



# General Shareholders' Meeting

Announcement / 2017  
of the Call to Meeting

The Board of Directors of IBERDROLA, S.A. has resolved to call a General Shareholders' Meeting at **Palacio Euskalduna in Bilbao (avenida Abandoibarra número 4), on Friday 31 March 2017, at 11:30, on first call**, or, if the required quorum is not met, on the next day, at the same place and time, on second call. It is expected that the required quorum will be met on first call, for which reason **it can be expected that the proceedings will take place on 31 March 2017.**

## Agenda

<b>Annual accounts, corporate management and change of auditor</b>	<ol style="list-style-type: none"> <li>1. Approval of the individual and consolidated annual accounts for financial year 2016.</li> <li>2. Approval of the individual and consolidated management reports for financial year 2016.</li> <li>3. Approval of the management and activities of the Board of Directors during financial year 2016.</li> <li>4. Appointment of KPMG Auditores, S.L. as new auditor of the Company and of its consolidated group for financial years 2017, 2018, and 2019.</li> </ol>
<b>Update of the Corporate Governance System</b>	<ol style="list-style-type: none"> <li>5. Approval of the preamble to the <i>By-Laws</i>.</li> <li>6. Amendment of articles 7 and 8 of the <i>By-Laws</i> to reflect the Company's commitment to maximisation of the social dividend and to the <i>Mission, Vision, and Values of the Iberdrola group</i>.</li> <li>7. Amendment of article 14 of the <i>Regulations for the General Shareholders' Meeting</i> to strengthen the right to receive information and to make technical improvements.</li> <li>8. Amendment of articles 19 and 39 of the <i>Regulations for the General Shareholders' Meeting</i> to expand the channels for participation in the General Shareholders' Meeting.</li> </ol>
<b>Renewal of the Board of Directors</b>	<ol style="list-style-type: none"> <li>9. Appointment of Mr Juan Manuel González Serna as independent director.</li> <li>10. Appointment of Mr Francisco Martínez Córcoles as executive director.</li> </ol>
<b>Remuneration of the shareholders, the directors, and management personnel</b>	<ol style="list-style-type: none"> <li>11. Approval of the proposed allocation of profits/losses and distribution of dividends for financial year 2016.</li> <li>12. Approval of an increase in capital by means of a scrip issue at a maximum reference market value of 1,032 million euros.</li> <li>13. Approval of an increase in capital by means of a scrip issue at a maximum reference market value of 1,168 million euros. As regards each of the increases, which implement the "Iberdrola Flexible Dividend" system, it is proposed to: (i) offer that the Company acquire the free-of-charge allocation rights of the shareholders at a guaranteed fixed price; and (ii) delegate powers for the implementation thereof.</li> <li>14. Approval of a reduction in share capital by means of the retirement of 219,990,000 own shares (3.41% of the share capital). Delegation of powers for the implementation thereof.</li> <li>15. Approval of a strategic bonus for the executive directors and management personnel linked to the Company's performance for the 2017-2019 period, to be paid through the delivery of shares. Delegation of powers for the further development and implementation thereof.</li> <li>16. Consultative vote regarding the <i>Annual Director Remuneration Report</i> for financial year 2016.</li> </ol>
<b>Authorisation to issue fixed-income securities</b>	<ol style="list-style-type: none"> <li>17. Authorisation to the Board of Directors to issue simple debentures and other fixed-income securities that are neither exchangeable for nor convertible into shares, as well as to guarantee the issue of securities by the Company's subsidiaries, with a limit of 6,000 million euros for notes and of 20,000 million euros for other fixed-income securities.</li> </ol>
<b>Formalisation of resolutions</b>	<ol style="list-style-type: none"> <li>18. Delegation of powers for the formalisation and conversion into a public instrument of the resolutions adopted.</li> </ol>

## Attendance Bonus

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In compliance with the provisions of the *General Corporate Governance Policy*, the Company will pay an **attendance bonus in the gross amount of 0.005 euro per share** for shares present at the General Shareholders' Meeting, thus including shareholders who attend in person or by proxy representation granted to any third party and those who cast an absentee vote.

## Participation

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**The Company does not require a minimum number of shares in order to be able to attend** the General Shareholders' Meeting, to vote, or to take part in the deliberations thereof. Therefore, all holders of shares who have caused such shares to be registered in their name in the corresponding book-entry register not later than 26 March 2017 may do so if, as expected, the General Shareholders' Meeting is held on first call (or the next day if held on second call).

**In addition, all shareholders having the right to attend may grant their proxy to another person, even if not a shareholder, or cast an absentee vote**, via the premises made available for such purpose to be announced on the corporate website ([www.iberdrola.com](http://www.iberdrola.com)), the software application available on said website, or by sending a duly completed attendance, proxy, and absentee voting card to the Company (to apartado de correos número 1.113, 48008 Bilbao). Proxies and absentee votes cast by electronic communication or postal correspondence must, as a general rule, be received by the Company **before 31 March 2017** if, as expected, the General Shareholders' Meeting is held on first call (or the next day if held on second call).

**In order to promote universal accessibility**, the Company will adopt measures to facilitate participation at the meeting by shareholders and proxy representatives with mobility, auditory, or visual limitations and will provide a playroom for children of all ages, supervised by qualified professionals. The proceedings will also have the equipment required for the simultaneous interpretation of presentations made in Spanish into Euskera (Basque), English, and Portuguese, as well as for the consecutive interpretation into Spanish of the presentations of attendees who wish to express themselves in Euskera, English, or Portuguese.

## Information

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**All documentation relating to the General Shareholders' Meeting**, the publication of which is provided for by law or the Corporate Governance System or that is otherwise deemed appropriate to be made available to the shareholders, including the proposed resolutions as well as the reports of the Board of Directors and of the auditor, **may be viewed on the corporate website** ([www.iberdrola.com](http://www.iberdrola.com)). Said corporate website also allows for access to information regarding the **reduction and the increases in share capital** implemented as well as the **amendments of the Regulations of the Board of Directors** approved since the holding of the last General Shareholders' Meeting on 8 April 2016.

**The shareholders may examine at the registered office and request the immediate delivery or shipping without charge** (which may be carried out by e-mail, with confirmation of receipt, if the shareholder accepts this form of delivery) of a copy of the individual and consolidated annual accounts and management reports for financial year 2016, together with the respective audit reports, the proposed resolutions, including the full text of the proposed amendments to the *By-Laws*, and the mandatory reports of the Board of Directors, and of the other documents that must be made available to the shareholders in connection with the holding of this General Shareholders' Meeting.

**Shareholders with visual limitations** may also request the delivery of this announcement printed in the **Braille system**, as well as the delivery of any other document published by the Company on occasion of the call to the General Shareholders' Meeting in a format compatible with reading systems for persons with such limitations.

**Finally, until 26 March 2017, inclusive, shareholders may request in writing the information or clarifications that they deem are required, or ask the written questions they believe are relevant**, regarding the matters included in the agenda of the call to meeting, the information accessible to the public that has been provided by the Company to the National Securities Market Commission since the holding of the last General Shareholders' Meeting, and the audit reports on the individual and consolidated annual accounts and management reports of the Company for financial year 2016.

## **Supplement to the Call to Meeting and Well-founded Proposed Resolutions**

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**Shareholders representing at least 3% of the share capital may request the publication of a supplement to the call** to the General Shareholders' Meeting including one or more items in the agenda and **submit well-founded proposed resolutions** as provided by law and the Corporate Governance System. Such rights must be exercised by duly authenticated notice that must be received at the registered office of the Company before 2 March 2017.

### **Digital Channels and Office of the Shareholder**

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Detailed information regarding the exercise of the rights to receive information, to attend, to proxy representation, to absentee voting, to request the publication of a supplement to the call to meeting, and to submit well-founded proposed resolutions can be obtained on the corporate website ([www.iberdrola.com](http://www.iberdrola.com)).

Shareholders may obtain additional information through the **Investor Relations App**, by accessing the **On-Line Shareholders (OLS) system**, which is continuously available on the **corporate website** ([www.iberdrola.com](http://www.iberdrola.com)), or by contacting the **Office of the Shareholder** (phone: (+34) 900 100 019 (hours: Monday to Friday, from 09:00 to 19:00) / e-mail: [accionistas@iberdrola.com](mailto:accionistas@iberdrola.com)).

In Bilbao, on 21 February 2017.

The secretary of the Board of Directors.

**Personal data protection:** the personal data that shareholders provide to the Company (upon the exercise or delegation of their rights to receive information, to attend, to proxy representation, and to vote) or that are provided by the financial institutions and by the investment services companies that are depositaries or custodians of the shares held by such shareholders, as well as by the entities in charge of the book-entry registers pursuant to law, will be processed by the Company in order to manage the shareholding relationship (including, but not limited to, the call to and holding of the Shareholder Day and the General Shareholders' Meeting and the dissemination thereof). To such end, the data will be kept in computer files for which the Company is responsible. Such data will be provided to the notary public solely in connection with the drawing-up of the notarial minutes of the General Shareholders' Meeting.

The owner of the data will be entitled to exercise the rights of access, rectification, objection, or erasure of the data collected by the Company. Such rights may be exercised in accordance with the provisions of law by means of a letter addressed to IBERDROLA, S.A. (address: Plaza Euskadi número 5, 48009 Bilbao).

If the shareholder includes personal data of other individuals on the attendance, proxy, and absentee voting card, such shareholder must advise them of the details set forth in the preceding paragraphs and comply with any other requirements that may apply for the provision of the personal data to the Company, without the Company having to take any additional action.

All or part of the proceedings of the General Shareholders' Meeting may be subject to audiovisual recording and broadcast and will be available to the public through the Company's corporate website ([www.iberdrola.com](http://www.iberdrola.com)).