**BOARD OF DIRECTORS REPORT ON THE PROPOSED RESOLUTION FOR A REDUCTION OF SHARE CAPITAL BY MEANS OF THE REDEMPTION OF A MAXIMUM OF 2,862,978 OWN SHARES, REPRESENTING 5% OF THE CURRENT SHARE CAPITAL OF THE COMPANY AND DELEGATION OF POWERS TO THE BOARD OF DIRECTORS (WITH THE EXPRESS POWER OF SUB-DELEGATION OR SUBSTITUTION) IN ORDER TO SET THE OTHER CONDITIONS OF THE REDUCTION NOT ENVISAGED BY THE GENERAL MEETING.**

**(ITEM 6º ON THE AGENDA)**

**1. Object of the report.**

The Board of Directors of Acciona, S.A. (the "**Company**") has drawn up this report in order to justify the proposed reduction of share capital by means of the redemption of own shares that will be submitted for the approval, under item six on the agenda, of the Ordinary General Meeting of Shareholders of the Company, announced for 29 May 2018 at 12 midday at first call, and 30 May, at the same time, at second call.

In order for the proposed reduction of share capital and corresponding amendment of By-laws to be submitted for the approval of the General Meeting of Shareholders, it is mandatory, in accordance with the terms of articles 286 and 318 of the Spanish Companies Act, for the Board of Directors to draw up a report justifying the proposal, insofar as the approval and execution of the same necessarily involves the amendment of article 6 of the By-laws on the share capital figure and the number of shares into which it is divided.

**2. Motivation of the proposal.**

The Board of Directors of Acciona, in the context of the shareholder remuneration policy, considers it appropriate to reduce the share capital by means of the redemption of own shares of the Company. The main effect of this capital reduction will be an increase in the profit per share of the Company.

In order to do so, the Board of Directors, with the authorisation granted by the General Meeting of Shareholders held on 18 May 2017, approved a Share Buyback Programme on 26 February 2018 pursuant to article 5 Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, in order to reduce capital by means of the redemption of own shares and, to a lesser extent, comply with any obligations that may derive from the Share Delivery Programmes for executive directors, managers and employees of the Group (the **“Buyback Programme”** or the **“Programme”**)

The Programme will affect a maximum of 2,862,978 shares, representing 5%, approximately, of the share capital of the Company and its monetary amount will total 233,332,707 euros. The shares will be purchased at market price, in accordance with the price and volume conditions established in article 3 of Regulation 2016/1052. The Programme will remain in force until 27 March 2019, although the Company may terminate the Programme if, prior to the deadline date set, it has acquired the maximum number of shares authorised by the Board of Directors or if any other circumstances arises that makes such action advisable. The CNMV has been notified of the main characteristics of the Buyback Programme, which were published as Relevant Events on 27 and 28 March 2018 and 05 April 2018, with registration numbers 263541, 263546 and 263770 respectively.
The capital increase will only involve the redemption of own shares of the Company that it acquires under the Buyback Programme excluding the shares that are destined to meet the delivery plans for executive directors and Group employees. The Programme, in addition to being the channel for acquiring part of the own shares to be redeemed in the Capital Reduction, also has the advantage of favouring the liquidity of the shares.

### 3. Main terms and conditions of the reduction of share capital.

It is proposed to reduce the share capital of ACCIONA, S.A. by the amount resulting from the sum of the aggregate nominal value, with the maximum of 2,862,978 euros (the **“Maximum Limit”**), of the own shares, each with a face of one euro, that are acquired for redemption via the Buyback Programme of up to 2,862,978 own shares that will be in force until 27 March 2019 at the latest, approved by the Board of Directors on 26 February 2018 pursuant to Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures.

The Buyback Programme approved by the Board of Directors is subject to two quantitative limits in terms of the amount of the investment and the number of shares to be acquired:

**(i)** The maximum net investment in the Buyback Programme will be 233,332,707 million euros (the “**Maximum Investment**”).

**(ii)** The number of shares to be acquired under the Buyback Programme will not exceed 2,862,978, representing approximately 5% of the share capital of the Company at the date of approval of the Programme.

As a result, the maximum figure of the capital reduction will be 2,862,978 euros, by means of the redemption of a maximum of 2,862,978 own shares, each with a face value of one euro, representing a maximum of roughly 5% of the share capital at the time of adoption of the resolution.

In the event the General Meeting approves the proposed resolution addressed by this report, the definitive figure of the capital reduction will be set by the Board of Directors of the Company (with the express power of sub-delegation or substitution) depending on the final number of shares acquired under the Buyback Programme, provided it does not exceed the above-mentioned Maximum Limit and being excluding the shares that are destined to cover the delivery plans for executive directors, managers and employees of the Group.

The Capital Reduction does not involve a return of the contributions made by the shareholders as the Company itself is the holder of the shares to be redeemed, which will be carried out charged to unrestricted reserves, by means of the provisioning of a reserve for redeemed capital with a nominal value of the redeemed shares, which will only be used subject to the same requirements as those envisaged for the reduction of share capital, in accordance with the terms of Article 335 c) of the Spanish Companies Act. As a result, pursuant to the terms of said precept, the creditors of the Company will not have the right of opposition referred to in article 334 of the same Act.

Moreover, in the event the proposal is approved, article 6 of the By-laws of the Company would be amended, in order to reflect the new capital figure and the new number of shares in circulation, once the own shares whose redemption is proposed have been deducted.

It is likewise proposed that the General Meeting of Shareholders empower the Board of Directors to execute the capital reduction resolution (with the express power of sub-delegation or substitution pursuant to the terms of article 249.bis of the Spanish Companies Act), within a term of no more than one month as of the termination of the Buyback Programme.

In this regard, the management body will be in a position to decide, within a reasonable term, which the most appropriate moment to proceed with the execution of the reduction is, in view of the situation of the market and of the Company, as well as any other factors, internal and external, that may be relevant. Moreover, it is proposed to empower the Board (with the express power to be subdelegated or substituted) to determine those aspects that have not been expressly set in the proposed resolution or that are a consequence of the same, and take any steps and execute and public or private documents necessary or appropriate for the fullest execution of the capital reduction. In particular, and including but not limited, it is proposed that the Board of Directors to set the final figure of the capital reduction in view of the resolution ultimately adopted by the General Meeting and establish any other circumstances necessary to implement it, drafting a new wording for the article of the By-laws on share capital, to perform the necessary procedures and actions to requesting the de-listing and cancellation of the book entries of the shares that are redeemed, once the capital reduction resolution is executed, so that the redeemed shares are de-listed from the Spanish Securities Markets and the book entries are cancelled.

The resolution that the Board of Directors proposes for the approval of the Ordinary General Meeting of Shareholders in relation to this item of the Agenda is that transcribed below:

**ITEM SIX:**

**REDUCTION OF SHARE CAPITAL BY MEANS OF THE REDEMPTION OF A MAXIMUM OF 2,862,978 OWN SHARES, REPRESENTING 5% OF THE CURRENT SHARE CAPITAL OF THE COMPANY, WITH THE EXCLUSION OF THE CREDITOR OPPOSITION RIGHT. DELEGATION OF POWERS TO THE BOARD OF DIRECTORS (WITH THE EXPRESS POWER OF SUB-DELEGATION OR SUBSTITUTION) IN ORDER TO SET THE OTHER CONDITIONS OF THE REDUCTION NOT ENVISAGED BY THE GENERAL MEETING, INCLUDING, AMONG OTHER MATTERS, THE POWER TO DRAFT A NEW WORDING OF ARTICLE 6 OF THE BY-LAWS REGARDING SHARE CAPITAL AND TO REQUEST THE DELISTING AND CANCELLATION OF THE ACCOUNTING RECORDS OF THE SHARES THAT ARE REDEEMED.**

Motivation and appropriateness of the proposed resolution:

The Board of Directors of Acciona, in the context of the shareholder remuneration policy, considers it appropriate to reduce the share capital by means of the redemption of own shares of the Company. The main effect of this capital reduction will be an increase in the profit per share of the Company.

In order to do so, the Board of Directors, with the authorisation granted by the General Meeting of Shareholders held on 18 May 2017, approved a Share Buyback Programme on 26 February 2018 pursuant to article 5 Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures, in order to reduce capital by means of the redemption of own shares and, to a lesser extent, comply with any obligations that may derive from the Share Delivery Programmes for executive directors, managers and employees of the Group (the “Buyback Programme” or the “Programme”).

The Programme will affect a maximum of 2,862,978 shares, representing 5%, approximately, of the share capital of the Company and its monetary amount will total 233,332,707 euros. The shares will be purchased at market price, in accordance with the price and volume conditions established in article 3 of Regulation 2016/1052. The Programme will remain in force until 27 March 2019, although the Company may terminate the Programme if, prior to the deadline date set, it has acquired the maximum number of shares authorised by the Board of Directors or if any other circumstances arises that makes such action advisable.

The capital increase will only involve the redemption of own shares of the Company that it acquires under the Buyback Programme. The Programme, in addition to being the channel for acquiring part of the own shares to be redeemed in the Capital Reduction, also has the advantage of favouring the liquidity of the shares.

In accordance with the terms of articles 286 and 318 of the Spanish Companies Act, the Board of Directors has drawn up a report justifying the proposal and that can be consulted in a report justifying the proposal and that is at the disposal of the shareholders on the Company website: www.acciona.com

**Proposed resolution**:

A) To reduce the share capital of ACCIONA, S.A. by the amount resulting from the sum of the aggregate nominal value, with the maximum of 2,862,978 euros (the “Maximum Limit”), of the own shares, each with a face of one euro, that are acquired for redemption via the Buyback Programme of up to 2,862,978 own shares that will be in force until 27 March 2019 at the latest, approved by the Board of Directors on 26 February 2018 pursuant to Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures.

As a result, the maximum figure of the capital reduction will be 2,862,978 euros, by means of the redemption of a maximum of 2,862,978 own shares, each with a face value of one euro, representing a maximum of 5% of the share capital at the time of adoption of the resolution.

In accordance with what is set out below, the definitive figure of the capital reduction will be set by the Board of Directors of the Company (with the express power of sub-delegation or substitution) depending on the final number of shares acquired under the Buyback Programme, provided it does not exceed the above-mentioned Maximum Limit and excluding the shares that are destined to cover the delivery plans for executive directors, managers and employees of the Group.
Procedure for reduction, reserves used for this purpose and term of execution.

In accordance with the terms of Article 342 of the Spanish Companies Act, the capital reduction will be executed within the month following the finalisation of the Buyback Programme and, in any event, within one year following the date of adoption of this resolution.

The capital will be reduced by the sum of the amount corresponding to the number of own shares acquired under the Buyback Programme, excluding the shares that are destined to cover the delivery plans for executive directors, managers and employees of the Group as determined by the resolution of the Board of Directors, with the express power of sub-delegation or substitution, in accordance with the terms of section B).

The Capital Reduction does not involve a return of the contributions made by the shareholders as the Company itself is the holder of the shares to be redeemed, which will be carried out charged to unrestricted reserves, by means of the provisioning of a reserve for redeemed capital with a nominal value of the redeemed shares, which will only be used subject to the same requirements as those envisaged for the reduction of share capital, in accordance with the terms of Article 335 c) of the Spanish Companies Act.

As a result, pursuant to the terms of said precept, the creditors of the Company will not have the right of opposition referred to in article 334 of the Spanish Companies Act in relation to the Capital Reduction.

B) To delegate to the Board of Directors, with the express power of sub-delegation or substitution, so that, within a term of no more than one month as of termination of the Buyback Programme and, in any case within the year following the date of adoption of this agreement it can execute this resolution, determining those aspects that have not been expressly established in this resolution or that are a result of the same, and adopt the resolutions, take the action and execute the public or private documents necessary or appropriate for the fullest execution of this resolution, in particular, but not limited to, delegating the following powers to the Board of Directors, with the express power of sub-delegation or substitution:

(i) Set the final figure of the Capital Reduction in accordance with the terms of this resolution and establish any circumstances necessary in this regard, all in accordance with the conditions indicated above.

(ii) Declare the Capital Reduction closed and executed setting, in this regard, the final number of shares to be redeemed and, as such, the amount by which the share capital of the Company should be reduced according to the rules established in this resolution.

(iii) Draft a new wording for the article of the By-laws that sets the share capital so that it reflects the capital figure and number of shares in circulation due to the execution of the Capital Reduction.

(iv) Perform the formalities and actions necessary and present any documents required by the competent bodies so that, once the Company shares have been redeemed and the corresponding Capital Reduction deed has been executed and recorded at the Commercial Registry, the redeemed shares are delisted from the Spanish Securities markets, via the Securities Market Interconnection System (Continuous Market) and the cancellation of the corresponding book entries by "Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A." (IBERCLEAR).

(v) Publish those announcements that are legally required and make any applications and communications as appropriate and take any steps necessary or appropriate to execute and formalise the Capital Reduction before any public or private entities and bodies, Spanish or foreign, including for the declaration, supplementation or remedy of defects or omissions that could prevent or hinder the full effect of the above resolutions.

The Board of Directors is expressly authorised to delegate the powers referred to in this resolution, pursuant to the terms of article 249 bis of the Spanish Companies Act.

This is the Report drawn-up by the Board of Directors of Acciona, S.A., on 20 April 2018.