLÍN RAYBAUD		DIRECTOR	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. ALBERTO CORTINA KOPLOWITZ		DIRECTOR	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. LUIS CHICHARRO ORTEGA		DIRECTOR	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. CARLOS EGEA KRAUEL		DIRECTOR	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. JULIO FERMOSE GARCÍA		DIRECTOR	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. MARCOS FERNÁNDEZ FERMOSELLE		DIRECTOR	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. JUAN PEDRO HERNÁNDEZ MOLTÓ		DIRECTOR	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. SANTIAGO MARTÍNEZ LAGE		DIRECTOR	11/5/2007	5/11/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. MANUEL MOREU MUNAIZ		DIRECTOR	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. JOSÉ LUIS SAN PEDRO GUERENABARRENA		DIRECTOR	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. JAVIER SÁNCHEZ-RAMADE MORENO		DIRECTOR	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. JOSÉ SAINZ ARMADA		DIRECTOR	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING
MR. ÁLVARO VIDEGAIN MURO		DIRECTOR	11/5/2007	11/5/2007	VOTE AT GENERAL SHAREHOLDERS' MEETING

Total Number of Directors	15
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Indicate vacancies on the Board of Directors during the period:

B.1.3. Complete the following table about the members of the Board and each member's status:

EXECUTIVE DIRECTORS

Name	Committee that has proposed the director's appointment	Position within the Company's structure
MR. XABIER VITERI SOLAUN	NOMINATING AND COMPENSATION COMMITTEE	CEO

Total number of executive directors	1
Total % of Board members	6.67%

EXTERNAL PROPRIETARY DIRECTORS

Name	Committee that has proposed him/her	Individual or corporate name of the significant shareholder represented by the director or that has proposed the director's appointment
MR. JOSÉ IGNACIO SÁNCHEZ GALÁN	NOMINATING AND COMPENSATION COMMITTEE	IBERDROLA, S.A.
MR. ALBERTO CORTINA KOPLOWITZ	NOMINATING AND COMPENSATION COMMITTEE	IBERDROLA, S.A.
MR. CARLOS EGEA KRAUEL	NOMINATING AND COMPENSATION COMMITTEE	IBERDROLA, S.A.
MR. JULIO FERMOSE GARCÍA	NOMINATING AND COMPENSATION COMMITTEE	IBERDROLA, S.A.
MR. MARCOS FERNÁNDEZ FERMOSELLE	NOMINATING AND COMPENSATION COMMITTEE	IBERDROLA, S.A.
MR. JUAN PEDRO HERNÁNDEZ MOLTÓ	NOMINATING AND COMPENSATION COMMITTEE	IBERDROLA, S.A.
MR. JOSÉ LUIS SAN-PEDRO GUERENABARRENA	NOMINATING AND COMPENSATION COMMITTEE	IBERDROLA, S.A.
MR. JAVIER SÁNCHEZ- RAMADE MORENO	NOMINATING AND COMPENSATION COMMITTEE	IBERDROLA, S.A.
MR. JOSÉ SAINZ ARMADA	NOMINATING AND COMPENSATION COMMITTEE	IBERDROLA, S.A.

Total number of proprietary directors	9
Total % of Board members	60%

EXTERNAL INDEPENDENT DIRECTORS

Individual or corporate name of director	Profile
MS. MARÍA HELENA ANTOLÍN RAYBAUD	<p>Born in Toulon, 1966.</p> <p>Spanish citizen. Degree in International Business & Business Administration from Eckerd College, St. Petersburg, Florida (United States) and MBA from Anglia University, Cambridge (United Kingdom) and from Escuela Politécnica de Valencia (Spain).</p> <p>She has held various positions within the Antolín Group, such as Total Quality manager (Antolín-Autoform Group, Germany), Organization and Methodology manager (Antolín-Loire Group, France) and Communications manager (Antolín-Irausa Group, Spain), as well as Deputy Manager (Pianfei Group, Italy). She has also served as Managing Director of the Antolín-IPV Group (Valencia), and as Manager of Human Resources Development (Antolín-Irausa Group, Burgos, Spain).</p> <p>Currently serving as Member of the Board of Directors of the Antolín-Irausa Group, S.A., and as Director of Operations of VW & Porsche Group Account and Corporate Director of Strategy.</p>

Individual or corporate name of director	Profile
MR. LUIS CHICHARRO ORTEGA	<p>Born in Madrid, 1954.</p> <p>Spanish citizen. Degrees in Economics from Universidad Pontifica de Comillas (ICADE) and Law from Universidad de Deusto.</p> <p>Began professional career as assistant manager of Banca López Quesada. Vice-chairman at J.P. Morgan from 1979 to 1989, going on to become, from 1989 to 1993, general manager of Swiss Bank Corporation España, S.A. and Chief Executive Officer of SBS Sociedad de valores, SVB, S.A. Subsequently, held the post of Director of Omnilogic Telecomunicaciones, S.A and Chief Executive Officer of S.A. Sanpere and of Sistelcom. Vice-Chairman and Chief Executive Officer of Swiss Bank Corporation Ibersuizas, S.A. between 1994 and 1996. He was the individual representative of Ibersuizas Alfa, S.L., serving as director of Fomento de Construcciones y Contratas-FCC, from 2005 to January 31, 2008, and of Cementos Portland Valderribas from 2005 to May 28, 2008.</p> <p>One of the founding members of Inversiones Ibersuizas, S.A., where he held the position of Executive Vice-Chairman from 1996 until April 2008. Currently, Chairman of Estelar Advisers.</p>
MR. SANTIAGO MARTÍNEZ LAGE	<p>Born in Betanzos, 1946.</p> <p>Spanish citizen. Degree in Law from Universidad de Madrid, academic excellence award received at graduation from the Montalbán and Blasco Ramírez Foundations. Continued his studies at Escuela de Funcionarios Internacionales de Madrid, Escuela Diplomática, Academia de Derecho Internacional de La Haya, "Europa Instituut" - Amsterdam and INSEAD - Fontainebleau.</p> <p>He is a member of the Diplomatic Corps (Embassy Counselor), currently on leave.</p> <p>As an attorney and business consultant, he founded the law firm Martínez Lage & Asociados in 1985 and specialized in European Union and Antitrust Law. That firm merged with the U.S. law firm Howrey LLP, and he is currently Managing Partner of Howrey Martínez Lage S.L.</p> <p>He is Secretary of the Board of Directors of SKF Española and of Fujitsu Services, and has held such post in the past for other companies such as Telettra España and Empresa Nacional Elcano of the Merchant Marine.</p> <p>He is a member of the Board of Directors of the Círculo de Empresarios.</p>
MR. MANUEL MOREU MUNAIZ	<p>Born in Pontevedra, 1953.</p> <p>Spanish citizen. Doctor in Naval Engineering from the Escuela Técnica Superior de Ingeniería Naval - Madrid and Master of Science in Ocean Engineering from the Massachusetts Institute of Technology (MIT).</p> <p>He began his professional career in 1978 as Head of the Technical Department of the Classification Association Fidenavis. Subsequently, he went on to become Technical Manager at Seaplace, S.L. where he has developed a number of important projects until the present, combining his duties with work as a professor at the Escuela Técnica Superior de Ingenieros de Madrid and in various graduate courses at the Instituto Superior de la Energía (ISE) and CSIC, on issues related to Offshore Engineering. He is Dean of the College of Naval Oceanic Engineering and a member of the Technical Committee of Germanischer Lloyd.</p> <p>He is currently Chairman of Seaplace, S.L., Tierra Dentro, S.L., HI Ingeniería y Proyectos and Howard Engineering and Development.</p>
MR. ÁLVARO VIDEAIN MURO	<p>Born in Bilbao, 1951.</p> <p>Spanish citizen. Degrees in Economics and Law from Universidad de Deusto.</p> <p>He started working in 1981 at Tubacex, S.A., company in which he held the position of Manager of Exports and, then, Assistant General Manager in charge of the Commercial and Marketing areas. He was appointed Chief Executive Officer of Tubacex, S.A. in 1992.</p> <p>Currently, Chairman and Chief Executive Officer of Tubacex, S.A., Director of SENER S.A., and of IMQ S.A., member of the Advisory Council of Mercapital, S.L. as well as of the Board of Trustees of APD Norte and of the Board of Trustees of Deusto Business School.</p> <p>President of the Círculo de Empresarios Vascos and Vice President of Innovasque.</p>

Total number of independent directors	5
Total % of Board members	33.33%

OTHER EXTERNAL DIRECTORS

Describe the reasons why they cannot be considered proprietary or independent directors as well as their ties, whether with the company or its management or with its shareholders.

Indicate the changes, if any, in the type of director during the period:

B.1.4. Describe, if applicable, the reasons why proprietary directors have been appointed at the proposal of shareholders whose shareholding interest is less than 5% of share capital.

State whether formal petitions for presence on the Board have been received from shareholders whose shareholding interest is equal to or greater than that of others at whose proposal proprietary directors have been appointed. If so, describe the reasons why such petitions have not been satisfied.

YES	NO
	X

B.1.5. State whether any director has withdrawn from his/her position before the expiration of his/her term of office, whether the director has given reasons to the Board and by what means, and in the event that he/she gave reasons in writing to the full Board, describe at least the reasons given by the director:

YES	NO
	X

B.1.6. Indicate the powers delegated to the CEO(s), if any:

Individual or corporate name of director	Brief Description
MR. XABIER VITERI SOLAUN	The Chief Executive Officer has all the powers of the Board of Directors that may be delegated under the laws and By-Laws.

B.1.7. Identify the members of the Board, if any, who are managers or directors of other companies within the listed company's group:

Individual or corporate name of director	Listed company	Position
MR. XABIER VITERI SOLAUN	IBERDROLA RENEWABLES HOLDINGS INC.	CHAIRMAN
MR. XABIER VITERI SOLAUN	IBERDROLA RENEWABLES INC.	DIRECTOR
MR. CARLOS EGEA KRAUEL	ENERGÍAS RENOVABLES DE LA REGIÓN DE MURCIA, S.A.	CHAIRMAN

B.1.8. Identify the directors of your company, if any, who are members of the Board of Directors of other companies listed on official stock exchanges in Spain other than those of your Group, that have been reported to your company:

Individual or corporate name of director	Corporate name of listed company	Position
MR. JOSÉ IGNACIO SÁNCHEZ GALÁN	IBERDROLA, S.A.	CHAIRMAN & CEO
MR. CARLOS EGEA KRAUEL	ENAGÁS, S.A.	DIRECTOR
MR. ÁLVARO VIDEGAIN MURO	TUBACEX, S.A.	CHAIRMAN & CEO

B.1.9. Indicate and, if applicable, explain whether the Company has established rules regarding the number of boards of which its directors may be members:

YES	NO
X	

Description of rules
Article 12.b) of the Regulations of the Board of Directors prohibits the appointment as Directors of persons who act as directors in more than four companies with shares trading on domestic or foreign securities exchanges.

B.1.10. In connection with recommendation number 8 of the Unified Code, indicate the Company's general policies and strategies reserved for approval by the full Board:

The investment and financing policy	YES
The definition of the structure of the group of companies	YES
The corporate governance policy	YES
The corporate social responsibility policy	YES
The strategic or business plan, as well as management objectives and annual budgets	YES
The policy regarding compensation and evaluation of performance of senior management	YES
The risk control and management policy, as well as the periodic monitoring of the internal information and control systems	YES
The dividend policy, as well the treasury stock policy and, especially, the limits thereto	YES

B.1.11. Complete the following tables with respect to the aggregate compensation of directors accrued during the fiscal year:

a) At the Company covered by this report:

Compensation item	Data in thousands of Euros
Fixed compensation	380
Variable compensation	224
Daily fees	619
Token payments	1,380
Share options and/or other financial instruments	0
Other	15
Total:	2,618

Other benefits	Data in thousands of Euros
Advances	0
Loans granted	0
Pension funds and plans: Contributions	0
Pension funds and plans: Obligations incurred	0
Life insurance premiums	3
Guarantees given by the company for the benefit of directors	481

b) On account of membership by the Company's directors on other boards of directors and/or in the senior management of Group companies:

Concepto retributivo	Datos en miles de euros
Retribución fija	0
Retribución variable	0
Dietas	0
Atenciones Estatutarias	0
Opciones sobre acciones y/o otros instrumentos financieros	0
Otros	0
Total:	0

Compensation item	Data in thousands of Euros
Advances	0
Loans granted	0
Pension funds and plans: Contributions	0
Pension funds and plans: Obligations incurred	0
Life insurance premiums	0
Guarantees given by the company for the benefit of directors	0

c) Total compensation by type of director:

Type of director	Per company (thousands of Euros)	Per group (thousands of Euros)
Executive	790	0
External Proprietary	1,071	0
External Independent	757	0
Other External	0	0
Total:	2,618	0

d) As a percentage of the profits attributable to the controlling company:

Total director compensation (in thousands of euros)	2,618
Total director compensation / profits attributable to the controlling company (as a %)	0.7

B.1.12. Identify the members of senior management who are not also executive directors, and state the total compensation accruing to them during the fiscal year:

Name	Position
ANA ISABEL BUITRAGO MONTORO	GENERAL SECRETARY & SECRETARY OF THE BOARD OF DIRECTORS
RALPH CURREY	HEAD OF BUSINESS VS
ÁLVARO DELGADO PIERA	CHIEF CORPORATE RESOURCES OFFICER
RAFAEL DE ICAZA DE LA SOTA	DIRECTOR OF ADMINISTRATION AND CONTROL
JOSÉ ÁNGEL MARRA RODRÍGUEZ	CHIEF FINANCIAL OFFICER
ESTANISLAO REY- BALTAR BOOGEN	DEPUTY TO CHIEF EXECUTIVE OFFICER
VÍCTOR MANUEL RODRÍGUEZ RUIZ	HEAD OF BUSINESS – SPAIN
SONSOLES RUBIO REINOSO	DIRECTOR OF INTERNAL AUDIT
MARÍA DE LOS ÁNGELES SANTAMARÍA MARTÍN	DIRECTOR OF MARKETS AND PROSPECTS
JOSÉ JOAQUÍN SANTAMARÍA TAMAYO	HEAD OF OPERATIONS
KEITH STUART ANDERSON	HEAD OF BUSINESS – UNITED KINGDOM
JAMIE WILSON	HEAD OF BUSINESS – REST OF WORLD
Total compensation of senior management (thousands of Euros)	5,786

B.1.13. Identify, on an aggregate basis, if there are indemnity or “golden parachute” provisions for the benefit of senior management, including executive directors, of the Company or its Group in the event of dismissals or changes of control. Indicate whether such agreements must be reported to and/or approved by the decision-making bodies of the Company or its Group:

Number of beneficiaries	5
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	Board of Directors	Shareholders (at the General Shareholders' Meeting)
Decision-making body approving the provisions	YES	NO

Is information about these provisions given to the shareholders at the General Shareholders' Meeting?	YES
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B.1.14. Describe the process to set the compensation of the members of the Board of Directors and the relevant provisions of the By-Laws with regard thereto.

Process to set the compensation of the members of the Board of Directors and by-law provisions
<p>The process to set the compensation of the members of the Board of Directors is established in the By-Laws (Article 44) and in the Regulations of the Board of Directors (Articles 7.4 and 36).</p> <p>Article 44 of the By-Laws of IBERDROLA RENOVABLES provides that the Directors, in their capacity as members of the Board of Directors, shall have the right to receive compensation from the Company consisting of (a) a fixed payment; and (b) fees for attending meetings of the Board and the Committees thereof.</p> <p>The total amount of compensation that the Company may pay to the members of the Board for the items set forth in the preceding paragraph shall not exceed the amount to be determined by the shareholders at the General Shareholders' Meeting for such purposes. That total amount includes fixed and variable compensation and indemnification of Directors who perform executive duties.</p> <p>The setting of the exact amount to pay within the limit set by the shareholders at the General Shareholders' Meeting, the distribution thereof among the various Directors, the standards to take into account for distribution among them, the frequency of payment, and, in general, all that is not provided for by the shareholders acting at the General Shareholders Meeting, shall be established by the Board of Directors, following a proposal from the Nominating and Compensation Committee.</p> <p>Additionally, Article 44 of the By-Laws provides that Director compensation may consist of shares or options thereon, or of compensation that is linked to the value of the Company's shares. The application of these systems of compensation must be approved by the shareholders at the General Shareholders' Meeting.</p>

State whether the full Board has reserved the right to approve the following decisions:

At the proposal of the Company's chief executive, the appointment and, if applicable, the removal of senior managers, as well as their indemnity provisions.	YES
The compensation of directors and, in the case of executive directors, the additional compensation for their executive duties and other terms and conditions that must be included in their contracts.	YES

B.1.15. State whether the Board of Directors approves a detailed compensation policy and specify the matters covered thereby:

YES	NO
X	

Amount of fixed components, with a breakdown, if applicable, of fees payable for attendance at meetings of the Board and its Committees and estimated annual fixed compensation arising therefrom	YES
Variable compensation items	YES
Main characteristics of the social security systems, with an estimate of the amount thereof or equivalent annual cost.	YES
Terms and conditions that must be included in the contracts with executive directors performing senior management duties	YES

B.1.16. State whether the Board submits a report on director compensation policy to the vote of the shareholders at a General Shareholders' Meeting for consultative purposes. If so, describe the relevant portions of the report regarding the compensation policy approved by the Board for the following years and the most significant changes experienced by such policies vis-à-vis the policy applied during the fiscal year, and provide an outline of the manner in which the compensation policy was applied during the fiscal year. Describe the role of the Compensation Committee and, if external advice has been provided, state the name of the external advisors that have given such advice:

YES	NO
	X

Papel desempeñado por la Comisión de Nombramientos y Retribuciones

As prescribed by Article 28 of the Regulations of the Board of Directors, the Nominating and Compensation Committee has performed the following consultative and proposal-making tasks with respect to the director compensation policy for the aforementioned period:

- Has issued a favorable report on the proposed Director compensation policy prior to the approval thereof by the Board of Directors.
- Has submitted to the Board of Directors a draft annual report on the director compensation policy that was approved by the Board of Directors at its May 20, 2008 meeting and made available to shareholders as provided in Article 36.3 of the Regulations of the Board of Directors.

Has external advice been utilized?	NO
Name of external advisors	

B.1.17. Indicate the identity of the members of the Board of Directors, if any, who are also members of the board of directors, managers or employees of companies that hold a significant interest in the listed company and/or in companies within its Group:

Individual or corporate name of director	Individual or corporate name of significant shareholder	Position
MR. JOSÉ IGNACIO SÁNCHEZ GALÁN	IBERDROLA, S.A.	CHAIRMAN & CEO
MR. JOSÉ LUIS SAN-PEDRO GUERENABARRENA	IBERDROLA, S.A.	DIRECTOR OF OPERATIONS
MR. JOSÉ SAINZ ARMADA	IBERDROLA, S.A.	DIRECTOR OF ECONOMIC AND FINANCIAL DIVISION

Describe, if applicable, any significant relationships other than the ones contemplated in the prior item, of the members of the Board of Directors linking them to significant shareholders and/or at companies within the Group:

B.1.18. State whether the Regulations of the Board of Directors have been amended during the fiscal year:

YES	NO
	X
Description of amendments	

B.1.19. Indicate the procedures for the appointment, re-election, evaluation and removal of Directors. List the competent bodies, the procedures to be followed and the criteria applied in each of such procedures.

1. APPOINTMENT OF DIRECTORS

The power to appoint and remove Directors is governed by the By-Laws (Articles 13.1.a, 30.1 and 43.3) and the Regulations of the Board of Directors (Article 11 et seq.).

Generally, the appointment and removal of Directors is within the purview of the shareholders acting at a General Shareholders' Meeting, and the Board of Directors may fill any vacancies that might occur by means of interim appointment among the shareholders, pursuant to the provisions of the Law, until the first General Shareholders' Meeting held thereafter, whereat the shareholders shall approve the appointments, shall elect the persons who should replace the Directors that have not been ratified or shall withdraw the vacant positions (Article 43.3 of the By-Laws).

The Board of Directors shall endeavor to ensure that the candidates proposed to the shareholders at the General Shareholders' Meeting for their appointment as Directors, and the appointments directly made by the Board in the exercise of its power to make interim appointments, will be persons of recognized character, competence and experience, and shall be particularly rigorous in connection with the selection of those persons who are to hold office as independent Directors.

The Nominating and Compensation Committee is responsible for (i) submitting to the Board of Directors the proposals for appointment of Independent Directors to fill a vacancy or, as the case may be, for submission thereof to a decision by the shareholders at the General Shareholders' Meeting; and (ii) reporting to the Board of Directors on the proposals for appointment of the other Directors who are not independent for their appointment by the Board of Directors or, as the case may be, for submission thereof to a decision by the shareholders at the General Shareholders' Meeting.

In connection with the aforementioned duty, at its meeting of April 11, 2008, the Nominating and Compensation Committee approved a specific procedure for the selection of directors, in conformity with recommendations 15 and 55 of the Unified Good Governance Code, according to which the Nominating and Compensation Committee:

- (i) shall review the criteria for selection of directors and shall assist the Board in determining the standards that candidates must meet, taking into consideration the needs of the Board of Directors and according to the areas within the Board that must be strengthened;
- (ii) shall verify that all candidates meet the general requirements provided by the By-Laws, the Regulations of the Board of Directors and the Laws;
- (iii) shall ensure that, in the event of new vacancies, the selection procedures are free from any implied bias entailing any kind of discrimination;
- (iv) in the case of candidates for the position of independent Director, shall verify compliance with the specific requirements for this class of director provided in the By-Laws and in the Regulations of the Board of Directors of the Company, and shall gather adequate information regarding the personal qualities, experience, knowledge and effective availability of the candidates;
- (v) in the case of the other candidates for Director, shall select, at the request of the Board of Director, the potential candidates and submit to the Board of Directors through the Chairman of that body the candidates who have been selected. With respect to the non-independent directors, the Board may make a well-reasoned selection different from the one made by the Committee.

Upon completion of the procedure described in the preceding paragraphs, the Committee must submit to the Board of Directors a duly substantiated document setting forth its proposals for appointment of independent Directors and its mandatory report regarding the proposals made by the Board in connection with the rest of the Directors, for appointment thereof by the shareholders at a General Shareholders' Meeting or, if applicable, by the Board of Directors itself in exercise of its power to make interim appointments to fill vacancies.

The proposals or reports submitted by the Committee to the Board of Directors must assess the background and qualifications of the various candidates and place them in one of the categories established in the By-Laws of the Company.

In addition, the Regulations of the Board of Directors establish the instances of incompatibility to be appointed as director (Article 12 of the Regulations of the Board of Directors), as well as the specific instances of incompatibility to be classified as an independent director (Article 10.2 of the Regulations of the Board of Directors).

2. RE-ELECTION OF DIRECTORS

As provided in Article 15.1 of the Regulations of the Board of Directors, the proposals for re-election of Directors that the Board of Directors resolves to submit to the decision of the shareholders at the General Shareholders' Meeting shall be subject to a formal process of preparation, which shall include a proposal issued by the Nominating and Compensation Committee, in the case of independent Directors, or a prior report of such Committee, in the case of the other Directors, containing an analysis of the quality of

the work performed and the dedication to the position shown by the proposed Directors during the preceding term of office.

3. EVALUATION OF DIRECTORS

Pursuant to Article 33.1 of the Regulations of the Board of Directors, the Board must evaluate, on an annual basis, (i) its operation and the quality of its work, (ii) the performance of his duties by the Chairman of the Board and, if applicable, by the Chief Executive Officer of the Company, based on the report submitted thereto by the Nominating and Compensation Committee, and (iii) the operation of its Committees, based on the report submitted thereto by such Committees. For such purpose, the Chairman of the Board of Directors shall organize and coordinate with the Chairmen of the Committees the evaluation by the Board.

The process of evaluation of the Board of Directors and its Committees for fiscal year 2008 was commenced by virtue of a resolution of the Company's Board of Directors on October 22, 2008.

In order to carry out this evaluation, the Chairman has coordinated and supervised the assessment of the performance of the Board of Directors as well as the efficiency of its actions and the contribution of its members to the execution of the duties of the Board of Directors.

Once these actions had been completed, at a meeting held on February 24, 2009, the Board of Directors completed the aforementioned evaluation process for fiscal year 2008 by means of the adoption of the corresponding resolution, concluding, in broad outline, that the Board of Directors is organized and operates correctly and, specifically, that:

- As regards its composition, the Board of Directors fully complies with the provisions of the By-Laws and its Regulations, which, in turn, include the recommendations of the Unified Good Governance Code in this field. In this regard, the external proprietary Directors and the independent Directors account for a large majority on the Board, as only one of its members is an executive Director. In addition, the ratio between the number of proprietary Directors and of independent Directors reflects the existing ratio between the Company's capital represented by proprietary Directors and the rest of the capital.
- As regards its operation, the Board has met as frequently as has been appropriate and in compliance with the provisions of the Regulations of the Board of Directors of Iberdrola Renovables. Specifically, it has complied with the duty to meet at least once a month, excepting only the month of August. As far as the conduct of its meetings is concerned, the requirements relating to call to meetings and attendance have been satisfied in all cases, and the Board members have participated in the deliberations with all the required information having been made available to them.
- The Board has efficiently and satisfactorily discharged the duties assigned thereto by the By-Laws and the Regulations of the Board of Directors of the Company.

Furthermore, the Board has set for itself as an objective for fiscal year 2009 to continue with training actions and to maintain an information program whereby the Directors may gain deeper knowledge of the business, the regulatory and corporate governance framework and the economic and financial conditions in which the Company does business, as well as to encourage and increase the attendance of the Company's Senior Managers at meetings of the Board of Directors in order for them to report to the Board on matters within their area of responsibility.

In addition, without prejudice to the consultative Committees (Audit and Compliance, Related-Party Transactions and Nominating and Compensation) continuing to report, through their respective Chairmen and at the first meeting of the Board following their own meetings, on the resolutions approved and the significant events that have occurred at such meetings, the Board has resolved to obtain from the three Committees, through their Chairmen, a periodic report setting forth the actions and working plans proposed by each of them.

In the same manner, at the aforementioned meeting of February 24, 2009, the Board of Directors completed its evaluation process for: (i) the Chairman of the Board of Directors and the Chief Executive Officer, based, in both such cases, on the respective reports submitted to it for such purpose by the Nominating and Compensation Committee; and (ii) each of the Committees, based on the self-evaluation reports issued by each of them.

4. REMOVAL OF DIRECTORS

Article 43.1 of the Company's By-Laws provides that the Directors "shall serve in their position for a term of five (5) years, so long as the shareholders acting at the General Shareholders' Meeting do not resolve to remove or dismiss them and they do not resign from their position."

For its part, the Nominating and Compensation Committee is responsible for submitting to the Board of Directors proposals for the removal of independent Directors by the shareholders acting at a General Shareholders' Meeting, and for reporting to the Board of Directors regarding proposals for removal of the other Directors by the shareholders at such General Shareholders' Meeting (Article 28.2 of the Regulations of the Board).

The Board of Directors may only propose the removal of an independent Director before the passage of the period provided for in the By-Laws upon sufficient grounds, evaluated by the Board and after a report of the Nominating and Compensation Committee. In particular, it shall be deemed that there are sufficient grounds to propose the removal when an independent Director fails to perform the duties inherent in his position or when an independent Director is affected, at any time following his appointment as such, by any of the prohibitions to hold office provided for in the Regulations of the Board of Directors. Such removal may also be proposed as a consequence of a public tender offer, merger or other similar corporate transactions that entail a significant change in the equity structure of the Company (Article 16.4 of the Regulations of the Board of Directors), as recommended by the Unified Corporate Governance Code.

B.1.20. Indicate the circumstances under which the resignation of Directors is mandatory.

Pursuant to the provisions of Article 43.1 of the By-Laws, the Directors must submit their resignation from the position and formalize their withdrawal upon the occurrence of any of the instances of incompatibility or prohibition against performing the duties of Director provided by Law, as well as upon the occurrence of the events, if any, established by the Regulations of the Board of Directors.

By way of further development of the above-mentioned provision, Article 16.2 of the Regulations of the Board of Directors sets forth that the Directors shall tender their resignation to the Board of Directors and formally resign from their position in the following cases:

- (i) When they reach the age of seventy (70). The resignation of the Director and resulting withdrawal from office shall occur at the first meeting of the Board of Directors that is held following the General Shareholders' Meeting at which the shareholders approve the financial statements for the fiscal year during which the Director reaches the above-mentioned age.
- (ii) When they are involved in any circumstance of incompatibility or prohibition governed by provisions of a general nature or set forth in the Regulations of the Board of Directors.
- (iii) When, as a result of any acts attributable to the Director in his capacity as such, serious damage is caused to the value of the Company or the Director ceases to deserve the commercial and professional respect required to be a Director of the Company.
- (iv) When they are seriously reprimanded by the Board of Directors because they have breached their duties as Directors and such reprimand is approved by a two-thirds majority of the Directors at the proposal of the Audit and Compliance Committee.
- (v) When their continuance in office on the Board of Directors may jeopardize the interests of the Company or when the reasons why the Director was appointed cease to exist and, in any case, when a proprietary Director transfers his shareholding in the Company or when the shareholder which proposed his appointment to the Company sells its entire shareholding interest or reduces it to a level that requires the reduction or removal of its proprietary Directors.
- (vi) When an independent Director is affected, at any time following his appointment as such, by any of the prohibitions to hold office provided for in paragraph 2 of Article 10 of the Regulations of the Board of Directors.
- (vii) When a proprietary Director severs his relationship with the shareholder that proposed his appointment.

The cases of resignation described under items (v) and (vi) above shall not apply when the Board of Directors considers there are reasons that justify the Director continuing to hold office, without prejudice to the effect that the new circumstances may have on his classification.

B.1.21. Explain whether the powers of the top executive of the Company are vested in the Chairman of the Board. If so, indicate the measures that have been taken to mitigate the risks of accumulation of powers in a single person:

YES	NO
	X

Measures to mitigate risks
Although the Regulations of the Board of Directors provide for the possibility of the positions of Chairman and Chief Executive Officer being held by the same person and establish, if such is the case, methods to limit the possible risk of accumulation of powers in the same person, in a meeting held on November 5, 2007, the Board of Directors appointed two different persons to hold such positions, with the Chairman having the status of proprietary (non-executive) director.

Indicate and, if applicable, explain whether rules have been established whereby one of the independent directors is authorized to request that a meeting of the Board be called or that other items be included on the agenda, to coordinate and hear the concerns of external directors and to direct the evaluation by the Board of Directors.

YES	NO
X	

Description of rules
In the event that the same person serves as Chairman and Chief Executive Officer, the Board of Directors must authorize one of the independent directors to coordinate and express the concerns of the external Directors and to request that the Chairman call a meeting of the Board of Directors when he deems it appropriate (Article 18.3 of the Regulations of the Board of Directors).
Article 33.3 of the Regulations of the Board of Directors establishes the obligation to call a meeting of the Board of Directors if so requested by one-fourth of the Directors and the possibility for any Director to submit to the Chairman a proposal for inclusion of new items on the Agenda, which inclusion is mandatory when the proposal has been made not less than 5 days in advance of the date set for the meeting.
Moreover, as provided by Article 33.1 of the Regulations of the Board of Directors, the Chairman must organize and coordinate the evaluation of the Board of Directors with the Chairmen of the Committees, which, except for the Executive Committee, are chaired by independent Directors.

B.1.22. Are qualified majorities, different from the statutory majorities, required to adopt any type of decision?:

YES	NO
X	

Describe the method used by the Board of Directors to adopt resolutions, including at least the minimum quorum required to hold a valid meeting and the majorities required to adopt resolutions:

Description of resolution:
The amendment of the Regulations of the Board of Directors (Art. 5.3 of the Regulations of the Board of Directors).

Quorum	%
Shall require the attendance, in person or by proxy, of one-half plus one of the Directors.	50.01

Type of Majority	%
Favorable vote of two-thirds of the Directors present in person and by proxy.	66.67

B.1.23. Explain whether there are specific requirements, other than the requirements relating to Directors, to be appointed Chairman.

YES	NO
	X

B.1.24. Does the Chairman have a tie-breaking vote?:

YES	NO
X	

Matters on which a tie-breaking vote may be cast

Pursuant to Article 35.6 of the Regulations of the Board of Directors, the Chairman shall, in the event of a tie, have the tie-breaking vote on any matter unless he becomes subject to a conflict of interest, in which case he must abstain from participating in the deliberation and voting stages, as provided in Article 42.2 of the above-mentioned Regulations.

B.1.25. Indicate whether the By-Laws or the Regulations of the Board of Directors set forth any age limit for directors:

YES	NO
X	

Age limit for the Chairman	Age limit for the CEO	Age limit for Directors
70	70	70

B.1.26. Indicate whether the By-Laws or the Regulations of the Board of Directors establish any limit on the term of office for independent directors:

YES	NO
	X

Maximum term of office	0
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B.1.27. If the number of women directors is scant or nil, describe the reasons therefor as well as the initiatives adopted to correct such situation.**Description of reasons and initiatives**

The Board has entrusted the Nominating and Compensation Committee with responsibility for ensuring that when new vacancies are filled or new Directors are appointed, the selection procedures are free from any implied bias entailing any kind of discrimination. It is so expressly provided by Article 28.2.m) of the Regulations of the Board of Directors.

Under the provisions of such Article, the Nominating and Compensation Committee has adopted, as described in section B.1.19 above, a specific procedure for the selection of Directors whereby the Committee is expressly entrusted with the task of ensuring that such procedure is free from any implied bias that may entail any kind of discrimination.

In any event, the selection procedure used for the appointment of Directors on November 5, 2007 and which led to the appointment of a woman director, Ms. María Helena Antolín Raybaud, was free from any bias preventing the appointment of more women.

In particular, state whether the Nominating and Compensation Committee has established procedures which ensure that selection processes are free from any implied bias hindering the selection of women directors and which allow for the free search for women candidates that meet the required profile:

YES	NO
X	

Describe the main procedures

Following the procedures established by the Nominating and Compensation Committee described in section B.1.19 above, this Committee, upon the request of the Board of Directors, shall request the potential candidates to be, if such is the case, appointed Directors of the Company and shall submit their proposals (in the case of independent directors) and reports (in the case of other directors) to the Board of Directors through the Chairman of the Board of Directors.

B.1.28. Indicate whether there are formal procedures for proxy-voting at meetings of the Board of Directors. If so, briefly describe them.

Article 35.2 of the Regulations of the Board of Directors provides that Directors shall use their best efforts to attend the meetings of the Board of Directors and, when unable to attend in person, they shall endeavor to give a proxy to another Director, to whom they shall give any appropriate instructions.

The proxy shall be a special proxy for the Board meeting in question, and may be communicated by any of the means provided for sending the calls to meeting, i.e., letter, fax, telegram, e-mail or any other means.

B.1.29. Indicate the number of meetings that the Board of Directors has held during the fiscal year. In addition, specify the number of meetings, if any, at which the Chairman was not in attendance:

Number of meetings of the Board	11
Number of meetings of the Board at which the Chairman was not in attendance	0

Indicate the number of meetings held by the different committees of the Board of Directors during the fiscal year:

Number of meetings of the Executive Committee	21
Number of meetings of the Audit Committee	10
Number of meetings of the Nominating and Compensation Committee	9
Number of meetings of the nominating Committee	0
Number of meetings of the compensation Committee	0

B.1.30. Indicate the number of meetings held by the Board of Directors during the fiscal year at which not all of its members have been in attendance. Proxies granted without specific instructions must be counted as absences:

Number of absences of directors during the fiscal year	0
% of absences over total votes during the fiscal year	0

B.1.31. Indicate whether the annual individual financial statements and the annual consolidated financial statements that are submitted to the Board for approval have been previously certified:

YES	NO
X	

Identify, if applicable, the person/persons that has/have certified the annual individual and consolidated financial statements of the Company for their approval by the Board:

Name	Position
MR. XABIER VITERI SOLAUN	CHIEF EXECUTIVE OFFICER
MR. RAFAEL DE ICAZA DE LA SOTA	DIRECTOR OF ADMINISTRATION AND CONTROL

B.1.32. Explain the mechanisms, if any, adopted by the Board of Directors to avoid any qualifications in the audit report on the annual individual and consolidated financial statements approved by the Board of Directors and submitted to the shareholders at the General Shareholders' Meeting.

Articles 38 of the By-Laws and 25.2 of the Regulations of the Board of Directors establish the powers of the Audit and Compliance Committee, which include the following, among others:

- Know the process for gathering financial information and associated internal systems for monitoring risks relevant to the Company.
- Receive information from the Auditors regarding matters that might risk the independence thereof which are related to the auditing procedure and generally regarding any other information provided for in legislation regarding the auditing of financial statements and in the technical auditing regulations in effect at any time.
- Review the content of the Audit Reports prior to issuance thereof, in order to prevent the making of comments and qualifications, the content and scope of which, if any, shall be clearly explained to the shareholders by the Chairman of the Committee.
- Act as a channel of communication between the Board of Directors and the Auditors.

In addition, Article 53.5 of the Regulations of the Board of Directors provides that the Board of Directors shall use its best efforts to definitively prepare the financial statements such that there is no room for reservations or qualifications by the Auditor. However, when the Board of Directors believes that its opinion must prevail, it shall provide a public explanation of the content and scope of the discrepancy.

The Audit and Compliance Committee is the body that, in practice, ensures fulfillment of this duty, primarily by means of reports submitted to the Board of Directors on the interim economic and financial information that the Company must periodically present to the National Securities Market Commission (CNMV).

Thus, the Audit and Compliance Committee has submitted the following reports to the Board of Directors, relating to the periodic economic and financial information for fiscal year 2008 presented to the National Securities Market Commission:

- Report dated April 14, 2008 on the economic and financial information for the first quarter of 2008.
- Report dated July 21, 2008 on the economic and financial information for the first half of 2008.
- Report dated October 22, 2008 on the economic and financial information for the third quarter of 2008.
- Report dated February 24, 2009 on the annual financial statements of IBERDROLA RENOVABLES and its consolidated Group for fiscal year 2008.

Additionally, on February 10, 2009, the Audit and Compliance Committee submitted a report on the economic and financial information for fiscal year 2008, in connection with a preview of results for fiscal year 2008 submitted on February 13, 2009.

As set forth in the information about IBERDROLA RENOVABLES posted on the website of the CNMV (www.cnmv.es) and of the Company (www.iberdrolarenovables.es), the individual and consolidated annual financial statements for the three fiscal years immediately preceding the fiscal year covered by this report have been issued without qualifications.

B.1.33. Is the Secretary of the Board of Directors a Director?

YES	NO
	X

B.1.34. Explain the procedures for appointment and removal of the Secretary of the Board, stating whether the appointment and removal thereof have been reported upon by the Nominating Committee and approved by the full Board.

Procedure for appointment and removal
Pursuant to Article 21.1 of the Regulations of the Board of Directors, the Board of Directors shall appoint the Secretary at the proposal of the Chairman and after a report of the Nominating and Compensation Committee. The same procedure must be followed in order to approve the removal of the Secretary.

Does the Nominating Committee report on the appointment?	YES
Does the Nominating Committee report on the removal?	YES
Does the full Board approve the appointment?	YES
Does the full Board approve the removal?	YES

Is the Secretary of the Board responsible for specially ensuring compliance with good governance recommendations?

YES	NO
X	

Comments
Under Article 21.3.b) of the Regulations of the Board of Directors, the Secretary has, among others, the duty to "ensure the formal and substantive legality of all actions taken by the Board of Directors and compliance with regulations and by-law provisions, and to ensure observance of the principles or standards of corporate governance of the Company and the provisions of the Regulations of the Board of Directors."

B.1.35. Indicate the mechanisms, if any, used by the Company to preserve the independence of the auditor, the financial analysts, the investment banks and the rating agencies.

1. MECHANISMS TO PRESERVE THE INDEPENDENCE OF THE AUDITOR

Articles 38.2 of the By-Laws and 25.2 e) of the Regulations of the Board of Directors include among the powers and duties of the Audit and Compliance Committee that of receiving information from the Auditors regarding those matters that might risk the independence thereof which are related to the auditing procedure and generally regarding any other information provided for in legislation regarding the auditing of financial statements and in the technical auditing regulations in effect at any time.

Article 53.3 of the Regulations of the Board of Directors reads as follows: "The Audit and Compliance Committee shall not submit a proposal to the Board of Directors, and the Board of Directors shall not submit a proposal to the shareholders at the General Shareholders' Meeting, for appointment as the Company's Auditor of an audit firm when it has evidence that (i) such firm is affected by any circumstance of incompatibility pursuant to the legal provisions governing audits, or (ii) the fees that the Company intends to pay it for any and all services are greater than five (5%) percent of its total income in the domestic field during the last fiscal year."

Article 25.5.c) of the Regulations of the Board of Directors includes among the duties of the Audit and Compliance Committee, with regard to Auditing, that of ensuring the independence of Auditors. For such purpose, the Committee shall ensure that:

- i) the Company reports a change of Auditor to the CNMV as a significant event; and

ii) the Company and the Auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the Auditor's business and, in general, all other regulations established to safeguard the independence of the auditors.

Furthermore, in the case of resignation of the Auditor, the Committee shall examine the reason for such resignation.

The Audit and Compliance Committee shall request of the Auditor of the IBERDROLA RENOVABLES Group, on an annual basis, a certificate of independence of the firm as a whole and of the team members participating in the audit process. In addition, the Committee shall monitor the quality assurance and independence safeguarding internal procedures implemented by the Auditor.

The Audit and Compliance Committee shall also ensure the "de facto" and "apparent" independence of the auditors through the authorization of any contract with the Auditor by any company of the IBERDROLA RENOVABLES Group for services other than auditing, prior to the formalization of any such contract.

Finally, the Audit and Compliance Committee has approved the "Policy for the Hiring of Auditors of IBERDROLA RENOVABLES, S.A. and its Subsidiaries," which includes auditor hiring mechanisms, establishes the standards governing the relationship between the Company and the Auditor, and reiterates the principles of independence and transparency already provided for in the By-Laws and the Regulations of the Board of Directors upon the terms set forth therein.

2. MECHANISMS TO PRESERVE THE INDEPENDENCE OF FINANCIAL ANALYSTS, INVESTMENT BANKS AND RATING AGENCIES

The independence of financial analysts is protected by the existence of a specific division, called the Investor Relations Division, which is attached to the Economic and Financial Division and guarantees an objective, fair and non-discriminatory treatment of analysts.

The Economic and Financial Division coordinates the relationship with financial analysts, investment banks and rating agencies, dealing with the information requests thereof as well as of institutional and retail investors, based on the principles of transparency, non-discrimination, truthfulness and trustworthiness of the information supplied. The Economic and Financial Division grants the mandates to Investment Banks.

To actualize the aforementioned principles of transparency and non-discrimination, always in strict compliance with regulations regarding the Securities Markets, the Company has a number of communication channels:

- Personalized assistance to analysts, investors and rating agencies, through the investor relations unit.

- Publication of the information relating to quarterly, semi-annual and annual results, as well as other specific events, such as those relating to the Strategic Plan or to corporate transactions.
- E-mail through the website (accionistas@iberdrolarenovables.com) and (relacion.inversores@iberdrolarenovables.com) and a toll-free line for shareholders (900 123 133).
- Presentations either in person or re-transmitted over the telephone and the Internet.
- Release of announcements and news.
- Visits to Company facilities.

All this information is also available on the company's website (www.iberdrolarenovables.es). There is also a document delivery system available for the shareholders and investors registered in the databases for such purpose.

B.1.36. Indicate whether the Company has changed the external auditor during the fiscal year. If so, identify the incoming and the outgoing auditor:

YES	NO
	X

Outgoing auditor	Incoming auditor

If there has been any disagreement with the outgoing auditor, describe the content thereof:

YES	NO
	X

B.1.37. Indicate whether the audit firm performs other non-audit work for the Company and/or its Group. If so, state the amount of the fees paid for such work and the percentage they represent of the aggregate fees charged to the Company and/or its Group.

YES	NO
X	

	Company	Group	Total
Amount of other non-audit work (thousands of Euros)	0	245	245
Amount of non-audit work / Aggregate amount billed by the audit firm (%)	0	6.444	6.444

B.1.38. State whether the audit report on the Annual Financial Statements for the prior fiscal year has observations or qualifications. If so, state the reasons given by the Chairman of the Audit Committee to explain the content and scope of such observations or qualifications.

YES	NO
	X

B.1.39. Indicate the consecutive number of years for which the current audit firm has been auditing the annual financial statements of the Company and/or its Group. In addition, state the percentage represented by such number of years with respect to the total number of years in which the annual financial statements have been audited:

	Company	Group
Number of consecutive years	4	4

	Company	Group
Number of years audited by the current audit firm / Number of years in which the company has been audited (%)	100.0	100.0

B.1.40. Indicate the interests of members of the Board of Directors in the share capital of companies that engage in the same, similar or complementary activities, both with respect to the Company and its Group, and which have been reported to the company. In addition, state the position or duties of such Directors in such companies:

Individual or corporate name of director	Name of company in which shares are held	% interest	Position or duties
MR. JOSÉ IGNACIO SÁNCHEZ GALÁN	IBERDROLA, S.A.	0.051	CHAIRMAN / CHIEF EXECUTIVE OFFICER
MR. ALBERTO CORTINA KOPLOWITZ	SICA DESARROLLOS, S.L.	45.000	NONE
MR. JOSÉ SAINZ ARMADA	IBERDROLA, S.A.	0.000	CHIEF FINANCIAL OFFICER
MR. JAVIER SÁNCHEZ-RAMADE	IBERDROLA, S.A.	0.950	NONE
MR. JOSÉ LUIS SAN-PEDRO GUERENABARRENA	IBERDROLA, S.A.	0.000	CHIEF OPERATING OFFICER
MR. XABIER VITERI SOLAUN	IBERDROLA, S.A.	0.000	NONE
MR. CARLOS EGEA KRAUEL	IBERDROLA, S.A.	0.000	NONE
MR. MANUEL MOREU MUNAIZ	SEAPLACE, S.L.	85.00	CHAIRMAN

B.1.41. Indicate whether there is any procedure for Directors to hire external advisory services, and if so, describe it:

YES	NO
X	

Detalle el procedimiento

Article 38 of the Regulations of the Board of Directors provides that any Director may, in order to be assisted in the performance of his duties, request the hiring of legal, accounting, technical, financial, commercial or other expert advisors, whose services shall be paid for by the Company. The assignment must deal with specific issues of certain significance and complexity arising during the performance of the Director's duties. The request for an expert to be hired must be channeled 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:

- That it is not necessary for the proper performance of the duties entrusted to the Directors.
- That the cost thereof is not reasonable in light of the significance of the issues and the assets and income of the Company.
- That the technical assistance sought may be adequately provided by the Company's own experts and technical personnel.
- That it may entail a risk to the confidentiality of the information that must be made available to the expert.

B.1.42. Indicate whether there is any procedure for Directors to obtain sufficiently in advance the information required to prepare for meetings of management-level decision-making bodies and, if so, describe it:

YES	NO
X	

Description of procedure

Article 33.4 of the Regulations of the Board of Directors, further developing the provisions of Article 33.2 of the By-Laws, provides that the call to meeting of the Board of Directors shall be carried out by means of letter, fax, telegram, e-mail or any other means, and must be authorized under the signature of the Chairman, or under the signature of the Secretary or Vice-Secretary, by order of the Chairman. Notice of the call must be given as much in advance as is necessary for the Directors to receive it not later than the third day prior to the date of the meeting, except in the case of emergency meetings. Excepted from the foregoing provision shall be those instances in which the Regulations prescribe that greater notice be given. The call shall always include the place, date and time of the meeting, the agenda for the meeting and, if appropriate, an attachment containing any information deemed necessary.

In addition, Article 39.2(a) of the Regulations of the Board of Directors provides that, among the obligations of every Director, is that of properly preparing 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 inform himself of the running of the Company and the matters to be discussed at such meeting.

In order to facilitate the Directors' discharge of their duties, the following initiatives have been set up during fiscal year 2008: (i) the website for the Directors of Iberdrola Renovables, an electronic application that provides a new means of information and communication with the Company and which includes, among other content, a Director's agenda with information and documentation relating to Board meetings; and (ii) a training and continuing education program, implemented through presentations and the delivery of briefing notes to the Directors at meetings of the Board.

B.1.43. State whether the Company has established any rules requiring Directors to inform the Company—and, if applicable, resign from their position—in cases in which the credit and reputation of the Company may be damaged. If so, describe such rules:

YES	NO
X	

Describe the rules

As specifically provided by Article 47.2.c) of the Regulations of the Board of Directors, Directors must disclose to the Company "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, in the event that a Director becomes subject to an order for further criminal prosecution upon indictment (resultar procesado) or an order for the commencement of an oral trial is issued against him for the commission of any of the crimes contemplated in Section 124 of the Companies Law, such Director shall give notice thereof to the Company, in the person of its Chairman. In such instance, the Board of Directors shall review the case as soon as practicable and shall adopt the decisions it deems fit taking into account the interests of the Company."

Furthermore, the Directors shall submit their resignation from their position and formalize their withdrawal in the following events established in Article 16.2 of the Regulations of the Board of Directors:

- when they become subject to any incompatibility or prohibition governed by provisions of a general nature or by Article Twelve of the Regulations of the Board of Directors;
- when, as a result of any acts attributable to the Director in his capacity as such, serious damage is caused to the value of the Company or the Director ceases to deserve the commercial and professional respect required to be a Director of the Company;
- when they are seriously reprimanded by the Board of Directors because they have breached their duties as Directors and such reprimand is approved by a two-thirds majority of the Directors at the proposal of the Audit and Compliance Committee; and
- when their continuance in office on the Board may jeopardize the interests of the Company

B.1.44. State whether any member of the Board of Directors has informed the Company that he has become subject to an order for further criminal prosecution upon indictment or that an order for the commencement of an oral trial has been issued against him for the commission of any of the crimes contemplated in Section 124 of the Companies Law:

YES	NO
	X

Indicate whether the Board of Directors has analyzed the case. If so, provide a duly substantiated explanation of the decision adopted regarding whether or not the Director should remain in office.

YES	NO
	X

B.2. Committees of the Board of Directors

B.2.1. List all the committees of the Board of Directors and the members thereof:

EXECUTIVE COMMITTEE

Name	Position	Class
MR. JOSÉ IGNACIO SÁNCHEZ GALÁN	CHAIRMAN	PROPRIETARY
MR. SANTIAGO MARTÍNEZ LAGE	MEMBER	INDEPENDENT
MR. JOSÉ SAINZ ARMADA	MEMBER	PROPRIETARY
MR. XABIER VITERI SOLAUN	MEMBER	EXECUTIVE

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Class
MR. ÁLVARO VIDEGAIN MURO	CHAIRMAN	INDEPENDENT
MR. JAVIER SÁNCHEZ-RAMADE MORENO	MEMBER	PROPRIETARY
MR. JOSÉ LUIS SAN-PEDRO GUERENABARRENA	MEMBER / SECRETARY	PROPRIETARY

NOMINATING AND COMPENSATION COMMITTEE

Name	Position	Class
MR. SANTIAGO MARTÍNEZ LAGE	CHAIRMAN	INDEPENDENT
MR. LUIS CHICHARRO ORTEGA	MEMBER	INDEPENDENT
MR. JOSÉ SAINZ ARMADA	MEMBER / SECRETARY	PROPRIETARY

RELATED-PARTY TRANSACTIONS COMMITTEE

Name	Position	Class
MR. ÁLVARO VIDEGAIN MURO	CHAIRMAN	INDEPENDENT
MS. MARÍA HELENA ANTOLÍN RAYBAUD	MEMBER	INDEPENDENT
MR. XABIER VITERI SOLAUN	MEMBER	EXECUTIVE

B.2.2. State whether the Audit Committee has the following duties:

Supervise the process of preparation and the integrity of the financial information relating to the Company and, if applicable, to the Group, monitoring compliance with legal requirements, the proper delimitation of the scope of consolidation, and the correct application of accounting principles	YES
Periodically review the internal control and risk management systems, in order for the main risks to be properly identified, managed and made known	YES
Ensure the independence and effectiveness of the internal audit area; make proposals regarding the selection, appointment, re-election and withdrawal of the head of the internal audit area; propose the budget for such area; receive periodic information regarding its activities; and verify that senior management takes into account the conclusions and recommendations contained in its reports	YES
Establish and supervise a mechanism whereby the employees may give notice, on a confidential basis and, if deemed appropriate, anonymously, of any potentially significant irregularities, especially of a financial and accounting nature, that they notice at the Company	YES
Submit to the Board proposals for the selection, appointment, re-election and replacement of the external auditor, as well as the contractual terms under which it should be hired	YES
Regularly receive from the external auditor information regarding the audit plan and the results of the implementation thereof, and verify that senior management takes its recommendations into account	YES
Ensure the independence of the external auditor	YES
In the case of groups of companies, favor the auditor of the Group as the auditor responsible for audit work at the companies that form part thereof	YES

B.2.3. Describe the rules of organization and operation of, and the duties assigned to, each of the Board committees.

Name of the Committee	Brief Description
EXECUTIVE COMMITTEE	<p>Article 36 of the By-Laws provides that “<i>the Board of Directors must create and maintain an Executive Committee...</i>” Pursuant to Articles 37 of the By-Laws and 23 of the Regulations of the Board of Directors, the Executive Committee shall be composed of the number of Directors decided by the Board of Directors, with a minimum of three (3) Directors and a maximum of six (6). The Chairman of the Board of Directors or, in the absence thereof, the Director that the Board of Directors designates from among the members of the Executive Committee, shall act as the Chairman of the Executive Committee. The Secretary of the Board of Directors or, in the absence thereof, the Vice-Secretary of the Board of Directors or, in the absence of both, the Director appointed by the Executive Committee among those who sit thereon and are in attendance at the meeting in question shall act as Secretary of the Committee.</p> <p>The Executive Committee shall meet at least one (1) time per month and as many other times as deemed appropriate by the Chairman, who may also suspend one or more of the ordinary meetings when deemed appropriate in his sole judgment. In addition, the Executive Committee shall meet when so requested by two (2) Directors who are members thereof.</p> <p>The Executive Committee has, by delegation, all the powers of the Board of Directors that may be delegated under the law and the By-Laws. Thus, it shall deal with all matters within the power of the Board of Directors which, in the sole judgment of the Committee, should be resolved without further delay, excepting only the preparation of the financial statements, the presentation of the balance sheets at the General Shareholders’ Meeting, the powers which are given by the shareholders to the Board of Directors without the power of delegation and the powers of the Board of Directors that may not be delegated pursuant to legal or by-law restrictions. Resolutions adopted by the Executive Committee shall be reported to the Board of Directors at the next meeting of the Board following the meetings of the Committee.</p> <p>Meetings of the Executive Committee shall be validly held with the attendance, in person or by proxy, of one-half plus one of its members, and its resolutions shall be adopted by majority of its members present at the meeting in person or by proxy. In the event of a tie in voting, the Chairman shall have the tie-breaking vote.</p> <p>The provisions of the By-Laws and the Regulations of the Board regarding the operation of the Board of Directors and, in particular, those governing the call to meetings, the grant of a proxy to another Director, plenary meetings, casting of votes in writing and without a meeting and approval of the minutes of the meetings, shall apply to the Executive Committee, to the extent they are not incompatible with the nature thereof.</p>
AUDIT AND COMPLIANCE COMMITTEE	<p>As provided in Article 38 of the By-Laws, the Board of Directors shall create a permanent Audit and Compliance Committee, which shall be composed of a minimum of three (3) and a maximum of five (5) Directors appointed by the Board of Directors from among the external Directors who are not members of the Executive Committee. The basic provisions applicable to the Audit and Compliance Committee are set forth in Articles 24, 25 and 26 of the Regulations of the Board of Directors.</p> <p>The Audit and Compliance Committee shall have a Chairman (who must be one of the independent Directors of the Board) and a Secretary (who need not be a Director) appointed by the Board of Directors.</p> <p>Unless otherwise decided by the Board of Directors, the Directors sitting on the Audit and Compliance Committee shall hold their positions for so long as they remain Directors of the Company. Renewal and re-election to and removal from office of the Directors sitting on the Committee shall be governed by resolution of the Board of Directors. The position of Chairman shall be held for a maximum period of (4) years, after which period such person may not be re-elected until the passage of one year from ceasing to act as such, without prejudice to such person continuing or being re-elected as a member of the Committee.</p> <p>As regards the operation of the Committee, it shall meet as many times as its Chairman deems necessary for the fulfillment of its obligations, and at least once each quarter, or when requested by at least one-half of its members. Meetings of the Committee shall be validly held when one-half plus one of its members are present in person or by proxy, and shall adopt resolutions by majority of the members present in person or by proxy. In the event of a tie, the Chairman shall have the tie-breaking vote.</p> <p>The provisions of the Regulations of the Board of Directors regarding the operation of the Board of Directors and, especially, those regarding notice of meetings, the granting of a proxy to another Director, plenary meetings, voting in writing without a meeting, the chairman of and the secretary for the meetings, and approval shall apply to the Audit and Compliance Committee, to the extent that they are not incompatible with the nature thereof.</p> <p>This Committee shall submit for approval of the Board of Directors a Report of its activities during the fiscal year, which shall thereafter be made available to shareholders and investors on occasion of the call of the General Shareholders’ Meeting. Section B.2.4 below contains a description of the main powers of the Audit and Compliance Committee.</p>

Name of the Committee	Brief Description
NOMINATING AND COMPENSATION COMMITTEE	<p>Pursuant to Article 39 of the By-Laws, the Board of Directors shall create a permanent Nominating and Compensation Committee, which shall be an internal informational and consultative body without executive powers, and which shall have information, advisory and proposal-making powers within its scope of action. The basic provisions applicable to the Nominating and Compensation Committee are set forth in Articles 27, 28 and 29 of the Regulations of the Board of Directors.</p> <p>The Nominating and Compensation Committee shall be composed of a minimum of three (3) and a maximum of five (5) Directors, appointed by the Board of Directors from among the external Directors. A majority of the Directors serving on the Committee shall be independent Directors. The Board of Directors shall also appoint the Chairman thereof from among the Directors sitting on such Committee, which Chairman must be an independent Director, as well as its Secretary, who need not be a Director.</p> <p>Unless otherwise decided by the Board of Directors, the members of the Nominating and Compensation Committee shall hold their positions for so long as they remain Directors of the Company and for so long as they retain the status of external Directors. Renewal and re-election to and removal from office of the Directors sitting on the Committee shall be governed by resolution of the Board of Directors.</p> <p>The powers of the Nominating and Compensation Committee include the power to supervise the procedure for selecting members of the Board of Directors and senior managers of the Company (the latter at the proposal of the Chief Executive Officer, if any), as well as to assist the Board of Directors in the determination and supervision of the compensation policy for such persons.</p> <p>The provisions of the Regulations of the Board of Directors regarding the operation of the Board of Directors and, especially, those regarding notice of meetings, the granting of a proxy to another Director, plenary meetings, voting in writing without a meeting, the chairman of and the secretary for the meetings, and approval of minutes of meetings shall apply to the Nominating and Compensation Committee, to the extent that they are not incompatible with the nature thereof.</p> <p>As regards the operation of the Committee, it shall meet as many times as needed, in the opinion of its Chairman, to fulfill its obligations, and at a minimum once each quarter or when so requested by at least one-half of the Directors sitting on the Committee. A valid quorum shall exist when one-half plus one of the Directors sitting on the Committee are present in person or by proxy, and resolutions thereof shall be adopted by a majority of votes. In the case of a tie, the Chairman shall have the tie-breaking vote.</p> <p>Section B.2.4 below contains a description of the main powers of the Nominating and Compensation Committee.</p>
RELATED-PARTY TRANSACTIONS COMMITTEE	<p>Article 36.2 of the By-Laws provides that <i>“the Board of Directors may also create other Committees or Commissions with such powers as are determined by the Board of Directors.”</i></p> <p>Therefore, under the provisions of the above-cited article and in compliance with the Framework Agreement signed by the Company and IBERDROLA, S.A. on November 5, 2007, the Board of Directors has created a Related-Party Transactions Committee as an informational and consultative body without executive powers, which has information, advisory and proposal-making powers within its scope of action. The basic provisions governing the Committee are set forth in Articles 30, 31 and 32 of the Regulations of the Board.</p> <p>The Related-Party Transactions Committee shall be composed of a minimum of three (3) Directors and a maximum of five (5), appointed by the Board of Directors from among the non-proprietary Directors, and the majority of the Directors sitting on the Committee shall be independent Directors. The Board of Directors shall also appoint from among its members the Chairman thereof, who shall necessarily be one of the independent Directors, as well as its Secretary, who need not be a Director.</p> <p>The members of the Related-Party Transactions Committee shall continue to hold office for so long as they remain Directors of the Company and for so long as they retain the status of non-proprietary Directors, unless the Board of Directors resolves otherwise. Renewal and re-election to and withdrawal from office of the Directors sitting on the Committee shall be governed by resolution of the Board of Directors.</p> <p>Directors sitting on the Committee who are re-elected as Directors of the Company by resolution of the shareholders adopted at a General Shareholders' Meeting shall continue to hold their positions within the Committee, without the need for a new election, unless the Board of Directors resolves otherwise.</p> <p>The reports issued and recommendations made by the Related-Party Transactions Committee shall not be binding upon the management decision-making bodies that are to adopt the resolutions or decisions to which such reports or recommendations refer, but the above-mentioned bodies shall, in every case, state the reasons why they did not follow the opinion expressed in the reports or the recommendations of the Related-Party Transactions Committee.</p> <p>The Related-Party Transactions Committee shall meet with the frequency required for the performance of its duties, and at least semi-annually. The Chairman of the Board of Directors and the Chief Executive Officer, if any, may request exceptional meetings with the Committee for the provision of information.</p> <p>Meetings of the Related-Party Transactions Committee shall be validly held with the attendance, in person or by proxy, of one-half plus one of its members, and its resolutions shall be adopted by majority of its members present at the meeting in person or by proxy. In the event of a tie in voting, the Chairman shall have the tie-breaking vote.</p> <p>The provisions of the Regulations of the Board of Directors regarding the operation of the Board of Directors, and especially those regarding notice of meetings, the granting of a proxy to another Director, plenary meetings, voting in writing without a meeting, chairman and secretary of the meetings and approval of minutes thereof shall apply to the Related-Party Transactions Committee to the extent that they are not incompatible with the nature thereof.</p> <p>Section B.2.4 below contains a description of the main powers of the Related-Party Transactions Committee.</p>

B.2.4. Indique las facultades de asesoramiento, consulta y en su caso, delegaciones que tienen cada una de las comisiones:

Name of the Committee	Brief Description
EXECUTIVE COMMITTEE	There are delegated to it all matters within the power of the Board of Directors that may be delegated under the law and the By-Laws and which, in the sole judgment of the Committee, should be resolved without further delay, excepting only the preparation of the financial statements, the presentation of the balance sheets at the General Shareholders' Meeting, those powers which are given by the shareholders to the Board of Directors without the power of delegation and the powers of the Board of Directors that may not be delegated under the law or the By-Laws.
AUDIT AND COMPLIANCE COMMITTEE	<ul style="list-style-type: none"> (a) Report to the General Shareholders' Meeting with respect to matters raised therein by shareholders regarding its powers. (b) Propose appointments of the Company's Auditors to the Board of Directors for submission to the shareholders at the General Shareholders' Meeting. (c) Supervise the management of the Internal Audit Area, which shall be functionally controlled by the Chairman of the Audit and Compliance Committee. (d) Know the process for gathering financial information and associated systems for monitoring risks relevant to the Company. (e) Receive information from the Auditors regarding matters that might jeopardize the independence thereof which are related to the auditing procedure and generally regarding any other information provided for in legislation regarding the auditing of financial statements and in the technical auditing regulations in effect at any time. (f) Report in advance on the Company's annual corporate governance report and ensure compliance with legal requirements and with the Codes of Professional Conduct and Good Governance adopted by the Board of Directors. (g) Inform the Board of Directors in advance regarding (i) all matters within its area of authority provided for in the Regulations of the Board of Directors and (ii) the financial information that the Company must periodically make public due to its status as listed company. In this regard, the Committee shall make sure that the interim financial statements have been prepared in accordance with the same accounting standards as the annual financial statements and, for such purpose, it shall consider the suitability of limited review by the external Auditor. (h) Report to the Board of Directors, prior to the adoption by it of the corresponding decision, regarding the creation or acquisition of interests in special purpose entities or entities registered in countries or territories regarded as tax havens, as well as any other transactions or operations of a similar nature that, due to the complexity thereof, might detract from the transparency of the IBERDROLA RENOVABLES Group. (i) Report on the proposed amendments to the Regulations of the Board of Directors. (j) Exercise such other powers, if any, as may be assigned to it by the By-Laws, the Regulations of the Board of Directors or the Board of Directors.
NOMINATING AND COMPENSATION COMMITTEE	<ul style="list-style-type: none"> (a) Report on and review the criteria that should be followed in composing the Board of Directors and in selecting candidates, defining their duties and required qualifications and assessing the time and dedication required for the proper performance of their duties. In the exercise of this power, the Committee shall take into account, regarding external Directors, the relation between the number of proprietary Directors and the number of independent Directors, such that this relation reflects, as far as possible, the ratio of the Company's capital represented by proprietary Directors to the rest of the capital. (b) Bring independent Director designation proposals to the Board of Directors for the interim appointment thereof to fill a vacancy or, as the case may be, for submission of such proposals to a decision of the shareholders at the General Shareholders' Meeting, as well as proposals for the re-election or removal of such Directors by the shareholders at the General Shareholders' Meeting. Report to the Board of Directors on the proposals for the appointment of non-independent Directors on an interim basis to fill a vacancy or, if appropriate, for submission to the decision of the shareholders at the General Shareholders' Meeting, as well as on the proposals for the re-election or removal of such Directors by the shareholders at the General Shareholders' Meeting. (c) Propose to the Board of Directors the members who should make up each of the Committees. (d) Examine or organize, in such manner as is deemed appropriate, the succession of the Chairman and of the Chief Executive Officer, if any, of the Company and, if applicable, make proposals to the Board for such succession to occur in an orderly and well-planned fashion. (e) Propose to the Board of Directors the system and amount of the annual compensation of members of the Board, as well as the individual compensation of executive Directors and other terms and conditions of their contracts, in all cases pursuant to the provisions of the By-Laws. (f) Report to the Board of Directors, prior to the adoption thereof of the corresponding decision at the proposal of the Chairman, regarding the appointment and/or removal of the Vice-Chairman or Vice-Chairmen, if any, of the Board of Directors. (g) Report to the Board of Directors, prior to the adoption thereof of the corresponding decision at the proposal of the Chairman, regarding the appointment and/or removal of the Secretary and of the Vice-Secretary, if any, of the Board of Directors. (h) Provide information to the Board of Directors regarding the appointment and/or removal of Senior Managers of the Company, as well as regarding the compensation or indemnification, if any, that may be established in the event of removal of such Senior Managers, all at the proposal of the Chief Executive Officer, if any. (i) Submit to the Board of Directors, together with the corresponding reports, the proposals brought to it by the Chief Executive Officer, if any, regarding the compensation policy applicable to Senior Managers and the basic terms and conditions of their contracts. (j) Provide information regarding incentive plans and pension supplements. (k) Periodically review the compensation programs, evaluating the adequacy and results thereof. (l) Ensure compliance with the compensation policy of the Company. (m) Ensure that in the event of new vacancies, the selection procedures are free from any implied bias entailing any kind of discrimination. (n) Exercise such other powers, if any, as are assigned to it by the By-Laws, the Regulations of the Board of Directors or the Board of Directors.

Name of the Committee	Brief Description
RELATED-PARTY TRANSACTIONS COMMITTEE	<p>(a) Report in advance on the essential elements (price, term and purpose) of related-party transactions between the Company and IBERDROLA, S.A. or among any of the companies of their respective Groups that require the approval of the Board of Directors or, in urgent cases, of the Executive Committee, pursuant to the Framework Agreement. As regards transactions within the ordinary course of business that are of a customary or recurring nature, it shall be sufficient for the report to refer to generic authorization by the Board of Directors of the line of transactions and of the conditions for performance thereof.</p> <p>(b) Report in advance on semi-annual information and information included in the Company's annual corporate governance report with respect to the Framework Agreement and related-party transactions between IBERDROLA, S.A. and the Company, or among any of the companies of their respective Groups.</p> <p>(c) Report in advance on the decision of the Company and the companies belonging to its Group to relinquish the business opportunities mentioned in the Framework Agreement.</p> <p>(d) Report periodically on compliance with the Framework Agreement.</p> <p>(e) Report in advance on any proposed amendment to the Framework Agreement, as well as possible proposed settlements intended to resolve disputes that may arise between the parties under the Framework Agreement.</p> <p>(f) Make recommendations and proposals for improvement on the matters within its purview.</p>

B.2.5. Indicate, if applicable, the existence of regulations of the Board committees, where such regulations may be consulted and the amendments made during the fiscal year. Also indicate if any annual report of the activities performed by each committee has been voluntarily prepared.

Name of the Committee	Brief Description:
AUDIT AND COMPLIANCE COMMITTEE	<p>There are no specific regulations governing the Audit and Compliance Committee, as such regulations are contained in the By-Laws and the Regulations of the Board of Directors. These documents are available on the website of the Company (www.iberdrolarenovables.es), on the CNMV website (www.cnmv.es) and at the Commercial Registry of Valencia.</p> <p>Articles 38.4 of the By-Laws and 26.5 of the Regulations of the Board of Directors provide that the Audit and Compliance Committee shall, within three months of the close of each fiscal year, prepare a Report detailing its activities during the prior fiscal year, which shall be submitted to the Board of Directors for its approval.</p> <p>At its meeting of February 24, 2009, the Board of Directors approved the Annual Report of the Audit and Compliance Committee regarding its activities during fiscal year 2008.</p>
NOMINATING AND COMPENSATION COMMITTEE	<p>As with the Audit and Compliance Committee, there is no specific regulation governing the Nominating and Compensation Committee, its regulation being included in the By-Laws and in the Regulations of the Board of Directors. These documents are available on the Company's website (www.iberdrolarenovables.es), on the website of the CNMV (www.cnmv.es) and at the Commercial Registry of Valencia.</p> <p>As Article 29.5 of the Regulations of the Board of Directors provides, the Nominating and Compensation Committee shall, within three months following the close of each fiscal year, prepare a Report detailing its activities during the prior fiscal year, which shall be submitted to the Board of Directors for its approval.</p> <p>At its meeting of February 24, 2009, the Board of Directors approved the Annual Report of the Nominating and Compensation Committee regarding its activities during fiscal year 2008.</p>
RELATED-PARTY TRANSACTIONS COMMITTEE	<p>The Related-Party Transactions Committee is governed by the By-Laws, the Regulations of the Board of Directors and the Framework Agreement. These documents are available on the website of the Company (www.iberdrolarenovables.es), and on the CNMV website (www.cnmv.es). The By-Laws and the Regulations of the Board of Directors are also available at the Commercial Registry of Valencia.</p>

B.2.6. Indicate whether the composition of the Executive Committee reflects the participation of the different directors in the Board of Directors based on their category:

YES	NO
X	