

DIRECTOR SELECTION POLICY

OBJECT AND SCOPE

Recommendation 14 of the Good Governance Code of Listed Companies approved by the National Securities Market Commission, and article 11.5 of the Board of Directors Regulation, recommend that the Board of Directors approve a director selection policy that is concrete and verifiable, ensures that appointment or re-election proposals are based on a prior analysis of the Board's needs, and favours a diversity of knowledge, experience and gender.

This policy responds to those recommendations.

To that end, the Director Selection Policy will be applicable to the election or re-election of candidates for directors that are natural persons, and also to the natural persons who are representatives of legal persons. This policy is also applicable to the appointment of the Secretary and Vice-Secretary of the Board of Directors.

NUMBER OF DIRECTORS, SELECTION OF CANDIDATES AND REELECTION OF DIRECTORS

The number of directors will be determined by the Shareholders' Meeting, either expressly or implicitly, when appointing directors, within the limits established by the Articles of Association.

The Board of Directors considers that the ideal number of directors for its optimum operation as a collegiate body is between ten and fifteen.

The exact number of directors that the Board of Directors will propose to the Shareholders' Meeting will be that which, having consideration for the shareholders, the businesses of ACCIONA and its group and the other circumstances at any given time, may be considered most appropriate to ensure that the shareholders are represented and to enhance the body's efficiency.

The Board of Directors is the body entrusted with making proposals to the Shareholders' Meeting for the appointment or re-election of directors, except in the case of appointment of directors by co-optation to fill vacancies on a provisional basis and to appoint shareholders by exercise of their right to proportional representation.

Proposals to appoint or re-appoint directors that are made by the Board of Directors to the Shareholders' Meeting, and the provisional appointment of directors by co-optation, must be approved by the Board of Directors based on a proposal by the Appointments and Remuneration Committee, in the case of independent directors, or on the basis of an opinion issued by the Appointments and Remuneration Committee, in the case of other classes of directors, having regard to the rules governing the composition of the Board of Directors and its needs.

The Appointments and Remuneration Committee will evaluate the skills, knowledge and experience required by the Board, considering the diversity of its composition, origin, nationalities, age, disability and gender and will define, as a result, the functions and aptitudes required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.

The Committee will be able to call on the support of prestigious consultants in international director selection to perform an independent search of potential candidates that fit the profile defined in each case by the Appointments and Remuneration Committee.

The Committee must also strive to ensure that persons appointed as independent directors are of acknowledged skill, repute and experience and that they are willing to devote sufficient time to properly discharge the duties of their office. High ethical standards will be required, taking into consideration the applicant's professional track record; candidates whose background renders them unsuitable will be rejected.

Any board member may ask the Appointments and Remuneration Committee to consider potential candidates for vacancies on Board so as to assess whether they are suitable and meet the requirements.

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The Appointments and Remuneration Committee must also advise the Board of Directors on the reappointment of directors. In its recommendation, the Appointments and Remuneration Committee must evaluate the quality of work and dedication to duties during the director's term.

The Board of Directors understands that, to be able to perform its supervisory and control function properly, its members must combine sufficient capacities and skills in the following areas, among others:

- Knowledge about the sectors in which the Company operates;
- Experience and knowledge in economics and finance, in managing highly qualified human resources, and in regulatory frameworks;
- International experience; and
- Experience and knowledge in management, leadership and business strategy.

Accordingly, the professional profile of directors whose appointment and/or re-appointment is being submitted to the General Meeting must accredit their professional capabilities, merits to hold the post of director, detailed experience in relevant sectors for the Company and the group, and knowledge in various areas of business, which guarantees the existence of multiple points of view during debates in the Board of Directors.

Without prejudice to the foregoing, the composition of the Board of Directors will comprise proprietary, independent and executive directors to ensure that it is able to discharge its duties and, efforts will be made to ensure that: a) proprietary and independent directors represent an ample majority over the executive directors; b) the number of executive directors is as small as is practical bearing in mind the complexity of the corporate group and the executive directors' ownership interest in the Company; and c) independent directors account for at least half of the total number of directors.

The Board of Directors and the Appointments and Remuneration Committee may obtain advice from external consultants who are specialised in searching for and selecting candidates, the goal being to enhance the efficiency, efficacy and impartiality of the candidate identification procedures. When identifying candidates, the consultants must gauge the requirements set out in this Policy.

The Shareholders' Meeting is the body with the power to appoint and remove members of the Board of Directors and ratify and revoke appointments to the Board of Directors by co-optation.

The provisions of this section are subservient to the right to proportional representation that the law grants to shareholders (directors appointed in this way are classified as proprietary directors), and to the full freedom of the Shareholders' Meeting when appointing directors.

Proposals regarding the appointment, ratification, re-election or separation of each director must be voted on separately.

In addition to the required reports from the Board of Directors and the proposal or report from the Appointments and Remuneration Committee, the Shareholders' Meeting will also be furnished with the following information with regard to persons who are proposed for ratification, re-appointment or appointment as directors: (i) a professional profile and biography; (ii) the category to which the director belongs and, in the case of proprietary directors, the shareholder that they represent or to which they are related; (iii) other boards of directors to which the director belongs, and other remunerated activities; (iv) the date of first appointment as a director of ACCIONA and the dates of subsequent appointments; (v) ACCIONA shares and stock options held by the director; and (vi) the proposals and reports required by law.

In the case of a legal person, the information must indicate the natural person to be appointed on a permanent basis to discharge the duties associated with the position.

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INCOMPATIBILITIES

Persons falling into any of the categories of incompatibility or prohibition under the law or ACCIONA's corporate governance regulations may not be directors or be considered as candidates for directorships.

The position of director will be incompatible with directorships, executive posts or the provision of professional services to Rival Companies, in the terms established by the Board of Directors Regulation, when the size of the holding or the significance of the duty undertaken may be harmful to ACCIONA's interests or may jeopardise the director's ability to discharge his/her duties with the due independence and loyalty to the interests of ACCIONA and of its group.

The Board of Directors may not propose or appoint as independent director a person who does not meet the independence criteria established in the current legislation.

Former directors may not provide services to Rival Companies in the two years following expiration of their mandate or their termination as director for any other reason. The Board of Directors may, if it sees fit, waive this obligation for an outgoing director or shorten the duration of same.

SPECIAL GENDER DIVERSITY TARGET 2020

In line with Recommendation 14 of the Code of Good Governance of Listed Companies, ACCIONA's goal is that women should account for at least 30% of the total Board of Directors by 2020. The Appointments and Remuneration Committee has been promoting the incorporation of female directors for some time and ACCIONA intends to fulfil the objective; it is currently close to reaching that percentage.

SUPERVISION OF COMPLIANCE

Each year, the Appointments and Remuneration Committee will check the degree of compliance with this director selection policy and report on its conclusions to the Board of Directors. It will also disclose its conclusions in the Annual Corporate Governance Report.
