



Julián Martínez-Simancas
Secretary to the Board of Directors

Bilbao, 8 April 2016

To the National Securities Market Commission

Subject: Resolutions adopted by the General Shareholders' Meeting and by the Board of Directors of "Iberdrola, S.A."

Dear Sirs,

Pursuant to article 228 of the restated text of the Securities Market Law approved by the Royal Legislative Decree 4/2015, of 23 October (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) and related provisions, we hereby inform you of the following

A. Resolutions adopted by the General Shareholders' Meeting

The shareholders acting at the General Shareholders' Meeting of Iberdrola, S.A. ("**Iberdrola**" or the "**Company**"), held as of the date hereof upon first call, have approved each and every one of the proposed resolutions submitted to their vote included in the agenda in the terms of the documentation made available to the shareholders, copy of which was filed with you by means of the notices of significant event (*comunicación de hecho relevante*) dated 23 and 26 February, 2016 (under registry numbers 235.163 and 235.444, respectively). Such resolutions are the following.

1. Resolutions relating to the annual financial statements, the management of the Company, and the re-election of the Company's auditor

The shareholders acting at the General Shareholders' Meeting have approved the annual financial statements for fiscal year 2015, of Iberdrola and of its consolidated group, the management reports of the Company and its consolidated group, as well as the corporate management and the activities of the Board of Directors during such fiscal year 2015.

Likewise, the shareholders acting at the General Shareholders' Meeting have approved the re-election of "Ernst & Young, S.L." as auditor of the Company and of its consolidated group for fiscal year 2016, including the authorisation in favor of the Board of Directors, with express power of substitution, to enter into the relevant services agreement.

2. Resolutions relating to shareholder compensation

The shareholders acting at the General Shareholders' Meeting have approved the allocation of results proposed by the Board of Directors, which includes the payment of a dividend for the fiscal year ended 2015 in the gross amount of EUR 0,03 per Iberdrola's share carrying the right to receive it and that is outstanding on the date of payment thereof.

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In addition, the shareholders acting at the General Shareholders' Meeting have approved, under item six on the agenda, two fully-paid increases of the share capital by means of the issuance of new ordinary shares of the Company at a maximum reference market value of EUR 855 and 985 million, respectively, for the free-of-charge allocation of new shares to the shareholders of the Company. Such Resolution includes the delegation to the Board of Directors, with express power of substitution, of the powers required to implement those capital increases including, among others, the authority to amend to amend the article of the *By-Laws* governing share capital.

These capital increases have been adopted for the purposes of implementing two new editions of the system "Iberdrola Flexible Dividend" and offer all of the Company's shareholders, under its installments, newly-issued bonus shares or, ultimately, the acquisition of the free-of-charge allocation rights that they receive for the shares they hold at a guaranteed fixed price, pursuant to the Company's shareholder compensation policy.

3. Resolution relating to express authorizations and delegation of faculties in favor of the Board of Directors

The shareholders acting at the General Shareholders' Meeting have approved to authorize the Board of Directors to: (i) increase the share capital upon the terms and within the limits set out in section 297.1.b) of the Companies Act; and (ii) issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company or of other companies and warrants on newly-issued or outstanding shares of the Company or of other companies, with a maximum limit of five billion euros, being also authorised to increase the share capital in the necessary amount for such purposes.

In both cases, the Board of Directors is authorised to exclude the pre-emptive rights of the shareholders, with the maximum aggregated limit of 20 % of the share capital

4. Resolutions relating to the composition of the Board of Directors

The shareholders acting at the General Shareholders' Meeting have approved the re-election as directors, for a term of four years as provided for in the *By-laws*, of Mr Íñigo Víctor de Oriol Ibarra (with the status of other external director), Ms Inés Macho Stadler, Mr Braulio Medel Cámara and Ms Samantha Barber (with the status of independent directors). Likewise, they have approved the appointment as director, also for a term of four years as provided for in the *By-laws*, of Mr Xabier Sagredo Ormazá, with the status of other external director.

5. Resolution relating to the amendments of the corporate government System

Furthermore, the shareholders acting at the General Shareholders' Meeting have approved:

- a) Amendment of the following articles of the *By-laws*: (i) articles 2, 3, 5, 6, 7, 8, 9 y 32, to formalise the inclusion of the *Mission, Vision, and Values of the Iberdrola group* within the Corporate Governance System and to stress the Company's commitment to its corporate values, to social return, and to the engagement of all stakeholders, and creation of a new Preliminary Title; (B) article 12, to refer to the indirect participation of the shareholders of IBERDROLA, S.A. in the other companies of the Iberdrola group, and restructuring of Title I; and (C) articles 34, 37, 38, 39, 40, 41, 42, 43, 44, and 45, to clarify the distribution of the powers of the Appointments Committee and of the Remuneration Committee, and to make other improvements of a technical nature.
- b) Amendment of the following articles of the Regulations for the General Shareholders' Meeting: (A) articles 1, 6, 13, and 14, to formalise the Company's commitment to the sustainable management of the General Shareholders' Meeting as an event and to promote environmentally-friendly channels of communication; (B) article 16, to regulate the gift for the General Shareholders' Meeting; and (C) articles 22 and 32, to make improvements of a technical nature.



6. Resolution relating to a share capital decrease

The shareholders acting at the General Shareholders Meeting have approved a reduction of the share capital by means of the retirement of a maximum of 157,197,000 treasury shares of Iberdrola, representing 2.46 % of the share capital of the Company, by means of retirement of both 148,845,827 currently existing treasury shares and up to 8,351,173 own shares of the Company Acquired through a Buy-back Programme for the retirement thereof.

Such resolution includes the delegation to the Board of Directors, with the express power of substitution, of the powers necessary to implement such decrease including, among others, the authority to amend the article of the *By-Laws* governing share capital and to apply for the delisting of the retired shares and for the removal thereof from the book-entry registers.

7. Resolution regarding to general matters

The shareholders acting at the General Shareholders Meeting have resolved, without prejudice to the delegations mentioned above, to jointly and severally authorise the Board of Directors, the Executive Committee, the chairman & CEO, and the secretary to the Board of Directors, such that any of them, to the fullest extent permitted by Law, may implement the resolutions adopted.

8. Consultative vote on the Annual director compensation report

Lastly, the *Annual director compensation report* relating to fiscal year 2015 has been submitted to the consultative vote of the shareholders acting at the General Shareholders' Meeting, being supported by a large majority of the shareholders present in person or by proxy at the General Shareholders' Meeting.

B. Resolutions adopted by the Board of Directors

The Board of Directors approved, in its meeting held today, after the report of the Appointments Committee of the Company, to re-elect the independent director Ms Inés Macho Stadler as a member of the Executive Committee.

As a result, the composition of the Company's Board of Directors and Executive Committee after giving effect to the foregoing resolutions passed by the shareholders acting at the General Shareholders' Meeting and by the Board of Directors is as described in the schedule to this notice of significant event.

This information is provided to you for the appropriate purposes.

Yours faithfully,

Secretary to the Board of Directors



Composition of the Board of Directors of Iberdrola, S.A.

Director	Title	Type
Mr José Ignacio Sánchez Galán	Chairperson	Executive
Mr Iñigo Víctor de Oriol Ibarra	Member	Other external director
Ms Inés Macho Stadler	Member	Independent
Mr Braulio Medel Cámara	Member	Independent
Ms Samantha Barber	Member	Independent
Ms María Helena Antolín Raybaud	Member	Independent
Mr Santiago Martínez Lage	Member	Independent
Mr José Luis San Pedro Guerenabarrena	Member	Other external director
Mr Ángel Jesús Acebes Paniagua	Member	Independent
Ms Georgina Kessel Martínez	Member	Independent
Ms Denise Mary Holt	Member I	Independent
Mr José Walfredo Fernández	Member	Independent
Mr Manuel Moreu Munaiz	Member	Other external director
Mr Xabier Sagredo Ormaza	Member	Other external director
Mr Julián Martínez-Simancas Sánchez	Secretary (non member)	
Mr. Rafael Mateu de Ros Cerezo	Counsel	

Composition of the Executive Committee of Iberdrola, S.A.

Director	Title	Type
Mr José Ignacio Sánchez Galán	Chairperson	Executive
Ms Inés Macho Stadler	Member	Independent
Mr José Luis San Pedro Guerenabarrena	Member	Other external director
Mr Ángel Jesús Acebes Paniagua	Member	Independent
Mr Julián Martínez-Simancas Sánchez	Secretary (non member)	



IMPORTANT INFORMATION

This communication does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities. The shares of Iberdrola, S.A. may not be offered or sold in the United States of America except pursuant to an effective registration statement under the Securities Act or pursuant to a valid exemption from registration.