



**Julián Martínez-Simancas**  
Secretary of the Board of Directors

Bilbao, 20 December 2016

**To the National Securities Market Commission**

**Subject: Partial reform of the corporate governance System of Iberdrola, S.A. and reclassification of a director as “independent”**

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 that, on the date hereof, the Board of Directors of Iberdrola, S.A. (the “**Company**”) has approved, among others, the following resolutions:

- (a) To approve a partial reform of the corporate governance System in order to strengthen the powers of the Board of Directors in connection with the strategy of the group and to include other improvements in the areas of corporate governance and social responsibility.
- (b) To review the category of Mr. Manuel Moreu Munaiz and, upon the proposal of the Appointments Committee, to reclassify him as “independent” director.

The amendments of the corporate governance System of the Company have affected, among others, the *Regulations of the Board of Directors*. The updated content of the regulations will be made available, in either its full or abridged version, on the Company’s corporate website ([www.iberdrola.com](http://www.iberdrola.com)).

This information is provided to you for the appropriate purposes.

Yours faithfully,

Secretary of the Board of Directors

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