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Directors' Code of Ethics

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Take care of the environment.
Printed in black and white and only if necessary.

DIRECTOR'S CODE OF ETHICS

Article 1. Purpose

The directors of IBERDROLA, S.A. (the "**Company**") must comply with the obligations and duties established by law and in the Corporate Governance System, and their conduct as directors must conform to the ethical principles and duties inherent to the *Mission, Vision, and Values of the Iberdrola group*.

This *Directors' Code of Ethics*, approved by the Board of Directors, forms part of the Corporate Governance System and is one of the internal Codes and Procedures. It sets forth the ethical principles that are to govern all action by directors and the ethical duties that they undertake to observe in their capacity as members of the Board.

Article 2. Scope of Application

The *Directors' Code of Ethics* binds all of the directors, including the individuals appointed to represent legal entities, who have the duty to be apprised of and comply with the Code.

For such purposes, the Secretary of the Board of Directors shall provide them with a copy of the *Directors' Code of Ethics*, delivery of which they shall confirm by written receipt; the Secretary of the Board of Directors shall also include the *Code* on the Directors' website and shall publish it on the Company's corporate website.

Compliance with the *Directors' Code of Ethics* is understood to be without prejudice to strict compliance with the provisions of law and of the other documents making up the Company's Corporate Governance System and, in particular, the *Regulations of the Board of Directors* and the *Internal Regulations for Conduct in the Securities Markets* and the regulations thereunder.

Article 3. Ethical Principles

The ethical principles that are to govern all action by directors are:

- a) Strict compliance with the law and with the Corporate Governance System.
- b) Commitment to and involvement with human and labour rights.
- c) Protection of the environment.
- d) Non-discrimination by reason of race, colour, nationality, social origin, age, gender, marital status, sexual orientation, ideology, political opinion, religion or any other personal, physical or social condition of its professionals, as well as equal opportunity among them.
- e) Reconciliation of work and family life.
- f) Occupational safety and health, which entails ensuring that physical conditions do not pose a risk to human physical safety or health.
- g) Rigorous and objective selection and evaluation, as well as training, of the professionals of all of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the "**Group**").
- h) Respect for the legitimate public or private interests that converge in the conduct of the Group's business activities, particularly those of the various stakeholders, those of the communities and territories in which the Group does business, and those of its employees.

These ethical principles shall be construed and applied in furtherance of the corporate interest, understood as the common interest of all the shareholders of an independent company oriented towards the sustainable exploitation of its corporate object and the creation of long-term value for the shareholders' benefit, taking into account other stakeholders related to its business activity and to its institutional reality, and especially the legitimate interests of the various communities and territories in which the Company acts and those of its employees.

Article 4. Qualities of a Director

The directors of the Company must be respectable and capable persons with recognised expertise, competence, experience, qualifications, training, availability and commitment to their duties.

Directors must also distinguish themselves by their professionalism and integrity, which must translate into transparent, diligent, responsible, efficient, professional, loyal, honest, good-faith, and objective conduct, in line with the values of excellence, quality, and innovation in furtherance of the corporate interest.

Directors have the duty to cultivate the above-mentioned qualities and capabilities.

Article 5. Ethical Duties

As an expression of the integrity required of directors of the Company, they must comply with the following ethical duties in the performance of their tasks:

- a) Directors may not give or accept gifts or presents in the performance of their activities as directors other than, on an exceptional basis, gifts that are of insignificant or symbolic economic value, correspond to signs of courtesy or to customary business gifts and tokens and are not forbidden by law, by the Corporate Governance System or by generally accepted business practices.
- b) Directors may not, directly or through nominees, offer or grant, or solicit or accept, unjustified advantages or benefits that are intended to obtain a benefit for the Group, for themselves or for a third party.
- c) Directors are also not allowed to receive money from customers or suppliers on a personal level, not even as a loan or advance, the foregoing being independent of loans or credits granted by financial institutions that are customers or suppliers of the Group.

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- d) Directors may not accept any kind of hospitality that influences, might influence or might be construed as influencing decision-making.
 - e) The provision of services by directors as employees or professionals, for their own account or for the account of another, to companies or entities other than the Group, as well as engaging in academic or similar activities, shall be reported and, if required, authorised in the manner established by the Corporate Governance System.
 - f) While the Company respects the performance of social, public or other unpaid activities by its Directors, such activities must not interfere with their duties and responsibilities as directors.
 - g) The connection, membership, or collaboration by directors with or in government administrations, public organisations and entities, government-owned companies, political parties or other kinds of public-purpose entities, institutions or associations shall be such that the strictly personal nature thereof is clear, thus avoiding any connection with the Group.
 - h) Directors shall make responsible use of the resources and means made available to them by the Company, using them solely for professional activities in the interest of the Group.
 - i) The Company owns and holds the right to use and operate the computer software, presentations, projects, studies, reports and other works and rights created, developed or used by its directors within the framework of their professional activities or based on the Group's information technology systems.
 - j) Directors shall respect the principle of confidentiality in respect of the nature of the rights, licenses, software, systems, and technological knowledge in general owned by the Group or which it has the right to operate or use.
 - k) The use of the information technology equipment, systems and software and of the passwords made available by the Group to directors for the performance of their work, including the facility of accessing and operating on the Internet and the directors' website, shall conform to standards of security and efficiency, excluding any use, action or software function that is unlawful or contrary to the Group's regulations or instructions or that compromises the confidentiality of the information of the Group to which they have access.
 - l) Directors shall not operate, reproduce, replicate or assign the Group's information technology systems or applications for purposes unrelated thereto. In addition, directors shall not install or use on the computer equipment provided by the Group software or applications the use of which is unlawful or that might damage the systems or prejudice the image or the interests of the Group, its customers or third parties.
 - m) Directors shall, in all their business, professional, or private activities, avoid any action or decision that might violate the law or the Corporate Governance System in connection with related-party transactions, significant transactions, business opportunities, use of corporate assets, other cases of conflict of interest, relations with shareholders, employees, customers, vendors and suppliers of the Group, competitors, and the media.
 - n) The directors identify with the Company's commitment to create value for its shareholders on a continuous and sustained basis and with the long-term success of the Company, within the framework of the Corporate Policies and the principle of equal treatment of shareholders in the same situation.
 - o) Relations of directors with authorities, regulatory and supervisory entities and government administrations in general shall be conducted following the principles of cooperation and transparency. Specifically, transparency of information, particularly economic and financial information, is a basic principle that must govern the directors' activities.
 - p) Relations of directors, in their capacity as such, with the media and with investors and financial analysts shall be channelled through such divisions and services of the Company as the Board of Directors and the Chairman thereof may determine.
 - q) Directors shall be committed to the principles of the *General Corporate Social Responsibility Policy* and those of a responsible corporate ethic that makes it possible to harmonise the creation of value for the shareholders with sustainable development, the main objectives of which are the protection of the environment, social cohesion, the development of a favourable framework for labour relations and ongoing communication with the various groups related to the Company.
 - r) Directors shall have the duty to report the commission by a director of any irregularity or of any act against the law, the Corporate Governance System or the rules of conduct laid down in this *Directors' Code of Ethics*.

Article 6. Code of Ethics of the Company

The provisions contained in this *Directors' Code of Ethics* must be interpreted consistently with the *Code of Ethics* of the Company.

The directors, as members of the main body responsible for management of the Company, undertake to manage and cause the Group to be managed, in all fields of endeavour, in accordance with the provisions of the *Mission, Vision, and Values of the Iberdrola group* and the *Code of Ethics*.

Article 7. Exemptions from Compliance

Any exemption from compliance with the provisions of this *Directors' Code of Ethics* shall require approval of the Board of Directors after a report from the Nominating Committee.

Article 8. Approval and Amendment

The approval of this *Directors' Code of Ethics* and any amendment of the contents hereof shall fall within the purview of the Board of Directors.

