



Julián Martínez-Simancas
General secretary and secretary of the Board of Directors

Bilbao, December 13, 2011

To the National Securities Market Commission

Re: Partial amendment of the corporate governance System of Iberdrola, S.A.

Dear Sirs,

Pursuant to Section 82 of Law 24/1988, of July 28, on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) and related provisions, we hereby advise you that, on the date hereof, the Board of Directors of Iberdrola, S.A. (hereinafter, “**Iberdrola**” or the “**Company**”) has unanimously approved, among others, the following resolutions regarding the partial amendment of the corporate governance System of Iberdrola:

- (i) To amend the Regulations of the Board of Directors and approve the restated version thereof to conform its wording to the orthographic, grammatical, stylistic and typographic rules contained in Iberdrola, S.A.’s *Style guide* and to incorporate other improvements therein including (a) the extension to the counsel to the Board of Directors and to the secretaries of the consultative committees of the Board of Directors that are not themselves directors of the duties provided for in the Regulations of the Board of Directors for the secretary and the Vice-secretary of the Board of Directors, and (b) the reallocation of certain functions among the consultative committees.
- (ii) To review likewise the Regulations of the Audit and Risk Supervision Committee, of the Nominating and Compensation Committee and of the Corporate Social Responsibility Committee with the aim of bringing its drafting in line with Iberdrola, S.A.’s *Style guide* and reflecting the functions of the consultative committees after the reallocation laid down by the Regulations of the Board of Directors referred to above, passing the corresponding restated versions thereof.
- (iii) Update similarly the policies making up book two (*Of Iberdrola, S.A.’s Corporate Policies*) of the corporate governance System, acknowledging also the renewed *auditor hiring Policy* approved by the Audit and Risk Supervision Committee on December 12, 2011, all with the purpose of conforming its wording to Iberdrola, S.A.’s *Style guide*, approving also the restated versions thereof.

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- (iv) Approve new versions of the *Code of ethics for directors*, the *Code of ethics* and the *Procedure for conflicts of interest and related-party transactions with directors, significant shareholders and senior managers* and the restated versions thereof to reflect the new functions allocated to the consultative committees of the Board of Directors by the restated version of the Regulations of the Board of Directors referred-to above.

The foregoing amendments will be available at the Company's corporate website (www.iberdrola.com).

Yours truly,

General secretary and secretary of the Board of Directors

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