

Brand Policy

15 December 2015

The Board of Directors of IBERDROLA, S.A. (the “Company”), aware that the IBERDROLA brand constitutes one of its strategic assets, has approved this *Brand Policy*.

1. Purpose

This *Brand Policy* is intended to protect and contribute to the IBERDROLA brand and to establish certain basic principles of conduct allowing all of the companies belonging to the group of which the Company is the controlling entity, within the meaning established by law (the “Group”), to use it as a springboard that contributes to its reputation and to the success of the businesses carried out by the Group.

2. The IBERDROLA Brand

The IBERDROLA Brand belongs to the Company and constitutes one of its strategic assets: it is a hallmark of its identity and the principal symbol of the mission, vision, and values of the Group.

As a hallmark of identity, the IBERDROLA brand is a key element in the corporate strategy of the Company. As the symbol of the mission, vision, and values of the Group, it is a springboard for creating value that should be used by all of the companies of the Group to contribute to the success of its businesses.

All of the companies of the Group must ensure that the IBERDROLA brand is associated with the mission, vision and values of the Group, and thus to the commitment to the creation of value, the quality of life, the safety of people and of supply, the protection of the environment, and customer focus.

3. Use of the Brand

The Company licenses the use of the IBERDROLA brand to all of the companies of the Group and to the entities in the nature of foundations belonging to the Foundations Committee of the Iberdrola Group, upon the terms set forth in the *Brand Usage Code*. All licensees shall be required to comply with the provisions of this *Brand Policy* and the corresponding brand licensing agreement implementing the terms and conditions for using the IBERDROLA brand.

The companies of the Group shall use the IBERDROLA brand in the same manner and according to the standards of the *IBERDROLA Brand Usage Manual* approved by the Corporate Brand and Reputation Division of the Company, as well as with the clauses of the relevant brand licensing agreement on quality control.

Any use of the IBERDROLA brand that differs from the provisions of the *IBERDROLA Brand Usage Manual* must be authorised in advance by the Corporate Brand and Reputation Division of the Company.

As a general principle, the IBERDROLA brand shall form part of the trade names and distinctive signs used by the Companies of the Group in carrying on their businesses.

Companies of the Group shall ensure that such use of the IBERDROLA brand does not cause confusion regarding their own identity and corporate independence.

For these purposes, except as otherwise authorised by the Company’s Corporate Brand and Reputation Division, all of the companies of the Group (other than the Company itself) must always use the IBERDROLA brand together with their own distinctive name. By way of exception to the foregoing, the listed country subholding companies may use a different corporate name and brand that contributes to the differentiation thereof as autonomous entities belonging to the Group. In such instances, the relevant brand shall belong to the listed country subholding company. This exception does not extend to the head of business companies in which an interest is held by the listed country subholding companies, which shall use the IBERDROLA brand in their name and in carrying out their business activities in accordance with the provisions of this *Brand Policy*.

4. Ceasing Use of the Brand

The companies of the Group shall cease to use the IBERDROLA brand, including the use thereof in their own trade name or corporate name, in accordance with the provisions of the *Brand Usage Code*, and particularly in the event that such use might risk the reputation of the Group or when the company no longer belongs to the Group. In this latter event, when there are circumstances that so warrant, the Company may authorise companies that no longer belong to the Group to use the IBERDROLA brand on a temporary basis.

5. Protection of the Brand

The Group shall take the actions needed to protect and contribute to the value of the IBERDROLA brand, obtaining effective protection of the Company’s rights thereto throughout the world and in all areas in which the Group is or expects to be present, particularly including the Internet and social networks.

The companies of the Group may not directly or through third parties request and/or register trademarks, trade names, domain names, social profiles or any other distinctive mark that is identical or similar to the IBERDROLA brand without the authorisation of the Company’s Corporate Brand and Reputation Division.

This *Brand Policy* was initially approved by the Board of Directors on 22 June 2015, and was last amended on 15 December 2015.

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