



Julián Martínez-Simancas  
General Secretary and Secretary to the Board of Directors

Bilbao, 27 March, 2015

**To the National Securities Market Commission**

**Re: Resolutions adopted at the General Shareholders' Meeting**

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 inform you that 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 17, 20 and 26 February, 2015 (under registry numbers 218,694, 218,811 and 219,096, 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 2014, 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 2014.

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 2015, including the authorisation in favor of the Board of Directors, with express power of substitution, to enter into the relevant services agreement with "Ernst & Young, S.L.".

**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 2014 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.

In addition, the shareholders acting at the General Shareholders' Meeting have approved, under sections A and B of 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 777 and 886 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 the renewal of the Board of Directors**

The shareholders acting at the General Shareholders' Meeting have approved the ratification of the interim appointment and re-election as directors, for a term of four years as provided for in the *By-laws*, of Ms Denise Mary Holt and Mr José Walfredo Fernández, with the status of independent directors and of Mr Manuel Moreu Munaiz, with the status of other external director.

In addition, 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 Ángel Jesús Acebes Paniagua, Ms María Helena Antolín Raybaud and Mr Santiago Martínez Lage as director, with the status of independent directors, and of Mr José Luis San Pedro Guerenabarrena with the status of other external director and Mr José Ignacio Sánchez Galán, with the status of executive director.

### **4.- Resolution relating to the amendments of the corporate government System**

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

- (a) Amendments of the *By-Laws* in order to conform the text thereof to *Law 31/2014, of 3 December, amending the Companies Act (Ley de Sociedades de Capital)* to improve corporate governance, to reflect the status of Iberdrola as a holding company, to include other improvements in the area of corporate governance and of a technical nature, and to simplify the text thereof. In particular, the following amendments have been approved:
  - (i) Amendment of the current Title I (*The Company, its Share Capital, and its Shareholders*).
  - (ii) Amendment of the current Chapter I of Title II, which now becomes the new Title II (*The General Shareholders' Meeting*).
  - (iii) Amendment of the current Chapter II of Title II, which now becomes the new Title III (*Management of the Company*).

- (iv) Amendment of the current Titles III and IV, which now become the new Titles IV (*Breakthrough of Restrictions in the Event of Takeover Bids*) and V (*Annual Accounts, Dissolution, and Liquidation*), and elimination of the current Title V (*Final Provisions*).
- (b) Amendments of the *Regulations for the General Shareholders' Meeting* in order to conform the text thereof to *Law 31/2014, of 3 December, amending the Companies Act to improve corporate governance*, and to include other improvements in the area of corporate governance and of a technical nature. In particular, the following amendments have been approved:
- (i) Amendment of the Preliminary Title and of Title I (*Function, Types, and Powers*).
  - (ii) Amendment of Titles II (*Call to the General Shareholders' Meeting*), III (*Right to Attend and Proxy Representation*) and IV (*Infrastructure and Equipment*).
  - (iii) Amendment of Title V (*Conduct of the General Shareholders' Meeting*).
  - (iv) Amendment of Titles VI (*Voting and Adoption of Resolutions*), VII (*Closure and Minutes of the Meeting*) and VIII (*Subsequent Acts*).

The foregoing amendments will be published shortly in the Company's corporate website ([www.iberdrola.com](http://www.iberdrola.com)).

#### **5.- 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 148,483,000 treasury shares of Iberdrola, representing 2.324 % of the share capital of the Company, by means of retirement of both 135,768,494 currently existing treasury shares and up to 12,714,506 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.

#### **6.- Resolution relating 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 general secretary and secretary to the Board of Directors, such that any of them, to the fullest extent permitted by Law, may implement the resolutions adopted.

#### **7.- Consultative vote on the *Annual director compensation report***

Lastly, the *Annual director compensation report* relating to fiscal year 2014 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.

This information is provided to you for the appropriate purposes.

Yours truly,

General Secretary and Secretary to the Board of Directors

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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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