



REPORT BY THE BOARD OF DIRECTORS IN CONNECTION WITH THE SHARE PLANS AND THE INCREASE IN THE NUMBER OF SHARES AVAILABLE IN THE ACCIONA, S.A. SHARE AND PERFORMANCE SHARE DELIVERY PLAN

(AGENDA ITEM EIGHT)

REPORT ON SHARE PLANS

Based on a proposal by the Appointments and Remuneration Committee, the Board of Directors issues this report in connection with the current share plans and item eight of the agenda for the 2017 General Meeting of Shareholders.

1.- SHARE AND PERFORMANCE SHARE DELIVERY PLAN 2014-2019:

1.1.- A proposal has been made to the General Meeting to increase the maximum number of shares available for the 2014-2019 Share and Performance Share Delivery Plan (the "Plan"), in the form of a specific motion before the 2017 General Meeting of Shareholders. The Plan Regulation that was approved by the Board of Directors on 26 February 2015 provides that it may be amended as necessary to adapt it to the Remuneration Policy for 2018, 2019 and 2020. The current terms of the Plan were reported to the 2015 General Meeting of Shareholders and are set out in the Annual Reports on Director Remuneration.

1.2.- The number of shares delivered in 2017 to the Beneficiaries who are not executive directors (who number 47) under the 2014-2019 Share and Performance Share Delivery Plan, based on their dedication and performance in 2016, was 35,917.

1.3.- The final assignment of shares to executive directors in accordance with the Plan will be made: (a) at the end of the total period of the 2014 Plan, i.e. in 2020, on the basis of the evaluation of the entire 2014-2019 period; and (b) at an intermediate milestone, in 2017, upon conclusion of the first three years, 2014-2016, on the basis of the evaluation of the first three years, 2014-2016. No shares or performance shares had been assigned at the date of this report.

2.- OTHER SHARE PLANS.

2.1.- PLAN TO REPLACE VARIABLE REMUNERATION WITH SHARES.

Given the limited number of beneficiaries of the previous Plan, in order to enhance and extend the objectives of fostering loyalty and retaining Group executives, on 26

March 2015, the Board of Directors, on the basis of a proposal by the Appointments and Remuneration Committee, approved the "Plan to Replace Variable Remuneration with Shares of Acciona, aimed at management of Acciona and its Group" (the "Replacement Plan"), excluding executive directors; the main terms of this plan were reported to the 2015 General Meeting of Shareholders.

The purpose of the Plan is to give certain executives of Acciona and its Group the option, at their choice, to replace or exchange part or all of their variable remuneration in cash for shares of the Company in accordance with an exchange ratio to be determined each year. In 2017 the approved exchange ratio, which is the same as in 2016, carries an incentive of 25% with respect to the variable compensation which it replaces.

The own shares transferred to these beneficiaries (but only shares corresponding to the incentive, and not the shares substituted for the remuneration in accordance with the amendment adopted by the Board of Directors on 29 February 2016) are subject to a right of buyback for Acciona that is exercisable in the event that the Beneficiary who acquired them ceases to work for Acciona or its Group before 31 March of the third year following the one in which the shares were delivered, for reasons attributable to the beneficiary.

The shares, valued at the market closing price on 13 April 2017, will be delivered on 18 April 2017.

In 2016, 15,297 shares were delivered under the Replacement Plan, to 25 beneficiaries. In 2017, 37 beneficiaries opted to replace variable remuneration with shares.

2.2.- SHAREHOLDER PLAN

As part of its remuneration policy and in order to facilitate ownership of the company's shares, on 29 February 2016 Acciona approved a new Plan, the "Shareholder Plan", which enables part of the variable and/or fixed remuneration in cash to be collected in the form of shares, subject to a cap of €12,000 per year, through the delivery of shares of the Company in accordance with the current legislation, which offers favourable tax treatment for plans of this type.

This plan is entirely voluntary and offers all employees who are resident in Spain for tax purposes the possibility of sharing in the company's results by becoming shareholders. This Plan does not affect the executive directors since their relationship with the company is mercantile and not one of employment. The shares, valued at the market closing price on 13 April 2017, will be delivered on 18 April 2017.

In 2016, 33,150 shares were delivered under the Shareholder Plan, to 265 beneficiaries. A total of 335 beneficiaries have opted for the Shareholder Plan in 2017.

3.- INCREASE IN THE NUMBER OF SHARES AVAILABLE FOR THE SHARE AND PERFORMANCE SHARE DELIVERY PLAN.

Justification of the proposal.

The maximum number of shares that can be assigned by execution of the 2014-2019 Share and Performance Share Delivery Plan, under the authorisation granted by the General Meeting, is 357,336 as of the date of this report, after delivering 35,917 in 2017 under the Plan to directors who are not executive directors.

The Terms of Reference of the Share/Performance Share Delivery Plan provide expressly that the maximum number of shares which may be assigned by the Board of Directors to the beneficiaries in application of the 2014-2019 Plan may be increased by a decision of the General Meeting. The Board of Directors intends that the Plan constitute a meaningful instrument for encouraging beneficiaries to create long-term value for shareholders and to drive their dedication to the group for its entire duration; accordingly, it is considered advisable to be able to adjust the maximum number of shares available for assignment under the Plan during the six-year period from 2014 to 2019 so that the number of available shares approved by the shareholders at any given time is sufficient to achieve ranges of compensation such as to encourage attainment of the strategic business objectives of Acciona and its group while also enhancing executive loyalty and retention. With the proposed increase, the maximum number of shares available for the Plan will be 457,336, i.e. approximately 0.8% of capital. To this end, based on a proposal by the Appointments and Remuneration Committee, the Board of Directors submits the following motion to the General Meeting of Shareholders under item eight of the agenda:

Motion under Agenda item Eight:

To increase the number of shares available for the 2014-2019 Share and Performance Share Delivery Plan by 100,000, without prejudice to subsequent increases if proposed by the Board of Directors and approved by the General Meeting.

This report was drawn up by the Board of Directors of Acciona, S.A. on 6 April 2017.
