



ACCIONA, S.A.

DIRECTOR REMUNERATION POLICY

April 2017

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BACKGROUND AND SCOPE

As provided in article 529 novodecies of Legislative Royal Decree 1/2010, of 2 July, approving the consolidated text of the Capital Companies Act, (the "Capital Companies Act" or "CCA"), the General Meeting of Shareholders is the body empowered to approve director remuneration policy, which it must do at least once every three years as a separate agenda item.

To this end, article 31.5 of the Articles of Association of ACCIONA, S.A. ("ACCIONA" or the "Company") establishes that the company must have a Director Remuneration Policy that conforms to the remuneration system envisaged in the Articles and which must be approved by the General Meeting, at least every three years, as a separate item on the agenda.

Accordingly, on 6 April 2017, the Board of Directors of ACCIONA, based on a proposal by the Appointments and Remuneration Committee, resolved to propose to the General Meeting of Shareholders the Remuneration Policy for the Directors of ACCIONA, S.A. for the years 2018, 2019 and 2020 (the "Remuneration Policy" or the "Policy") with the content required by the Capital Companies Act.

This proposed Board of Directors Remuneration Policy is accompanied by a reasoned report by the Appointments and Remuneration Committee in support of the proposal, as required by the aforementioned law. That report has been available to shareholders on the Company's website since notice was given of the General Meeting.

This document identifies, describes and regulates, among other aspects, the procedure for setting and approving the Remuneration Policy, the frequency with which it is reviewed, its general characteristics, its compatibility with proper and effective risk management, with the Company's long-term strategy, objectives, values and interests, the general principles of the Remuneration Policy, and the various remuneration schemes that are applied.

OBJECT OF THE REMUNERATION POLICY

The main object of this Policy is, within the remuneration scheme established by the Articles of Association, to establish the principles for remuneration of the Board of Directors of ACCIONA for the purposes of establishing a remuneration system that is compatible with the long-term business strategy, objectives, values and interests of the Company in both absolute terms and in comparison with the industry.

As a result, the Policy has been designed in practical terms in pursuit of the following objectives:

- Attract, retain and motivate the professionals that the Company needs to cover the spectrum of knowledge, skills and experience required on the Board of Directors, ensuring that it has suitable candidates for the position of director, in accordance with the applicable regulations;
- Make remuneration more congruent with effective risk management;
- Avoid conflicts of interest; and
- Encourage and enhance attainment of profits for the Company.

Ultimately, this policy seeks to define and control, clearly and concisely, the remuneration practices for the Company's directors so as, in conformity with Article 217 of the Capital Companies Act, on the one hand, to promote profitability and long-term sustainability of the Company and, at the same time, to incorporate the necessary safeguards to avoid excessive risk-taking and to ensure that adverse results are not rewarded.

Accordingly, the Remuneration Policy seeks to establish a remuneration scheme that is commensurate with the dedication and responsibility assumed by the persons to whom it applies in order not only to attract and retain the most suitable profiles but also to help the Company to achieve its strategic objectives within the framework in which it operates, all in accordance with the law.

In compliance with the provisions of article 217 of the Capital Companies Act, the remuneration must be reviewed periodically to ensure that it is reasonably proportionate to the Company's size and economic situation and to market standards among comparable companies.

GENERAL PRINCIPLES OF THE REMUNERATION POLICY

In order to ensure that the Company has an appropriate remuneration policy for the Board of Directors, ACCIONA has seen fit to establish clear principles for corporate governance and for the Policy's structure.

The Company's remuneration policy, including that of members of the Board of Directors with executive functions, is guided by the following principles:

- Coherence with the business strategy: The Board of Directors must define a remuneration policy which is coherent with the Company's long-term business strategy, risk tolerance and values.
- Corporate governance and transparency: The Board of Directors must adopt the necessary measures to ensure proper governance and transparency in director remuneration.
- Balanced design: The Board of Directors must ensure a reasonable proportion between fixed and variable, annual and multi-annual components, and payments in cash and in shares. The variable remuneration should be of a significant amount and include technical safeguards to ensure that such remuneration reflects the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or other circumstances of this kind.
- Internal fairness: The Board of Directors must ensure that the remuneration system allocates analogous remuneration to comparable functions and dedication.
- Alignment with market practices: The Board of Directors must ensure that director remuneration is moderate and aligned with remuneration at other companies of a similar size and activity.

REMUNERATION FOR THE BOARD OF DIRECTORS FOR ITS COLLEGIATE FUNCTIONS

a. Provisions of the Articles of Association

In accordance with article 31.2 of ACCIONA's Articles of Association, Directors' remuneration consists of a fixed pre-determined annual amount for membership of the Board of Directors and any Committees of which the director is a member.

The total remuneration payable by the Company to the directors as a whole for belonging to the Board of Directors and its committees will be the amount determined for this purpose by the General Meeting, and it will remain in force until amended; nevertheless, the Board of Directors may reduce that amount in any given year if it sees fit.

The Board of Directors is responsible for determining the exact remuneration within this limit and its distribution among the directors, having consideration for the functions and responsibilities of each director, whether they belong to Board committees, and other objective circumstances that it considers to be relevant.

Additionally, in accordance with article 31.6 of the Articles of Association, ACCIONA may arrange third-party liability insurance for its directors in the usual conditions and commensurate with the Company's circumstances.

b. Remuneration components

In compliance with the provision of the Articles of Association set out above, the system for remunerating directors for their collegiate oversight and decision-making functions comprises the following components:

- Annual fixed remuneration for membership of the Board of Directors.
- Additional annual fixed remuneration for membership of the following sub-committees of the Board of Directors:
 - Executive Committee, only in the case of directors who do not perform executive functions.
 - Audit Committee.
 - Appointments and Remuneration Committee.
 - Sustainability Committee.
- Additional annual fixed remuneration for chairing the subcommittees of the Board of Directors, with the exception of the Executive Committee.

Additionally, ACCIONA has arranged third-party liability insurance for its directors and executives and pays the travel expenses incurred by directors in the course of their work.

c. Maximum amount of remuneration

In accordance with article 31.2 of the Articles of Association of ACCIONA, the maximum amount of remuneration payable per year to the directors in aggregate for their duties as such is €1,700,000.

Except where the General Meeting establishes otherwise, the distribution of the remuneration among the directors will be decided by the Board of Directors, having consideration for the functions and responsibilities of each director, whether they belong to Board committees, and other objective circumstances that it considers to be relevant.

ADDITIONAL REMUNERATION SYSTEM FOR PERFORMANCE OF EXECUTIVE FUNCTIONS

d. Provisions of the Articles of Association

In accordance with article 31.3 of the Articles of Association, remuneration for membership of the Board of Directors is compatible with any other remuneration (fixed salaries; variable remuneration tied to business, corporate and/or personal objectives; indemnities paid to the director for termination due to causes other than breach of duty; welfare systems; deferred compensation) to which the director may be entitled, subject to a proposal by the Appointments and Remuneration Committee and a decision by the Board of Directors, for performing functions in the Company, whether related to senior management or otherwise, other than the collective supervision and decision-making functions that are inherent to the position of Board member.

Article 31.4 of the Articles of Association states that, subject to a decision by the General Meeting with the scope required by law, executive directors may also be paid in the form of shares or stock options or any other remuneration system referenced to the share price.

e. Remuneration components

In accordance with the provision of the Articles of Association referred to above, the remuneration system for executive directors comprises, in addition to that corresponding of the members of the Board of Directors, the following components:

- Fixed remuneration,
- Annual variable remuneration,
- Shares or stock options,
- Saving plans, and
- Remuneration in kind.

These items are set out in detail in their respective contracts, which were approved in conformity with article 249 of the CCA.

In accordance with article 529 octodecies of the CCA, the aspects that the Policy must necessarily establish with respect to the executive directors are set out below.

Annual fixed remuneration

Executive directors are entitled to receive a fixed remuneration for the higher level of dedication and responsibility involved in the performance of their duties, which

must be competitive in relation to the usual industry standards for positions with their level of responsibility.

The Executive Chairman will receive gross annual fixed remuneration in the amount of €1,000,000 in 2017. The Executive Vice-Chairman will receive gross annual fixed remuneration in the amount of €500,000 in 2017.

Those amounts will remain unchanged until the Board of Directors decides to modify them. The Board of Directors, in consultation with the Appointments and Remuneration Committee, may revise the amounts of fixed remuneration for executive directors on the basis of their performance, of information on market remuneration paid by comparable companies globally in a compensation range between the median and the 75th percentile, and of the Company's results. Any such update must be disclosed in the Annual Report on Director Remuneration that the Board of Directors submits to shareholders for an advisory vote each year at the General Meeting.

Annual variable remuneration

Variable remuneration for executive directors is based essentially on attainment of the financial objectives set out in the annual budgets as well as on each executive director's individual professional performance, as assessed by the Appointments and Remuneration Committee and finally approved by the Board of Directors.

The benchmark amount of variable remuneration corresponding to the fulfilment of 100% of the objectives is three times the fixed salary.

EBITDA, EBT, debt and the other financial objectives established at the beginning of the year, in line with the Company's strategy, are used to evaluate the attainment of annual financial targets. In addition to economic value creation, objectives that contribute to development of a business model which promotes balanced, sustainable development will be considered.

The annual assessment of executive director performance also includes specific sustainability objectives and metrics. Variable remuneration includes the necessary safeguards to ensure that it is linked to the professional performance of its beneficiaries and not simply to the general performance of the stock market or of the company's sector of activity.

The Board of Directors may modify the objectives established for each year to reflect the Company's strategic priorities and ensure that incentives are aligned with value creation and shareholders' interests.

Annual variable remuneration is paid on an accrual basis after the Board of Directors has authorised the financial statements and the specific amount has been established at the proposal of the Appointments and Remuneration Committee.

Within the three (3) years following the date of payment whose reimbursement is sought, Acciona may: (i) demand that directors reimburse any amounts collected which were calculated on the basis of data that is subsequently proven to be manifestly inaccurate; and (ii) demand that directors reimburse any amounts collected and/or refuse to pay any amounts to which directors might be entitled where the director is guilty of a serious breach of the duties of diligence and loyalty incumbent on him/her by virtue of his/her position in Acciona or any other serious culpable violation of the obligations incumbent on executive directors under the contracts with Acciona governing their functions as executive directors.

In the event that the contractual relationship ends before the end of the accrual period for annual variable remuneration for reasons not attributable to the executive director, he/she will be entitled to receive the proportional part for the period during which he/she provided services in the year he/she ceased to be a director.

Annual variable remuneration will be settled in cash at the time of payment or deferred through a special contribution to the Company's Saving Plan (as defined in section 5.2.4 of this document), at the executive director's choice.

Long-term variable remuneration in the form of shares

As provided in article 31.4 of the Articles of Association and article 55.bis of the Board of Directors Regulation, subject to prior approval by the General Meeting, the executive directors may be beneficiaries of remuneration systems that comprise the delivery of shares or stock options or any other remuneration system referenced to the share price.

By law and in accordance with the Company's Articles of Association, the decision to offer remuneration linked to ACCIONA's share lies with the Shareholders' Meeting, based on a proposal by the Board of Directors following consultation with the Appointments and Remuneration Committee.

Remuneration systems for executive directors linked to ACCIONA's share must have the following features:

1. The plans must last at least three years. The strategic indicators and objectives to be achieved must be defined by the Board of Directors on the basis of a proposal by the Appointments and Remuneration Committee, and must bear a relation to the beneficiary's performance and not simply to the

general performance of the stock market or of the company's sector of activity.

2. The Board of Directors may decide to use the following variables, among others:

- Consolidated net debt/EBITDA ratio at the end of the last year of the reference period;
- Ordinary profit before taxes in the reference period;
- Net earnings per share in the reference period;
- Other criteria to be assessed by the Appointments and Remuneration Committee, for example:
 - i) Total shareholder return, due to share appreciation and dividends, during the reference period.
 - ii) Comparison of estimates of the future value of the share of ACCIONA and the recommendations of no fewer than four analysts who track the share on a meaningful basis, made by those analysts in December 2013 and in January of the year following the end of the reference period; and
 - iii) Comparison of ACCIONA's share performance with the IBEX-35 index between the first and last years of the reference period.
 - iv) After the Appointments and Remuneration Committee has considered the recommendation, the Board of Directors must define the following with respect to each of the strategic business indicators for the reference period of the plan:
 - i) The objective, which will be quantified where it can be expressed as a metric, with respect to each of the following indicators:
 - ii) The minimum level of each indicator, below which it is deemed not to have been achieved; and
 - iii) The weighting assigned to each indicator in quantifying the degree of achievement of the objective in the reference period,

3. Remuneration systems linked to shares must contain the necessary safeguards to avoid assuming excessive risk and rewarding adverse results. Specifically, the delivery of 20% of the shares to which the executive directors are entitled will be deferred by approximately 1 year until the approval of the

financial statements for the financial year following the last period counted for accrual of the remuneration. Accrual will also be conditional upon the executive director remaining in the Acciona Group, and subject to the condition that, during the deferral period, no event is disclosed which, in the opinion of the Board of Directors, based on a proposal by the Appointments and Remuneration Committee, results in the external auditors requiring a material restatement of the Acciona Group's consolidated financial statements, unless this is due to a change in accounting standards.

Additionally, within the three (3) days following the date of delivery of the shares whose reimbursement is claimed, Acciona may: (i) demand that directors reimburse any amounts collected which were calculated on the basis of data that is subsequently proven to be manifestly inaccurate; and (ii) demand that directors reimburse any amounts collected and/or refuse to pay any amounts to which directors might be entitled where the director is guilty of a serious breach of the duties of diligence and loyalty incumbent on him/her by virtue of his/her position in Acciona or of any other serious culpable violation of the obligations incumbent on executive directors under the contracts with Acciona governing their functions as executive directors.

4. Remuneration schemes linked to shares will preclude the sale of shares delivered under those schemes in order to pay the personal income tax incurred by the beneficiary as a result of the delivery of the shares. The cost of the tax prepayment under the share-based remuneration scheme will not be passed on to the beneficiary, and the company will bear the tax cost of such prepayment in the beneficiary's personal income tax, subject to the limits to be established by regulation.
5. In no case may the number of shares delivered exceed the maximum number of shares approved by the General Meeting of Shareholders.

Saving plan

The Company has established a saving plan linked to survival to a given age, total, absolute and severe permanent disability, and death, exclusively for executive directors of the Company, in order to supplement their benefits under the public Social Security system, in the conditions and terms set out in the Saving Plan Regulation.

Contributions on behalf of the executive directors will be an amount equivalent to between 75% and 100% of the fixed salary, although the Board of Directors, at the

proposal of the Appointments and Remuneration Committee, may amend these contributions to adapt them to business performance and market changes.

The contributions to the Saving Plan may be: Ordinary, whose amount will be approved by the Board of Directors based on a proposal by the Appointments and Remuneration Committee, in line with the executive directors' contracts at any given time; and Extraordinary, charged to the executive director's variable remuneration, at the director's election, in accordance with the provisions of section 5.2.2 above.

Under the Acciona Saving Plan, directors will cease to be beneficiaries of the Plan (i) upon the occurrence of any of the contingencies it covers, resulting in collection of the indemnity; (ii) upon reaching the age of 65; or (iii) in the event of termination of the director for reasons other than those set out in items (i) and (ii).

Directors will also lose their accumulated rights under the Saving Plan and, consequently, will not collect the corresponding benefits, in the event of (a) resignation or voluntary removal; or (b) removal for breach of duty or for harming Acciona, based on a final legal decision by a competent authority.

Other remuneration in kind

In addition to the remuneration items discussed above, executive directors receive specific remuneration in kind as follows: life insurance, a company vehicle and medical insurance, in accordance with the Company's benefit policy in force at any given time.

The executive directors are entitled to reimbursement for any reasonable cost (travel expenses and board, mobile phone, entertainment expenses, etc.) incurred in the performance of their services to the Company, provided that they are duly supported.

This remuneration may be modified by the Board, at the proposal of the Appointments and Remuneration Committee.

Main contractual conditions

The term of the executive directors' mercantile contract for their executive functions is indefinite. According to Article 31.1 of ACCIONA's Articles of Association, members of the Board of Directors hold office for a term of three years, and can be re-elected one or more times.

According to the Board of Directors Regulation, executive directors must tender their resignation to the Board of Directors and, if the latter deems it appropriate, resign if they are removed from the executive position that resulted in their appointment as director.

No indemnity has been arranged for termination, early or otherwise, of directors' executive functions, nor are there hiring bonuses or permanence or notice clauses.

Executive directors serve the Company full-time and on an exclusive basis, although this does not prevent them from holding positions in family businesses whose activity does not compete with the Acciona Group, or institutional or representative posts in non-profit entities.

For an additional period of one year following the termination of the contract with the Company, executive directors may not:

- (a) Provide services, directly or indirectly, to any person, business or company (whether as a partner, executive, employee, consultant, investor, borrower or otherwise) that competes with the business of the Company or the Acciona Group, unless authorised by the Company, which authorisation shall not be unreasonably denied.
- (b) Hold a direct or indirect interest in the capital of any company or entity that competes with the business of the Company or Acciona Group.
- (c) This prohibition will not be considered to be breached in the case of a non-significant stake. For these purposes, a stake is considered to be non-significant if the investment does not provide, directly or indirectly, management functions or a significant influence over the competing company.
- (d) Employ or attempt to employ any member of the management team of the Company or any other company belonging to Acciona Group or persuade them to resign from their post, or persuade or attempt to persuade any agent, customer, supplier or independent contractor of the Company or the Acciona Group to end their relationship with them.

The contracts signed with the executive directors provide for a one-year post-employment non-compete clause, with no attached compensation.

GOVERNANCE

f. Policy review and approval

ACCIONA's Board of Directors Remuneration Policy will be analysed and reviewed at regular intervals by the Appointments and Remuneration Committee, which will refer to the Board proposals for any amendments it considers appropriate on the basis of Company and market performance, and any adaptations that may be necessary to comply at all times with the law and the corporate governance standards.

g. Supervision and application

The Board of Directors of ACCIONA is responsible for establishing a system of oversight and supervision of the specific requirements of the Remuneration Policy for members of the Board of Directors to ensure compliance and effective application of the provisions of this Policy.

APPROVAL AND ENTRY INTO FORCE

The Remuneration Policy for the directors of ACCIONA for the years 2018, 2019 and 2020 must be approved by the General Meeting of Shareholders.

Any amendment or replacement of the policy during that period will require prior approval by the General Meeting of Shareholders in accordance with the procedure established by law. If no proposals are made to amend the Policy during that period, a new Policy will be presented for approval to the General Meeting of Shareholders in 2020.

In any event, any remuneration received by directors must be in coherence with this Remuneration Policy for directors at any given time, apart from remuneration expressly approved by the General Meeting of Shareholders.

Application of this policy will be subject to any amendments that ACCIONA considers it advisable to make on the basis of the current law at any given time or of the interpretation of the law.

Amendments made by this Policy will be applicable to remuneration accruing from the date of its approval. Plans, regulations, contracts and analogous instruments currently in force must be adapted as necessary and as soon as possible in order to conform to this Policy.