



Julián Martínez-Simancas
Secretary of the Board of Directors

Bilbao, March 31, 2017

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 17 of Regulation (EU) No. 596/2014 on market abuse and 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 21 and 24 February 2017 (under registry numbers 248,326 and 248,513, respectively). Such resolutions are the following:

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

The shareholders acting at the General Shareholders' Meeting have approved the annual financial statements for fiscal year 2016, 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 2016.

Likewise, the shareholders acting at the General Shareholders' Meeting have approved the appointment of KPMG Auditores, S.L. as new auditor of the Company and of its consolidated group for fiscal years 2017, 2018 and 2019, 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 the update of the Corporate Governance System

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

- (i) The preamble to the *By-Laws*.
- (ii) The amendment of articles 7 and 8 of the *By-Laws* to reflect the Company's commitment to maximisation of the social dividend and to the *Mission, Vision and Values of the Iberdrola group*.

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- (iii) The amendment of article 14 of the *Regulations for the General Shareholder's Meeting* to strengthen the shareholders' right to receive information and to make technical improvements.
- (iv) The amendment of articles 19 and 39 of the *Regulations for the General Shareholders' Meeting* to expand the channels for shareholder participation in the General Shareholders' Meeting.

The aforementioned resolutions will be shortly included in the Company's corporate website (www.iberdrola.com).

3. Resolutions relating to the renewal of the Board of Directors

The shareholders acting at the General Shareholders' Meeting have approved the appointments as directors, for a term of four years as provided for in the *By-Laws*, of Mr Juan Manuel González Serna (with the status of independent director) and Mr Francisco Martínez Córcoles (with the status of executive director).

4. Resolutions relating to the remuneration of the shareholders, the directors and management personnel

The shareholders acting at the General Shareholders' Meeting have approved:

- (i) Under item number eleven on the agenda, the allocation of results proposed by the Board of Directors in its meeting held on 21 February 2017, which includes the payment of a dividend for the fiscal year ended 2016 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.
- (ii) Under items numbers twelve and thirteen on the agenda, two fully-paid increases in capital by means of the issuance of new ordinary shares of the Company at a maximum reference market value of EUR 1,032 and 1,168 million, respectively, for the free-of-charge allocation of new shares to the shareholders of the Company. Such resolutions include 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 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 instalments, 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 Remuneration Policy*.

- (iii) Under item number fourteen on the agenda, a reduction in share capital by means of the retirement of a maximum of 219,990,000 own shares, representing 3.41% of the share capital of the Company, by means of retirement of both 188,954,313 currently existing treasury shares and up to 31,035,687 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.

- (iv) Under item number fifteen on the agenda, a strategic bonus directed towards the executive directors, senior officers, and other management personnel linked to the Company's performance for the 2017-2019 period, to be paid through the delivery of Iberdrola shares in the three years following the end of such triennial period.

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This resolution includes the delegation to the Board of Directors, with the express power of substitution, of the powers necessary to formalize, implement, develop, execute and pay such strategic bonus.

Furthermore, the *Annual Director Remuneration Report* relating to financial year 2016 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.

5. Resolutions relating to the authorization to issue fixed-income securities

The shareholders acting at the General Shareholders' Meeting have approved to authorize the Board of Directors to issue simple bonds or debentures, notes and other similar fixed-income securities, neither exchangeable for nor convertible into shares, as well as to guarantee the issuance of securities by the Company's subsidiaries, with a limit of 6,000 million euros for commercial paper and of 20,000 million euros for other fixed-income securities.

6. Resolution relating to the formalisation of resolutions

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 of the Board of Directors, such that any of them, to the fullest extent permitted by Law, may implement the resolutions adopted.

B. Resolutions adopted by the Board of Directors

The Board of Directors has approved, in its meeting held today, to appoint Ms Samantha Barber as member of the Executive Committee and to designate Mr Juan Manuel González Serna as member of the Remuneration Committee, after the report and the proposal, respectively, of the Appointments Committee of the Company.

As a result, the composition of the Company's Board of Directors, Executive Committee and Remuneration 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 of the Board of Directors

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

Director	Title	Type
Mr José Ignacio Sánchez Galán	Chairperson	Executive
Mr Íñigo 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 Ángel Jesús Acebes Paniagua	Member	Independent
Ms Georgina Kessel Martínez	Member	Independent
Ms Denise Mary Holt	Member	Independent
Mr José Walfredo Fernández	Member	Independent
Mr Manuel Moreu Munaiz	Member	Independent
Mr Xabier Sagredo Ormazá	Member	Other external director
Mr Juan Manuel González Serna	Member	Independent
Mr Francisco Martínez Córcoles	Member	Executive
Mr Julián Martínez-Simancas Sánchez	Secretary (non member)	
Mr Santiago Martínez Garrido	Vice-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 Ángel Jesús Acebes Paniagua	Member	Independent
Mr Manuel Moreu Munaiz	Member	Independent
Ms Samantha Barber	Member	Independent
Mr Julián Martínez-Simancas Sánchez	Secretary (non member)	

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

Director	Title	Type
Ms Inés Macho Stadler	Chairperson	Independent
Mr Íñigo Víctor de Oriol Ibarra	Member	Other external director
Mr Juan Manuel González Serna	Member	Independent
Mr Rafael Mateu de Ros Cerezo	Secretary (non member)	

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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.

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