

EXHIBITS

1. By-Laws (Article 38)
2. Regulations of the Board of Directors
(Articles 24, 25 and 26)

1. BY-LAWS (ARTICLE 38)

“Audit and Compliance Committee”

1. *The Board of Directors shall create a permanent Audit and Compliance Committee, which shall be composed of a minimum of three (3) Directors and a maximum of five (5) Directors appointed by the Board of Directors from among the external Directors who are not members of the Executive Committee. The Audit and Compliance Committee shall have a Chairman, who must be one of the independent Directors that are members of the Committee, and a Secretary, who need not be a Director, appointed by the Board of Directors.*

Unless otherwise decided by the Board of Directors, the Directors sitting on the Audit and Compliance Committee shall hold their positions for so long as they remain Directors of the Company. Renewal and re-election to and removal from office of the Directors sitting on the Committee shall be governed by resolution of the Board of Directors. The position of Chairman shall be held for a maximum period of (4) years, after which period such person may not be re-elected until the passage of one year from ceasing to act as such, without prejudice to such person continuing or being re-elected as a member of the Committee.

2. *In all events, the Audit and Compliance Committee shall have the power to:*

- (a) *Report to the General Shareholders' Meeting with respect to matters raised therein by shareholders regarding its powers.*
- (b) *Propose appointments of the Company's Auditors to the Board of Directors for submission to the General Shareholders' Meeting.*
- (c) *Supervise the management of the Internal Audit Area, which will be functionally controlled by the Chairman of the Audit and Compliance Committee.*
- (d) *Know the process for gathering financial information and associated internal systems for monitoring risks relevant to the Company.*
- (e) *Receive information from the Auditors regarding matters that might risk the independence thereof which are related to the auditing procedure and generally regarding any other information provided for in legislation regarding the auditing of financial statements and in the technical auditing regulations in effect at any time.*

- (f) *Report in advance on the Company's annual corporate governance report and ensure compliance with legal requirements and those of the Codes of Professional Conduct and Good Governance adopted by the Board of Directors.*

- (g) *Exercise such other powers, if any, as may be assigned to it by these By-Laws, the Regulations of the Board of Directors or the Board of Directors.*

3. *For purposes of the operation of the Committee, it shall meet as many times as its Chairman deems necessary for the fulfillment of its obligations, and at least four (4) times per year, or when requested by at least one-half of its members.*

Meetings of the Committee shall be validly held when one-half plus one of its members are present in person or by proxy, and shall adopt resolutions by majority of the members present in person or by proxy. In the event of a tie, the Chairman shall have the tie-breaking vote.

4. *The Audit and Compliance Committee shall submit for approval of the Board of Directors a Report of its activities during the fiscal year, which shall thereafter be made available to shareholders and investors on occasion of the call of the ordinary General Shareholders' Meeting.*
5. *The foregoing rules shall be developed by the Board of Directors in the Regulations of the Board of Directors, always favoring independence in the operation of the Committee.*

2. REGULATIONS OF THE BOARD OF DIRECTORS (ARTICLES 24, 25 AND 26)

“The Audit and Compliance Committee”

SECTION 3. AUDIT AND COMPLIANCE COMMITTEE

Article 24. Composition of and Positions within the Audit and Compliance Committee.

1. The Board of Directors shall create a permanent Audit and Compliance Committee, which shall be composed of a minimum of three (3) Directors and a maximum of five (5) Directors appointed by the Board of Directors from among the external Directors who are not members of the Executive Committee. The Audit and Compliance Committee shall have a Chairman, who shall necessarily be one of the independent Directors sitting on the Committee, with sufficient capacity and availability to provide greater dedication to the Committee than the other Directors sitting thereon, and a Secretary, who need not be a Director, appointed by the Board of Directors.

The Board of Directors shall endeavor to ensure that the Directors who are members of the Audit and Compliance Committee, and especially the Chairman thereof, have such background knowledge and experience in accounting, audit or risk management matters as is required by the duties they are called upon to perform, provided, however, that they need not be experts in these fields.

2. The Directors who are members of the Audit and Compliance Committee shall carry out their duties as long as their appointment as Directors of the Company remains in effect, unless the Board of Directors otherwise resolves, and provided they maintain their status as external Directors and are not members of the Executive Committee. The renewal, re-election and withdrawal of the Directors sitting on the Committee shall be governed by the resolutions of the Board of Directors. The office of Chairman shall be held for a maximum period of (4) years, after which period such person may not be re-elected until the passage of one year from ceasing to act as such, without prejudice to such person continuing or being re-elected as a member of the Committee.

Article 25. Powers and Functions of the Audit and Compliance Committee.

1. The activities of the Committee shall cover Iberdrola Renovables and the companies forming part of the Iberdrola Renovables Group.

2. In all events, the Audit and Compliance Committee shall have the power to:

- a) Report to the General Shareholders' Meeting with respect to matters raised therein by shareholders regarding its powers.
- b) Propose appointments of the Company's Auditors to the Board of Directors for submission to the General Shareholders' Meeting.
- c) Supervise the management of the Internal Audit Area, which shall be functionally controlled by the Chairman of the Audit and Compliance Committee.
- d) Know the process for gathering financial information and associated systems for monitoring risks relevant to the Company.
- e) Receive information from the Auditors regarding matters that might jeopardize the independence thereof which are related to the auditing procedure and generally regarding any other information provided for in legislation regarding the auditing of financial statements and in the technical auditing regulations in effect at any time.
- f) Report in advance on the Company's annual corporate governance report and ensure compliance with legal requirements and those of the Codes of Ethics or Professional Conduct and Good Governance adopted by the Board of Directors.
- g) Inform the Board of Directors in advance regarding (i) all matters within its area of authority provided for in Title VIII of these Regulations and (ii) the financial information that the Company must periodically make public due to its status as listed company. In this regard, the Committee shall make sure that the interim financial statements are prepared in accordance with the same accounting standards as the annual financial statements and, for such purpose, it shall consider the suitability of a limited review by the external Auditor.
- h) Report to the Board of Directors, prior to the adoption by it of the corresponding decision, regarding the creation or acquisition of interests in special purpose entities or entities registered in countries or territories regarded as tax havens, as well as any other transactions or operations of a similar nature that, due to the complexity thereof, might detract from the transparency of the Iberdrola Renovables Group.

- i) Report on the proposed amendments to the Regulations of the Board of Directors.
 - j) Exercise such other powers, if any, as may be assigned to it by the By-Laws, these Regulations or the Board of Directors.
3. The following shall be the main functions of the Committee regarding Internal Audit:
- a) See to the independence and effectiveness of Internal Audit.
 - b) Approve the direction and plans of the Internal Audit Area and ensure that its activities focus primarily on the significant risks of Iberdrola Renovables and of the Iberdrola Renovables Group, and receive periodic information on the activities carried out by Internal Audit.
 - c) Verify that senior management takes into account the conclusions and recommendations made in its reports.
 - d) Ensure that Internal Audit has sufficient resources and suitably-qualified professionals for the successful performance of its function.
4. The following shall be the main functions of the Committee in connection with internal monitoring and risk management systems:
- a) Periodically review internal monitoring and risk management systems to ensure that the main risks are identified, managed and properly disseminated.
 - b) Ensure that the risk control and management policy identifies, at a minimum:
 - i. The various kinds of risk (operational, technological, financial, legal, reputational, etc.) facing the Company, including, under financial or economic risks, contingent liabilities and other off-balance sheet risks.
 - ii. The determination of the level of risk that the company considers acceptable.
 - iii. The measures provided for to mitigate the impact of the risks identified, should they materialize.
 - iv. The reporting and internal monitoring systems to be used to control and manage the
- above-mentioned risks, including contingent liabilities or off-balance sheet risks.
5. The following shall be the main functions of the Committee in connection with the auditing of financial statements:
- a) Give guidance on and propose to the Board of Directors of Iberdrola Renovables the selection, appointment, re-election or replacement of the Auditors of Iberdrola Renovables and of the Iberdrola Renovables Group for approval thereof by the shareholders acting at the General Shareholders' Meeting.
 - b) Approve the Iberdrola Renovables Group's policy on hiring Auditors, proposing to the Board of Directors the terms on which Auditors are to be hired and ensuring that such terms are complied with.
 - c) Ensure the independence of the Auditors and, for such purpose:
 - i) ensure that the Company notifies the National Securities Market Commission of the change of Auditor as a significant event [*hecho relevante*];
 - ii) ensure that the Company and the Auditor observe current rules and regulations on the provision of services other than audit services, the limitations on the concentration of business of the Auditor and, generally, other rules and regulations established to ensure the independence of the Auditors.
 - iii) in the event of resignation of the Auditor, examine the circumstances that caused such resignation.
 - d) Review the content of the Audit Reports prior to issuance thereof, in order to prevent the making of comments and qualifications, the content and scope of which, if any, shall be clearly explained to the shareholders by the Chairman of the Committee.
 - e) Assess the results of each audit and supervise the responses of senior management to its recommendations.
 - f) Favor the Auditor of the Iberdrola Renovables Group taking responsibility for the audits of the companies belonging to such group.

g) Act as a channel of communication between the Board of Directors and the Auditors.

6. The following shall be the main functions of the Committee in connection with the preparation of financial information:

a) Supervise the process of preparation and the integrity of the financial information relating to the Company, ensuring in this regard that the interim financial statements are prepared in accordance with the same accounting standards as the annual financial statements and, for such purpose, it shall consider the suitability of a limited review by the Auditor.

b) Monitor compliance with legal requirements, the proper delimitation of the scope of consolidation and the correct application of generally accepted accounting standards and international financial reporting standards applicable to the Financial Statements and the Management Report of Iberdrola Renovables and the Iberdrola Renovables Group.

c) Evaluate any proposed changes in accounting policies and practices suggested by senior management.

7. The following shall be the main functions of the Committee in connection with the annual corporate governance report and compliance with legal requirements and Good Governance recommendations:

a) Report to the Board of Directors on the annual corporate governance report prior to submission thereof to the Board for approval.

b) Ensure compliance with laws, internal regulations and regulatory provisions governing the activities of Iberdrola Renovables and of the Iberdrola Renovables Group.

c) Review the degree of compliance with Good Governance recommendations by Iberdrola Renovables and by the companies belonging to the Iberdrola Renovables Group, if applicable, reviewing the results thereof from time to time and submitting the proposals for improvement that it deems appropriate to the Board of Directors.

d) Establish and supervise a mechanism to allow employees to report on a confidential and, if deemed appropriate, anonymous basis, potentially impor-

tant irregularities, particularly of a financial and accounting nature, observed in the company, complying in all cases with the rules and regulations regarding the protection of personal information and the fundamental rights of the parties involved.

e) Provide specific investigation in the event of third-party claims against the Company or of irregular or anomalous conduct, in accordance with the provisions of letter d) above.

f) Inform the Board of Directors, prior to the adoption thereby of the respective decisions, of the creation or acquisition of interests in special purpose entities or entities registered in countries or territories regarded as tax havens, as well as any other transactions or operations of a similar nature that, due to the complexity thereof, might detract from the transparency of the Iberdrola Renovables Group.

g) Report to the Board of Directors on all matters within its area of authority pursuant to the Regulations of the Board and, generally, on any other matters required by the Board of Directors.

8. Furthermore, it shall fall upon the Committee to report in advance to the Board of Directors in all cases expressly provided for in other articles of these Regulations of the Board of Directors.

Article 26. Meetings of and Adoption of Resolutions by the Audit and Compliance Committee.

1. For purposes of the operation of the Committee, it shall meet as many times as its Chairman deems necessary for the fulfillment of its obligations, and at least one (1) time per quarter, or when requested by at least one-half of its members.

The Chairman of the Board of Directors and the Chief Executive Officer, if any, may request informational meetings with the Committee, on an exceptional basis.

2. The provisions of these Regulations regarding the operation of the Board of Directors and, especially, those regarding notice of meetings, the granting of a proxy to another Director, plenary meetings, voting in writing without a meeting, the chairman and the secretary of the meetings and approval of minutes of meetings shall apply to the Audit and Compliance Committee, to the extent that they are not incompatible with the nature thereof.

3. Meetings of the Committee shall be validly held when one-half plus one of its members are present in person or by proxy.

At the request of the Committee, any member of the Board of Directors, manager or employee of the Group, as well as any member of the decision-making bodies of the companies forming part of the Iberdrola Renovables Group whose appointment was proposed by the Company may attend the meetings of the Committee at its request. The Committee may also require that the Auditor attend its meetings.

4. The resolutions of the Committee shall be adopted by a majority of votes of the members present thereat in person or by proxy. In the event of a tie, the Chairman shall have the tie-breaking vote.
5. Within three months following the end of each fiscal year, the Audit and Compliance Committee shall submit to the Board of Directors for its approval a Report on its activities during the previous fiscal year, which shall subsequently be made available to the shareholders and investors for purposes of the call to the ordinary General Shareholders' Meeting. In addition, at the first meeting of the Board of Directors that is held following the meetings of the Committee, the Chairman of the Audit and Compliance committee shall report to the Board on the resolutions and significant events, if any, that occurred at Committee meetings.
6. Minutes of the meetings of the Audit and Compliance Committee shall be prepared by the Secretary, and shall be approved at the same meeting or at the one held immediately thereafter.



Prepared by: IBERDROLA RENOVBLES
Design and Layout: IBERDROLA GROUP
Photography: IBERDROLA RENOVBLES
Translation: Juriscribe