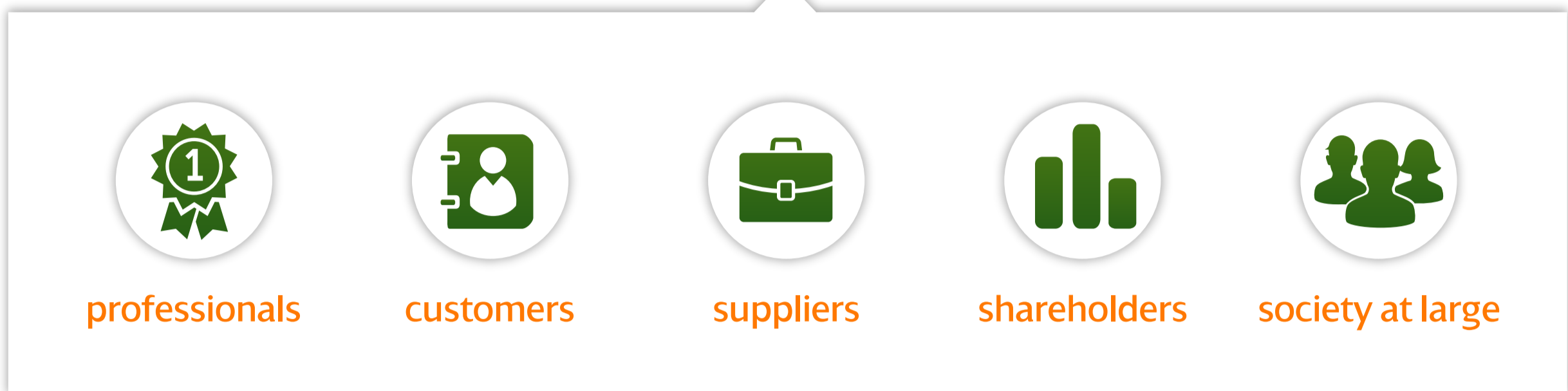


IBERDROLA GROUP COMPLIANCE SYSTEM

The Compliance System represents the IBERDROLA Group's commitment to its professionals, customers, suppliers, competitors, shareholders and other stakeholders it works with to conduct its activities in accordance with current regulations and the highest ethical standards and values.


IBERDROLA GROUP'S COMMITMENT




The Iberdrola Group's Compliance System has been designed based on the parameters included in the best international practices.

The ethics and compliance system represents the global methodological framework under which different compliance programs, control mechanisms and initiatives are developed and promoted across the organization.

THE CODE OF ETHICS AND THE DEVELOPMENT OF A CULTURE OF INTEGRITY IN THE ORGANISATION

 **IT EMBODIES THE GROUP'S VISION AND VALUES**

- It represents **who we are and how we act** as a company.
- Professional conduct in keeping with the vision and values laid out in the Code of Ethics is the best **assurance of the Group's commitment** to creating value for its shareholders and other stakeholders.

 **IT PROMOTES A CULTURE OF INTEGRITY IN THE ORGANISATION**

- It establishes criteria and guidelines for ensuring ethical professional conduct:
 - > **Professionalism**: acting diligently, responsibly and efficiently, focusing on excellence, quality and innovation.
 - > **Integrity**: acting loyally, honestly, in good faith, objectively and in line with the interests of the Group and with its principles and values as set out in our Code of Ethics.
 - > **Self-control** in activities and decision-making, such that any action performed is based on four basic premises:
 - The action must be ethically acceptable,
 - It must be legally valid,
 - It must be in the interest of the Company and the Group, and
 - The professional must be willing to take responsibility for the action.

THE IBERDROLA COMPLIANCE UNIT

At the end of 2012 the Board of Directors of IBERDROLA, S.A. set up the IBERDROLA Group's Compliance Unit with the aim of ensuring the application of the [Code of Ethics \[PDF\]](#), promoting a preventive culture based on the principle of "zero tolerance" with regard to illicit acts and fraud. Additionally, each subholding company and/or business subholding companies of the Iberdrola Group have independent Compliance Divisions linked to the Unit, according to a coordination protocol.

The Compliance Unit and Divisions, in collaboration with other areas and in accordance with their areas of competence, monitor the effectiveness of the Compliance System, suggesting initiatives for continuous update and improvement.

