

Announcement of the Call to Meeting

The Company wants all of its shareholders to be able to participate in the General Shareholders' Meeting. To this end, the proceedings will 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 shareholders preferring to use Euskera, English, or Portuguese during the General Shareholders' Meeting. The Company will also adopt the measures necessary for shareholders with mobility, auditory, or visual limitations to participate in the General Shareholders' Meeting, and will provide a children's playroom supervised by qualified professionals, including staff for the care of infants.

All shareholders having the right to attend may be represented at the General Shareholders' Meeting by another person, even though not a shareholder.

All shareholders having the right to attend may grant a proxy or cast an absentee vote on the proposals relating to items included in the agenda of the call to meeting by electronic communication using the software application available on the corporate website (www.iberdrola.com), by sending a duly completed attendance, proxy, and absentee voting card to the offices of the Company or the premises made available for such purpose to be announced on the corporate website (www.iberdrola.com), as well as by sending the card to the Company via postal correspondence (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 24:00 on 7 April or 8 April 2016**, depending on whether the General Shareholders' Meeting is held on first or second call, respectively.

Available Information and Documentation

Until 3 April 2016, inclusive, shareholders may request in writing the information or clarifications that they deem are required, or ask the written questions they deem 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, i.e. since 27 March 2015, and the audit reports on the individual annual accounts and management reports of the Company and on the annual accounts and management reports of the Company consolidated with those of its subsidiaries for financial year 2015.

As from the date of publication of this announcement of the call to meeting, the following documents and information are made continuously available to the shareholders on the Company's corporate website (www.iberdrola.com): (1) this announcement of the call to meeting; (2) the form of attendance, proxy, and absentee voting card; (3) the full text of the proposed resolutions corresponding to the items included in the agenda of the call to meeting, together with the respective reports of the Board of Directors required by law or otherwise deemed appropriate; (4) the individual annual accounts of the Company and the annual accounts of the Company consolidated with those of its subsidiaries for financial year 2015 and the respective audit reports; (5) the Company's individual management reports and the management reports of the Company consolidated with those of its subsidiaries for financial year 2015; (6) the directors' statement of responsibility provided for in section 118 of the *Securities Market Act (Ley del Mercado de Valores)*, which, together with the documents set forth in the two preceding items, constitute the *Annual Financial Report* for financial year 2015; (7) the *Report on the Independence of the Auditor in Relation to the Audit Report for Financial Year 2015*; (8) the *Annual Corporate Governance Report* for financial year 2015; (9) the *Annual Director Remuneration Report* for financial year 2015; (10) the *Annual Activities Report of the Consultative Committees of the Board of Directors* for financial year 2015; (11) the *Report on Related-Party Transactions with Directors and Significant Shareholders*; (12) the *Annual Report on the Application of the Shareholder Engagement Policy and the Policy regarding Communication and Contacts with Shareholders, Institutional Investors, and Proxy Advisors*; (13) the *Sustainability Report* for financial year 2015; (14) the current restated texts of the *By-Laws*, the *Corporate Policies*, the *Regulations for the General Shareholders' Meeting*, the *Regulations of the Board of Directors*, and the other documents making up the Corporate Governance System (in a full-text or summarised version); (15) the *Rules of Implementation for the Management of the General Shareholders' Meeting*; (16) the *Shareholder's Guide*; and (17) information regarding the total number of shares and voting rights on the date of publication of this announcement of call to meeting. Furthermore, a few days after the publication of the announcement of the call to meeting, there will be made available to the shareholders on the corporate website (18) the *Integrated Report*, summarising the key operating and financial figures of the annual reports for financial year 2015 –based on the financial statements submitted for approval by the shareholders at the General Shareholders' Meeting– and which reflects future prospects and the strategic positioning of the Company.

2016 General Shareholders' Meeting



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Furthermore, the shareholders have the right to examine at the registered office and to 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 annual accounts and management reports of the Company and of the annual accounts and management reports of the Company consolidated with those of its subsidiaries, together with the respective audit reports, for financial year 2015, of the proposed resolutions, including the proposed amendments to the By-Laws, of the mandatory director reports, 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 request through the corporate website (www.iberdrola.com) that this announcement be sent in Braille.

Finally, information regarding the following is made available to the shareholders on the corporate website (www.iberdrola.com) as from the adoption of the corresponding resolutions: (1) the implementation, on 20 July 2015 and 26 January 2016, of the **two increases in capital by means of scrip issues** for the free-of-charge allocation of ordinary shares to the shareholders of the Company, approved by the shareholders at the General Shareholders' Meeting of 27 March 2015 under paragraphs A and B of item six on the agenda, and the respective amendments of the *By-Laws*; (2) the implementation, on 28 April 2015, of the **reduction in capital** through the retirement of own shares of the Company approved by the shareholders at the same General Shareholders' Meeting under item eleven on the agenda and the resulting amendment of the *By-Laws*; (3) the **Mission, Vision, and Values of the Iberdrola group** approved by the Company's Board of Directors on 23 February 2016; and (4) the **amendments of the Regulations of the Board of Directors** approved by such body.

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

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, provided such new items are accompanied by the rationale therefor or, if appropriate, by a duly substantiated proposal for a resolution, and submit well-founded proposed resolutions on matters already included or that must be included in the agenda of the call to meeting. Such rights must be exercised by duly authenticated notice that must be received at the registered office of the Company within the legal deadline, which expires on 2 March 2016.

Common Provisions Applicable to the Rights of the Shareholders

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 proposals for resolutions shall be exercised as provided by law, the **Corporate Governance System**, and the **Rules of Implementation for the Management of the General Shareholders' Meeting**, available both on the corporate website (www.iberdrola.com) and at the Office of the Shareholder.

Other Significant Aspects relating to the Meeting

The Board of Directors has resolved to request the presence of a **notary public to draw up the minutes of the General Shareholders' Meeting**.

To facilitate the viewing and appropriate dissemination thereof, 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).

Additional Information

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), or by contacting the **Office of the Shareholder** (address: Plaza Euskadi número 5, 48009 Bilbao and calle Tomás Redondo número 1, 28033 Madrid / phone: (+34) 900 100 019 (hours: Monday to Friday, from 09:00 to 19:00) / e-mail: accionistas@iberdrola.com).



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Bilbao, 23 February 2016

The secretary of the Board of Directors

Sustainable Management

The **Basque Government**, through its public owned company Ihobe, and **AENOR** have issued certificates verifying that the Company has complied with **the criteria on environmental sustainability of events in the Basque Country** and with the **UNE-ISO 20121 standard for sustainable event management**, respectively, in the management of the General Shareholders' Meeting. More information is available on the corporate website (www.iberdrola.com) regarding the Company's **Sustainability Policy**.

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.

