UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported)
December 14, 2015

Avangrid, Inc.
(Exact name of registrant as specified in its charter)

New York 001-37660 14-1798693
(State or Other Jurisdiction of Incorporation) (Commission File Number) (I.R.S. Employer Identification No.)

Durham Hall, 52 Farm View Drive,
New Gloucester, Maine 04260
(Address of principal executive offices) (Zip Code)

Telephone: (207) 688-6363
(Registrant’s telephone number, including area code)

Iberdrola USA, Inc.
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:
☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
On December 16, 2015, UIL Holdings Corporation, a Connecticut corporation (“UIL”), became a wholly-owned subsidiary of Avangrid, Inc., a New York corporation (formerly Iberdrola USA, Inc. and referred to herein as the “Company”), as a result of the merger of Green Merger Sub, Inc., a Connecticut corporation and a wholly-owned subsidiary of the Company (“Merger Sub”), with UIL, with Merger Sub surviving as a wholly-owned subsidiary of the Company (the “Merger”). The Merger was effected pursuant to the Agreement and Plan of Merger, dated as of February 25, 2015 (the “Merger Agreement”), by and among the Company, Merger Sub, and UIL. Following the completion of the Merger, Merger Sub was renamed “UIL Holdings Corporation.”

**Item 1.01 Entry into a Material Definitive Agreement**

**Shareholder Agreement**

On December 16, 2015, the Company entered into a shareholder agreement (the “Shareholder Agreement”), by and between the Company and Iberdrola, S.A., a corporation (sociedad anónima) organized under the laws of Spain, its controlling shareholder. A description of the material terms and conditions of the Shareholder Agreement can be found in the section entitled “Certain Relationships and Related Party Transactions—The Shareholder Agreement” in the Company’s Registration Statement on Form S-4 (File No. 333-205727), as amended (the “Form S-4”), initially filed with the Securities and Exchange Commission on July 17, 2015 and declared effective on November 12, 2015. The description of the Shareholder Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Shareholder Agreement, which is filed herewith as Exhibit 4.1.

**Supplemental Indenture**

In connection with the consummation of the Merger, Merger Sub, UIL and The Bank of New York Mellon, as Trustee, entered into the Second Supplemental Indenture (the “Supplemental Indenture”), dated as of December 16, 2015, whereby Merger Sub assumed the obligations of UIL under the indenture dated as of October 7, 2010 (the “Indenture”) between UIL and The Bank of New York Mellon relating to $450 million in aggregate principal amount of 4.625% Notes due 2020 issued by UIL in 2010. The Indenture and the First Supplemental Indenture between UIL and The Bank of New York Mellon, dated October 7, 2010, were filed by UIL as exhibits 4.1 and 4.2, respectively, to its Form 8-K filed on October 7, 2010. The description of the Supplemental Indenture does not purport to be complete and is qualified in its entirety by reference to the full text of the Supplemental Indenture, which is filed herewith as Exhibit 4.2.

**Assumption of the Credit Agreement**

In connection with the consummation of the Merger, Merger Sub, UIL and JPMorgan Chase Bank, N.A., in its capacity as administrative agent, entered into an assumption agreement, dated as of December 15, 2015 (the “Assumption Agreement”), whereby Merger Sub assumed all rights and obligations of UIL under the Amended and Restated Credit Agreement, dated as of November 30, 2011, as amended by Amendment No. 1 dated as of March 17, 2014 and Amendment No. 2 dated as of December 3, 2015 (the “Credit Agreement”). The aggregate borrowing limit under the Credit Agreement is $400 million, all of which is available to Merger Sub and $250 million of which is available to The United Illuminating Company, $150 million of which is available to each of the Connecticut Natural Gas Corporation and The Southern Connecticut Gas Company, and $50 million of which is available to The Berkshire Gas Company, all subject to the aggregate limit of $400 million. The Credit Agreement also permits the issuance of letters of credit of up to $50 million. The Credit Agreement, dated as of November 30, 2011, as amended by Amendment No. 1 dated as of March 17, 2014 and Amendment No. 2 dated as of December 3, 2015, were filed by UIL as exhibit 4.12 to its Form 8-K filed on December 2, 2011, exhibit 10.2 to its Form 10-Q filed on May 7, 2014 and exhibit 99.1 to its Form 8-K filed on December 9, 2015, respectively. The description of the Assumption Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Assumption Agreement which is furnished herewith as Exhibit 99.1.

**Item 2.01 Completion of Acquisition or Disposition of Assets**

On December 16, 2015, UIL merged with and into Merger Sub, with Merger Sub surviving as a wholly-owned subsidiary of the Company. Concurrently with the completion of the Merger, Merger Sub was renamed “UIL Holdings Corporation.”

Pursuant to the terms of the Merger Agreement, upon the completion of the Merger, each issued and outstanding share of common stock of UIL (“UIL Common Stock”) was converted into the right to receive one fully paid and nonassessable share of the Company (“Company Common Stock”) and $10.50 in cash.
The issuance of Company Common Stock in connection with the Merger was registered under the Securities Act pursuant to the Form S-4. The proxy statement/prospectus included in the Form S-4 contains additional information about the Merger.

Upon the closing of the Merger, shares of UIL Common Stock, which previously traded under the ticker symbol “UIL” on the New York Stock Exchange (the “NYSE”), ceased trading on, and were delisted from, the NYSE. Shares of Company Common Stock have been approved for listing on the NYSE under the ticker symbol “AGR” and began trading on December 17, 2015.

The foregoing description of the Merger Agreement and the Merger does not purport to be complete and is qualified in its entirety by reference to the full text of the Merger Agreement, which was filed as Annex A to the Form S-4 and is incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference in this Item 2.03.

Item 3.03. Material Modification to Rights of Security Holders

The information set forth in Items 2.01 and 5.03 of this Current Report on Form 8-K is incorporated by reference in this Item 3.03.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Board of Directors

Upon the closing of the Merger and pursuant to the terms of the Merger Agreement, the size of the board of directors of the Company (the “Board”) was increased from 9 directors to 12 directors. James P. Torgerson, John Lahey and Arnold Chase, who were members of the UIL board of directors immediately prior to closing, were each elected to the Board. Further, the Board affirmed John E. Baldacci as its Vice Chairman. In addition, Robert Daniel Kump resigned as a director of the Company on December 16, 2015. The Board elected Carol Lynn Folt as a director of the Company on December 16, 2015.

On December 17, 2015, Mr. Sainz Armada resigned from the Board’s audit and compliance committee (the “Audit and Compliance Committee”). The Board appointed two new members, Ms. Folt and Mr. Lahey, on December 17, 2015.

In addition, upon the closing of the Merger, the Board established an executive committee (the “Executive Committee”) and an unaffiliated committee (the “Unaffiliated Committee”), which is made up of “independent” directors, as defined in the Shareholder Agreement. The Board appointed Messrs. Azagra Blázquez, Galán, Lahey, Sainz Armada and Torgerson as members of the Executive Committee on December 17, 2015, with Mr. Galán serving as the chairperson. The Board also appointed Mr. Chase, Mr. Elias Ayub and Ms. Folt as members of the Unaffiliated Committee on December 17, 2015, with Ms. Folt serving as the chairperson.

Appointment of Officers

Upon the closing of the Merger and pursuant to the terms of the Merger Agreement, Mr. Kump resigned as Chief Corporate Officer of the Company and Mr. Torgerson, UIL’s President and Chief Executive Officer immediately prior to the closing, was appointed as Chief Executive Officer of the Company. Additionally, on December 17, 2015, Pablo Canales Abaitua resigned as Chief Financial Officer of the Company and the Board appointed Richard J. Nicholas, UIL’s Executive Vice President and Chief Financial Officer immediately prior to the closing, as Chief Financial Officer of the Company. Additional biographical information for Messrs. Torgerson and Nicholas is contained in the Form S-4 and UIL’s Definitive Proxy Statement for UIL’s 2015 Annual Meeting filed on April 1, 2015.

Additionally, on December 17, 2015, the Board designated officers of the Company for reporting purposes pursuant to Section 16 of the Securities Exchange Act of 1934, as amended.

Compensatory Plans

In connection with the closing of the Merger, the Company and Merger Sub, as applicable, assumed the sponsorship of certain of UIL’s compensatory plans, including each of (i) the UIL Holdings Corporation 2008 Stock and Incentive Compensation Plan (the “Stock Plan”), (ii) the UIL Holdings Corporation Deferred Compensation Plan and (iii) the UIL Holdings Corporation Change in Control Severance Plan II, and, with respect to the Stock Plan, also assumed any outstanding awards granted under each such plan, the award agreements evidencing the grants of such awards and the remaining shares available under each such plan, including any awards granted to the Company’s directors and executive officers, in each case subject to applicable adjustments in the manner set forth in the Merger Agreement.

Item 5.03 Amendments to Articles of Incorporation or Bylaws

In accordance with the Merger Agreement, prior to the closing of the Merger, the First Restated Certificate of Incorporation of the Company and the Second Amended and Restated Bylaws of the Company became effective. A description of the material terms and conditions of the First Restated Certificate of Incorporation and the Second Amended and Restated Bylaws can be found in the section titled “Post-Merger Governing Documents and Additional Matters Concerning Merger Sub” in the Form S-4.

Additionally, immediately prior to the completion of the Merger, the Second Restated Certificate of Incorporation of the Company was filed with the Secretary of State of New York to rename the Company “Avangrid, Inc.” In addition, the Company adopted the Third Amended and Restated Bylaws to reflect the name change and the establishment of the Executive Committee. The descriptions of the Second Restated Certificate of Incorporation and the Third Amended and Restated Bylaws do not purport to be complete and are qualified in their entirety by reference to the full text of the Second Restated Certificate of Incorporation and the Third Amended and Restated Bylaws, which are filed as Exhibit 3.2 and Exhibit 3.4, respectively, hereto and are incorporated herein by reference.
Item 7.01 Regulation FD Disclosure

The Company issued a press release on December 16, 2015 announcing the closing of the Merger. A copy of that press release is furnished herewith as Exhibit 99.2 and incorporated herein by reference. The Company’s controlling shareholder, Iberdrola, S.A., has also posted a press release to its website, which contains certain information regarding the Company and the Merger. The information on Iberdrola, S.A.’s website is not incorporated by reference into this Current Report on Form 8-K.

Pursuant to General Instruction B.2 of Form 8-K and SEC Release No. 33-8176, the information contained in the press release furnished as an exhibit hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

The press release contains statements intended as “forward-looking statements” which are subject to the cautionary statements about forward-looking statements set forth therein.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Business Acquired

As permitted by Item 9.01(a)(4) of Form 8-K, financial information of UIL required by Item 9.01(a) of Form 8-K will be filed by amendment no later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

(b) Pro Forma Financial Information

As permitted by Item 9.01(b)(2) of Form 8-K, pro forma financial information required by Item 9.01(b) of Form 8-K will be filed by amendment no later than 71 calendar days after the date this Current Report on Form 8-K is required to be filed.

(d) Exhibits

<table>
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<td>Assumption Agreement to $400,000,000 Amended and Restated Credit Agreement, dated as of December 15, 2015, by and between Green Merger Sub, Inc. and JPMorgan Chase Bank, N.A., as Administrative Agent.</td>
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Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVANGRID, INC.
(Registrant)

Dated: December 18, 2015

By: /s/ R. Scott Mahoney

Name: R. Scott Mahoney
Title: General Counsel
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EXHIBIT 3.1

RESTATED CERTIFICATE OF INCORPORATION

OF

IBERDROLA USA, INC.

(Under Section 807 of the Business Corporation Law)

1. The name of this corporation is Iberdrola USA, Inc. (the “Corporation”). The name under which the Corporation was originally incorporated was “NGE Resources, Inc.”

2. The Corporation’s original Certificate of Incorporation was filed by the Department of State of the State of New York on September 23, 1997.

3. This Restated Certificate of Incorporation was duly adopted at a meeting of the Board of Directors of the Corporation on October 15, 2015. This Restated Certificate was duly adopted by written consent of the shareholders of the Corporation on October 15, 2015.

4. The text of the Certificate of Incorporation of the Corporation as heretofore amended or supplemented is hereby further amended to: (i) increase the authorized number of shares the Corporation shall have the authority to issue by Four Hundred Ninety-Nine Million Nine Hundred Ninety-Nine Thousand Seven Hundred and Fifty-Seven (499,999,757) shares; (ii) prohibit the preferential or preemptive rights of shares unless specifically agreed to in a separate agreement between the Corporation and the shareholder; (iii) incorporate a plan of merger to be voted on by the shareholders in a form that complies with the terms of that certain Shareholder Agreement (as defined below); (iv) eliminate the need for the election of directors by written ballot unless the bylaws of the Corporation require such method of election; (v) authorize the Corporation to provide indemnification of directors, officers and agents of the Corporation; (vi) authorize, with respect to the Corporation, actions taken by directors or their affiliates where the director or affiliate was personally interested; (vii) renounce any interest by the Corporation in business opportunities that are presented to directors or shareholders, or their affiliates; (viii) authorize the written consent of actions that may be acted on at a meeting of the shareholders, so long as certain requirements are meet; (ix) authorize certain voting procedures for amendments to the certificate of incorporation.

5. The full text of the Restated Certificate of Incorporation of the Corporation is hereby restated to read in its entirety as follows:

RESTATED CERTIFICATE OF INCORPORATION

OF

IBERDROLA USA, INC.

FIRST: The name of the Corporation is Iberdrola USA, Inc. (the “Corporation”).

SECOND: This Corporation is formed to engage in any lawful act or activity for which a corporation may be organized under the Business Corporation Law, provided that it is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.
THIRD: The office of the Corporation in the State of New York is located in the County of Albany.

FOURTH: The aggregate number of shares of stock which the Corporation shall have authority to issue is Five Hundred Million (500,000,000) having a par value of $0.01 per share. All such shares are Common Stock.

FIFTH: No holder of shares of the Corporation of any class now or hereafter authorized shall have any preferential or preemptive right to subscribe for, purchase or receive any shares of the Corporation of any class now or hereafter authorized, or any options or warrants for such shares, or any securities convertible into or exchangeable for such shares, which at any time may be issued, sold or offered for sale by the Corporation, except as specifically provided in an agreement between the Corporation and any holder of shares of the Corporation.

SIXTH: A plan of merger or consolidation submitted to the shareholders by the Board of Directors in accordance with Section 903 of the Business Corporation Law shall be adopted at a meeting of the shareholders by a majority of the votes entitled to vote thereon; provided, however, that any such plan of merger or consolidation submitted to shareholders shall comply with the terms of the Shareholder Agreement, effective as of December 16, 2015, between the Corporation and Iberdrola, S.A. (the "Shareholder Agreement").

SEVENTH: Election of directors need not be by written ballot unless the bylaws of the Corporation shall so provide.

EIGHTH: To the maximum extent permitted by the Business Corporation Law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officer and agents of the Corporation (and any other persons to which the Business Corporation Law permits the Corporation to provide indemnification) through bylaw provisions and agreements with such directors, officers, agents or other persons, in excess of the indemnification and advancement otherwise permitted by the Business Corporation Law, subject only to limits created by the Business Corporation Law and applicable law with respect to actions for breach of duty to the Corporation, its shareholder, and others. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director, officer or agent of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

NINTH: To be maximum extent permitted by the Business Corporation Law, no director of the Corporation shall be personally liable to the Corporation or its shareholder for damages for any breach of duty (including fiduciary duty) as a director. If the Business Corporation Law is amended after the date of the filing of this Restated Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Business Corporation Law, as so amended. No repeal or modification of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such repeal or modification.
**TENTH**: No transaction entered into by the Corporation shall be affected by the fact that the directors of the Corporation, their respective affiliates, or any of them, were personally interested in it; and every director of the Corporation is hereby relieved from any disability which might otherwise prevent his or her, or any of his or her affiliates, contracting with the Corporation for the benefit of himself, herself, or of any firm, association or corporation in which he or she may be anywise interested or affiliated. No director shall be disqualified from voting or acting on behalf of the Corporation in contracting with any other firm, association or corporation in which he or she may be an affiliate, director, officer or shareholder, or may otherwise have an interest.

**ELEVENTH**: To the maximum extent permitted from time to time under the laws of the State of New York, the Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to its directors or shareholders, their respective affiliates or any firm, association or corporation in which any of them may be anywise interested or affiliated. No amendment or repeal of this Article shall apply to expand or have any effect that would expand the liability or alleged liability of any such director, shareholder or affiliate for or with respect to any business opportunities of which such director, shareholder or affiliate becomes aware prior to such amendment or repeal.

**TWELFTH**: Any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by shareholders having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shareholders having a right to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting shall be given to those shareholders who have not consented in writing.

**THIRTEENTH**: The Secretary of State of the State of New York is designated as the agent of the Corporation upon whom any process in any action or proceeding against it may be served. The post office address to which the Secretary of State shall mail a copy of any such process served upon him is Attention Secretary, 52 Farm View Drive, New Gloucester, ME 04260.

**FOURTEENTH**: An amendment to this Certificate of Incorporation shall be authorized by a vote of the Board of Directors, followed by a vote of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders in accordance with Section 803 of the Business Corporation Law; provided, however, that any amendment that would reasonably be expected to limit, restrict or adversely affect those shareholders other than Iberdrola, S.A. or any of its controlled affiliates shall also require the approval of the Unaffiliated Committee (as defined in the Shareholder Agreement).
IN WITNESS WHEREOF, I hereto sign my name and affirm that the statements made herein are true under the penalties of perjury, this 14th day of December.

**IBERDROLA USA, INC.**

By: /s/ Robert Kump  
Name: Robert Kump  
Title: Authorized Person  

By: /s/ Pablo Canales Abaitua  
Name: Pablo Canales Abaitua  
Title: Authorized Person
RESTATED CERTIFICATE OF INCORPORATION
OF
IBERDROLA USA, INC.
(Under Section 807 of the Business Corporation Law)

1. The name of this corporation is Iberdrola USA, Inc. (the “Corporation”). The name under which the Corporation was originally incorporated was “NGE Resources, Inc.”

2. The Corporation’s original Certificate of Incorporation was filed by the Department of State of the State of New York on September 23, 1997.

3. This Restated Certificate of Incorporation was duly adopted at a meeting of the Board of Directors of the Corporation on October 15, 2015. This Restated Certificate was duly adopted by written consent of the shareholders of the Corporation on October 15, 2015.

4. The text of the Certificate of Incorporation of the Corporation as heretofore amended or supplemented is hereby further amended to change the name of the Corporation to Avangrid, Inc.

5. The full text of the Restated Certificate of Incorporation of the Corporation is hereby restated to read in its entirety as follows:

CERTIFICATE OF INCORPORATION
OF
AVANGRID, INC.

FIRST: The name of the Corporation is Avangrid, Inc. (the “Corporation”).

SECOND: This Corporation is formed to engage in any lawful act or activity for which a corporation may be organized under the Business Corporation Law, provided that it is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

THIRD: The office of the Corporation in the State of New York is located in the County of Albany.

FOURTH: The aggregate number of shares of stock which the Corporation shall have authority to issue is 500,000,000 having a par value of $0.01 per share. All such shares are Common Stock.

FIFTH: No holder of shares of the Corporation of any class now or hereafter authorized shall have any preferential or preemptive right to subscribe for, purchase or receive any shares of the Corporation of any class now or hereafter authorized, or any options or
warrants for such shares, or any securities convertible into or exchangeable for such shares, which at any time may be issued, sold or offered for sale by the Corporation, except as specifically provided in an agreement between the Corporation and any holder of shares of the Corporation.

**SIXTH**: A plan of merger or consolidation submitted to the shareholders by the Board of Directors in accordance with Section 903 of the Business Corporation Law shall be adopted at a meeting of the shareholders by a majority of the votes entitled to vote thereon; provided, however, that any such plan of merger or consolidation submitted to shareholders shall comply with the terms of the Shareholder Agreement, dated December 16, 2015, between the Corporation and Iberdrola, S.A. (the “Shareholder Agreement”).

**SEVENTH**: Election of directors need not be by written ballot unless the bylaws of the Corporation shall so provide.

**EIGHTH**: To the maximum extent permitted by the Business Corporation Law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officer and agents of the Corporation (and any other persons to which the Business Corporation Law permits the Corporation to provide indemnification) through bylaw provisions and agreements with such directors, officers, agents or other persons, in excess of the indemnification and advancement otherwise permitted by the Business Corporation Law, subject only to limits created by the Business Corporation Law and applicable law with respect to actions for breach of duty to the Corporation, its shareholder, and others. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director, officer or agent of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

**NINTH**: To be maximum extent permitted by the Business Corporation Law, no director of the Corporation shall be personally liable to the Corporation or its shareholder for damages for any breach of duty (including fiduciary duty) as a director. If the Business Corporation Law is amended after the date of the filing of this Restated Certificate of Incorporation to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Business Corporation Law, as so amended. No repeal or modification of this Article shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such repeal or modification.

**TENTH**: No transaction entered into by the Corporation shall be affected by the fact that the directors of the Corporation, their respective affiliates, or any of them, were personally interested in it; and every director of the Corporation is hereby relieved from any disability which might otherwise prevent his or her, or any of his or her affiliates, contracting with the Corporation for the benefit of himself, herself, or of any firm, association or corporation in which he or she may be anywise interested or affiliated. No director shall be disqualified from voting or acting on behalf of the Corporation in contracting with any other firm, association or corporation in which he or she may be an affiliate, director, officer or shareholder, or may otherwise have an interest.
ELEVENTH: To the maximum extent permitted from time to time under the laws of the State of New York, the Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to its directors or shareholders, their respective affiliates or any firm, association or corporation in which any of them may be anywise interested or affiliated. No amendment or repeal of this Article shall apply to expand or have any effect that would expand the liability or alleged liability of any such director, shareholder or affiliate for or with respect to any business opportunities of which such director, shareholder or affiliate becomes aware prior to such amendment or repeal.

TWELFTH: Any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by shareholders having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shareholders having a right to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting shall be given to those shareholders who have not consented in writing.

THIRTEENTH: The Secretary of State of the State of New York is designated as the agent of the Corporation upon whom any process in any action or proceeding against it may be served. The post office address to which the Secretary of State shall mail a copy of any such process served upon him is Attention Secretary, 52 Farm View Drive, New Gloucester, ME 04260.

FOURTEENTH: An amendment to this Certificate of Incorporation shall be authorized by a vote of the Board of Directors, followed by a vote of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders in accordance with Section 803 of the Business Corporation Law; provided, however, that any amendment that would reasonably be expected to limit, restrict or adversely affect those shareholders other than Iberdrola, S.A. or any of its controlled affiliates shall also require the approval of the Unaffiliated Committee (as defined in the Shareholder Agreement).
IN WITNESS WHEREOF, I hereto sign my name and affirm that the statements made herein are true under the penalties of perjury, this 16th day of December.

IBERDROLA USA, INC.

By: /s/ Robert Kump
Name: Robert Kump
Title: Authorized Person

By: /s/ Pablo Canales Abaitua
Name: Pablo Canales Abaitua
Title: Authorized Person
These Second Amended and Restated by-laws (these “Bylaws”) of Iberdrola USA, Inc., a New York corporation (the “Corporation”) are subject to, and governed by, the Business Corporation Law of the State of New York (the “BCL”) and the certificate of incorporation of the Corporation then in effect (the “Certificate of Incorporation”). In the event of a direct conflict between the provisions of these Bylaws and the mandatory provisions of the BCL or the provisions of the Certificate of Incorporation, such provisions of the BCL or the Certificate of Incorporation, as the case may be, will control.

ARTICLE ONE. THE SHARE CAPITAL AND THE SHARES; SHAREHOLDERS

Section 1.1 The Share Capital: Records of Shareholder

1. **Share Capital.** The authorized share capital of the Corporation may be increased or decreased by resolution of the board of directors of the Corporation (the “Board”), subject to approval of any necessary amendment of the Certificate of Incorporation by the shareholders of the Corporation (the “Shareholders”) and the other requirements established for such events under the BCL.

2. **Record of Shareholders.** The shares will be recorded in a book of registered shares kept at the office of the Corporation or at the office of its transfer agent or registrar, and the Board is entitled to issue an aggregate certificate to include all the shares held by any Shareholder as permitted under New York law.

Section 1.2 Shareholders

1. **Annual Meeting.** The “Annual Meeting” of the Shareholders for the election of members of the Board (the “Directors”) and the transaction of such other business as may properly be brought before the meeting shall be held within or without the State of New York, at a location to be determined by the Board (including, without limitation, telephonically and/or by internet access), on such date and time as may be fixed by the Board.

2. **Written Consent of Shareholders Without a Meeting.** Any action required to be taken at a meeting of the Shareholders, or any other action which may be taken at a meeting of the Shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Shareholders having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Shareholders having a right to vote thereon were present and voted. Prompt notice of the taking of the corporate action by the Shareholders without a meeting shall be given to those Shareholders who have not consented in writing.

3. **Special Meetings.** A “Special Meeting” of the Shareholders may be called by the Chairman of the Board (the “Chairman”) or the chief executive officer of the Corporation (the “CEO”), and shall be called by the Chairman or the CEO at the written demand of a majority of the Directors then in office or Shareholder(s) then holding a majority of the
outstanding voting shares of capital stock of the Corporation, and may not be called by any other person or persons. Any such call or demand shall state the purpose or purposes of the proposed meeting. Special Meetings shall be held at such place within or without the State of New York (including, without limitation, telephonically and/or by internet access) as may be specified in the notice thereof. At any Special Meeting only such business may be transacted which is set forth in the notice thereof; but any Special Meeting may be called and held in conjunction with an Annual Meeting of the Shareholders.

4. Business at Meetings of the Shareholders. At any meeting of the Shareholders, only such business shall be conducted as shall have been brought before the meeting (a) pursuant to the Corporation’s notice of meeting, or (b) by or at the direction of the Board. The procedures referred to in clauses (a) and (b) of the immediately preceding sentence shall be the exclusive means for any person to submit business (other than Shareholder proposals properly submitted in accordance with Rule 14a-8 under the Exchange Act and included in the Corporation’s notice of meeting) to be considered or acted upon at a meeting of Shareholders.

5. Record Date for Meetings and Other Purposes. For the purpose of determining the Shareholders entitled to notice of or to vote at any meeting of Shareholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining Shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Board may fix, in advance, a date as the record date for any such determination of Shareholders. Such date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no record date is so fixed by the Board, (a) the record date for the determination of Shareholders entitled to notice of or to vote at a meeting of Shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is not given by reason of due waiver thereof, the day next preceding the day on which the meeting is held, and (b) the record date for determining shareholding for any other purpose shall be at the close of business on the day on which the resolution of the Board relating thereto is adopted. A determination of Shareholders of record entitled to notice of or to vote at any meeting of Shareholders, made in accordance with this Section, shall apply to any adjournment thereof, unless the Board fixes a new record date under this Section for the adjourned meeting.

6. Notice of Meetings. Whenever Shareholders are required or permitted to take any action at a meeting, written notice shall be given stating the place, date and hour of the meeting and, unless it is the Annual Meeting, indicating that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a Special Meeting (including any such meeting to be held in conjunction with an Annual Meeting) shall also state the purpose or purposes for which the meeting is called. A copy of the notice of any meeting shall be given, personally, by electronic communications or by first class mail, not less than ten (10) nor more than sixty (60) days before the date of the meeting. If mailed, such notice is given when deposited in the United States or other sovereign mail system, as appropriate, with postage thereon prepaid, directed to the Shareholder at its
7. **List of Shareholders Entitled to Vote.** The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of the Shareholders a complete list of the Shareholders entitled to vote at the meeting of Shareholders (provided, however, if the record date for determining the Shareholders entitled to vote is less than ten (10) days before the meeting, the list shall reflect the Shareholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order, and showing the address of each Shareholder and the number of shares of each class of capital stock registered in the name of each Shareholder. Such list shall be open to the examination of any Shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Shareholder who is present. Except as otherwise provided by applicable law or the rules of the New York Stock Exchange ("NYSE Rules"), the stock ledger of the Corporation shall be the only evidence as to who are the Shareholders entitled to examine the stock ledger and the list of Shareholders entitled to vote in person or by proxy at any meeting of Shareholders.

8. **Waivers of Notice.** Notice of any meeting of Shareholders need not be given to any Shareholder who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any Shareholder at a meeting, in person or by proxy, without protesting prior thereto or at its commencement the lack of notice of such meeting, shall constitute a waiver of notice by such Shareholder.

9. **Failure to Receive Notice.** Failure to receive notice of any meeting shall not invalidate the meeting.

10. **Quorum at Meetings.** Except as otherwise provided by law, the holders of a majority of the shares entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at any meeting of the Shareholders for the transaction of any business, but the Shareholders present or represented by proxy may adjourn any meeting to another time or place despite the absence of a quorum, without notice other than announcement at the meeting, until a quorum shall be present or represented. When a quorum is once present to organize a meeting, it shall not be broken by the subsequent withdrawal of any Shareholders. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted.
at the meeting as originally notified. If after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Shareholder of record entitled to vote at the meeting.

11. **Conduct of Meetings.** The Board may adopt by resolution such rules and regulations for the conduct of the meeting of the Shareholders as it shall deem appropriate. At any meeting of the Shareholders, the CEO, or in his or her absence or inability to act, the Secretary, or, in his or her absence or inability to act, the person whom the CEO shall appoint, shall act as chairman of, and preside at, the meeting. The Secretary or, in his or her absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting, shall act as secretary of the meeting and keep the minutes thereof. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the chairman of any meeting of the Shareholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) order of business for the meeting, (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting, (c) rules and procedures for maintaining order at the meeting and the safety of those present, (d) limitations on attendance at or participation in the meeting to Shareholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine, (e) restrictions on entry to the meeting after the time fixed for the commencement thereof, (f) limitations on the time allotted to questions or comments by participants, and (g) policies and procedures with respect to the adjournment of such meeting.

12. **Voting.**

(a) When a quorum is present at any meeting, unless otherwise required by applicable law, NYSE Rules or these Bylaws, the election of Directors and any advisory vote on the frequency of Shareholders votes related to the compensation of executives required by Section 14A(a)(2) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), shall be decided by a plurality of the votes cast at a meeting in person or by proxy by the holders of shares entitled to vote therein. When a quorum is present at any meeting, unless otherwise required by applicable law, NYSE Rules or these Bylaws, any matter, other than the election of Directors and an advisory vote on the frequency of Shareholder votes related to the compensation of executives required by Section 14A(a)(2) of the Exchange Act, brought before any meeting of Shareholders shall be decided by the vote of the holders of a majority of the votes cast in person or by proxy in favor of such action by the holders of shares entitled to vote therein. For the avoidance of doubt, abstentions and broker non-votes will not be counted as votes cast for such purposes.

(b) Unless otherwise provided by applicable law or in the Certificate of Incorporation, each Shareholder shall at every meeting of the Shareholders be
entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such Shareholder, but no proxy shall be voted on after three (3) years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A Shareholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Voting at meetings of Shareholders need not be by written ballot.

13. **Inspectors.** The Board, in advance of any meeting of Shareholders, may, and shall if required by law, appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting, the existence of a quorum and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the Shareholders will vote at a meeting shall be determined by the person presiding at the meeting and shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless a New York State court upon application by a Shareholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of Shareholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

**ARTICLE TWO. OFFICERS, AGENTS AND EMPLOYEES**

**Section 2.1 Structure of the Company’s Management**

1. The business and affairs of the Corporation will be managed under the direction of the Board. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by these Bylaws required to be exercised or done by the Shareholders.
2. The Board may delegate all or some of the authorities delegable by law or these Bylaws to the officers, agents and employees of the Corporation. The officers of the Corporation shall include a CEO, Chief Financial Officer, Treasurer and Secretary, and may also include a Chairman, one or more vice presidents, and one or more assistant secretaries and such other officers as the Board may from time-to-time designate. The officers shall be appointed by the Board. The Board may also appoint other officers, agents and employees, who shall have such authority and perform such duties as may be prescribed by the Board. All officers shall hold office until such officer’s successor is elected or appointed by the Board or until such officer’s death, resignation or removal in the manner hereinafter provided. Any officer may resign at any time. Any two or more offices may be held by the same person. Any officer, agent or employee of the Corporation may be removed by the Board with or without cause. The appointment of any person as an officer, agent or employee of the Corporation shall not of itself create contract rights. The compensation of officers, agents and employees appointed by the Board shall be fixed by the Board, but this power may be delegated by the Board to any officer as to persons under his or her direction or control. The Board may require any officer, agent or employee to give security for the faithful performance of his or her duties. All officers as between themselves and the Corporation shall have such authority and perform such duties in the management of the Corporation as may be determined by the Board consistent with these Bylaws.

3. Powers and Duties of the Chief Executive Officer. The CEO shall be appointed by the Board and shall have general organizational duties as shall be determined by the Board. Subject to the authority of the Board, the CEO may vote the shares or other securities of any other domestic or foreign corporation of any type or kind which may at any time be owned by the Corporation, may execute any Shareholders’ or other consents in respect thereof and may, in his or her discretion, delegate such powers by executing proxies or otherwise on behalf of the Corporation. The Board, by resolution from time to time, may confer like powers upon any other person or persons and may modify the powers of the CEO or any such other person.

4. Powers and Duties of Vice Presidents. Each vice president shall have such powers and perform such duties as the Board or the CEO may prescribe.

5. Powers and Duties of the Secretary. The Secretary shall have charge of the minutes of all proceedings of the Shareholders and of the Board. He or she shall attend to the giving of all notices to Shareholders and Directors. He or she shall have charge of the seal of the Corporation and shall attest the same by his or her signature whenever required. He or she shall have charge of the record of Shareholders of the Corporation, and of such other books and papers as the Board may direct. He or she shall have all such powers and duties as generally are incident to the position of Secretary or as may be assigned to him or her by the CEO or the Board.

6. Powers and Duties of Assistant Secretaries. In the absence or inability of the Secretary to act, any assistant Secretary may perform all the duties and exercise all the powers of the Secretary. An assistant Secretary shall also perform such other duties as the Secretary or the Board may assign to him or her.
7. **Powers and Duties of Other Officers.** The Board may appoint other officers and agents for any group, division or department into which the Corporation may be divided by the Board, with titles and powers as the Board may from time to time deem appropriate. All such officers and agents shall receive such compensation, have such tenure and exercise such authority as the Board may specify.

**ARTICLE THREE. THE BOARD OF DIRECTORS**

**Section 3.1 Election, Number, Composition and Competencies of the Board of Directors**

1. **Number and Election of Directors.**

   (a) The number of Directors which shall constitute the whole Board shall initially be twelve (12) and hereafter be determined by resolution of the Board; provided, however, that no decrease in the number of Directors shall have the effect of shortening the term of an incumbent Director.

   (b) A minimum of three (3) Directors shall qualify as “independent directors” of the Corporation and Iberdrola, S.A. (the “Controlling Shareholder”) (assuming for such purpose that such Director is a Director of the Controlling Shareholder) under Section 301 of the Sarbanes-Oxley Act (or any successor rule), Rule 10A-3(b)(1) (or any successor rule) of the Securities and Exchange Act of 1934, and Rule 303A (or any successor rule) of the rules promulgated the New York Stock Exchange which apply to issuers whose common stock is listed on the New York Stock Exchange (the “Independent Directors”). The membership of the Board will at all times comply with the requirements of applicable law and NYSE Rules.

   (c) Except as provided in Sub-section 2 of this Section below, the Directors shall be elected at the Annual Meeting of the Shareholders by a plurality of the votes cast in person or by proxy by the holders of shares entitled to vote therein and each Director elected shall hold office until his or her successor is elected and qualified, unless he or she shall resign, die, become disqualified or disabled, or otherwise be removed. Directors need not be Shareholders.

2. **Vacancies.** Newly created directorships resulting from an increase in the number of Directors and vacancies occurring in the Board during the term of office, including, without limitation, the removal of Directors by the Shareholders or Director resignation, may be filled either by vote of the Directors or, if determined by the Board or requested (prior to the Board having filled any such vacancy) in writing by Shareholder(s) holding at least a majority of the outstanding voting shares of capital stock of the Corporation, by vote of the Shareholders. If the number of Directors then in office is less than a quorum, such newly created directorships and vacancies may be filled by vote of a majority of the Directors then in office or by vote of the Shareholders.

3. **Resignation; Removal.** A Director may resign from his or her office at any time by delivering his or her resignation in writing to the Corporation, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective. Any or all of the Directors may be removed, for cause or without cause, by vote of the Shareholders.
Section 3.2 Positions on the Board

1. **Chairman; Vice Chairman.** The Board may elect, from among the Directors, a Chairman and, if so decided, one or more vice-chairmen (each, a "Vice Chairman"), to be proposed by the Chairman.

2. **Powers and Duties of the Chairman of the Board.** The Chairman (if there be one) shall preside at all meetings of the Board at which he or she is present and shall perform such other duties as the Board may designate.

3. **Powers and Duties of the Vice Chairmen of the Board.** Each Vice Chairman (if there be any) shall have such powers and perform such duties as the Board may prescribe. In the absence or disability of the Chairman, the Vice Chairman who has served in that capacity for the longest time and who shall be present and able to act, shall perform all the duties and exercise all the powers of the Chairman that flows from his or her capacity as Director.

Section 3.3 Meetings of the Board of Directors

1. **Meetings.** Meetings of the Board, regular or special, may be held at any place within or without the State of New York (including, without limitation, telephonically and/or by internet access) as the Board from time to time may fix or as shall be specified in the respective notice or waivers of notice thereof. Any one or more members of the Board or of any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at any such meeting of the Board or committee thereof. The Board may fix times and places for regular meetings of the Board and no notice of such meetings need be given. Special meetings of the Board may be called by the Chairman, any Vice Chairman or the CEO on two (2) days' prior written notice to each Director by mail or forty-eight (48) hours' prior notice to each Director either personally or by facsimile, telegram or electronic mail; special meetings shall be called by the Chairman, any Vice Chairman, the CEO or the Secretary, in like manner and on like notice, on the written request of two (2) Directors unless the Board consists of only one Director, in which case special meetings shall be called by the Chairman, the CEO or the Secretary in like manner and on like notice on the written request of the sole Director.

2. **Notice.** Notice of each such meeting shall be given by the Secretary or by a person calling the meeting in accordance with these Bylaws to each Director in the manner provided in Sub-section 1 above. Notice of a meeting need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.
3. **Written Consent of Directors in Lieu of a Meeting.** Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or such committee consent in writing or by electronic submission to the adoption of a resolution authorizing such action. Each resolution so adopted and the written consents thereto by the members of the Board or such committee shall be filed with the minutes of the proceedings of the Board or such committee.

4. **Quorum and Voting.** A majority of the entire Board shall constitute a quorum for the transaction of any business. Except as otherwise provided by law or the Certificate of Incorporation or these Bylaws, the vote of a majority of the entire Board shall be the act of the Board, but a majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. No notice of any such adjournment need be given.

**Section 3.4 Formalization of the Resolutions**

1. **Minutes Book.** The deliberations and the resolutions of the Board will be recorded in the minute book, and will be signed by the Chairman and the Secretary, or whosoever has the authority to act in their stead.

2. **Certifications.** The certifications, total or partial, necessary to evidence the resolutions of the Board, will be issued and signed by the Secretary or an assistant Secretary, and countersigned by the Chairman or, as appropriate, a Vice Chairman.

**Section 3.5 Committees of the Board of Directors**

1. **Committees.** The Board shall establish and maintain (i) an Audit and Compliance Committee, (ii) an Unaffiliated Committee in accordance with the Shareholder Agreement dated December 16, 2015 between the Corporation and the Controlling Shareholder and (iii) any other committee required by applicable law or NYSE Rules.

2. **Members.** The Board, by resolution adopted by a majority of the entire Board, may create and maintain one or more committees composed of those designated from among its members. Each committee will be composed of one or more Directors designated by the Board, with the favorable vote of a majority of the entire Board, and such positions will be renewed in the terms, manner and number as decided by the Board, which will also establish such committee’s rules of operation.

3. **Alternate Members.** The Board may designate one or more eligible Directors as alternate members of any such committee, who may replace any absent member or members at any meeting of such committee.

4. **Powers.** Subject to applicable law and NYSE Rules, any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it.
5. **Quorum; Procedures.** Unless the Board or the applicable committee charter provides otherwise, at all meetings of such committee, a majority of the then-authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the then-authorized members of the committee shall be the act of the committee. A quorum, once established shall not be broken by the subsequent withdrawal or departure of Directors to leave less than a quorum. Each committee shall keep regular minutes of its meetings and report the same to the Board. Unless the Board otherwise determines, each committee shall conduct its business in the same manner as the Board conducts its business pursuant to these Bylaws.

6. **Audit and Compliance Committee.**

(a) The Board shall establish a permanent Audit and Compliance Committee, made up of at least three Directors appointed by the Board, the composition of which will comply with applicable law and NYSE Rules.

(b) The Audit and Compliance Committee may have a chairman and a secretary who will be appointed by the Audit and Compliance Committee.

(c) The Directors who are members of the Audit and Compliance Committee will hold such post for as long as they remain as Directors of the Company, except as otherwise determined by the Board. The renewal, re-election and removal of the Directors who are members of the Committee will be determined from time to time by the Board.

(d) The Company may have a “Compliance Division” that is an independent internal business unit functionally connected to the Audit and Compliance Committee. Any “Compliance Division” will have expertise in the field of regulatory compliance and the prevention and correction of illegal or fraudulent acts, as determined by the Board.

(e) The Audit and Compliance Committee’s responsibilities may include the following activities, as determined by the Board:

1. Oversee the Company’s internal audit department and report activities to the Board;

2. Ensure the independence and effectiveness of each internal audit, provide guidance and approve action plans and propose to the Board the appointment or removal of any “Director of Internal Audit” or similar responsible person;

3. Monitor the preparation and presentation of regulated financial information, assessing any proposal for changes in accounting policies and practices and internal control systems related to risks relevant to the Company, in order to identify the main risks that should be managed and disclosed;
4. Analyze, together with the auditors, the significant weaknesses of the internal control system detected during the audit;
5. Establish appropriate relationships with the auditors to receive information on any issues that may jeopardize their independence, for consideration by the Audit and Compliance Committee, and any other matters related to the audit process and other communications provided by law and auditing standards in the remaining audit. In any case, receive annually from the auditors written confirmation of their independence from the Corporation, as well as information on additional services of any kind provided to the Corporation by the auditors account, or by persons or entities related to them as required by applicable law or NYSE Rules;
6. Issue annually, prior to the audit report, a report expressing an opinion on the independence of the auditors including during the provision of additional services referred to in the preceding paragraph;
7. Receive information from the “Compliance Division” (if any) regarding any relevant matter relating to regulatory compliance and the prevention and correction of illegal or fraudulent acts;
8. Review, through the “Compliance Division” (if any), policies and procedures of the Corporation to prove its effectiveness in preventing misconduct and identify any policies or procedures that are more effective in promoting ethical standards, for submission to the Board;
9. Review and endorse the annual operating budget of the “Compliance Division” (if any), for submission to the Board, and confirm that the “Compliance Division” has the necessary human and material resources to carry out its functions, and ensure its independence and effectiveness;
10. Approve the annual plan of activities of the “Compliance Division” (if any);
11. Report on any proposed appointment of any Chief Compliance Officer; and
12. Such other powers, if any, it has been assigned by the Board.

Section 3.6 Personal Interest
Subject to applicable law, no transaction entered into by the Corporation shall be affected by the fact that the Directors, their respective affiliates, or any of them, were personally interested in it, or solely because the interested Directors are present at or participates in the meeting of the Board or a committee thereof which authorizes such transaction, or solely because his, her or their votes are counted for such purpose; and every Director is hereby relieved from any disability which might otherwise prevent his or her, or any of his or her affiliates, contracting with the Corporation for the benefit of himself, herself, itself or of any firm, association or
corporation in which he or she may be anywise interested or affiliated. Interested Directors may be counted in determining the presence of a quorum at a
meeting of the Board or of a committee thereof which authorizes any such transaction. No Director shall be disqualified from voting or acting on behalf of the
Corporation in contracting with any other firm, association or corporation in which he or she may be an affiliate, director, officer or shareholder, or may
otherwise have an interest.

Section 3.7 Remuneration of the Directors
Subject to applicable law and NYSE Rules, Directors may receive compensation for their services as Directors in such form and amounts and at such times as
may be prescribed from time to time by the Board or designated committee thereof. The Directors may be paid their expenses, if any, of attendance at each
meeting of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as Director payable in cash, stock, stock
options, or other compensation or a combination thereof. No such payment shall preclude any Director from serving the Corporation in any other capacity
and receiving compensation therefor. Members of special or standing committees may be allowed like compensation and reimbursement of expenses for
attending committee meetings.

Section 3.8 Assistance of Experts
In performing his or her duties, a Director shall be entitled to rely on information, opinions, reports or statements including financial statements and other
financial data, in each case prepared or presented by:

(a) one or more officers or employees of the Corporation or any of its subsidiaries;
(b) counsel, public accountants, or other persons as to matters which the Director believes to be within such person’s professional competence; or
(c) a committee of the Board upon which he or she does not serve as to matters within its designated authority.

A request for the engagement of an expert will be made through the Chairman, who may make it conditional on authorization first being obtained from the
Board, which may be denied by the Board.

ARTICLE FOUR. STOCK CERTIFICATES

Section 4.1 Stock Certificates
Upon written request, every holder of capital stock in the Corporation shall be entitled to have a certificate, signed by, in the name of the Corporation, the
Chairman or a Vice Chairman, or the president or a vice-president, and by the Treasurer or an assistant Treasurer, or the Secretary or an assistant Secretary,
certifying the number of shares owned by him, her or it in the Corporation; provided that the Board may provide by resolution or resolutions that some or all
of the capital stock shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock. If shares are
represented by certificates such
Section 4.2 Lost Certificate

The Board may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates or uncertificated shares, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his or its legal representative, to advertise the same in such manner as it shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4.3 Transfer of Shares

1. **Transfer Agent.** The Board may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

2. **Transfer of Shares.** Shares of the Corporation shall be transferable in the manner prescribed by applicable law and in these Bylaws. Transfers of shares shall be made on the books of the Corporation only by the person named as the holder thereof on the shares records of the Corporation, by such person’s attorney lawfully constituted in writing, and in the case of shares represented by a certificate upon the surrender of the certificate thereof, which shall be cancelled before a new certificate or uncertificated shares shall be issued. No transfer of shares shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred. To the extent designated by the Treasurer, the Corporation may recognize the transfer of fractional uncertificated shares, but shall not otherwise be required to recognize the transfer of fractional shares. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

3. **Registered Shareholders.** The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of New York.
ARTICLE FIVE. MISCELLANEOUS

Section 5.1  Financial Year

The financial year of the Corporation will begin on January 1 of each year and close on December 31 of each year.

Section 5.2  Indemnification

1. **Indemnification.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a “Proceeding”) by reason of the fact that he or she is or was a Director or officer of the Corporation or is or was serving at the request of the Corporation, while a Director or officer of the Corporation, as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against losses, costs and expenses (including, without limitation, fines, penalties and attorneys’ fees) actually and reasonably incurred by him or her in connection with the defense, resolution or settlement of such Proceeding, if he or she acted in accordance with the Certificate of Incorporation and these Bylaws or otherwise acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and shall further indemnify him or her to the extent that a New York State court or the court in which such action or suit was brought may determine upon application that, despite any adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity which a New York State court or such other court shall deem proper; provided, however, that, except with respect to Proceedings to enforce rights to indemnification pursuant to this Section 5.2, the Corporation shall indemnify a Director or officer of the Corporation in connection with a Proceeding (or part thereof) initiated by him or her against the Corporation or any of its affiliates only if such Proceeding (or part thereof) was authorized by the Board.

2. **Advancement of Expenses.** Expenses incurred by a person entitled to indemnification pursuant to Sub-section 1 above in defending a Proceeding shall be paid by the Corporation in advance of the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation pursuant to this Section 5.2.

3. **Other Indemnification.** The indemnification and advancement of expenses provided by or granted pursuant to this Section 5.2 shall not limit the Corporation from providing any other indemnification or advancement of expenses permitted by law nor shall it be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of Shareholders or disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.
4. **Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Section 5.2.

5. **Successors.** The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 5.2 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

6. **Other Indemnitees.** The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification, and to advancement of expenses, to any employee or agent of the Corporation to the maximum extent of the provisions of this Section 5.2 with respect to the indemnification and advancement of expenses of Directors and officers of the Corporation.

7. **Construction.** For the purposes of this Section 5.2, references to “the Corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its Directors, officers, employees or agents, so that any person who is or was a Director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section 5.2 with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

8. **Powers.** This Section 5.2 shall be construed to give the Corporation the broadest power permissible by the BCL, as it now stands and as heretofore amended. Any amendment, modification or repeal of this Section 5.2 (or any part thereof) shall not adversely affect any right or protection of any person pursuant to this Section 5.2 in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

### Section 5.3 Amendments

These Bylaws may be adopted, amended or repealed by vote of the Shareholders.
Section 5.4  Seal

The seal of the Corporation shall be circular in form and contain the name of the Corporation, the words “Corporate Seal” and “New York” and the year the Corporation was formed in the center, or in such other form as may be approved from time to time by the Board. The Corporation may use the seal by causing it or a facsimile to be affixed or impressed or reproduced in any manner.

Section 5.5  Dividends

Dividends upon the capital stock of the Corporation may be declared by the Board at any regular or special meeting, pursuant and subject to applicable law. Dividends may be paid in cash, in property, in shares of the capital stock of the Corporation or out of any other assets of the Corporation legally available therefor, subject to the provisions of applicable law.

Section 5.6  Corporation Opportunities

To the maximum extent permitted from time to time under the laws of the State of New York, except as expressly provided in the Shareholder Agreement, the Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to its Directors or Shareholders, their respective affiliates or any firm, association or corporation in which any of them may be interested or affiliated. No amendment or repeal of this Section 5.6 shall apply to expand or have any effect that would expand the liability or alleged liability of any such Director, Shareholder or affiliate for or with respect to any business opportunities of which such Director, Shareholder or affiliate becomes aware prior to such amendment or repeal.

Section 5.7  Offices

The Corporation may have offices at such places, both within and without the State of New York, as the Board may from time to time determine or the business of the Corporation may require.

Section 5.8  Notices

1. **General.** Whenever, under the provisions of applicable law or these Bylaws, notice is required to be given to any Director or Shareholder, it shall not be construed to mean personal notice, but such notice may be given in writing, personally, by overnight mail, telegram, facsimile, or electronic mail or by mail, addressed to such Director or Shareholder, at his or her or its address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given when by United States mail, at the time when the same shall be deposited in the United States mail, and upon delivery if personally delivered, sent via telegram, overnight mail, facsimile, or electronic mail.

2. **Waivers.** Whenever any notice is required to be given under the provisions of applicable law or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting shall constitute a waiver of notice of such
meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Shareholders, Directors, or members of a committee need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these Bylaws.

Section 5.9 Subject to Certificate of Incorporation
These Bylaws and the provisions hereof are subject to the terms and conditions of the Certificate of Incorporation (including any certificates of designations filed thereunder), and in the event of any conflict between these Bylaws and the Certificate of Incorporation, the Certificate of Incorporation shall control.

Section 5.10 Governing Law; Forum for Resolution of Disputes
1. Governing Law. These Bylaws and the internal affairs of the Corporation shall be governed by and interpreted under the laws of the State of New York, without regard to its conflict of laws principles or rules that would mandate the application of the laws of any other jurisdiction.

2. Forum. Unless the Corporation expressly consents in writing to the selection of an alternative forum, the state courts of the State of New York located in New York County shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any Director, officer or other employee of the Corporation to the Corporation or the Shareholders, (iii) any action asserting a claim arising pursuant to any provision of the BCL or the Certificate of Incorporation or these Bylaws, or (iv) any other action asserting a claim arising under, in connection with, and governed by the internal affairs doctrine.
BY-LAWS

OF

AVANGRID, INC.

Effective as of December 16, 2015
ARTICLE ONE. THE SHARE CAPITAL AND THE SHARES; SHAREHOLDERS

Section 1.1 The Share Capital: Records of Shareholder

1. **Share Capital.** The authorized share capital of the Corporation may be increased or decreased by resolution of the board of directors of the Corporation (the “Board”), subject to approval of any necessary amendment of the Certificate of Incorporation by the shareholders of the Corporation (the “Shareholders”) and the other requirements established for such events under the BCL.

2. **Record of Shareholders.** The shares will be recorded in a book of registered shares kept at the office of the Corporation or at the office of its transfer agent or registrar, and the Board is entitled to issue an aggregate certificate to include all the shares held by any Shareholder as permitted under New York law.

Section 1.2 Shareholders

1. **Annual Meeting.** The “Annual Meeting” of the Shareholders for the election of members of the Board (the “Directors”) and the transaction of such other business as may properly be brought before the meeting shall be held within or without the State of New York, at a location to be determined by the Board (including, without limitation, telephonically and/or by internet access), on such date and time as may be fixed by the Board.

2. **Written Consent of Shareholders Without a Meeting.** Any action required to be taken at a meeting of the Shareholders, or any other action which may be taken at a meeting of the Shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by Shareholders having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all Shareholders having a right to vote thereon were present and voted. Prompt notice of the taking of the corporate action by the Shareholders without a meeting shall be given to those Shareholders who have not consented in writing.

3. **Special Meetings.** A “Special Meeting” of the Shareholders may be called by the Chairman of the Board (the “Chairman”) or the chief executive officer of the Corporation (the “CEO”), and shall be called by the Chairman or the CEO at the written demand of a majority of the Directors then in office or Shareholder(s) then holding a majority of the
outstanding voting shares of capital stock of the Corporation, and may not be called by any other person or persons. Any such call or demand shall state the purpose or purposes of the proposed meeting. Special Meetings shall be held at such place within or without the State of New York (including, without limitation, telephonically and/or by internet access) as may be specified in the notice thereof. At any Special Meeting only such business may be transacted which is set forth in the notice thereof, but any Special Meeting may be called and held in conjunction with an Annual Meeting of the Shareholders.

4. **Business at Meetings of the Shareholders.** At any meeting of the Shareholders, only such business shall be conducted as shall have been brought before the meeting (a) pursuant to the Corporation’s notice of meeting, or (b) by or at the direction of the Board. The procedures referred to in clauses (a) and (b) of the immediately preceding sentence shall be the exclusive means for any person to submit business (other than Shareholder proposals properly submitted in accordance with Rule 14a-8 under the Exchange Act and included in the Corporation’s notice of meeting) to be considered or acted upon at a meeting of Shareholders.

5. **Record Date for Meetings and Other Purposes.** For the purpose of determining the Shareholders entitled to notice of or to vote at any meeting of Shareholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining Shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Board may fix, in advance, a date as the record date for any such determination of Shareholders. Such date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. If no record date is so fixed by the Board, (a) the record date for the determination of Shareholders entitled to notice of or to vote at a meeting of Shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is not given by reason of due waiver thereof, the day next preceding the day on which the meeting is held, and (b) the record date for determining shareholding for any other purpose shall be at the close of business on the day on which the resolution of the Board relating thereto is adopted. A determination of Shareholders of record entitled to notice of or to vote at any meeting of Shareholders, made in accordance with this Section, shall apply to any adjournment thereof, unless the Board fixes a new record date under this Section for the adjourned meeting.

6. **Notice of Meetings.** Whenever Shareholders are required or permitted to take any action at a meeting, written notice shall be given stating the place, date and hour of the meeting and, unless it is the Annual Meeting, indicating that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a Special Meeting (including any such meeting to be held in conjunction with an Annual Meeting) shall also state the purpose or purposes for which the meeting is called. A copy of the notice of any meeting shall be given, personally, by electronic communications or by first class mail, not less than ten (10) nor more than sixty (60) days before the date of the meeting. If mailed, such notice is given when deposited in the United States or other sovereign mail system, as appropriate, with postage thereon prepaid, directed to the Shareholder at its
address as it appears on the record of Shareholders of the Corporation. When a meeting is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting, if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. However, if after the adjournment the Board fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each Shareholder of record on the new record date entitled to notice under this Section.

7. **List of Shareholders Entitled to Vote.** The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of the Shareholders a complete list of the Shareholders entitled to vote at the meeting of Shareholders (provided, however, if the record date for determining the Shareholders entitled to vote is less than ten (10) days before the meeting, the list shall reflect the Shareholders entitled to vote as of the tenth (10th) day before the meeting date), arranged in alphabetical order, and showing the address of each Shareholder and the number of shares of each class of capital stock registered in the name of each Shareholder. Such list shall be open to the examination of any Shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Shareholder who is present. Except as otherwise provided by applicable law or the rules of the New York Stock Exchange ("NYSE Rules"), the stock ledger of the Corporation shall be the only evidence as to who are the Shareholders entitled to examine the stock ledger and the list of Shareholders entitled to vote in person or by proxy at any meeting of Shareholders.

8. **Waivers of Notice.** Notice of any meeting of Shareholders need not be given to any Shareholder who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any Shareholder at a meeting, in person or by proxy, without protesting prior thereto or at its commencement the lack of notice of such meeting, shall constitute a waiver of notice by such Shareholder.

9. **Failure to Receive Notice.** Failure to receive notice of any meeting shall not invalidate the meeting.

10. **Quorum at Meetings.** Except as otherwise provided by law, the holders of a majority of the shares entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at any meeting of the Shareholders for the transaction of any business, but the Shareholders present or represented by proxy may adjourn any meeting to another time or place despite the absence of a quorum, without notice other than announcement at the meeting, until a quorum shall be present or represented. When a quorum is once present to organize a meeting, it shall not be broken by the subsequent withdrawal of any Shareholders. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Shareholder of record entitled to vote at the meeting.
11. **Conduct of Meetings.** The Board may adopt by resolution such rules and regulations for the conduct of the meeting of the Shareholders as it shall deem appropriate. At any meeting of the Shareholders, the CEO, or in his or her absence or inability to act, the Secretary, or, in his or her absence or inability to act, the person whom the CEO shall appoint, shall act as chairman of, and preside at, the meeting. The Secretary or, in his or her absence or inability to act, the person whom the chairman of the meeting shall appoint secretary of the meeting, shall act as secretary of the meeting and keep the minutes thereof. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the chairman of any meeting of the Shareholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) order of business for the meeting, (b) the determination of when the polls shall open and close for any given matter to be voted on at the meeting, (c) rules and procedures for maintaining order at the meeting and the safety of those present, (d) limitations on attendance at or participation in the meeting to Shareholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine, (e) restrictions on entry to the meeting after the time fixed for the commencement thereof, (f) limitations on the time allotted to questions or comments by participants, and (g) policies and procedures with respect to the adjournment of such meeting.

12. **Voting.**

   (a) When a quorum is present at any meeting, unless otherwise required by applicable law, NYSE Rules or these Bylaws, the election of Directors and any advisory vote on the frequency of Shareholders votes related to the compensation of executives required by Section 14A(a)(2) of the Securities Exchange Act of 1934, as amended (“Exchange Act”), shall be decided by a plurality of the votes cast at a meeting in person or by proxy by the holders of shares entitled to vote therein. When a quorum is present at any meeting, unless otherwise required by applicable law, NYSE Rules or these Bylaws, any matter, other than the election of Directors and an advisory vote on the frequency of Shareholder votes related to the compensation of executives required by Section 14A(a)(2) of the Exchange Act, brought before any meeting of Shareholders shall be decided by the vote of the holders of a majority of the votes cast in person or by proxy in favor of such action by the holders of shares entitled to vote therein. For the avoidance of doubt, abstentions and broker non-votes will not be counted as votes cast for such purposes.
Unless otherwise provided by applicable law or in the Certificate of Incorporation, each Shareholder shall at every meeting of the Shareholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such Shareholder, but no proxy shall be voted on after three (3) years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A Shareholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Voting at meetings of Shareholders need not be by written ballot.

13. **Inspectors.** The Board, in advance of any meeting of Shareholders, may, and shall if required by law, appoint one or more inspectors, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and make a written report thereof. The Board may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall (a) ascertain the number of shares outstanding and the voting power of each, (b) determine the shares represented at the meeting, the existence of a quorum and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (e) certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board, the date and time of the opening and the closing of the polls for each matter upon which the Shareholders will vote at a meeting shall be determined by the person presiding at the meeting and shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless a New York State court upon application by a Shareholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of Shareholders, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for office at an election may serve as an inspector at such election.

**ARTICLE TWO. OFFICERS, AGENTS AND EMPLOYEES**

**Section 2.1 Structure of the Corporation’s Management**

1. The business and affairs of the Corporation will be managed under the direction of the Board. In addition to the powers and authorities by these Bylaws expressly conferred upon them, the Board may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by these Bylaws required to be exercised or done by the Shareholders.
2. The Board may delegate all or some of the authorities delegable by law or these Bylaws to the officers, agents and employees of the Corporation. The officers of the Corporation shall include a CEO, Chief Financial Officer, Treasurer and Secretary, and may also include a Chairman, one or more vice presidents, and one or more assistant secretaries and such other officers as the Board may from time-to-time designate. The officers shall be appointed by the Board. The Board may also appoint other officers, agents and employees, who shall have such authority and perform such duties as may be prescribed by the Board. All officers shall hold office until such officer’s successor is elected or appointed by the Board or until such officer’s death, resignation or removal in the manner hereinafter provided. Any officer may resign at any time. Any two or more offices may be held by the same person. Any officer, agent or employee of the Corporation may be removed by the Board with or without cause. The appointment of any person as an officer, agent or employee of the Corporation shall not of itself create contract rights. The compensation of officers, agents and employees appointed by the Board shall be fixed by the Board, but this power may be delegated by the Board to any officer as to persons under his or her direction or control. The Board may require any officer, agent or employee to give security for the faithful performance of his or her duties. All officers as between themselves and the Corporation shall have such authority and perform such duties in the management of the Corporation as may be determined by the Board consistent with these Bylaws.

3. Powers and Duties of the Chief Executive Officer. The CEO shall be appointed by the Board and shall have general organizational duties as shall be determined by the Board. Subject to the authority of the Board, the CEO may vote the shares or other securities of any other domestic or foreign corporation of any type or kind which may at any time be owned by the Corporation, may execute any Shareholders’ or other consents in respect thereof and may, in his or her discretion, delegate such powers by executing proxies or otherwise on behalf of the Corporation. The Board, by resolution from time to time, may confer like powers upon any other person or persons and may modify the powers of the CEO or any such other person.

4. Powers and Duties of Vice Presidents. Each vice president shall have such powers and perform such duties as the Board or the CEO may prescribe.

5. Powers and Duties of the Secretary. The Secretary shall have charge of the minutes of all proceedings of the Shareholders and of the Board. He or she shall attend to the giving of all notices to Shareholders and Directors. He or she shall have charge of the record of Shareholders of the Corporation, and of such other books and papers as the Board may direct. He or she shall have all such powers and duties as generally are incident to the position of Secretary or as may be assigned to him or her by the CEO or the Board.

6. Powers and Duties of Assistant Secretaries. In the absence or inability of the Secretary to act, any assistant Secretary may perform all the duties and exercise all the powers of the Secretary. An assistant Secretary shall also perform such other duties as the Secretary or the Board may assign to him or her.
7. **Powers and Duties of Other Officers.** The Board may appoint other officers and agents for any group, division or department into which the Corporation may be divided by the Board, with titles and powers as the Board may from time to time deem appropriate. All such officers and agents shall receive such compensation, have such tenure and exercise such authority as the Board may specify.

**ARTICLE THREE. THE BOARD OF DIRECTORS**

**Section 3.1 Election, Number, Composition and Competencies of the Board of Directors**

1. **Number and Election of Directors.**
   
   (a) The number of Directors which shall constitute the whole Board shall initially be twelve (12) and hereafter be determined by resolution of the Board; provided, however, that no decrease in the number of Directors shall have the effect of shortening the term of an incumbent Director.

   (b) A minimum of three (3) Directors shall qualify as “independent directors” of the Corporation and Iberdrola, S.A. (the “Controlling Shareholder”) (assuming for such purpose that such Director is a Director of the Controlling Shareholder) under Section 301 of the Sarbanes-Oxley Act (or any successor rule), Rule 10A-3(b)(1) (or any successor rule) of the Securities and Exchange Act of 1934, and Rule 303A (or any successor rule) of the rules promulgated the New York Stock Exchange which apply to issuers whose common stock is listed on the New York Stock Exchange (the “Independent Directors”). The membership of the Board will at all times comply with the requirements of applicable law and NYSE Rules.

   (c) Except as provided in Sub-section 2 of this Section below, the Directors shall be elected at the Annual Meeting of the Shareholders by a plurality of the votes cast in person or by proxy by the holders of shares entitled to vote therein and each Director elected shall hold office until his or her successor is elected and qualified, unless he or she shall resign, die, become disqualified or disabled, or otherwise be removed. Directors need not be Shareholders.

2. **Vacancies.** Newly created directorships resulting from an increase in the number of Directors and vacancies occurring in the Board during the term of office, including, without limitation, the removal of Directors by the Shareholders or Director resignation, may be filled either by vote of the Directors or, if determined by the Board or requested (prior to the Board having filled any such vacancy) in writing by Shareholder(s) holding at least a majority of the outstanding voting shares of capital stock of the Corporation, by vote of the Shareholders. If the number of Directors then in office is less than a quorum, such newly created directorships and vacancies may be filled by vote of a majority of the Directors then in office or by vote of the Shareholders.

3. **Resignation; Removal.** A Director may resign from his or her office at any time by delivering his or her resignation in writing to the Corporation, and the acceptance of such resignation, unless required by the terms thereof, shall not be necessary to make such resignation effective. Any or all of the Directors may be removed, for cause or without cause, by vote of the Shareholders.
Section 3.2 Positions on the Board

1. **Chairman; Vice Chairman.** The Board may elect, from among the Directors, a Chairman and, if so decided, one or more vice-chairmen (each, a “Vice Chairman”), to be proposed by the Chairman.

2. **Powers and Duties of the Chairman of the Board.** The Chairman (if there be one) shall preside at all meetings of the Board at which he or she is present and shall perform such other duties as the Board may designate.

3. **Powers and Duties of the Vice Chairmen of the Board.** Each Vice Chairman (if there be any) shall have such powers and perform such duties as the Board may prescribe. In the absence or disability of the Chairman, the Vice Chairman who has served in that capacity for the longest time and who shall be present and able to act, shall perform all the duties and exercise all the powers of the Chairman that flows from his or her capacity as Director.

Section 3.3 Meetings of the Board of Directors

1. **Meetings.** Meetings of the Board, regular or special, may be held at any place within or without the State of New York (including, without limitation, telephonically and/or by internet access) as the Board from time to time may fix or as shall be specified in the respective notice or waivers of notice thereof. Any one or more members of the Board or of any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at any such meeting of the Board or committee thereof. The Board may fix times and places for regular meetings of the Board and no notice of such meetings need be given. Special meetings of the Board may be called by the Chairman, any Vice Chairman or the CEO on two (2) days’ prior written notice to each Director by mail or forty-eight (48) hours’ prior notice to each Director either personally or by facsimile, telegram or electronic mail; special meetings shall be called by the Chairman, any Vice Chairman, the CEO or the Secretary, in like manner and on like notice, on the written request of two (2) Directors unless the Board consists of only one Director, in which case special meetings shall be called by the Chairman, the CEO or the Secretary in like manner and on like notice on the written request of the sole Director.

2. **Notice.** Notice of each such meeting shall be given by the Secretary or by a person calling the meeting in accordance with these Bylaws to each Director in the manner provided in Sub-section 1 above. Notice of a meeting need not be given to any Director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her.
3. **Written Consent of Directors in Lieu of a Meeting.** Any action required or permitted to be taken by the Board or any committee thereof may be taken without a meeting if all members of the Board or such committee consent in writing or by electronic submission to the adoption of a resolution authorizing such action. Each resolution so adopted and the written consents thereto by the members of the Board or such committee shall be filed with the minutes of the proceedings of the Board or such committee.

4. **Quorum and Voting.** A majority of the entire Board shall constitute a quorum for the transaction of any business. Except as otherwise provided by law or the Certificate of Incorporation or these Bylaws, the vote of a majority of the entire Board shall be the act of the Board, but a majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. No notice of any such adjournment need be given.

**Section 3.4 Formalization of the Resolutions**

1. **Minutes Book.** The deliberations and the resolutions of the Board will be recorded in the minute book, and will be signed by the Chairman and the Secretary, or whosoever has the authority to act in their stead.

2. **Certifications.** The certifications, total or partial, necessary to evidence the resolutions of the Board, will be issued and signed by the Secretary or an assistant Secretary, and countersigned by the Chairman or, as appropriate, a Vice Chairman.

**Section 3.5 Committees of the Board of Directors**

1. **Committees.**
   
   (a) The Board shall establish and maintain (i) an Audit and Compliance Committee, (ii) an Unaffiliated Committee in accordance with the Shareholder Agreement dated December 16, 2015, between the Corporation and the Controlling Shareholder (the “Shareholder Agreement”) and (iii) any other committee required by applicable law or NYSE Rules.

   (b) The Board, by resolution adopted by a majority of the entire Board, may establish and maintain one or more committees composed of those designated from among its members. The Board may accordingly establish and maintain an Executive Committee to which it may delegate, unless otherwise decided by the Board, all the authorities of the Board, to the extent permitted by applicable law and provided that any of the authorities assigned to the Unaffiliated Committee (as defined in the Shareholder Agreement) or the Audit and Compliance Committee may not be so delegated.

2. **Members.** Each committee will be composed of one or more Directors designated by the Board, with the favorable vote of a majority of the entire Board, and such positions will be renewed in the terms, manner and number as decided by the Board, which will also establish such committee’s rules of operation.
3. **Alternate Members.** The Board may designate one or more eligible Directors as alternate members of any such committee, who may replace any absent member or members at any meeting of such committee.

4. **Powers.** Subject to applicable law and NYSE Rules, any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it.

5. **Quorum; Procedures.** Unless the Board or the applicable committee charter provides otherwise, at all meetings of such committee, a majority of the then-authorized members of the committee shall constitute a quorum for the transaction of business, and the vote of a majority of the then-authorized members of the committee shall be the act of the committee. A quorum, once established shall not be broken by the subsequent withdrawal or departure of Directors to leave less than a quorum. Each committee shall keep regular minutes of its meetings and report the same to the Board. Unless the Board otherwise determines, each committee shall conduct its business in the same manner as the Board conducts its business pursuant to these Bylaws.

6. **Audit and Compliance Committee.**
   
   (a) The Board shall establish a permanent Audit and Compliance Committee, made up of at least three Directors appointed by the Board, the composition of which will comply with applicable law and NYSE Rules.

   (b) The Audit and Compliance Committee may have a chairman and a secretary who will be appointed by the Audit and Compliance Committee.

   (c) The Directors who are members of the Audit and Compliance Committee will hold such post for as long as they remain as Directors of the Corporation, except as otherwise determined by the Board. The renewal, re-election and removal of the Directors who are members of the Committee will be determined from time to time by the Board.

   (d) The Corporation may have a “Compliance Division” that is an independent internal business unit functionally connected to the Audit and Compliance Committee. Any “Compliance Division” will have expertise in the field of regulatory compliance and the prevention and correction of illegal or fraudulent acts, as determined by the Board.

   (e) The Audit and Compliance Committee’s responsibilities may include the following activities, as determined by the Board:

   1. Oversee the Corporation’s internal audit department and report activities to the Board;
2. Ensure the independence and effectiveness of each internal audit, provide guidance and approve action plans and propose to the Board the appointment or removal of any “Director of Internal Audit” or similar responsible person;

3. Monitor the preparation and presentation of regulated financial information, assessing any proposal for changes in accounting policies and practices and internal control systems related to risks relevant to the Corporation, in order to identify the main risks that should be managed and disclosed;

4. Analyze, together with the auditors, the significant weaknesses of the internal control system detected during the audit;

5. Establish appropriate relationships with the auditors to receive information on any issues that may jeopardize their independence, for consideration by the Audit and Compliance Committee, and any other matters related to the audit process and other communications provided by law and auditing standards in the remaining audit. In any case, receive annually from the auditors written confirmation of their independence from the Corporation, as well as information on additional services of any kind provided to the Corporation by the auditors account, or by persons or entities related to them as required by applicable law or NYSE Rules;

6. Issue annually, prior to the audit report, a report expressing an opinion on the independence of the auditors including during the provision of additional services referred to in the preceding paragraph;

7. Receive information from the “Compliance Division” (if any) regarding any relevant matter relating to regulatory compliance and the prevention and correction of illegal or fraudulent acts;

8. Review, through the “Compliance Division” (if any), policies and procedures of the Corporation to prove its effectiveness in preventing misconduct and identify any policies or procedures that are more effective in promoting ethical standards, for submission to the Board;

9. Review and endorse the annual operating budget of the “Compliance Division” (if any), for submission to the Board, and confirm that the “Compliance Division” has the necessary human and material resources to carry out its functions, and ensure its independence and effectiveness;

10. Approve the annual plan of activities of the “Compliance Division” (if any);

11. Report on any proposed appointment of any Chief Compliance Officer; and
Section 3.6 Personal Interest

Subject to applicable law, no transaction entered into by the Corporation shall be affected by the fact that the Directors, their respective affiliates, or any of them, were personally interested in it, or solely because the interested Directors are present at or participates in the meeting of the Board or a committee thereof which authorizes such transaction, or solely because his, her or their votes are counted for such purpose; and every Director is hereby relieved from any disability which might otherwise prevent his or her, or any of his or her affiliates, contracting with the Corporation for the benefit of himself, herself, itself or of any firm, association or corporation in which he or she may be anywise interested or affiliated. Interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee thereof which authorizes any such transaction. No Director shall be disqualified from voting or acting on behalf of the Corporation in contracting with any other firm, association or corporation in which he or she may be an affiliate, director, officer or shareholder, or may otherwise have an interest.

Section 3.7 Remuneration of the Directors

Subject to applicable law and NYSE Rules, Directors may receive compensation for their services as Directors in such form and amounts and at such times as may be prescribed from time to time by the Board or designated committee thereof. The Directors may be paid their expenses, if any, of attendance at each meeting of the Board and may be paid a fixed sum for attendance at each meeting of the Board or a stated salary as Director payable in cash, stock, stock options, or other compensation or a combination thereof. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation and reimbursement of expenses for attending committee meetings.

Section 3.8 Assistance of Experts

In performing his or her duties, a Director shall be entitled to rely on information, opinions, reports or statements including financial statements and other financial data, in each case prepared or presented by:

(a) one or more officers or employees of the Corporation or any of its subsidiaries;
(b) counsel, public accountants, or other persons as to matters which the Director believes to be within such person’s professional competence; or
(c) a committee of the Board upon which he or she does not serve as to matters within its designated authority.

A request for the engagement of an expert will be made through the Chairman, who may make it conditional on authorization first being obtained from the Board, which may be denied by the Board.
ARTICLE FOUR. STOCK CERTIFICATES

Section 4.1 Stock Certificates
Upon written request, every holder of capital stock in the Corporation shall be entitled to have a certificate, signed by, in the name of the Corporation, the Chairman or a Vice Chairman, or the president or a vice-president, and by the Treasurer or an assistant Treasurer, or the Secretary or an assistant Secretary, certifying the number of shares owned by him, her or it in the Corporation; provided that the Board may provide by resolution or resolutions that some or all of the capital stock shall be uncertificated shares that may be evidenced by a book-entry system maintained by the registrar of such stock. If shares are represented by certificates such certificates shall be in a form approved by the Board. Any of or all the signatures on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, transfer agent or registrar at the date of issue.

Section 4.2 Lost Certificate
The Board may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates or uncertificated shares, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his her or its legal representative, to advertise the same in such manner as it shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4.3 Transfer of Shares
1. Transfer Agent. The Board may appoint, or authorize any officer or officers to appoint, one or more transfer agents and one or more registrars.

2. Transfer of Shares. Shares of the Corporation shall be transferable in the manner prescribed by applicable law and in these Bylaws. Transfers of shares shall be made on the books of the Corporation only by the person named as the holder thereof on the shares records of the Corporation, by such person’s attorney lawfully constituted in writing, and in the case of shares represented by a certificate upon the surrender of the certificate thereof, which shall be cancelled before a new certificate or uncertificated shares shall be issued. No transfer of shares shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing from and to whom transferred. To the extent designated by the Treasurer, the Corporation may recognize the transfer of fractional uncertificated shares, but shall not otherwise be required to recognize the transfer of fractional shares. Upon surrender to
the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

3. **Registered Shareholders.** The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of New York.

**ARTICLE FIVE. MISCELLANEOUS**

**Section 5.1 Financial Year**

The financial year of the Corporation will begin on January 1 of each year and close on December 31 of each year.

**Section 5.2 Indemnification**

1. **Indemnification.** The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a “Proceeding”) by reason of the fact that he or she is or was a Director or officer of the Corporation or is or was serving at the request of the Corporation, while a Director or officer of the Corporation, as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against losses, costs and expenses (including, without limitation, fines, penalties and attorneys’ fees) actually and reasonably incurred by him or her in connection with the defense, resolution or settlement of such Proceeding, if he or she acted in accordance with the Certificate of Incorporation and these Bylaws or otherwise acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and shall further indemnify him or her to the extent that a New York State court or the court in which such action or suit was brought may determine upon application that, despite any adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity which a New York State court or such other court shall deem proper; provided, however, that, except with respect to Proceedings to enforce rights to indemnification pursuant to this Section 5.2, the Corporation shall indemnify a Director or officer of the Corporation in connection with a Proceeding (or part thereof) initiated by him or her against the Corporation or any of its affiliates only if such Proceeding (or part thereof) was authorized by the Board.

2. **Advancement of Expenses.** Expenses incurred by a person entitled to indemnification pursuant to Sub-section 1 above in defending a Proceeding shall be paid by the Corporation in advance of the final disposition of such Proceeding upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation pursuant to this Section 5.2.
3. **Other Indemnification.** The indemnification and advancement of expenses provided by or granted pursuant to this Section 5.2 shall not limit the Corporation from providing any other indemnification or advancement of expenses permitted by law nor shall it be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of Shareholders or disinterested Directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

4. **Insurance.** The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Section 5.2.

5. **Successors.** The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 5.2 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

6. **Other Indemnites.** The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification, and to advancement of expenses, to any employee or agent of the Corporation to the maximum extent of the provisions of this Section 5.2 with respect to the indemnification and advancement of expenses of Directors and officers of the Corporation.

7. **Construction.** For the purposes of this Section 5.2, references to “the Corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its Directors, officers, employees or agents, so that any person who is or was a Director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section 5.2 with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

8. **Powers.** This Section 5.2 shall be construed to give the Corporation the broadest power permissible by the BCL, as it now stands and as heretofore amended. Any amendment, modification or repeal of this Section 5.2 (or any part thereof) shall not adversely affect any right or protection of any person pursuant to this Section 5.2 in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.
Section 5.3 Amendments

These Bylaws may be adopted, amended or repealed by vote of the Shareholders.

Section 5.4 Seal

The seal of the Corporation shall be circular in form and contain the name of the Corporation, the words “Corporate Seal” and “New York” and the year the Corporation was formed in the center, or in such other form as may be approved from time to time by the Board. The Corporation may use the seal by causing it or a facsimile to be affixed or impressed or reproduced in any manner.

Section 5.5 Dividends

Dividends upon the capital stock of the Corporation may be declared by the Board at any regular or special meeting, pursuant and subject to applicable law. Dividends may be paid in cash, in property, in shares of the capital stock of the Corporation or out of any other assets of the Corporation legally available therefor, subject to the provisions of applicable law.

Section 5.6 Corporation Opportunities

To the maximum extent permitted from time to time under the laws of the State of New York, except as expressly provided in the Shareholder Agreement, the Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business opportunities that are from time to time presented to its Directors or Shareholders, their respective affiliates or any firm, association or corporation in which any of them may be interested or affiliated. No amendment or repeal of this Section 5.6 shall apply to expand or have any effect that would expand the liability or alleged liability of any such Director, Shareholder or affiliate for or with respect to any business opportunities of which such Director, Shareholder or affiliate becomes aware prior to such amendment or repeal.

Section 5.7 Offices

The Corporation may have offices at such places, both within and without the State of New York, as the Board may from time to time determine or the business of the Corporation may require.

Section 5.8 Notices

1. General. Whenever, under the provisions of applicable law or these Bylaws, notice is required to be given to any Director or Shareholder, it shall not be construed to mean personal notice, but such notice may be given in writing, personally, by overnight mail, telegram, facsimile, or electronic mail or by mail, addressed to such Director or Shareholder, at his or her or its address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given when by United States mail, at the time when the same shall be deposited in the United States mail, and upon delivery if personally delivered, sent via telegram, overnight mail, facsimile, or electronic mail.
2. **Waivers**. Whenever any notice is required to be given under the provisions of applicable law or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Shareholders, Directors, or members of a committee need be specified in any written waiver of notice unless so required by the Certificate of Incorporation or these Bylaws.

**Section 5.9 Subject to Certificate of Incorporation**

These Bylaws and the provisions hereof are subject to the terms and conditions of the Certificate of Incorporation (including any certificates of designations filed thereunder), and in the event of any conflict between these Bylaws and the Certificate of Incorporation, the Certificate of Incorporation shall control.

**Section 5.10 Governing Law; Forum for Resolution of Disputes**

1. **Governing Law**. These Bylaws and the internal affairs of the Corporation shall be governed by and interpreted under the laws of the State of New York, without regard to its conflict of laws principles or rules that would mandate the application of the laws of any other jurisdiction.

2. **Forum**. Unless the Corporation expressly consents in writing to the selection of an alternative forum, the state courts of the State of New York located in New York County shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any Director, officer or other employee of the Corporation to the Corporation or the Shareholders, (iii) any action asserting a claim arising pursuant to any provision of the BCL or the Certificate of Incorporation or these Bylaws, or (iv) any other action asserting a claim arising under, in connection with, and governed by the internal affairs doctrine.
SHAREHOLDER AGREEMENT

BY AND BETWEEN

IBERDROLA, S.A.

AND

AVANGRID, INC.

DATED DECEMBER 16, 2015
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SHAREHOLDER AGREEMENT

This SHAREHOLDER AGREEMENT (this “Agreement”) is dated December 16, 2015, by and between Iberdrola, S.A., a Spanish company (the “Shareholder”), and Avangrid, Inc., a New York corporation (the “Company”). Each of the Shareholder and the Company is referred to herein as a “Party”, and together as the “Parties”.

RECITALS

WHEREAS, UIL Holdings Corporation, a Connecticut corporation (“UIL”), the Company and Green Merger Sub, Inc., a Connecticut corporation and wholly-owned subsidiary of the Company (“Merger Sub”) have entered into an Agreement and Plan of Merger, dated as of February 25, 2015 (as it may be supplemented, amended or restated from time to time, the “Merger Agreement”), pursuant to which, among other things, UIL will merge with and into Merger Sub, the corporate existence of UIL will cease and each issued share of UIL’s common stock, of no par value (other than those shares held by UIL (as treasury shares or otherwise)), shall be converted into the right to receive (i) one (1) share of the common stock, par value $0.01 per share, of the Company (the “Common Stock”), and (ii) $10.50 in cash;

WHEREAS, pursuant to Section 6.17(f) of the Merger Agreement, prior to the closing of the transactions contemplated by the Merger Agreement (the “Closing”), the Company shall enter into this Agreement containing the terms set forth on Exhibit C to the Merger Agreement and such other terms agreed to by UIL, the Company and the Shareholder not inconsistent with those set forth on Exhibit C to the Merger Agreement;

WHEREAS, the Parties desire to establish in this Agreement certain rights and obligations with respect to the Common Stock to be Beneficially Owned (as defined herein) by the Shareholder and the Controlled Affiliates (as defined herein) following the Closing, and related matters concerning the Shareholder’s relationship with the Company; and

WHEREAS, UIL has consented to the terms of this Agreement and to the execution and delivery thereof by the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I.

CERTAIN DEFINITIONS; INTERPRETATIONS

Section 1.1 Certain Definitions. For all purposes of and under this Agreement, the following capitalized terms shall have the following respective meanings:

“Affiliate” means, with respect to any Person, any other Person which directly or indirectly controls, is controlled by or is under common control with such Person. For purposes of the immediately preceding sentence, the term “control” (including, with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise. For the avoidance of doubt, for purposes of this Agreement, no Person shall be deemed an Affiliate of another Person by virtue of the fact that both Persons own Common Stock.
“Beneficially Own” means, with respect to any securities, having “beneficial ownership” of such securities for purposes of Rule 13d-3 under the Exchange Act as in effect on the date hereof and shall include securities that are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty’s Affiliates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such Person or any of such Person’s Affiliates is a Receiving Party; provided, however, that the number of shares of Common Stock that a Person is deemed to be the beneficial owner of, or to beneficially own, in connection with a particular Derivatives Contract shall not exceed the number of Notional Common Shares with respect to such Derivatives Contract; provided, further, that the number of securities beneficially owned by each Counterparty (including its Affiliates) under a Derivatives Contract shall be deemed to include all securities that are beneficially owned, directly or indirectly, by any other Counterparty (or any of such other Counterparty’s Affiliates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty’s Affiliates) is a Receiving Party, with this provision being applied to successive Counterparties as appropriate. Similar terms such as “Beneficially Owned”, “Beneficial Ownership” and “Beneficial Owner” shall have the corresponding meaning.

“Business Day” means any day that is not a Saturday, Sunday or other day on which the commercial banks in New York City, NY or Madrid, Spain are authorized or required by Law to close.

“Change of Control Transaction” means (a) the acquisition of the Company by another Person by means of any transaction or series of related transactions (including any stock acquisition, reorganization, merger or consolidation), that results in the holders of the Voting Securities of the Company immediately prior to such transaction or series of related transactions failing to represent, immediately after such transaction or series of transactions, a majority of the total outstanding voting securities of the surviving Person (or the ultimate parent entity thereof), (b) any transaction or series of related transactions, after giving effect to which, in excess of 50% of the Total Voting Power is Beneficially Owned directly, or indirectly through one or more Persons, by any Person and its Affiliates (other than the Shareholder and its Affiliates), or (c) a sale, lease, transfer, disposition or other conveyance of all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis.

“Closing Shareholder Services” means the services provided by the Shareholder or its Affiliates (other than the Company and its Subsidiaries and Controlled Joint Ventures) to the Company and its Subsidiaries and Controlled Joint Ventures as of the date of this Agreement.

“Company Board” means the board of directors of the Company.

“Controlled Affiliate” means (a) the Shareholder, (b) any Subsidiary of the Shareholder, (c) any Person as to which the Shareholder, directly or indirectly, through one or more intermediaries, possesses the power to (i) vote the capital stock or other equity interests representing 50% or more of the capital stock or other equity interests of such Person, or (ii) designate, elect, appoint or otherwise select 50% or more of the members of the governing body of such Person. For the avoidance of doubt, for purposes of this Agreement, none of the Company and its Subsidiaries shall be deemed a Controlled Affiliate.

“Controlled Joint Ventures” means, with respect to any Person, any Person that is not a Subsidiary of such first Person, in which such first Person or one or more of its Subsidiaries owns directly or indirectly capital stock or other interests and that is controlled by such first Person. For purposes of the immediately preceding sentence, the term “control” (including, with correlative meanings, the terms “controlled by”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

“Derivatives Contract” means a contract between two parties (the “Receiving Party” and the “Counterparty”) that is designed to produce economic benefits and risks to the Receiving Party that correspond substantially to the ownership by the Receiving Party of a number of shares of Voting Securities specified or
referenced in such contract (the number corresponding to such economic benefits and risks, the “Notional Common Shares”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, Voting Securities or other property, without regard to any short position under the same or any other Derivative Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate federal governmental authority shall not be deemed to be Derivatives Contracts.

“Director” means a member of the Company Board.


“Free Writing Prospectus” means a free writing prospectus, as defined in Rule 405 under the Securities Act.

“Going Private Transaction” means any transaction (or series of related transactions) that results in the Voting Securities listed for trade on a securities exchange immediately prior to the consummation of such transaction (or series of related transactions), or the shares received as consideration in such transaction (or series of related transactions), not being listed for trade on a securities exchange(s) immediately following the consummation of such transaction (or series of related transactions).

“Governmental Authority” means (i) any government, (ii) any governmental or regulatory entity, body, department, commission, subdivision, board, bureau, administrative agency or instrumentality, (iii) any court, tribunal, judicial body, or an arbitrator or arbitration panel, or (iv) any non-governmental self-regulatory agency or securities exchange (including the NYSE), in each case, whether supranational, national, federal, state, county, municipal, provincial, and whether domestic or foreign.

“Independent Director” means any Director who is or would be considered “independent” under the rules of the NYSE (i) with respect to the Company and (ii) assuming such Director was a member of the board of directors of the Shareholder and not of the Company, with respect to the Shareholder.

“Laws” means all applicable laws (including common law), statutes, treaties, codes, ordinances, decrees, rules, regulations, directives or other legal requirements (including those of the SEC, the NYSE and any other securities exchange and securities commission in any jurisdiction) issued, enacted, adopted, promulgated or implemented by any Governmental Authority, binding or affecting the Person referred to in the context in which such word is used; and “Law” means any one of them.

“NYSE” means the New York Stock Exchange.

“Organizational Documents” means, with respect to any Person, such Person’s articles or certificate of association, incorporation, formation or organization, by-laws, limited liability company agreement, partnership agreement or other constituent document or documents, each in its currently effective form as amended from time to time.

“Person” means any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, government or agency or subdivision thereof or any other entity.

“Prospectus” means the prospectus or prospectuses included in any Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement and by all other amendments and supplements to the prospectus, post-effective amendments and all material incorporated by reference in such prospectus or prospectuses.
“Public Shareholders” means the shareholders of the Company other than the Shareholder and the Controlled Affiliates.

“Registrable Securities” means, at any time, (i) the shares of Common Stock that are Beneficially Owned by the Shareholder or the Controlled Affiliates, and (ii) any other security into or for which the securities referred to in clause (i) has been converted, substituted or exchanged, and any security issued or issuable with respect thereto, in each case, upon any Company stock dividend or stock split, reverse stock split, distribution, combination, consolidation, merger, recapitalization or any similar event; provided, that such securities shall cease to be Registrable Securities when (A) a Registration Statement registering such Registrable Securities under the Securities Act has been declared or becomes effective and such shares of Registrable Securities have been sold or otherwise Transferred by the holder thereof pursuant to such effective Registration Statement, (B) such Registrable Securities are sold or otherwise Transferred pursuant to Rule 144 under circumstances in which any legend borne by such shares of Registrable Securities relating to restrictions on the transferability thereof, under the Securities Act or otherwise, is removed by the Company, (C) such Registrable Securities shall cease to be outstanding, (D) such Registrable Securities are Transferred to any Person that is not a Controlled Affiliate, or (E) such Registrable Securities shall have been otherwise Transferred and may be publically resold without registration under the Securities Act.

“Registration Statement” means any registration statement of the Company that covers any of the Registrable Securities pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all material incorporated by reference in such Registration Statement.

“Representatives” means, with respect to any Person, such Person’s officers, directors, employees, accountants, counsel, advisors, consultants, agents and contractors.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended.

“Subject Issuance” means an issuance by the Company of additional Voting Securities other than issuances in connection with any stock split, subdivision, stock dividend (including dividends on preferred stock whether in the form of shares of preferred stock or common stock) or pro rata recapitalization (including any exchange of one or more series of preferred stock for another series of preferred stock) by the Company.

“Subject Securities” means the Voting Securities that are the subject of a particular Subject Issuance.

“Subsidiary” means, with respect to any Person, any entity in which such Person owns, directly or indirectly, capital stock or other interests representing more than 50% of the aggregate equity interest in such entity.

“Total Voting Power” means, at any time, the total number of Votes represented by all Voting Securities outstanding at such time.

“Transfer” means any direct or indirect, sale, transfer or other similar disposition (whether by merger, consolidation or otherwise by operation of law) to any Person; provided, however, that any Transfer of any equity interests of the Shareholder or any direct or indirect equity holder of the Shareholder, shall not be deemed to be a Transfer for purposes of this Agreement.

“Unaffiliated Committee” means a committee of the Company Board comprised solely of Independent Directors; provided, however, that Mr. Arnold L. Chase, for so long as he is a Director, shall be permitted to serve as a member of the Unaffiliated Committee irrespective of whether he qualifies as an Independent Director hereunder.
“Votes” means votes entitled to be cast generally in the election of directors of the Company Board, assuming the conversion of any securities of the Company then convertible into Common Stock or shares of any other class of capital stock of the Company then entitled to vote generally in the election of directors.

“Voting Power” means, with respect to any Person, at any time, the ratio, expressed as a percentage, of (a) the Votes represented by the Voting Securities Beneficially Owned by such Person that are outstanding at such time to (b) the Total Voting Power outstanding at such time. Any references to, and the calculation of, the Shareholder’s Voting Power in this Agreement shall include, without duplication, the Voting Power of the Shareholder and any Voting Power of any of the Controlled Affiliates.

“Voting Securities” means (a) the Common Stock, and (b) shares of any other class of capital stock of the Company then entitled to vote generally in the election of directors.

The terms listed below are defined in the Sections set forth opposite each such defined term.

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Section 1.2 Interpretations. Except as expressly set forth in this Agreement or unless the context expressly otherwise requires:

(a) Unless otherwise indicated, all references herein to Articles, Sections, Annexes, Exhibits or Schedules, shall be deemed to refer to Articles, Sections, Annexes, Exhibits or Schedules of or to this Agreement, as applicable.

(b) The words “hereof,” “herein,” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(c) The terms defined in the singular have a comparable meaning when used in the plural, and vice versa.

(d) References herein to any gender include the other gender.

(e) Unless otherwise indicated, the words “include,” “includes” and “including,” when used herein, shall be deemed in each case to be followed by the words “without limitation”.

(f) References to “$” and “dollars” are to the currency of the United States of America.

(g) The table of contents and headings set forth in this Agreement are for convenience of reference purposes only and shall not affect or be deemed to affect in any way the meaning or interpretation of this Agreement or any term or provision hereof.

(h) With respect to the determination of any period of time, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”.

(i) The Company, on the one hand, and the Shareholder, on the other hand, have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by such Parties and no presumption or burden of proof shall arise favoring or disfavoring any such Party by virtue of the purported authorship of any provision of this Agreement.

ARTICLE II.

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the Company. The Company represents and warrants to the Shareholder as of the date hereof as follows:

(a) The Company is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of New York and has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder.

(b) This Agreement has been duly and validly authorized by the Company and all necessary and appropriate action has been taken by the Company to execute and deliver this Agreement and to perform its obligations hereunder.

(c) This Agreement has been duly executed and delivered by the Company and, assuming due authorization and valid execution and delivery by the Shareholder, is a valid and binding obligation of the Company, enforceable against it in accordance with its terms, except to the extent that the enforceability of this Agreement may be limited by (i) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar Laws from time to time in effect affecting generally the enforcement of creditors’ rights and remedies, (ii) general principles of equity, and (iii) Laws relating to rights to indemnity.
Section 2.2 Representations and Warranties of the Shareholder. The Shareholder represents and warrants to the Company as of the date hereof as follows:

(a) The Shareholder is a company duly organized and validly existing under the Laws of Spain and has all necessary company power and authority to enter into this Agreement and to perform its obligations hereunder.

(b) This Agreement has been duly and validly authorized by the Shareholder and all necessary and appropriate action has been taken by the Shareholder to execute and deliver this Agreement and to perform its obligations hereunder.

(c) This Agreement has been duly executed and delivered by the Shareholder and, assuming due authorization and valid execution and delivery by the Company, is a valid and binding obligation of the Shareholder, enforceable against it in accordance with its terms, except to the extent that the enforceability of this Agreement may be limited by (i) applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar Laws from time to time in effect affecting generally the enforcement of creditors’ rights and remedies, (ii) general principles of equity, and (iii) Laws relating to rights to indemnity.

ARTICLE III.
REGISTRATION RIGHTS

Section 3.1 Demand Registration Rights.

(a) Subject to Section 3.1(b), at any time, and from time to time, after the Closing, the Shareholder may, by written notice to the Company, request a registration under the Securities Act of all or part of the Registrable Securities, including any Registrable Securities held by a Controlled Affiliate (a “Demand Registration”); provided that a valid and effective Shelf Registration Statement shall not be available for the unrestricted (including as to volume, timing, recipients, manner of sale or otherwise that would not be applicable without a valid and effective Registration Statement) sale of such Registrable Securities at such time; and provided, further, that (A) the registration is for shares of Registrable Securities in the aggregate representing one percent (1%) or more of the number of shares of Common Stock outstanding at such time, or (B) the reasonably anticipated aggregate offering price of such underwritten registration, before underwriting discounts and commissions, is thirty million dollars ($30,000,000) or more (the percentage in (A) or the amount in (B), the “Registrable Amount”). Subject to the foregoing, such notice shall specify the aggregate amount of shares of Registrable Securities to be registered pursuant to the Demand Registration and intended method of distribution thereof, including an underwritten public offering, at the sole discretion of the Shareholder. The Shareholder agrees to promptly provide the Company with such information in connection with a Demand Registration as may be reasonably requested by the Company to ensure that the Demand Registration Statement complies with the requirements of applicable Law.

(b) After the Company’s receipt of the Shareholder’s written notice requesting a Demand Registration, the Company shall file as promptly as reasonably practicable, but subject to Section 3.4, on such registration form for which the Company is eligible under the rules and regulations of the SEC as shall be determined by the Company and reasonably acceptable to the Shareholder, including, to the extent permissible, an automatically effective registration statement or an existing effective registration statement filed with the SEC. The Company shall use its reasonable best efforts to have such registration statement declared effective as soon as reasonably practicable after receiving a request for a Demand Registration or, if an existing effective registration statement has previously been filed and remains effective that permits the Demand Registration without the filing of a new registration statement, the Company shall file as soon as reasonably practicable a prospectus supplement covering such number of shares of Registrable Securities as requested by the Shareholder to be included in the Demand Registration, subject to Section 3.1(a). The Registration Statement referred to above is hereinafter referred to as a “Demand Registration Statement”.

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(c) The Shareholder shall be entitled to request an unlimited amount of Demand Registrations pursuant to Section 3.1(a) until such time as the Shareholder Beneficially Owns less than a Registrable Amount; provided, however, that the Company will not be obliged to effect a requested Demand Registration or Shelf Underwritten Offering (i) more than three (3) times in any twelve (12)-month period or (ii) within 90 days after the effective date of a Demand Registration Statement or prospectus supplement thereunder, a Piggyback Registration Statement or a Shelf Underwritten Offering, in each case with respect to Registrable Securities. Except as set forth in Section 3.5, a registration shall not count as one (1) of the three (3) permitted Demand Registrations and Shelf Underwritten Offerings per twelve (12)-month period until (i) the related Demand Registration Statement has been declared effective by the SEC or, if applicable, the filing of the prospectus supplement, and (ii) unless the Demand Registration Statement remains effective for the ninety (90) day period set forth in Section 3.1(d).

(d) After any Demand Registration Statement filed pursuant to this Agreement has become effective or a prospectus supplement has been filed, the Company shall use its reasonable best efforts to keep such Demand Registration Statement continuously effective for a period of at least ninety (90) days (plus the duration of any Suspension Period) from the date on which the SEC declares such Demand Registration effective or, if applicable, from the date of filing of the prospectus supplement, or such shorter period that shall terminate when all of the Registrable Securities are sold subject to such Demand Registration Statement in accordance with the plan of distribution set forth therein.

(e) If, in connection with a Demand Registration, any managing underwriter (or, if such Demand Registration is not an underwritten offering, a nationally recognized investment bank engaged in connection with such Demand Registration) advises the Company, that, in its opinion, the inclusion of all of the securities, including securities of the Company that are not Registrable Securities, sought to be registered in connection with such Demand Registration would adversely affect the marketability of the Registrable Securities sought to be sold pursuant thereto, then the Company shall include in such registration statement only such securities as the Company is advised by such underwriter or investment bank can be sold without such adverse effect as follows and in the following order of priority: (i) first, up to the number of Registrable Securities requested to be included in such Demand Registration by the Shareholder, which, in the opinion of the managing underwriter can be sold without adversely affecting the marketability of the offering, (ii) second, securities the Company proposes to sell, and (iii) third, all other securities of the Company duly requested to be included in such registration statement, pro rata on the basis of the number of such other securities requested to be included or such other method determined by the Company.

(f) If a requested registration pursuant to this Section 3.1 involves an underwritten offering, the Company shall have the right to select the managing underwriter, or managing underwriters, to administer any Demand Registration; provided, that any such managing underwriter shall be a nationally recognized investment banking firm that is reasonably acceptable to the Shareholder. The managing underwriter or managing underwriters selected by the Company shall be deemed to be acceptable to the Shareholder unless notice to the contrary has been received by the Company within five business days after the Company has provided the Shareholder with notice of the identity of the managing underwriter or managing underwriters it has selected. The Shareholder shall have the exclusive right to approve the pricing of the Registrable Securities offered pursuant to any Demand Registration, the applicable underwriting discount and other financial terms of any Demand Registration.

Section 3.2 Piggyback Registration Rights.

(a) Whenever the Company proposes to publicly sell in an underwritten offering or register for sale any of its equity securities pursuant to a registration statement (a “Piggyback Registration Statement”) under the Securities Act (other than a registration statement on Form S-8 or Form S-4, or, in each case, pursuant to any similar successor forms thereto), whether for its own account or for the account of one or more securityholders of the Company (a “Piggyback Registration”), the Company shall give written notice to the Shareholder at least
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fifteen (15) Business Days (or if such notice period is not practicable under the circumstances, the Company shall use its reasonable best efforts to provide the maximum prior written notice as is reasonably practicable under the circumstances, but in no event less than ten (10) Business Days) prior to the initial filing of such Piggyback Registration Statement or the date of the commencement of any such offering of its intention to effect such sale or registration, including the anticipated filing date of the Piggyback Registration Statement, the estimated number, and the class, of shares of equity securities to be included in such Piggyback Registration Statement, the proposed method of distribution, the proposed managing underwriter or underwriters (if any) and a good faith estimate by the Company of the proposed minimum offering price of such securities and, subject to Section 3.2(b) and Section 3.2(c), shall include in such Piggyback Registration Statement all Registrable Securities (including any Registrable Securities held by any Controlled Affiliate) of the same class of the securities that are being registered and that are the subject of the offering with respect to which the Company has received a written request from the Shareholder for inclusion therein within five (5) Business Days of the Shareholder’s receipt of the Company’s notice. The Shareholder agrees to provide the Company with such information promptly in connection with a Piggyback Registration as may be reasonably requested by the Company to ensure that the Piggyback Registration Statement complies with the requirements of applicable Law. The Company may postpone or withdraw the filing or the effectiveness of a Piggyback Registration at any time in its sole discretion, without prejudice to the Shareholder’s right to immediately request a Demand Registration hereunder.

(b) If a Piggyback Registration is initiated as an underwritten primary registration on behalf of the Company, and the managing underwriter advises the Company that in its reasonable opinion the number of equity securities requested to be included in such registration exceeds the number that can be sold in such offering without having an adverse effect on the price or success of such offering, then the Company shall include in such registration the maximum number of shares that such underwriter advises in good faith can be so sold without having such adverse effect, allocated (i) first, to the equity securities the Company proposes to sell, (ii) second, to the equity securities (of the same class of the securities being registered and that are the subject of the offering) requested to be included in such Piggyback Registration by the Shareholder, and (iii) third, other equity securities (of the same class of the securities being registered and that are the subject of the offering) requested to be included in such Piggyback Registration by other security holders (other than the Shareholder) of the Company (if any), pro rata among such holders on the basis of the percentage of the then-outstanding shares requested to be registered by them or on such basis as such holders may agree among themselves and the Company. Such allocation is without prejudice to the Shareholder’s right to immediately request a Demand Registration hereunder.

(c) No registration of Registrable Securities effected pursuant to this Section 3.2 shall be deemed to have been effected pursuant to Section 3.1 or Section 3.3 or shall relieve the Company of any of its obligations under Section 3.1 or Section 3.3.

Section 3.3 Shelf Registration.

(a) At any time after the first (1st) anniversary of the Closing, the Shareholder may by written notice delivered to the Company require the Company to (i) file as promptly as practicable, and to use its reasonable best efforts to cause to be declared effective by the SEC as soon as practicable after such filing, (x) a registration statement on Form S-3 or a successor form (any such form, a “Form S-3”), if the Company is then eligible to file registration statement on Form S-3 (“S-3 Eligible”), or (y) any other appropriate form under the Securities Act for the type of offering contemplated by the Shareholder, if the Company is not then S-3 Eligible, or (ii) use an existing Form S-3 filed with the SEC, in each case providing for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act relating to the offer and sale, from time to time, of all or part of the Registrable Securities; provided, that such Registrable Securities equal or exceed the Registrable Amount. The Registration Statement referred to above is hereinafter referred to as a “Shelf Registration Statement”.

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(b) Subject to Section 3.4, the Company will use its reasonable best efforts to keep the Shelf Registration Statement continuously effective until the date on which all Registrable Securities have been sold thereunder in accordance with the plan and method of distribution disclosed in the prospectus included in the Shelf Registration Statement, or otherwise (the “Shelf Registration Effectiveness Period”).

(c) At the request of the Shareholder, and until such time as the Shareholder Beneficially Owns less than a Registrable Amount, the Company shall prepare and file such additional Registration Statements as necessary to maintain continuously effective shelf registration statements, and use its reasonable best efforts to cause such Registration Statements to be declared effective by the SEC so that a Shelf Registration Statement remains continuously effective, subject to Section 3.4, with respect to resales of Registrable Securities as and for the periods required under Section 3.3(b), such subsequent Registration Statements to constitute a Shelf Registration Statement hereunder.

(d) At any time, and from time to time, during the Shelf Registration Effectiveness Period (except during a Suspension Period), the Shareholder may notify the Company of its intent to sell Registrable Securities covered by the Shelf Registration Statement (in whole or in part) in an underwritten offering (a “Shelf Underwritten Offering”); provided, that the Company shall not be obligated to participate in Shelf Underwritten Offerings or DemandRegistrations (i) more than three (3) times in any twelve (12)-month period or (ii) within 90 days after the effective date of a Demand Registration Statement or prospectus supplement thereunder, a Piggyback Registration Statement or a Shelf Underwritten Offering, in each case with respect to Registrable Securities. Such notice shall specify the aggregate number of Registrable Securities requested to be registered in such Shelf Underwritten Offering. Upon receipt by the Company of such notice, the Company shall promptly comply with the applicable provisions of this Agreement, including those provisions of Section 3.7 relating to the Company’s obligation to make filings with the SEC, assist in the preparation and filing with the SEC of prospectus supplements and amendments to the Shelf Registration Statement, participate in “road shows”, agree to customary “lock-up” agreements with respect to the Company’s securities and obtain “comfort” letters, and shall take such other actions as are reasonably necessary or appropriate to permit the consummation of such Shelf Underwritten Offering as promptly as practicable. Each Shelf Underwritten Offering shall be for the sale of a number of Registrable Securities equal to or greater than the Registrable Amount. In any Shelf Underwritten Offering, the Company shall have the right to select the managing underwriter, or managing underwriters, to administer any Shelf Underwritten Offering; provided, that any such managing underwriter shall be a nationally recognized investment banking firm that is reasonably acceptable to the Shareholder. The Shareholder shall have the exclusive right to approve the pricing of the Registrable Securities offered pursuant to any Shelf Underwritten Offering, the applicable underwriting discount and other financial terms of any Shelf Underwritten Offering. The Shareholder agrees to provide the Company with such information promptly in connection with a Shelf Registration Statement or a Shelf Underwritten Offering as may be reasonably requested by the Company to ensure that such Shelf Registration Statement or Shelf Underwritten Offering complies with the requirements of applicable Law.

(e) If, in connection with a Shelf Underwritten Offering, any managing underwriter advises the Company, that, in its opinion, the inclusion of all of the securities, including securities of the Company that are not Registrable Securities, sought to be registered in connection with such Shelf Underwritten Offering would adversely affect the marketability or price of the Registrable Securities sought to be sold pursuant thereto, then the Company shall include in such Shelf Underwritten Offering only such securities as the Company is advised by such underwriter or investment bank can be sold without such adverse effect as follows and in the following order of priority: (i) first, up to the number of Registrable Securities requested to be included in such Shelf Underwritten Offering by the Shareholder, (ii) second, securities the Company proposes to sell, and (iii) third, all other securities of the Company duly requested to be included in such registration statement, pro rata on the basis of the number of such other securities requested to be included or such other method determined by the Company.
Section 3.4 Suspension of Use of Registration Statement

(a) The Company may postpone the filing or the effectiveness of a Demand Registration Statement (or suspend the use of any Prospectus or Shelf Registration Statement) (a “Suspension”), for a reasonable length of time not in excess of sixty (60) days, but in no event more than twice in any twelve (12)-month period if (i) based on the reasonable, good faith judgment of the Company Board, such postponement is necessary in order to avoid premature disclosure of a matter that the Company Board has determined would not be in the best interest of the Company to be disclosed at such time and, as a result of such determination, the Directors and executive officers of the Company are restricted from selling the Company’s securities during such additional period (other than pursuant to a preexisting 10b5-1 plan), (ii) the Company cannot obtain, after using its reasonable best efforts, financial information (or information used to prepare such information) from any third party necessary for inclusion in such Registration Statement or Prospectus, or (iii) if, in the reasonable, good faith judgment of the Company Board, the filing of such Registration Statement or Prospectus would reasonably be expected to (A) materially interfere with or materially delay a financing, merger, sale or acquisition of assets, recapitalization or other similar corporate action of the Company approved by the Company Board that is pending or expected by the Company to occur or be announced during the delay period, (B) require disclosure of material non-public information which, if disclosed at such time, would not be in the best interests of the Company or (C) have a material adverse effect on the Company or its business (any such period, a “Suspension Period”).

(b) In the event of a Suspension of a Demand Registration or Shelf Underwritten Offering, the Shareholder shall be entitled, at any time after receiving notice of such Suspension from the Company (a “Suspension Notice”), to withdraw its request for a Demand Registration or Shelf Underwritten Offering and, if such request is withdrawn, such Demand Registration or Shelf Underwritten Offering shall not count as one of the three (3) permitted Demand Registrations or Shelf Underwritten Offerings per twelve (12)-month period pursuant to Section 3.1(c) and Section 3.3(d).

(c) Upon delivery by the Company to the Shareholder of any Suspension Notice, the Shareholder shall, except as required by applicable Law, including any disclosure obligations under Section 13 of the Exchange Act, keep the fact of any such notice strictly confidential, and during any Suspension Period, promptly halt any offer, sale, trading or Transfer by it of any Registrable Securities pursuant to the Demand Registration Statement or Shelf Registration Statement (as applicable) for the duration of the Suspension Period set forth in such Suspension Notice (or until such Suspension Period shall be earlier terminated in writing by the Company) and promptly halt any use, publication, dissemination or distribution of any prospectus or prospectus supplement covering such Registrable Securities for the duration of the Suspension Period set forth in such Suspension Notice (or until such Suspension Period shall be earlier terminated in writing by the Company) and, if so directed by the Company, shall deliver to the Company any copies then in its possession of any such prospectus or prospectus supplement.

Section 3.5 Withdrawal Rights

(a) After the Shareholder has notified or directed the Company to include any or all of its Registrable Securities in a Demand Registration or Shelf Underwritten Offering, it shall have the right to withdraw any such notice or direction with respect to any or all of the Registrable Securities designated by it for registration or inclusion in such Demand Registration or Shelf Underwritten Offering by giving written notice to such effect to the Company prior to the effective date of such registration statement or the pricing of such Demand Registration or Shelf Underwritten Offering, provided that in the event of such a withdrawal with respect to all of such Registrable Securities where there are no other securities of the Company included (or to be included) in such Demand Registration or Shelf Underwritten Offering, (i) the Shareholder promptly reimburses the Company for all of the Company’s reasonable out-of-pocket documented Registration Expenses (other than internal expenses) with respect to such registration statement or Shelf Underwritten Offering and (ii) the Shareholder shall not make another request for a Demand Registration or Shelf Underwritten Offering with respect to Registrable Securities during the forty-five (45) days following the date of such withdrawal, and provided further that in no event shall
Section 3.6 Registration Procedures.

(a) Whenever the Shareholder requests that any Registrable Securities be registered or sold pursuant to this Agreement, the Company shall use its reasonable best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended offering, and pursuant thereto the Company shall as soon as reasonably practicable (unless otherwise stated below and except as otherwise provided in this Article III):

(i) prepare and file with the SEC, as applicable, (A) a Registration Statement on the appropriate form under the Securities Act for which the Company is eligible under the rules and regulations of the SEC as shall be determined by the Company, including, to the extent permissible, an automatically effective registration statement or an existing effective registration statement filed with the SEC, which shall be reasonably acceptable to the Shareholder, and the Company shall use its reasonable best efforts to cause such Registration Statement to become effective, and/or (B) the prospectus supplement to an existing effective registration statement filed with the SEC; and before filing a Registration Statement or Prospectus or any amendments or supplements thereto (including any (I) Free Writing Prospectus, or (II) prospectus supplement for a shelf takedown) provide to the Shareholder and the managing underwriter(s), copies of all such documents proposed to be filed, including documents incorporated by reference in the Prospectus, and the Shareholder (and the managing underwriter(s)) shall have the opportunity to review and comment thereon, and the Company shall (x) make such changes and additions thereto as may be reasonably requested by the Shareholder (and, if applicable, the managing underwriter(s)) prior to such filing, unless the Company reasonably objects to such changes or additions, and (y) except in the case of a registration under Section 3.2, not file any Registration Statement hereunder or Prospectus or amendments or supplements thereto to which the underwriters, if any, or the Shareholder shall reasonably object unless the failure to file would violate applicable Law;

(ii) prepare and file with the SEC such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be reasonably necessary to keep such Registration Statement continuously effective (A) in the case of a Demand Registration Statement, for the period of time required by Section 3.1(d), (B) in the case of a Piggyback Registration Statement, for ninety (90) days from the date on which the SEC declares such Piggyback Registration Statement effective (plus the duration of any Suspension Period), or such shorter period as is necessary to complete the distribution of the securities covered by such Registration Statement and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended offering by the Shareholder set forth in such Registration Statement or prospectus supplement, or (C) in the case of a Shelf Registration Statement, for the period of time required by Section 3.3(d);

(iii) furnish to the Shareholder such number of copies of such Registration Statement, each amendment and supplement thereto, the Prospectus included in such Registration Statement (including each preliminary Prospectus) and such other documents as the Shareholder and any managing underwriter(s) may reasonably request in order to facilitate the disposition of the Registrable Securities;
(iv) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions (domestic or foreign) as the Shareholder and any underwriter(s) reasonably requests in writing and use its reasonable best efforts to do any and all other acts and things that may reasonably be necessary or advisable to enable the Shareholder and any underwriter(s) to consummate the disposition in such jurisdictions of the Registrable Securities; provided, however, that the Company shall not be required to, where it would not otherwise but for this Section 3.6(a)(iv) (A) qualify generally to do business in any jurisdiction, (B) subject itself to taxation in any such jurisdiction, (C) consent to general service of process in any such jurisdiction, or (D) take any action that would subject it to service of process in suits other than those arising out of the offer and sale of the securities covered by the registration statement;

(v) notify the Shareholder and any managing underwriter(s) at any time when a Prospectus relating thereto is required to be delivered or made available under the Securities Act, of the occurrence of any event as a result of which information furnished by the Company (or information otherwise known to the Company to contain an untrue statement of material fact or to omit to state any material fact necessary to make the statements therein not misleading) and used in the Prospectus included in such Registration Statement contains an untrue statement of a material fact or omits to state any material fact necessary to make the statements therein not misleading, and, without any further request from the Shareholder or any underwriter(s), the Company shall prepare a supplement or amendment to such Prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such Prospectus shall not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading;

(vi) (A) enter into such customary agreements (including an underwriting agreement and “lock-up” agreements in customary form), which, if reasonably requested by the managing underwriter(s), shall include indemnification provisions in favor of underwriters and other Persons, (B) take all such other actions as the Shareholder or the managing underwriter(s) reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including causing senior management and other Company personnel (including Directors) to reasonably cooperate with the Shareholder and the underwriter(s) in connection with performing due diligence), and (C) cause its counsel to issue opinions of counsel addressed and delivered to the underwriter(s) in form, substance and scope as are customary for opinions of counsel of an issuer in underwritten offerings, subject to customary limitations, assumptions and exclusions;

(vii) if reasonably requested by the Shareholder, use its reasonable best efforts to cause officers of the Company to be available to participate in, and to reasonably cooperate with the managing underwriter(s) in connection with marketing activities that are customary for similar transactions (including select conference calls, one-on-one meetings with prospective purchasers and “road shows”);

(viii) make available for inspection by the Shareholder, any underwriter participating in any disposition pursuant to such Registration Statement and any attorney, accountant or other agent retained by the Shareholder or such underwriter, at reasonable times and in a reasonable manner, all pertinent financial and other records, corporate documents and properties of the Company, and cause the Company’s officers, directors and employees and the independent public accountants who have certified its financial statements to make themselves available to discuss and to supply all information reasonably requested by the Shareholder, sales or placement agent, underwriter, attorney, accountant or agent to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act in connection with such Registration Statement; provided, that the foregoing investigation and information gathering shall be coordinated on behalf of such parties by one firm of counsel designated by and on behalf of such parties; and, provided, further, that if any such information is identified by the Company as being confidential or proprietary, each Person receiving such information shall agree, in customary form, to take such actions as are necessary to protect the confidentiality of such information if requested by the Company, unless (a) the release of such information is required (by deposition,
interrogatory, requests for information or documents by a Governmental Authority, subpoena or similar process) to be disclosed by applicable Law, (b) such information is or becomes publicly known other than through a breach of this or any other agreement of which such Person has knowledge, (c) such information is or becomes available to such Person on a non-confidential basis from a source other than the Company, other than through a breach of this or any other agreement with the Company of which breach such Person has knowledge, or (d) such information is independently developed by such Person without the use of such confidential or proprietary information;

(ix) maintain or provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such Registration Statement or prospectus supplement, as applicable;

(x) if requested by the managing underwriter(s) of an underwritten offering, use its reasonable best efforts to cause to be delivered, upon the pricing of any underwritten offering, and at the time of closing of the sale of Registrable Securities pursuant thereto, “comfort” letters from the Company’s independent public accountants addressed to the underwriter(s) stating that such accountants are independent public accountants within the meaning of the Securities Act and the applicable rules and regulations adopted by the SEC thereunder, and otherwise in customary form and covering such financial and accounting matters as are customarily covered by “comfort” letters of the independent registered public accountants delivered in connection with primary underwritten public offerings;

(xi) cause all Registrable Securities covered by such registration to be listed on each securities exchange or inter-dealer quotation system on which similar securities issued by the Company are then listed;

(xii) promptly notify the Shareholder and any managing underwriter(s) (A) when the Registration Statement, any pre-effective amendment, the Prospectus or any Prospectus supplement, post-effective amendment to the Registration Statement or Free Writing Prospectus has been filed and, with respect to the Registration Statement or any post-effective amendment, when the same has become effective, (B) of any written request by the SEC for amendments or supplements to the Registration Statement or Prospectus, (C) of the notification to the Company by the SEC of its initiation of any proceeding with respect to the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement, (D) of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction, and (E) if, at any time, the representations and warranties of the Company in any applicable underwriting agreement cease to be true and correct in any material respect;

(xiii) use its reasonable best efforts to prevent, or obtain the withdrawal of, any stop order or other order suspending the use of any preliminary or final Prospectus;

(xiv) if reasonably requested by the Shareholder or any underwriter, promptly incorporate in the Registration Statement or any Prospectus, pursuant to a supplement or post-effective amendment if necessary, such information as the Shareholder or such underwriter may reasonably request to have included therein, including information relating to the “Plan of Distribution” of the Registrable Securities;

(xv) reasonably cooperate with the Shareholder and each underwriter, if any, participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the Financial Industry Regulatory Authority, Inc.; and

(xvi) use its reasonable best efforts to comply with all applicable securities Laws and make available to its securityholders party hereto, as soon as reasonably practicable, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder.

(b) The Company shall make available to the Shareholder (i) as soon as reasonably practicable after the same is prepared and publicly distributed, filed with the SEC, or received by the Company, an executed copy of each Registration Statement and any amendment thereto, each preliminary Prospectus and Prospectus and each
amendment or supplement thereto, each letter written by or on behalf of the Company to the SEC or the staff of the SEC (or other governmental agency or self-regulatory body or other body having jurisdiction, including any domestic or foreign securities exchange), and each item of correspondence from the SEC or the staff of the SEC (or other governmental agency or self-regulatory body or other body having jurisdiction, including any domestic or foreign securities exchange), in each case relating to such Registration Statement, and (ii) such number of copies of a Prospectus, including a preliminary Prospectus, and all amendments and supplements thereto and such other documents as the Shareholder or any underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities. The Company shall as soon as reasonably practicable notify the Shareholder of the effectiveness of each Registration Statement or any post-effective amendment or the filing of any prospectus supplement in connection therewith. The Company shall as soon as reasonably practicable respond to any and all comments received from the SEC or the staff of the SEC, with a view towards causing each Registration Statement or any amendment thereto to be declared effective by the SEC as soon as reasonably practicable and shall file an acceleration request as soon as reasonably practicable following the resolution or clearance of all SEC comments or, if applicable, following notification by the SEC that any such Registration Statement or any amendment thereto will not be subject to review. The Shareholder shall furnish to the Company information regarding the Shareholder and the distribution of such securities as the Company reasonably and in good faith determines is legally required, based on the advice of counsel, to be included (and only to the extent so required) in any Registration Statement or any prospectus supplement in connection therewith, including any information required to be disclosed in order to make any information previously furnished to the Company by the Shareholder not materially misleading or which is necessary to cause such Registration Statement or prospectus supplement not to omit a material fact with respect to the Shareholder.

(c) Upon notice from the Company of the happening of any event of the kind described in clauses (B), (C), (D) or (E) of Section 3.6(a)(xi) or, and without limiting Section 3.4, upon notice from the Company of the happening of any event (including any event contemplated by Section 3.4(a)) as a result of which the Prospectus included in such Registration Statement (including any prospectus supplement in connection therewith, as applicable) contains an untrue statement of a material fact or omits to state any material fact necessary to make the statements therein not misleading (such notice, also a “Suspension Notice”), the Shareholder shall forthwith discontinue disposition of Registrable Securities pursuant to such Registration Statement or Prospectus for a reasonable length of time until the Shareholder is advised in writing by the Company that the use of the Prospectus may be resumed and, if necessary, is furnished with a supplemented or amended Prospectus as contemplated by Section 3.6(a). If the Company shall give the Shareholder any such notice, the Company shall extend the period of time during which the use of the Prospectus may be resumed or receives the copies of the supplemented or amended Prospectus contemplated by Section 3.6(a) (also a “Suspension Period”). In any event, and without limiting Section 3.4, the Company shall not be entitled to deliver collectively more than a total of three (3) Suspension Notices under either Section 3.4 or this Section 3.6(c) in any twelve (12)-month period.

(d) The Shareholder’s right to participate in any underwritten offering pursuant to this Article III shall be conditioned on the Shareholder (i) entering into “lock-up” agreements in customary form and acting in accordance with the terms and conditions thereof, and (ii) entering into an underwriting agreement in customary form and acting in accordance with the terms and conditions thereof, including the completion and execution of all questionnaires, powers-of-attorney and other documents reasonably required under the terms of such underwriting agreement.

Section 3.7 Registration Expenses. All expenses incident to the Company’s performance of or compliance with this Agreement, including all registration and filing fees (including SEC registration fees and Financial Industry Regulatory Authority, Inc. filing fees), fees and expenses incurred in connection with compliance with securities or blue sky laws, listing application fees, printing expenses, transfer agent’s and registrar’s fees, cost of distributing Prospectuses in preliminary and final form as well as any supplements thereto, and fees and
disbursements of counsel for the Company and all accountants and other Persons retained by the Company (all such expenses being herein called “Registration Expenses”), shall be borne by the Company, except as provided in Section 3.5. In addition, the Company shall pay its internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which they are to be listed. Notwithstanding anything to the contrary contained herein, Registration Expenses shall not include any underwriting discounts or commissions or transfer taxes, if any, attributable to the sale of Registrable Securities. Except as provided in Section 3.5, the obligation of the Company to bear the expenses described in this Section 3.7 shall apply irrespective of whether a registration, once properly demanded, if applicable, becomes effective, is withdrawn or is suspended. For the avoidance of doubt, without limiting anything contained in this Section 3.7, the Shareholder’s expenses, including underwriting fees, legal fees, printing expenses and such other expenses that are not Registration Expenses shall be borne by the Shareholder.

Section 3.8 Holdback Agreements. If requested by the Company or the managing underwriter of an underwritten offering of the Company’s securities pursuant to this Article III, the Shareholder shall agree not to sell or otherwise transfer or dispose of any securities of the Company (other than pursuant to such underwritten offering) during the period five (5) days prior to and ninety (90) days (or such shorter period that the managing underwriter or the Company, as the case may be, requests) following the effective date of the Registration Statement relating to the underwritten offering of the Company’s securities or the date of filing the prospectus supplement in the case of a shelf takedown, as applicable, unless the managing underwriter agrees to such sale or distribution; provided, however, that the Shareholder shall not be obligated to comply with this Section 3.8 more than once in any twelve (12)-month period for any underwritten offering in which the Shareholder is not participating. At the request of the managing underwriter, if the Shareholder enters into a holdback agreement as set forth above, the Company will enter into an analogous agreement of the same duration.

Section 3.9 Indemnification.

(a) Subject to applicable Law, the Company shall indemnify, defend and hold harmless the Shareholder, its directors, officers, Affiliates, agents and representatives (and the partners, officers, directors, employees and shareholders thereof) from and against any and all losses, claims, damages, liabilities, fees (including reasonable attorneys’ fees) and expenses (including reasonable costs of investigation) (each, a “Liability” and collectively, “Liabilities”), arising out of or based upon any untrue, or allegedly untrue, statement of a material fact contained in any Registration Statement, preliminary Prospectus, Free Writing Prospectus or final Prospectus or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading under the circumstances such statements were made, except insofar as such Liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission contained in such Registration Statement, preliminary Prospectus, Free Writing Prospectus or final Prospectus in reliance on and in conformity with information furnished in writing to the Company by the Shareholder expressly for use therein, or by the Shareholder’s failure to furnish the Company, upon reasonable request, with the information with respect to the Shareholder, or any underwriter or Representative of the Shareholder, or the Shareholder’s intended method of distribution, that is the subject of the untrue statement or omission.

(b) The Shareholder shall indemnify, defend and hold harmless the Company, its directors, officers, agents and representatives from and against any and all Liabilities arising out of or based upon any untrue, or allegedly untrue, statement of a material fact contained in any Registration Statement, preliminary Prospectus, Free Writing Prospectus or final Prospectus or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading under the circumstances such statements were made, but only if such statement or alleged statement or omission or alleged omission was made in reliance on and in conformity with information furnished to the Company in writing by the Shareholder expressly for use therein.
(c) Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification, and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel (in addition to any local counsel) for all parties indemnified by such indemnifying party with respect to such claim. Failure to give prompt written notice shall not release the indemnifying party from its obligations hereunder.

(d) The indemnification provided for under this Section 3.9 shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and shall survive the transfer of securities.

(e) If the indemnification provided for pursuant to this Section 3.9 is due in accordance with the terms hereof, but is held by a court to be unavailable or unenforceable in respect of any Liabilities, then each applicable indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Liabilities in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other in connection with the statements or omissions that result in such Liabilities as well as any other relevant equitable considerations. The relative fault of the indemnifying party on the one hand and of the indemnified party on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party, and by such party’s relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(f) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in an underwriting agreement entered into with the Shareholder’s written consent in connection with an underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

Section 3.10 Rule 144. The Company shall file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder, and it shall take such further action as the Shareholder may reasonably request to make available adequate current public information with respect to the Company meeting the public information requirements of Rule 144(c) under the Securities Act, to the extent required to enable the Shareholder or any of the Controlled Affiliates to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC.

ARTICLE IV.

PREEMPTIVE AND OTHER RIGHTS

Section 4.1 Preemptive Rights.

(a) Subject to Section 4.2, from and after the Closing, at any time that the Company effects a Subject Issuance, the Shareholder shall have the right to purchase from the Company for cash additional Subject Securities (in each instance, an “Additional Subject Securities Purchase”), such that following such respective Subject Issuance and such Additional Subject Securities Purchase, the Shareholder’s Voting Power will be the same as the Shareholder’s Voting Power immediately prior to such Subject Issuance.
(b) Prior to any Subject Issuance, and no later than the date on which the Company Board approves such Subject Issuance, the Company shall provide the Shareholder with ten (10) Business Days’ prior written notice of such Subject Issuance or, if earlier, the expected date of entry by the Company into a binding agreement to effect such Subject Issuance (or if such notice period is not reasonably practicable under the circumstances, the maximum prior written notice as is reasonably practicable but, in no event, less than five (5) Business Days’ prior written notice) (such period between such notice and the date of the Subject Issuance or the expected date of entry into such contract, if applicable, the “Notice Period”) of such proposed Subject Issuance (including, in the case of a registered public offering and to the extent reasonably available, a copy of the prospectus included in the registration statement filed in respect of such offering, or, in the case of an offering exempt from registration, the private placing memorandum or similar offering documents in respect of such offering), (i) describing (A) the anticipated amount of Subject Securities, price and other material terms upon which the Company offers to sell Subject Securities to the Shareholder, and (B) the number of Subject Securities the Shareholder is entitled to purchase pursuant to this Article IV, and (ii) containing a binding offer to sell Subject Securities to the Shareholder subject to the consummation of the Subject Issuance. If prior to any such Subject Issuance, there is a material change in the terms of such Subject Issuance, then prior to such Subject Issuance, the Company shall provide the Shareholder with fifteen (15) Business Days’ prior written notice (or if such notice period is not reasonably practicable under the circumstances, the maximum prior written notice as is reasonably practicable but, in no event, less than ten (10) Business Days’ prior written notice) describing such change (such period between such notice and the date of the Subject Issuance, also a “Notice Period”).

(c) The Shareholder may exercise its right to effect an Additional Subject Securities Purchase by providing written notice to the Company (i) in the event of a Subject Issuance for cash consideration, at least two (2) Business Days prior to the expiration of the Notice Period or (ii) in the event of a Subject Issuance for non-cash consideration, at least five (5) Business Days prior to the expiration of the Notice Period (or, if the Notice Period is less than five (5) Business Days, within two (2) Business Days of the date that such notice is given). The Shareholder’s notice must indicate the specific amount of Subject Securities that the Shareholder desires to purchase, subject to Section 4.1(a). Except as provided in Section 4.1(d) and Section 4.1(e), the Shareholder shall effect the Additional Subject Securities Purchase that it has elected to purchase concurrently with the Subject Issuance (the date of consummation of such transactions being referred to as the “Preemptive Rights Closing Date”). Subject to Section 4.1(e), if, in connection with any Subject Issuance, the Shareholder gives timely notice of its intent to exercise its right under this Section 4.1 but has not paid for and otherwise effected the Additional Subject Securities Purchase on the Preemptive Rights Closing Date, then the Shareholder shall be deemed to have waived its right to purchase such securities under this Section 4.1 with respect to such Subject Issuance; provided, however, that, subject to Section 4.1(e), the Company shall be entitled to specifically enforce the Shareholder’s exercise of its right to effect the Additional Subject Securities Purchase as set forth in the Shareholder’s notice.

(d) In the event the Notice Period is less than fifteen (15) Business Days and the Shareholder has delivered notice of its desire to effect an Additional Subject Securities Purchase, the Shareholder shall have the option, to be indicated in the notice delivered to the Company, to either (i) consummate the Additional Subject Securities Purchase on the Preemptive Rights Closing Date, or (ii) within six (6) months of the consummation of such Subject Issuance, make open market or privately negotiated purchases of Voting Securities; provided that following such open market or privately negotiated purchases, the Shareholder’s Voting Power will not exceed the Shareholder’s Voting Power immediately prior to such Subject Issuance.

(e) If and to the extent (but only to the extent) that the approval of any Governmental Authority is required for the Shareholder to effect an Additional Subject Securities Purchase for which the Shareholder has given timely notice to the Company of its election to exercise its rights under this Section 4.1 and the Shareholder has used reasonable best efforts to obtain such approval but such approval has not been obtained on or prior to the Preemptive Rights Closing Date, the Shareholder may deliver an irrevocable undertaking to effect the Additional Subject Securities Purchase on or before the date that is ten (10) Business Days following the receipt of such approval, and that the Shareholder shall use reasonable best efforts to obtain such approval as

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promptly as practicable, provided, that (i) if such approval is not obtained within ninety (90) Business Days after the Shareholder has given timely notice to the Company of its election to exercise its rights under this Section 4.1 and the Shareholder has complied in all material respects with its obligations under this Section 4.1(e), the Shareholder’s notice exercising its rights under this Section 4.1 shall be deemed withdrawn, and (ii) if such approval is obtained within such ninety (90) Business Day period but the receipt of such approval is subject to terms or conditions that are materially adverse to the Shareholder or any Controlled Affiliate, the Shareholder may withdraw such notice to the Company within such ninety (90) Business Day period; and if either clause (i) or (ii) applies, neither the Shareholder nor any Controlled Affiliate shall have any further right or obligation to effect such Additional Subject Securities Purchase and the Shareholder shall have the option, to be indicated in a notice delivered to the Company, in connection with any Subject Issuance, to the extent such shares could not be purchased by the Shareholder from the Company without such approval, for one (1) year after either clause (i) or (ii) applies, to make open market or privately negotiated purchases of Voting Securities; provided, that following such open market or privately negotiated purchases, the Shareholder’s Voting Power shall not exceed the Shareholder’s Voting Power immediately prior to such Subject Issuance.

(f) Except as provided in Section 4.1(g) or Section 4.3, if the Company effects a Subject Issuance and the Shareholder exercises its right to make an Additional Subject Securities Purchase, the Shareholder shall pay an amount per security equal to the cash consideration per security paid by the other purchaser or purchasers of Subject Securities in such Subject Issuance. In the case of an underwritten public offering or a private placement offering under Rule 144A of the Securities Act or similar transaction, the price paid by the Shareholder shall not include any underwriting or initial purchaser’s discount or fees (as disclosed in the final prospectus or offering memorandum).

(g) If the Company effects a Subject Issuance for non-cash consideration (or a combination of cash and non-cash consideration), and the Shareholder exercises its right to make an Additional Subject Securities Purchase, the Shareholder shall pay, per security in the Additional Subject Securities Purchase, the volume-weighted average price per share of Common Stock over the preceding twenty (20) trading days (from the date of the Preemptive Rights Closing Date) on which shares of Common Stock are traded, or able to be traded, on the NYSE (or, if not listed on the NYSE, such other securities exchange upon which shares of Common Stock are then listed or quoted).

(h) In the event that a proposed Subject Issuance is terminated or abandoned by the Company without the issuance of any Subject Securities, then the Shareholder’s purchase rights pursuant to this Section 4.1 shall also terminate as to such proposed Subject Issuance, and any funds in respect thereof paid to the Company by the Shareholder shall be refunded promptly and in full; provided, however, that to the extent the Shareholder has elected to make open market or privately negotiated purchases pursuant to Section 4.1(d), such termination shall not affect any binding transactions entered into by the Shareholder prior to receiving actual notice from the Company of such termination.

(i) Notwithstanding any other provision in this Section 4.1, to the extent the issuance of Voting Securities in an Additional Subject Securities Purchase in the manner contemplated by this Article IV would require, whether under the applicable rules of any stock exchange on which the Voting Securities are listed or otherwise, any approval by the shareholders of the Company that has not been obtained, the Shareholder may purchase in an Additional Subject Securities Purchase such number of Voting Securities as would be permitted without such approval and shall, until such approval is obtained, have the option, in connection with any such issuance of Voting Securities, and to the extent such shares are not purchased by the Shareholder from the Company, to make open market or privately negotiated purchases of Voting Securities, provided, that following such Additional Subject Securities Purchase and open market or privately negotiated purchases, the Shareholder’s Voting Power shall not exceed the Shareholder’s Voting Power immediately prior to such Subject Issuance.
Section 4.2 Shareholder Approval. Prior to the execution of this Agreement, the Shareholder approved and adopted this Agreement for purposes of obtaining the required shareholder approval under the rules and regulations of the NYSE, including Section 312 of the NYSE Listed Company Manual (Shareholder Approval Policy), in order to permit the exercise of the Shareholder’s preemptive rights under Section 4.1(a) in respect of any Subject Issuance (the “Contractual Preemptive Rights”). Prior to the five (5)-year anniversary of the date of such approval and adoption of this Agreement (such date, the “NYSE Approval Expiration”) (or if the NYSE notifies the Company that such approval or adoption of this Agreement is or will no longer be valid in order to permit, without further approval of the shareholders of the Company, the exercise of the Contractual Preemptive Rights under this Agreement (including in any circumstance requiring shareholder approval of an issuance of common stock, or of securities convertible into or exercisable for common stock, to a “Related Party” as defined in Section 312.03 of the NYSE Listed Company Manual), promptly following such notification (and in any event, no later than the next regularly scheduled annual meeting of the Company), the Company shall convene a meeting to consider and vote upon a special resolution approving and adopting this Agreement for all purposes under the rules and regulations of the NYSE, including Section 312 of the NYSE Listed Company Manual (Shareholder Approval Policy), or otherwise, so as to permit the exercise of the Contractual Preemptive Rights (each, a “NYSE Approval Resolution”) until the date that is the five (5)-year anniversary of the approval or adoption of such NYSE Approval Resolution. The Company agrees to use its reasonable best efforts to cause the adoption or passage of each NYSE Approval Resolution. If at any such meeting the NYSE Approval Resolution is not adopted or passed and the NYSE Approval Expiration occurs, (A) every year after such expiration, the Company shall convene a meeting of the shareholders of the Company to vote to adopt or pass a NYSE Approval Resolution and the Company shall take all action within its powers to cause the adoption or passage of such NYSE Approval Resolution, and (B) the Shareholder shall, until such NYSE Approval Resolution is adopted or passed, have the option, to be indicated in a notice delivered to the Company, in connection with any Subject Issuance and, to the extent such shares are not purchased by the Shareholder from the Company, to make open market or privately negotiated purchases of Voting Securities, provided, that following such open market or privately negotiated purchases, the Shareholder’s Voting Power shall not exceed the Shareholder’s Voting Power immediately prior to such Subject Issuance.

Section 4.3 Other Purchase Rights. In the event that a Subject Issuance consists of an issuance by the Company of additional Voting Securities in connection with any restricted stock, stock option, incentive or other award of Common Stock or other capital stock of the Company pursuant to the Company’s equity compensation plans or other employee, consultant or director compensation arrangements approved by the Company Board or a duly authorized committee thereof (whether such award was made before, or is made on or after, the date of this Agreement), and including in connection with the exercise of any options, warrants, or other securities convertible into, or exercisable or exchangeable for, equity securities of the Company, the preemptive rights set forth in Section 4.1 shall not apply but the Shareholder may within ninety (90) days of the consummation of such Subject Issuance, make open market or privately negotiated purchases of Voting Securities; provided, that following such open market or privately negotiated purchases, the Shareholder’s Voting Power shall not exceed the Shareholder’s Voting Power immediately prior to such Subject Issuance; provided, however, that if the Shareholder reasonably believes, after consultation with legal counsel, that to make such purchases within such ninety (90)-day period would violate applicable Law (including Section 10(b) of the Exchange Act and any other rules promulgated thereunder), such period shall be tolled until such time as the Shareholder reasonably believes, after consultation with legal counsel, that such purchases would not violate applicable Law (but, in any event, such period shall not be tolled for longer than six (6) months past the date of such Subject Issuance).

Section 4.4 Purchases by Certain Controlled Affiliates. Notwithstanding anything to the contrary in this Agreement, the Shareholder may assign its right to effect an Additional Subject Securities Purchase or to make open market or privately negotiated purchases pursuant to Section 4.1, Section 4.2 or Section 4.3 to one or more Controlled Affiliate(s) that agrees or agree, in customary form, to be bound by the terms of this Agreement (a “Transferee Adoption Agreement”). Upon the execution of such Transferee Adoption Agreement, such Person shall be deemed Shareholder under this Agreement. Notwithstanding any assignment pursuant to this Section 4.4, the Shareholder shall continue to be bound by this Agreement and shall not be released from any of its obligations hereunder.

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ARTICLE V.
CORPORATE GOVERNANCE

Section 5.1 Board Representation.

(a) Upon the Closing, the Company Board shall consist of up to twelve (12) Directors, which shall include (i) two (2) Directors who were members of the board of directors of UIL immediately prior to the Closing (other than the chief executive officer of UIL immediately prior to the Closing) selected by the Company (the “UIL Directors”), and (ii) the chief executive officer of UIL immediately prior to the Closing. The initial UIL Directors shall be Messrs. Arnold L. Chase, John L. Lahey and James P. Torgerson.

(b)(i) For a period of five (5) years after the Closing, the Company Board shall consist of at least five (5) Independent Directors; provided that, solely for the purposes of this Section 5.1(b)(i), each of Mr. John E. Baldacci and Mr. Arnold L. Chase, to the extent he is a Director during such period, shall be deemed an “Independent Director” irrespective of whether he qualifies as an Independent Director hereunder.

(ii) Following the five (5)-year period described in Section 5.1(b)(i) above, the Company Board shall consist of at least four (4) Independent Directors provided that, solely for the purposes of this Section 5.1(b)(ii), either Mr. Baldacci or Mr. Chase (but not both), to the extent he is a Director during such period, shall be deemed an “Independent Director” irrespective of whether he qualifies as an Independent Director hereunder.

(iii) In the event of the resignation, removal or death of Mr. Baldacci and/or Mr. Chase (or their respective replacements on the Company Board), or if Mr. Baldacci and/or Mr. Chase (or their respective replacements on the Company Board) decide not to stand for reelection to the Company Board or are otherwise unable or unwilling to serve on the Company Board, the Stockholder shall nominate a person to serve on the Company Board in lieu thereof who qualifies as an Independent Director hereunder.

(c) For a period of three (3) years after the Closing, the Company Board shall nominate the two (2) UIL Directors for election to the Company Board, and the Shareholder shall vote its shares of Voting Securities in favor of such UIL Directors to be elected to the Company Board. In the event of the resignation, removal or death of any UIL Director serving on the Company Board during such three (3)-year period, such UIL Director’s replacement shall be nominated by vote of the Unaffiliated Committee, and the Shareholder shall vote its shares of Voting Securities in favor of such nominee to be elected to the Company Board for the duration of such three (3)-year period.

(d) The Company and the Shareholder shall take all actions within their respective power to cause the composition and powers of the Company Board and its committees to at all times satisfy and be subject to the requirements of applicable Law (including the rules of the NYSE), this Agreement and the Organizational Documents of the Company, as amended from time to time. For the avoidance of doubt, nothing in the foregoing shall restrict or limit the Company’s ability to amend its Organizational Documents from time to time in accordance with their terms and applicable Law.

(e) Subject to Section 5.1(a)-(d), and except as otherwise required by applicable Law, for so long as the Voting Power of the Shareholder is fifty percent (50%) or more, the Shareholder shall have the right to designate the individuals to be nominees for election to the Company Board (“Shareholder Designees”), and the Company and the Shareholder shall use their reasonable best efforts to cause such Shareholder Designees to be elected to the Company Board; provided that at any time when the Voting Power of the Shareholder is less than fifty percent (50%), (i) the Shareholder shall have the right to designate such number of Shareholder Designees equal to the Shareholder’s Voting Power multiplied by the total number of Directors that the Company would have if there were no vacancies on the Company Board, rounded to the nearest whole number (and in any event not less than one (1)) and (ii) the Shareholder shall vote all of its shares of Voting Securities in elections of Directors to be elected to the Company Board in favor of the nominees recommended by the Company Board.
Subject to Section 5.1(b), and except as otherwise required by applicable Law, for so long as the Voting Power of the Shareholder is fifty percent (50%) or more, in the event that a vacancy is created at any time by the death, disability, retirement, disqualification, resignation or removal (with or without cause), the Shareholder shall have the right to designate a replacement to fill such vacancy. The Company shall cause such vacancy to be filled by the replacement so designated and the Company Board shall promptly elect such designee to the Company Board. Any Shareholder Designee elected in accordance with this Section 5.1 shall hold office for the remainder of the full term in which the vacancy occurred or to which the new Shareholder Designee is elected, until his or her successor is elected or until his or her earlier resignation or removal in accordance with this Section 5.1. Without the consent of the Shareholder, neither the Company nor the Company Board shall appoint any other Person to fill any such vacancy.

(g) Except as otherwise expressly provided herein or as required by applicable Law or the Organizational Documents of the Company, for so long as the Voting Power of the Shareholder is fifty percent (50%) or more, the Shareholder and its Controlled Affiliates shall be entitled to exercise their Voting Power to change the size and composition of the Company Board.

(h) Subject to applicable Law, no Shareholder Designee shall be obligated to present any particular business opportunity to the Company that he or she becomes aware of by virtue of his or her position as an officer or employee of the Shareholder or its Affiliates.

(i) Any election by the Shareholder not to exercise (in whole or in part) the right to designate all or a portion of the Shareholder Designees shall not constitute a permanent waiver or relinquishment of such right. If the Shareholder elects not to exercise its right to designate a Shareholder Designee, the Company shall have no right to fill such vacancy.

(j) The Shareholder shall, and shall cause the Shareholder Designees to, use reasonable best efforts to timely provide the Company with accurate and complete information relating to the Shareholder and the Shareholder Designees that may be required to be disclosed by the Company under the Securities Act or the Exchange Act, including such information required to be furnished by the Company with respect to the Shareholder Designees in a proxy statement pursuant to Rule 14a-101 promulgated under the Exchange Act.

(k) The Company shall take all actions within its power not to permit any amendment to the Company’s Organizational Documents that would alter or modify in an adverse manner the Shareholder’s rights under this Article V without the written approval of the Shareholder.

Section 5.2 Specified Restrictions

(a) The Shareholder and/or the Company shall not enter into or effectuate any Going Private Transaction (including any “squeeze-out” transaction of the Public Shareholders) without the prior approval of both (i) the majority of the members of the Unaffiliated Committee and (ii) a majority of the Votes represented by the Voting Securities then owned by the Public Shareholders.

(b) The Shareholder shall not cause the Company to, and the Company shall not, enter into or effectuate any transaction for the acquisition of the Company by another Person (including any stock acquisition, reorganization, merger or consolidation) that results in all shareholders of the Company exchanging their Voting Securities for cash or securities, unless all shareholders of the Company (including the Shareholder and the Controlled Affiliates) are entitled to the same per share consideration (in form and amount) to be received in such transaction by the Shareholder and its Affiliates (or if such consideration is not cash or publicly traded on a stock exchange in the United States, an equivalent cash amount).

(c) In addition to any other vote, consent or approval required by the Company’s Organizational Documents, this Agreement or applicable Law, the Company shall not enter into any transaction between, or involving both (i) the Company or any of its Subsidiaries or any of its Controlled Joint Ventures, and (ii) the
Section 5.3 Waiver of Class Rights.

(a) The rights of the Shareholder under this Agreement are not rights attaching to the Voting Securities or any other securities of the Company held by the Shareholder or the Controlled Affiliates. The Voting Securities or any other securities of the Company held by the Shareholder or the Controlled Affiliates shall not constitute a separate class of equity share capital of the Company as a result of the rights of the Shareholder under this Agreement. Accordingly, the Shareholder shall not, and shall procure that the Controlled Affiliates shall not, claim or assert any such class rights that, in each case, the relevant shareholder(s) would not be able to claim or assert in the absence of this Agreement.

(b) If, notwithstanding the provisions of Section 5.3(a), a court of competent jurisdiction shall find that, due to the rights of the Shareholder under this Agreement, under applicable Law the Voting Securities or any other securities of the Company held by the Shareholder or the Controlled Affiliates do constitute a separate class of Voting Securities or any other securities of the Company, the Shareholder hereby undertakes to and covenants with the Company that it shall, and shall procure that the Controlled Affiliates shall, vote in favor of the relevant variation of class rights in accordance with any voting obligation to which it is subject under this Agreement.

ARTICLE VI.

OTHER AGREEMENTS

Section 6.1 Transfer Restrictions.

(a) For a period of eighteen (18) months after the Closing (the “Lockup Period”), the Shareholder shall not, and shall not permit its Affiliates to, Transfer any Voting Securities that are Beneficially Owned thereby, except for:

(i) Transfers made pursuant to a Change of Control Transaction in which all shareholders of the Company (including the Shareholder) are entitled to participate in such transaction (on a pro rata basis) and are entitled to the same per share consideration (in form and amount) to be received in such transaction by the Shareholder and its Affiliates (or if such consideration is not cash or publicly traded on a stock exchange in the United States, an equivalent cash amount);

(ii) Transfers to one or more Controlled Affiliates that agrees or agree to be bound by the terms of this Agreement by executing and delivering to the Company a Transferee Adoption Agreement; or

(iii) Transfers made after the date that is twelve (12) months after the Closing that have been approved by the majority of the members of the Unaffiliated Committee, after having received the advice of a nationally recognized independent investment banking firm in connection therewith.

(b) For a period of three (3) years after the Closing, the Shareholder shall not, and shall not permit the Controlled Affiliates to, Transfer more than an aggregate of ten percent (10%) of the outstanding Voting Securities in any transaction or series of transactions, unless all shareholders of the Company are entitled to
Section 6.2 Information Rights.

(a) The Company shall provide the Shareholder, on an ongoing and confidential basis, such access to and information with respect to the Company’s and its Subsidiaries’ businesses, operations, plans and prospects as the Shareholder may from time to time reasonably determine it requires in order to (1) appropriately manage and evaluate its investment in the Company, (2) comply with its reporting obligations to any applicable Governmental Authority, (3) comply with its internal policies from time to time, (4) support the Shareholder’s strategic planning, (5) prepare its tax returns, and/or (6) comply with its provision of information obligations pursuant to any financing facility binding upon the Shareholder, including (i) the right to routinely consult with senior management of the Company with respect to the Company’s and its Subsidiaries’ businesses and financial matters, including annual operating plans, and (ii) the right to inspect all books and records (including rating agencies and analysts reports) and all facilities and properties of the Company and its Subsidiaries, including to the extent necessary for the preparation of the Shareholder’s financial statements and securities filings, provided, however, that (x) any confidential information provided by the Company to the Shareholder pursuant to this Section 6.2 shall be used only by the Shareholder to manage and evaluate its investment in the Company, and to prepare its financial statements and securities filings and (y) the Shareholder shall, and shall cause its and its Controlled Affiliates’ Representatives to, keep confidential all information and documents of the Company and its Affiliates obtained by the Shareholder, unless (i) the release of such information is required (by deposition, interrogatory, requests for information or documents by a Governmental Authority, subpoena or similar process) to be disclosed by applicable Law, provided that the Shareholder shall furnish only such information that the Shareholder’s legal counsel advises is legally required, and shall in good faith take all reasonable steps necessary to seek confidential treatment of such information by any Governmental Authority to which it is required to be furnished, and provided, further, that the Shareholder shall notify the Company promptly upon becoming aware of such disclosure requirement or (ii) such information is or becomes publicly known other than through a breach of this or any other agreement of which such Person has knowledge. Without limiting the foregoing, (x) as soon as available (and, in any event within sixty (60) days) after the end of each fiscal year of the Company (or the earlier date by which the information is required to be filed by the Exchange Act), the Company shall deliver to the Shareholder the annual financial statements required to be filed by the Company under the Exchange Act (or, if such financial statements are not required to be filed under the Exchange Act, such annual financial statements the Company would be required to file under the Exchange Act if the Company was subject to the reporting obligations of Section 13 of the Exchange Act), and (y) as soon as available after the first, second and third quarterly accounting periods in each fiscal year of the Company and in any event within forty-five (45) days (or the earlier date by which the information is required to be filed under the Exchange Act), the Company shall deliver the quarterly financial statements required to be filed by the Company under the Exchange Act (or, if such financial statements are not required to be filed under the Exchange Act, the financial statements the Company would be required to file under the Exchange Act if the Company was subject to the reporting obligations of Section 13 of the Exchange Act), together with such supporting detailed information as the Shareholder may reasonably request to enable it to prepare its own financial statements and securities filings. The Company shall reasonably cooperate with the Shareholder and the Controlled Affiliates and reasonably assist the Shareholder in connection with the inclusion of the Company’s financial statements and other information required in the Shareholder’s own financial statements and securities filings, including providing reasonable access to the Shareholder’s employees and outside accountants as may be required in connection therewith. The Shareholder shall reimburse the Company for all reasonable documented out-of-pocket costs and expenses incurred by the Company in connection with such cooperation and assistance. The Company may decline to provide the Shareholder with confidential, competitively sensitive information if providing such information, at the advice of the Company’s outside counsel, would be reasonably likely to violate applicable Law.
(b) The Shareholder shall, upon request in writing by the Company, as promptly as practicable, provide to the Company any information regarding the Shareholder and the Controlled Affiliates that is required for the Company to comply with applicable Laws (but only to the extent required), including the rules of any national securities exchange or inter-dealer quotation system on which the Company’s securities may be listed or quoted; provided, however, that nothing in the foregoing shall obligate the Shareholder to provide the Company any records relating to the negotiation and consummation of the transactions contemplated by this Agreement and the Merger Agreement, including confidential communications with financial and other advisors and legal counsel representing the Shareholder or any of its Affiliates, and confidential information provided by the Shareholder to the Company shall be used only by the Company for such purposes.

(c) The Shareholder hereby acknowledges that it is aware, and will advise its Representatives who are informed as to the matters which are the subject of this Agreement, that the United States securities Laws prohibit any Person who is in possession of material, non-public information concerning the matters that are the subject of this Agreement from purchasing or selling securities of the Company or from communicating such information to any other Person under circumstances in which it is reasonably foreseeable that such Person is likely to purchase or sell securities, and that the Shareholder intends for it and its Representatives to comply with the requirements of such Laws.

Section 6.3 Other Business Activities

(a) For so long as the Voting Power of the Shareholder is fifty percent (50%) or more, the Shareholder shall not, and shall cause the other Controlled Affiliates not to, engage in actions that would reasonably be expected to impair the executive officers of the Company and its Subsidiaries from conducting the Company’s and its Subsidiaries’ business or operations in a manner substantially consistent with such business or operations as of immediately following the Closing.

(b) Subject to Section 6.3(a) and without limiting anything contained in the Organizational Documents of the Company and its Subsidiaries, the Company hereby recognizes and acknowledges that the Shareholder and its Affiliates own, engage or participate in businesses and business activities that compete, or may compete, with the businesses of the Company and its Subsidiaries. Accordingly, it is hereby acknowledged and agreed that neither the execution of this Agreement or the Merger Agreement, nor the consummation of the transactions contemplated hereby or thereby (including the Shareholder’s or the Controlled Affiliate’s ownership of Voting Securities) precludes or limits any of the Shareholders and its Affiliates from, directly or indirectly, owning, engaging or participating in any business or business activity at any time and in any geographical location, including such businesses or business activities that compete, or may compete, with the Company or its Subsidiaries or any of their respective businesses, except as expressly provided in Section 6.3(a).

ARTICLE VII.

EFFECTIVENESS AND TERMINATION

Section 7.1 Effectiveness. This Agreement shall take effect immediately upon the Closing and shall remain in effect until it is terminated pursuant to Section 7.2.

Section 7.2 Termination. At such time that the Shareholder’s Voting Power is twenty percent (20%) or less, all provisions of this Agreement, other than Section 3.9, Section 5.1(b), this Article VII and Article VIII (except for Section 8.1, Section 8.2 and Section 8.3), shall terminate; provided, that following termination of this Agreement the Shareholder shall have (i) one (1) additional Demand Registration, and (ii) unlimited piggyback registration rights pursuant to Section 3.2 in respect of any Piggyback Registration, and the provisions of Article III relating to such rights shall survive any termination of the other provisions of the Agreement until the earlier of such time that the Shareholder (A) ceases to own, directly or indirectly, a Registrable Amount, or (B) may sell all its remaining Registrable Securities without registration under the Securities Act.

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ARTICLE VIII.

MISCELLANEOUS

Section 8.1 Public Announcement. The Shareholder and the Company shall reasonably cooperate and work in good faith with one another when preparing public announcements (including press releases) relating to the other Party or the Shareholder’s investments in the Company.

Section 8.2 Legend on Securities.

(a) Each certificate representing Voting Securities Beneficially Owned by the Shareholder or any of the Controlled Affiliates and subject to the terms of this Agreement shall bear the following legends (the “Legends”) on the face thereof (it being understood that if such shares are not certificated, other appropriate restrictions shall be implemented to give effect to the provisions of this Section 8.2):

(i) “THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON VOTING, TRANSFER AND CERTAIN OTHER LIMITATIONS SET FORTH IN THAT CERTAIN SHAREHOLDER AGREEMENT, DATED DECEMBER 16, 2015, BETWEEN AVANGRID, INC. AND IBERDROLA, S.A., AS THE SAME MAY BE AMENDED FROM TIME TO TIME (THE “AGREEMENT”), COPIES OF WHICH ARE ON FILE AT THE PRINCIPAL OFFICE OF AVANGRID, INC.”

(ii) “THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS THEY HAVE BEEN REGISTERED UNDER THAT ACT OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.”

(b) Upon any acquisition by the Shareholder or any Controlled Affiliate of Beneficial Ownership of Voting Securities, the Shareholder shall, or shall cause any such Controlled Affiliate to, submit the certificates representing such Voting Securities to the Company so that the Legends (to the extent required by this Section 8.2 and, in the case of Section 8.2(a)(ii), to the extent applicable) may be placed thereon (if not so endorsed upon issuance).

(c) Upon request of the Shareholder and receipt by the Company of an opinion of counsel reasonably satisfactory to the Company to the effect that such Legend is no longer required under the Securities Act and applicable state laws, the Company shall promptly cause all or the applicable portion of the Legend to be removed from any certificate for any Voting Securities Beneficially Owned by the Shareholder or any of the Controlled Affiliates to be Transferred in accordance with the terms of this Agreement.

Section 8.3 Application of Agreement to Additional Voting Securities. Any additional Voting Securities of which the Shareholder or any of the Controlled Affiliates acquires Beneficial Ownership following the Closing shall be subject to this Agreement as fully as if such Voting Securities were Beneficially Owned by such Person as of the Closing.

Section 8.4 Remedies.

(a) Each Party acknowledges that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that it would be impossible to determine the amount of damages that would result from any breach of any of the provisions of this Agreement. Each Party therefore agrees that the remedy at law for any breach, or threatened breach, of any of such provisions would likely be inadequate and, accordingly, agrees that the other Party shall, in addition to any other rights or remedies which it may have, be entitled to seek such equitable and injunctive relief as may be available from any court of competent jurisdiction to compel specific performance of,
or restrain the other Party and its Controlled Affiliates from violating, any of such provisions. In connection with any action or proceeding for injunctive relief, each Party hereby waives the claim or defense that a remedy at law alone is adequate and agrees, to the maximum extent permitted by law, to have each provision of this Agreement specifically enforced against it and its Controlled Affiliates, without the necessity of posting bond or other security, and consents to the entry of injunctive relief against it enjoining or restraining any breach or threatened breach of such provisions of this Agreement.

(b) All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise or beginning of the exercise of any thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such Party.

Section 8.5 Successors and Assigns. This Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the Parties and their respective successors and permitted assigns, and no such term or provision is for the benefit of, or intended to create any obligations to, any other Person, except as otherwise specifically provided in Section 3.9. Except as otherwise specifically provided in Section 4.4, neither this Agreement nor any rights or obligations hereunder shall be assignable by any Party without the prior written consent of the other Party, and the approval of any such assignment by the Shareholder shall require the approval of (i) the Company Board and (ii) a majority of the members of the Unaffiliated Committee.

Section 8.6 Amendments; Waivers. This Agreement may be amended only by an agreement in writing executed by the Company and the Shareholder; provided that any amendment of this Agreement shall require the approval of (i) the Company Board, and (ii) a majority of the members of the Unaffiliated Committee. Any Party may waive in whole or in part any benefit or right provided to it under this Agreement, such waiver being effective only if contained in a writing executed by the waiving Party. No failure by any Party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon breach thereof shall constitute a waiver of any such breach or of any other covenant, duty, agreement or condition, nor shall any delay or omission of any Party to exercise any right hereunder in any manner impair the exercise of any such right accruing to it thereafter.

Section 8.7 No Third Party Rights. Except as provided in Section 3.9, nothing expressed or referred to in this Agreement is intended to, or will be, construed to give any Person other than the Parties to this Agreement any legal or equitable right, remedy or claim. The rights of third parties under Section 3.9 may be terminated, rescinded or modified by mutual agreement of the Parties, without the consent of any such third party.

Section 8.8 Notices. Except as otherwise provided in this Agreement, all notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and, in the case of delivery in person or by overnight courier, shall be deemed to have been duly given upon receipt) by delivery in person or overnight courier to the respective parties at the following addresses, delivery by electronic mail transmission to the respective parties at the following email addresses, or at such other address, or email address for a party as shall be specified in a notice given in accordance with this Section 8.8; provided, however, that delivery by electronic mail transmission shall be deemed to have been duly given upon receipt only if promptly confirmed by telephone:

if to the Shareholder:
Iberdrola, S.A.
Tomás Redondo 1
28033 Madrid, Spain
Telephone: +34 (91) 325 77 64
Attention: Manuel Toledano
Email: mtoledano@iberdrola.es
Section 8.9 Governing Law; Consent to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement, and all claims or causes of action (whether at law, in contract or in tort) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by and construed in accordance with the Laws of the State of New York, without regard to the any choice or conflict of law principles or rules (whether of the State of New York or any other jurisdiction) that would mandate the application of the Laws of any jurisdiction other than the State of New York. Subject to Section 8.10, the Parties hereby consent to personal jurisdiction in any action brought with respect to this Agreement and the transactions contemplated hereunder (including any action to enforce any arbitration award under this Agreement) in the competent courts of the State of New York, or, if such courts do not have subject matter jurisdiction, the federal courts sitting in the State of New York, and the Parties agree that service of process may be accomplished pursuant to Section 8.8. Notwithstanding anything to the contrary in this Section 8.9(a), if at any time hereafter the Company is redomiciled to Delaware, the phrase “State of New York” in this Section 8.9(a) shall automatically be replaced with the phrase “State of Delaware”.

(b) EACH PARTY HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY SUIT, ACTION OR PROCEEDING RELATING TO THIS AGREEMENT (INCLUDING IN CONNECTION WITH ANY ACTION TO ENFORCE AN ARBITRATORS’ DECISION OR AWARD PURSUANT TO SECTION 8.10).

Section 8.10 Disputes Resolution.

(a) The Parties agree that any and all disputes, controversies or claims arising out of or relating to this Agreement shall be submitted for mediation, and if the matter is not resolved through mediation, then it shall be submitted to the American Arbitration Association, for final and binding arbitration pursuant to the other provisions of this Section 8.10. Either Party, or the Unaffiliated Committee on behalf of the Company upon resolution approved by a majority of the members of the Unaffiliated Committee, may commence mediation by providing to the other Party a written request for mediation, setting forth the subject of the dispute and the relief requested. The Parties shall select a mediator and the procedures under which the mediation is to be conducted by mutual agreement, provided that if, on the date that is thirty (30) days after the written request for mediation is given, the Parties have not agreed upon a mediator and such procedures, then the Parties shall provide to the American Arbitration Association a written request for mediation under the American Arbitration Association’s Commercial Mediation Procedures, setting forth the subject of the dispute and the relief requested, and a neutral mediator shall be appointed by the American Arbitration Association administrator. The Parties will cooperate with the American Arbitration Association and with one another in scheduling the mediation proceedings. The Parties agree that they will participate in the mediation in good faith and that they will share equally in its costs. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the Parties, their Representatives, and by the mediator or any American Arbitration Association employees (including, for the avoidance of doubt, any true and correct translations thereof), are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or nondiscoverable as a result of its use in the mediation. Either Party, or the Unaffiliated Committee on behalf of the Company upon resolution approved by a majority of the members of the Unaffiliated Committee, may initiate
arbitration by notice (a “Request for Arbitration”) to any other Party at any time following the initial mediation session or at any time following 45 days from the date of filing the written request for mediation, whichever occurs first (“Earliest Initiation Date”). The mediation may continue after the commencement of arbitration if the Parties so desire. At no time prior to the Earliest Initiation Date shall either side initiate an arbitration or litigation related to this Agreement except to pursue a provisional remedy that is authorized by law or by American Arbitration Association rules or by agreement of the Parties. However, this limitation is inapplicable to a Party if the other Party refuses to comply with the requirements of this Section 8.10(a). All applicable statutes of limitation and defenses based upon the passage of time shall be tolled until 15 days after the Earliest Initiation Date. The Parties will take such action, if any, required toeffectuate such tolling. If a mediation or arbitration is commenced by the Unaffiliated Committee on behalf of the Company, the Unaffiliated Committee on behalf of the Company shall be empowered to do or cause to be done (or forebear from doing) any and all acts reasonably deemed by a majority of the members of the Unaffiliated Committee to be necessary or appropriate in furtherance of the purposes of the Company with respect to such mediation or arbitration, including without limitation determining to settle, resolve, withdraw or appeal such mediation or arbitration.

(b) Subject to Section 8.10(a), any and all disputes, controversies or claims arising out of, relating to or in connection with this Agreement or the negotiation, execution or performance hereof, including any dispute regarding its arbitrability, shall be exclusively and finally settled by arbitration administered by the American Arbitration Association, provided that a Request for Arbitration is given after the Earliest Initiation Date (except as otherwise provided in Section 8.10(a)). An arbitration shall be conducted in accordance with the American Arbitration Association rules governing commercial arbitration in effect at the time the Request for Arbitration is filed (the “AAA Rules”), except as they may be modified by the provisions of this Agreement. The place of the arbitration shall be New York City, New York. The arbitration shall be conducted by an arbitrator appointed by mutual agreement of the Parties; provided that in the event the Parties fail to agree on the appointment of an arbitrator within fifteen (15) days after delivery of the Request for Arbitration, such arbitrator shall be appointed by the American Arbitration Association pursuant to the AAA Rules. If the arbitrator is appointed by the American Arbitration Association, such arbitrator shall be a retired judge or justice from any United States federal jurisdiction. Any arbitrator shall have had no business relationship (other than acting as arbitrator or mediator) or familial relationship with any Party, or any Affiliate of any Party, or any Representative of any Party in a significant matter during the past ten (10) years. The arbitration shall commence within thirty (30) days after the appointment of the arbitrator; the arbitration shall be completed within sixty (60) days of commencement; and the arbitrator’s award shall be made within thirty (30) days following such completion. The Parties may mutually agree to extend the time limits specified in the foregoing Section 8.10(b).

(c) The arbitrators will apply the substantive law (and the law of remedies, if applicable) as provided in Section 8.9(a), and will be without power to apply any different substantive law, and, for the avoidance of doubt, shall maintain all proceedings in confidence. The arbitrators will render an award and a written opinion in support thereof. Such award shall include the costs related to the arbitration and reasonable attorneys’ fees and expenses to the prevailing Party. The arbitrators shall also have the authority to grant provisional remedies, including injunctive relief, and to award specific performance. The arbitrators may entertain a motion to dismiss and/or a motion for summary judgment by either Party, applying the standards governing such motions under the Federal Rules of Civil Procedure, and may rule upon any claim or counterclaim (or any portion thereof), without holding an evidentiary hearing, if, after affording the Parties an opportunity to present written submission and documentary evidence, the arbitrators conclude that there is no material issue of fact and that the claim or counterclaim (or a portion thereof) may be determined as a matter of law. The Parties waive, to the fullest extent permitted by law, any rights to appeal, or to review of, any arbitrators’ award by any court. The arbitrators’ award shall be final and binding, and judgment on the award may be entered in any court of competent jurisdiction. Notwithstanding anything in this Agreement to the contrary, either Party may seek injunctive relief, specific performance, or other equitable remedies from a court in accordance with Section 8.9(a).

Section 8.11 Construction. The language used in this Agreement shall be deemed to be the language the Parties have chosen to express their mutual intent, and no rule of strict construction will be applied against any Party.
Section 8.12 Entire Agreement. This Agreement and the Merger Agreement constitute the entire agreement of the Parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings between the Parties with respect to its subject matter. In the event of any inconsistency, discrepancy or contradiction between the provisions of the Merger Agreement and the provisions of this Agreement, the provisions of this Agreement shall control.

Section 8.13 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction or invalid or unenforceable in any situation shall, as to that jurisdiction or to that situation, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction or in any other situation. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

Section 8.14 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.
IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective authorized officers as of the date set forth at the head of this Agreement.

**IBERDROLA, S.A.**

By: /s/ Julián Martínez-Simancas  
Name: Julián Martínez-Simancas  
Title: General Secretary and Secretary to the Board of Directors

**AVANGRID, INC.**

By: /s/ Robert D. Kump  
Name: Robert D. Kump  
Title: Chief Corporate Officer
SECOND SUPPLEMENTAL INDENTURE

SECOND SUPPLEMENTAL INDENTURE (the “Second Supplemental Indenture”), dated as of December 16, 2015, to the Indenture dated as of October 7, 2010 (the “Base Indenture” and, as amended and supplemented to the date hereof, the “Indenture”) betweenUIL Holdings Corporation, a Connecticut Corporation (the “Predecessor Company”), Green Merger Sub, Inc., a Connecticut corporation (the “Successor Company”), and The Bank of New York Mellon, a corporation organized under the laws of the State of New York authorized to conduct a banking business, as Trustee (the “Trustee”).

RECITALS

WHEREAS, the Predecessor Company and the Trustee have heretofore executed and delivered the Base Indenture to provide for the issuance of the Predecessor Company’s unsecured senior debt securities to be issued from time to time in one or more series as might be determined by the Predecessor Company under the Indenture;

WHEREAS, the Predecessor Company and the Trustee have heretofore executed and delivered the First Supplemental Indenture, dated as of October 7, 2010 (the “First Supplemental Indenture”), pursuant to which the Predecessor Company issued its 4.625% Notes due 2020, in the aggregate principal amount of $450,000,000 (the “2010 Notes”);

WHEREAS, the Predecessor Company is merging with and into the Successor Company as of December, 2015, pursuant to the terms of the Agreement and Plan of Merger, dated as of February 25, 2015, by and among the Predecessor Company, Iberdrola USA, Inc., a New York corporation, and the Successor Company (the “Merger Agreement”), pursuant to which, at the Effective Time (as defined in the Merger Agreement), the Predecessor Company will merge with and into the Successor Company with the Successor Company surviving such merger (the “Merger”);

WHEREAS, pursuant to Section 5.01 of the Base Indenture, a successor to the Predecessor Company may assume, by a supplemental indenture, all of the obligations of the Predecessor Company under the Indenture;

WHEREAS, pursuant to Section 9.01 of the Base Indenture, the Predecessor Company and the Trustee may supplement the Indenture without notice to or the consent of any Holder of the 2010 Notes to evidence the succession of another Person to the Predecessor Company as provided in Article 5 of the Base Indenture;

WHEREAS, the Predecessor Company and the Successor Company have determined to enter into, and have requested the Trustee to execute, this Second Supplemental Indenture for the purpose of confirming that the Successor Company, as successor in the Merger, shall assume the obligations of the Predecessor Company under the Indenture and the 2010 Notes, as provided in Section 5.01 of the Base Indenture;

WHEREAS, the Predecessor Company has delivered to the Trustee an Officers’ Certificate as well as an Opinion of Counsel as required by Sections 5.01, 9.05 and 10.03 of the Base Indenture; and

WHEREAS, all other acts and proceedings required by law, by the Indenture and by the charter documents of the Predecessor Company and the Successor Company to make this Second Supplemental Indenture a valid and binding agreement for the purposes expressed herein, in accordance with its terms, have been duly done and performed.
NOW, THEREFORE, in consideration of the premises and the covenants and agreements contained herein, and for other good and valuable consideration the receipt of which is hereby acknowledged, the Predecessor Company, the Successor Company and the Trustee hereby agree as follows:

ARTICLE 1

RATIFICATION; DEFINITIONS

Section 1.01. Second Supplemental Indenture. This Second Supplemental Indenture is supplemental to, and is entered into pursuant to Section 5.01 of the Base Indenture and in accordance with Section 9.01 of the Base Indenture, and except as expressly modified, amended or supplemented by this Second Supplemental Indenture, all the terms, conditions and provisions of the Indenture are in all respects ratified and confirmed and shall remain in full force and effect.

Section 1.02. Definitions. Unless the context shall otherwise require, all terms which are defined in the Indenture shall have the same meanings, respectively, in this Second Supplemental Indenture as such terms are given in the Indenture.

ARTICLE 2

ASSUMPTION OF OBLIGATIONS

Section 2.01. Assumption of Obligations under Indenture and 2010 Notes. (a) Pursuant to Section 5.01 of the Base Indenture, the Successor Company, as successor in the Merger, hereby expressly assumes all of the obligations of the Predecessor Company under all of the Securities issued pursuant to the Indenture (including the 2010 Notes) and under the Indenture.

(b) Pursuant to Section 5.02 of the Base Indenture, the Successor Company succeeds to, is substituted for and may exercise every right and power of, the Predecessor Company under the Indenture with the same effect as if the Successor Company had originally been named in the Indenture as the “Company.”

ARTICLE 3

MISCELLANEOUS

Section 3.01. Effective Date. This Second Supplemental Indenture shall become effective as of the Effective Time (as defined in the Merger Agreement) on the date that the Successor Company notifies the Trustee in writing that the Effective Time has occurred.

Section 3.02. Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall constitute but one and the same instrument.

Section 3.03. Acceptance. The Trustee accepts the Indenture, as supplemented by this Second Supplemental Indenture, and agrees to perform the same upon the terms and conditions set forth therein as so supplemented. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Second Supplemental Indenture or the due execution hereof by the Predecessor Company, the Successor Company or in respect of the recitals contained herein, all of which are made solely by the Predecessor Company and the Successor Company. In entering into this Second Supplemental Indenture, the Trustee shall be entitled to the benefit of every provision of the Indenture and the 2010 Notes relating to the conduct or affecting the liability or affording protection to the Trustee, whether or not elsewhere herein so provided.
Section 3.04. **Successors and Assigns.** All covenants and agreements in this Second Supplemental Indenture by the Successor Company or the Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 3.05. **Severability.** In case any one or more of the provisions contained in this Second Supplemental Indenture shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Second Supplemental Indenture, but this Second Supplemental Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

Section 3.06. **Governing Law.** This Second Supplemental Indenture shall be construed in accordance with and governed by the laws of the State of New York. This Second Supplemental Indenture is subject to the provisions of the Trust Indenture Act of 1939, as amended, and shall, to the extent applicable, be governed by such provisions.

Section 3.07. **Incorporation into Indenture.** All provisions of this Second Supplemental Indenture shall be deemed to be incorporated in, and made a part of, the Indenture; and the Indenture, as supplemented by this Second Supplemental Indenture, shall be read, taken and construed as one and the same instrument.

Section 3.08. **No Benefit.** Nothing in this Second Supplemental Indenture, express or implied, shall give to any Person other than the parties hereto and their successors or assigns, and the Holders of the 2010 Notes, any benefit or legal or equitable rights, remedy or claim under this Second Supplemental Indenture, the Indenture or the 2010 Notes.

Section 3.09. **References to Supplemental Indenture.** Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this Second Supplemental Indenture may refer to the Indenture without making specific reference to this Second Supplemental Indenture, but nevertheless all such references shall include this Second Supplemental Indenture unless the context requires otherwise.

[Signature Page Follows]
IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed, all as of the day and year first above written.

UIL Holdings Corporation

By: /s/ Richard J. Nicholas
   Name: Richard J. Nicholas
   Title: Executive Vice President
   and Chief Financial Officer

Green Merger Sub, Inc.

By: /s/ Ignacio Estella
   Name: Ignacio Estella
   Title: President

The Bank of New York Mellon,
as Trustee

By: /s/ Francine Kincaid
   Name: Francine Kincaid
   Title: Vice President
ASSUMPTION AGREEMENT

THIS ASSUMPTION AGREEMENT (this “Agreement”), dated as of December 15, 2015, is by and among UIL Holdings Corporation, a Connecticut corporation (the “Initial Parent”), Green Merger Sub, Inc., a Connecticut corporation (the “New Parent”) and JPMorgan Chase Bank, N.A., in its capacity as administrative agent (in such capacity, the “Administrative Agent”) under that certain Amended and Restated Credit Agreement, dated as of November 30, 2011 (as amended pursuant to that certain Amendment No. 1 dated as of March 17, 2014, and as further amended, restated, amended and restated, extended, supplemented, modified or otherwise in effect from time to time, the “Credit Agreement”), by and among the Initial Parent, The United Illuminating Company, a specially chartered Connecticut corporation (“UI”), The Southern Connecticut Gas Company, a Connecticut corporation (“Southern Connecticut”), Connecticut Natural Gas Corporation, a Connecticut corporation (“Connecticut Gas”), and The Berkshire Gas Company, a Massachusetts Gas company (“Berkshire Gas” and, together with the Initial Parent, UI, Southern Connecticut and Connecticut Gas, the “Initial Borrowers”), the Banks identified therein and the Administrative Agent. Capitalized terms used herein but not otherwise defined shall have the meanings provided in the Credit Agreement.

In connection with (a) that certain Amendment No. 2 dated as of December 3, 2015 by and among the Initial Borrowers, the Banks party thereto and the Administrative Agent (the “Amendment”) and (b) that certain Agreement and Plan of Merger, dated as of February 25, 2015 among the Initial Parent, Iberdrola USA, Inc. and the New Parent (the “Merger Agreement”), effective as of the Effective Time (as defined in the Merger Agreement, the “Effective Time”), by operation of law and the terms of the Merger Agreement, the New Parent will succeed to the debts, liabilities, duties, other obligations and rights of the Initial Parent.

Accordingly, the New Parent and the Initial Parent hereby agree as follows with the Administrative Agent, for the benefit of the Banks:

(a) The New Parent hereby acknowledges, agrees and confirms that, by its execution of this Agreement, effective at the Effective Time, New Parent (i) assumes the rights and obligations of the Initial Parent as the “Parent” and a “Borrower” under the Credit Agreement and (ii) agrees to become the “Parent” under the Credit Agreement and shall have all of the obligations of the Parent thereunder as if it had executed the Credit Agreement. Effective as of the Effective Time, New Parent hereby ratifies, and agrees to be bound by, all of the terms, provisions and conditions applicable to it and contained in the applicable Loan Documents, including, without limitation, (i) all of the representations and warranties set forth in Article IV of the Credit Agreement, (ii) all of the affirmative and negative covenants set forth in Article V of the Credit Agreement and (iii) the expense and indemnification provisions set forth in Section 8.04 of the Credit Agreement. Without limiting the generality of the foregoing terms of this paragraph, New Parent, effective as of the Effective Time, hereby assumes and agrees punctually to pay, perform and discharge when due each of the obligations and each and every debt, covenant and agreement incurred, made or to be paid, performed or discharged by the Parent under the Loan Documents on the terms and conditions contained therein (including, without limitation, all current and future obligations under the Continuing Agreement for Standby Letters of Credit dated as of November 17, 2010 between the Initial Parent and JPMorgan Chase Bank, N.A., which include, as of the date hereof, the existing Letters of Credit identified on Exhibit A to this Agreement).
(b) The Initial Parent hereby ratifies, and agrees, until the Effective Time, to be bound by, all of the terms, provisions and conditions contained in the applicable Loan Documents, including, without limitation (i) all of the representations and warranties set forth in Article IV of the Credit Agreement and (ii) all of the affirmative and negative covenants set forth in Article V of the Credit Agreement.

(c) The New Parent acknowledges and confirms that it has received a copy of the Credit Agreement and the schedules and exhibits thereto.

(d) The New Parent confirms that the Credit Agreement is, and upon the New Parent becoming the Parent, shall continue to be, in full force and effect.

(e) The New Parent agrees that at any time and from time to time, upon the written request of the Administrative Agent, it will execute and deliver such further documents and do such further acts as the Administrative Agent may reasonably request in accordance with the terms and conditions of the Credit Agreement in order to effect the purposes of this Agreement.

(f) This Agreement (i) may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute one contract and (ii) may, upon execution, be delivered by facsimile or electronic mail, which shall be deemed for all purposes to be an original signature.

(g) This Agreement shall be governed by and construed in accordance with, the law of the State of New York. The terms of Section 8.08(b) of the Credit Agreement are incorporated herein by reference, mutatis mutandis, and the parties hereto agree to such terms.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed by its authorized officer, and the Administrative Agent, for the benefit of the Lenders, has caused the same to be accepted by its authorized officer, effective as of the day and year first above written.

**NEW PARENT:**

**GREEN MERGER SUB, INC.**

By: /s/ Ignacio Estella Rodilla  
Name: Ignacio Estella Rodilla  
Title: President

By: /s/ Pablo Canales  
Name: Pablo Canales  
Title: Chief Financial Officer

**INITIAL PARENT:**

**UIL HOLDINGS CORPORATION**

By: /s/ Patricia C. Cosgel  
Name: Patricia C. Cosgel  
Title: Vice President and Treasurer
ADMINISTRATIVE AGENT: JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: /s/ Justin Martin
Name: Justin Martin
Title: Authorized Officer
## Existing Letters of Credit

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NEWS RELEASE

December 16, 2015

AVANGRID, Inc. will join NYSE tomorrow with $30 billion of assets in wind energy, utilities, and natural gas storage

Iberdrola USA and UIL Holdings Merger Creates a Diversified, Publicly Traded Energy and Utility Company

- Combining the resources and expertise of eight electric and natural gas utilities with a rate base of approximately $8.3 billion serving 3.1 million customers in New York and New England.
- AVANGRID’s renewable energy subsidiary is the second largest wind energy producer in the U.S. with 5.8 GW of wind generation capacity sited in 53 wind farms in 18 states. Approximately 69% of the capacity is contracted for an average term of nine years.
- Natural gas storage and hub service facilities include more than 120 Bcf of owned or contracted storage capacity with superior access to major pipelines, rapid injection and withdrawal capacity, and a range of service contract options.
- U.S. businesses align with Iberdrola Group’s worldwide focus on clean energy, energy efficiency, and sustainable development. The companies also share the Group’s commitment to ethics, transparency, and the best corporate governance practices.
- Committed to being a leader in the transformation to a clean energy future in the U.S. by providing sustainable, innovative energy solutions that benefit consumers, communities, shareholders and the environment.

NEW GLOUCESTER, ME and NEW HAVEN, CT – December 16, 2015 – Iberdrola USA and UIL Holdings Corporation announced the closing of the merger between their companies effective today. The merger creates a diversified energy and utility company with $30 billion in assets and operations in 25 states. The company will operate under the name AVANGRID, Inc., and it will trade on the New York Stock exchange under the symbol AGR.

Iberdrola’s Chairman, Ignacio Galán stated: “Today, AVANGRID, a new American energy giant, has been born. As we have done since our arrival in the United States in 2006, we will continue investing in clean energy across the country, and bring new value to our utility customers through improving infrastructure, new technology, and innovative services.”
Upon the closing, James P. Torgerson, President and Chief Executive Officer of UIL Holdings, became CEO of AVANGRID. He will also serve on the AVANGRID Board of Directors. Mr. Torgerson will head a leadership team from among the former UIL and Iberdrola USA executives. The company will maintain a close affiliation with the majority shareholder and former parent company, Iberdrola, S.A.

“We will be a leader in the transformation of the U.S. energy industry,” said James Torgerson, CEO of AVANGRID. “This friendly integration of Iberdrola USA and UIL Holdings will offer a more sustainable future to our customers, shareholders and communities.”

AVANGRID has a coast-to-coast presence with a workforce of approximately 7,000 employees in three subsidiary companies. Effective with the merger, Iberdrola USA Networks, Inc. owns and operates eight natural gas and electric utilities in the Northeast; Iberdrola Energy Holdings, Inc. is a natural gas storage and energy services company based in Houston, Texas; and Iberdrola Renewables, LLC operates 6.3 gigawatts of generation capacity, including 5.6 gigawatts of wind power at 53 windfarms in 18 states, making it the second largest wind energy producer in the U.S.

The AVANGRID utilities will continue to have offices in Connecticut, Massachusetts, Maine, and New York and will benefit from an expanded organization with greater resources, strategic alignment and business proximity. Iberdrola Energy Holdings and Iberdrola Renewables are based in Texas and Oregon respectively.

Forward Looking Statements:

Certain communications provided on this website may contain statements related to our future business and financial performance and future events or developments involving us and our subsidiaries that are not purely historical and may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of forward-looking terms such as “may,” “will,” “should,” “can,” “expects,” “believes,” “anticipates,” “intends,” “plans,” “estimates,” “projects,” “assumes,” “guides,” “targets,” “forecasts,” “is confident that” and “seeks” or the negative of such terms or other variations on such terms or comparable terminology. Such forward-looking statements include, but are not limited to, statements about our plans, objectives and intentions, outlooks or expectations for earnings, revenues, expenses or other future
financial or business performance, strategies or expectations, or the impact of legal or regulatory matters on our business, results of operations or financial condition. Such statements are based upon the current beliefs and expectations of our management and are subject to significant risks and uncertainties that could cause actual outcomes and results to differ materially. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, without limitation, the risks and uncertainties set forth under the section entitled "Risk Factors" and "Management’s Discussion and Analysis of Financial Condition and Results of Operations" in the proxy statement/prospectus included in the Registration Statement on Form S-4, as amended, which is on file with the SEC and available on our investor relations website at www.avangrid.com and on the SEC website at www.sec.gov. Additional information will also be set forth in filings with the SEC. You should not place undue reliance on these forward-looking statements. We do not undertake any obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of the communication, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

About AVANGRID

AVANGRID, Inc. (NYSE: AGR) is a diversified energy and utility company with $30 billion in assets and operations in 25 states. The company operates regulated utilities, electricity generation, and natural gas storage through three primary lines of business. Iberdrola USA Networks includes eight electric and natural gas utilities serving 3.1 million customers in New York and New England. Iberdrola Renewables operates 6.3 gigawatts of electricity capacity, primarily through wind power, in states across the U.S. Iberdrola Energy Holdings operates 120 Bcf of owned or contracted natural gas storage and hub service facilities in the South and West. AVANGRID employs 7,000 people. The company was formed as a business combination between Iberdrola USA and UIL Holdings in 2015. AVANGRID remains an affiliate of the Iberdrola Group, a worldwide leader in the energy industry.

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