



REPORT AND PROPOSAL FROM THE APPOINTMENTS AND REMUNERATION COMMITTEE IN RELATION TO THE PROPOSAL TO RENEW THE BOARD OF DIRECTORS OF ACCIONA, S.A. TO BE SUBMITTED FOR THE APPROVAL OF THE 2018 ORDINARY GENERAL MEETING OF SHAREHOLDERS

(ITEM 4 ON THE AGENDA)

This proposal with regard to the Independent Directors and report for the other cases is issued for the purposes envisaged in article 529 decies of the Spanish Companies Act and in accordance with the terms of the Acciona Director Selection Policy.

The proposals and reports on the re-election of the Directors are based on the analysis of the needs of the Board of Directors, so that its composition favours a diversity of knowledge, experience and gender.

This report includes making the following information on the Directors whose re-election and appointment is being proposed available to the General Meeting: (i) professional and biographical profile; (ii) category to which each director belongs, indicating, in the case of proprietary Directors, the shareholder they represent or to whom they are linked; (iii) other Boards of Directors to which they belong, as well as other remunerated activities; (iv) the date of their first appointment as a director of Acciona and of the subsequent ones; (v) shares in Acciona and options over them, held by the director.

With regard to the Directors whose re-election is being submitted for the approval of the 2018 General Meeting of Shareholders, the Appointments and Remuneration Committee has rated the quality of work and dedication to their duties during their mandate positively. As for the proposal for the appointment of two new Independent Directors, the Appointments and Remuneration Committee has verified that they meet the requirements of commercial and professional honour, and are not affected by any grounds of incompatibility, disqualification or conflict of interest.

This Committee **proposes** to the Board of Directors that it raise to the General Meeting of Shareholders of the Company, to be held on 29 May at first call or on 30 May 2018 at second call, **the re-election and appointment of the following Independent Directors:**

Independent Directors

1.- The re-election of Ms Ana Sainz de Vicuña Bemberg, who this Committee, due to her training and wide experience in the business sector in particular, as can be seen from her professional profile included below and because she has held the position of Independent Director since 11 June 2015, considers the appropriate person to hold the position of **Director with independent status**.

Professional profile:

Ms Ana Sainz de Vicuña Bemberg (France 1962) holds a degree in Agricultural Economics from Reading University in the United Kingdom and a Program for Management Development from Harvard University.

Until 2002 she had worked in Merrill Lynch Spain for 18 years.

She began her career in Private Banking where she worked for 12 years as a Financial Consultant. She later joined Sociedad de Valores y Bolsa which was incorporated after the acquisition of FG, assisting in the integration and holding different positions, the last of which was head of Operations, Systems, HR and Finance.

She was ultimately appointed General Manager of the Spanish branch of Merrill Lynch International Bank.

She is currently on the Board of Corporación Financiera Guadalmar (CFG) a Family Office with assets in Spain and Latin America, mainly Argentina and Chile. She oversees the Financial Assets Committee that manages securities portfolios, as well the family's investments in Chile, in the hotel group W Santiago y Awasi, and in the financial sector, Grupo Security on whose Board she also sits.

In May 2014 she was appointed Independent Director of Inmobiliaria Colonial S.A., a real estate company in the office segment in Madrid, Barcelona and Paris. She is also a member of its Audit Committee.

Since 2015 she has been a Director of Altamar Capital Partners, S.L., and Chairperson of its Appointments and Remuneration Committee.

She was a Board member of Mobile Dreams Factory, a marketing and mobile advertising firm, and of Asturbega, the Coca-Cola bottling company in the north of Spain. She currently forms part of the Foundation Board of Fundación ARPE (Foundation of Art Research Partnership and Education) and is also a member of the Board of Trustees of Fundación Próximo-Próximo.

Since February 2017 she has been a director of Prosegur Cash, S.A. and forms part of Appointments and Remuneration Committee

Other Boards of Directors to which she belongs, as well as other remunerated activities:

- Inmobiliaria Colonial Socimi, S.A.
- Altamar Capital Partners, S.L.
- Corporación Financiera Guadalmar, S.L.
- Grupo Security, S.A.
- Terold Invest, S.L.
- Prosegur Cash, S.A.

Acciona shares and options held by the director:

None.

Date of first and subsequent appointments as Director in Acciona:

11 June 2015.

The Appointments Committee has verified that Ms Ana Sainz de Vicuña Bemberg meets the requirements of commercial and professional honour, has appropriate knowledge and experience and is prepared to oversee the proper governance of the Company. Moreover, it has verified with the candidate for re-election that she is ready to continue offering the required dedication for the performance of her duties.

Ms Ana Sainz de Vicuña Bemberg has been proposed in view of her personal and professional conditions, and is in a position continue performing her duties, as she has been doing to date, without being conditioned by relations with the Company, its major shareholders or managers, meaning that she qualifies to be an independent director.

2.- The appointment of Javier Sendagorta Gómez del Campillo, who this Committee, due to his training and wide experience in the business sector in particular, as can be seen from his professional profile included below, considers the appropriate person to hold the position of **Director with independent status**.

Professional profile:

Mr Javier Sendagorta Gómez del Campillo (Madrid 1960) holds a Law degree and diploma in Business Administration (E-1) from Universidad Pontificia Comillas (ICADE), a Diploma in Shipping from the London School of Foreign Trade and a Senior Business Management Programme (PADE) from IESE.

He began his professional career in 1984, at shipping agents Norton Lilly International in New York.

He was subsequently joint manager of Marítima del Norte (1984 – 2008), a company devoted to international shipping and one of the major Spanish shipping companies.

In addition, between 2006 and 2016 he was a director of Auxiliar Marítima, a company devoted to the management of ships.

Between 2001 and 2008, he was Vice-Chairman of The Standard Steamship Owners' Protection and Indemnity Association (Bermuda), a maritime insurance company that insures approximately 10% of the global fleet.

He is currently Executive Chairman of Tanaua, Chairman of Fadotur, a company devoted to real estate development in South America, and forms part of Sociedad Operadora Hotelera HA, devoted to the administration and operation of hotels in Chile.

He is also a director of Nullabor Holdings, a private equity house devoted to investments in Southeast Asia, Kuruma Sport, a Toyota car dealership in Madrid, AXEL, a Lexus car dealership in Madrid, and Viajes Team3, a travel agency.

Other Boards of Directors to which he belongs, as well as other remunerated activities:

- Tanaua, S.A.
- Fadotur, S.L.
- Operadora Hotelera HA, S.A.
- Nullabor Holdings
- Kuruma Sport, S.A.
- Automoviles AXEL, S.A.
- Viajes Team3, S.A.

Acciona shares and options held by the director:

None.

The Appointments Committee has verified that Mr Javier Sendagorta Gómez del Campillo meets the requirements of commercial and professional honour, has appropriate knowledge and experience and is prepared to oversee the proper governance of the Company and is not affected by any reasons of incompatibility, disqualification or conflict of interest.

Moreover, it has verified with the candidate for re-election that he is ready to continue offering the required dedication for the performance of his duties.

Mr Javier Sendagorta Gómez del Campillo has been proposed in view of his personal and professional conditions, and is in a position continue performing his duties, as he has been doing to date, without being conditioned by relations with the Company, its major shareholders or managers, meaning that he qualifies to be an independent director.

3.- The appointment of José María Pacheco Guardiola, who this Committee, due to his training and wide experience in the business sector in particular, as can be seen from his professional profile included below, considers the appropriate person to hold the position of **Director with independent status**.

Professional profile:

Mr José María Pacheco Guardiola (Seville 1961) holds a degree in Economic and Business Science from the Universidad de Sevilla.

He began his professional career at Banco Cetelem (BNP Paribas Group), before moving to the Santander Group (1994 – 2002), where he held different directorates general, becoming Director General of Santander Consumer Finance in 1999, a position he held until 2002.

He has formed part of the advisory council of different entities such as AON and Endesa in Andalusia and Extremadura, among others, as well as of the Executive Committee of CEIM.

He is the founder (2002) and Executive Chairman of Konecta, a Spanish multinational devoted to the outsourcing of business processes, present in 10 countries, with 60,000 employees and a turnover of 770 million euros. He is also an investor and shareholder of Internacional Olivarera, an initiative in the agribusiness sector.

He currently sits on the Advisory Council of ABC Sevilla, as well as the International Advisory Council on Business Policy of Instituto Internacional San Telmo.

In 2005 he created Fundación Konecta, of which he is currently a trustee, devoted to promoting social and labour integration of collectives at risk of exclusion. He is also a founder (2005) and Chairman of the Board of Trustees of Fundación Alalá, which works on the social integration of children and young adults from the Roma community. He is also on the Board of Trustees of Fundación Seres and Fundación Cámara de Sevilla.

He has received a variety of awards during his professional career, such as the Gold Medal of the city of Seville (2014) and the Gold Medal for business merit from the Asociación Iberoamericana de Cámaras de Comercio (2015), among others.

Other Boards of Directors to which he belongs, as well as other remunerated activities:

- Grupo Konecta

Acciona shares and options held by the director:

None.

The Appointments Committee has verified that Mr José María Pacheco Guardiola meets the requirements of commercial and professional honour, has appropriate knowledge and experience and is prepared to oversee the proper governance of the Company and is not affected by any reasons of incompatibility, disqualification or conflict of interest.

Moreover, it has verified with the candidate for re-election that he is ready to continue offering the required dedication for the performance of his duties.

Mr José María Pacheco Guardiola has been proposed in view of his personal and professional conditions, and is in a position continue performing his duties, as he has been doing to date, without being conditioned by relations with the Company, its major shareholders or managers, meaning that he qualifies to be an independent director.

Proprietary directors

This Committee also **issued a favourable report** for the Board of Directors to raise to the General Meeting of Shareholders of the Company, to be held at first call on 29 May or at second call on 30 May 2018, the **re-election** of the following Directors in the category of **Proprietary Directors**:

1.- The re-election of Mr Daniel Entrecanales Domecq, who this Committee, due to his training and wide experience in the business sector in particular, as can be seen from his professional profile included below and because he has held the position of Director since 4 June 2009, considers the appropriate person to hold the position of **Proprietary Director**.

Mr Daniel Entrecanales is a major shareholder of shareholder Wit Europe Investering BV, holder of a major stake in the Company. Therefore, pursuant to the regulations in force, the candidate holds the category of proprietary director of the Company.

Professional profile.

Mr Daniel Entrecanales Domecq (Madrid, 1968) holds a degree in Economics from the Carroll School of Management of Boston College.

He began his professional career in 1993 at Anglo-Dutch multinational Unilever in Madrid. Two years later he was transferred to Milan (Italy) as Project Manager in the company's International Innovation Centre developing global products and strategies for the Group.

In 1998 he returned to Madrid as Head of Marketing and Communication in Loewe (LVMH Group) performing the duties of global head of Marketing, Communication, Merchandising and Architecture and as member of the Management Committee.

In 2001 and until 2004 he held the position of General Manager of the Cinnabar S.A. Group, a textile retail company, with the objective of readjusting the strategies of the Group.

In 2003, together with a group of executives in the same sector, he incorporated and became Chairman of the advertising and communication agency Revolution.

In 2012 he was appointed Chairman of the Organising Committee of Madrid Horse Week, which hosted the Show Jumping World Cup in 2014.

Other Boards of Directors to which he belongs, as well as other remunerated activities:

- Newco Entreriver, S.L.
- Revolution Publicidad, S.L.
- Grupo Security, S.A.
- Prosegur Cash S.A.

Date of first and subsequent appointments as Director in Acciona:

4 June 2009, 24 May 2012 and 11 June 2015.

Acciona shares and options held by the director:

None directly.

The Appointments Committee has verified that Mr Daniel Entrecanales Domecq meets the requirements of commercial and professional honour, has appropriate knowledge and experience and is prepared to oversee the proper governance of the Company. Moreover, it has verified with the candidate for re-election that he is ready to continue offering the required dedication for the performance of his duties.

2.- The re-election of Mr Javier Entrecanales Franco, who this Committee, due to his training and wide experience in the business sector in particular, as can be seen from his professional profile included below and because he has held the position of Director since 22 September 2011, considers the appropriate person to hold the position of **Proprietary Director**.

Mr Javier Entrecanales is a major shareholder of shareholder Tussen de Grachten BV, holder of a major stake in the Company. Therefore, pursuant to the regulations in force, the candidate holds the category of proprietary director of the Company.

Professional profile.

Mr Javier Entrecanales Franco (Madrid, 1972) holds a degree in Business Studies from the Colegio Universitario de Estudios Financieros (CUNEF) and an Executive MBA from the Instituto de Empresa.

He began his career in 1997 as an Audit Analyst in PRICE WATERHOUSE COOPERS MADRID, ESPAÑA, where ultimately became a Senior Corporate Finance Analyst.

In 2000 he moved to New York to work as an Associate in the Department of Corporate Finance of BBVA Securities Inc, responsible for advising Latin American companies on mergers and acquisitions and takeover bids. During this period, he was responsible for the equity syndication area in placements of Spanish and Latin American companies with an American tranche.

He returned to Spain in 2004 to work for Banco Bilbao Vizcaya Argentaria, S.A. as Vice-Chairman of the Department of Leveraged Financing, in contact with the bank's risk area in particular.

Since 2005 he has worked for BNP Paribas, as head of the Acquisition Finance Department, for Spain and Portugal, responsible for structuring and execution

with corporate clients. Since January 2016 he is head of the Real Estate Finance activity at BNP Paribas en España.

He has also lectured on the courses for the new generations of the master's programme at the BBVA Escuela de Finanzas.

Other Boards of Directors to which he belongs, as well as other remunerated activities:

- HEF Inversora, S.L.
- La Sin Rival, S.L.

Date of first and subsequent appointments as Director in Acciona:

22 September 2011, 24 May 2012 and 11 June 2015.

Acciona shares and options held by the director:

None directly.

The Appointments Committee has verified that Mr Javier Entrecanales Franco meets the requirements of commercial and professional honour, has appropriate knowledge and experience and is prepared to oversee the proper governance of the Company. Moreover, it has verified with the candidate for re-election that he is ready to continue offering the required dedication for the performance of his duties.

Executive Directors

Finally, this Committee also **issued a favourable report** for the Board of Directors to raise to the General Meeting of Shareholders of the Company, to be held at first call on 29 May or at second call on 30 May 2018, the re-election of the following Directors in the category of **Executive Directors**:

1.- The re-election of Mr José Manuel Entrecanales Domecq, who this Committee, due to his training and wide experience in the business sector in particular, as can be seen from his professional profile included below and because he has held the position of Director since 14 April 1997 and first executive of the group since 2004, considers the appropriate person to hold the position of **Executive Director**.

Professional Profile.

Mr José Manuel Entrecanales Domecq (Madrid, 1963) holds a degree in Economics from the Universidad Complutense de Madrid and began his professional career in 1985 at Merrill Lynch in London and New York, where he joined the ACCIONA Group in 1991. He held the positions of Head of Corporate Development and Economic-Financial Manager of ACCIONA until become Chairman in 2004.

He was a Director of Vodafone España since its creation in 1994 until 2000, holding the position of Chairman of the Company and its Foundation during the 2000 to 2007 period.

In 2007 he became Executive Chairman of the Endesa Group, as a result of Acciona acquiring a stake in the capital of Endesa, a post he held until 2009.

He is also President of the Fundación Consejo España-Estados Unidos, and member of the Managing Board of Instituto de la Empresa Familiar (of which he was President from 2012 to 2014).

He is a founding Trustee of Fundación Pro CNIC, the main public-private cardiovascular research entity in Spain, led by Dr Valentín Fuster.

He is also a trustee of the Fundación Princesa de Asturias and the Museo del Prado, as well as a member of Fundación Casa Ducal Medinaceli. He is Chairperson of the board of trustees of Fundación Acciona Microenergía and Fundación para la Innovación en Sostenibilidad José Manuel Entrecañales.

He is an active member of some of the main corporate organisations promoting sustainable development and the fight against climate change, such as the World Business Council for Sustainable Development (WBCSD), forming part of its Executive Committee as well as a member of the Global Compact of the UN and Corporate Leaders Group on Climate Change (CLG), and the CEO Climate Leadership Group of the World Economic Forum. In 2013 he was appointed a member of the Advisory Council of the "Sustainable Energy for All" initiative promoted by the UN and the World Bank.

Other Boards of Directors to which he belongs, as well as other remunerated activities:

- Agropecuaria Santa Quiteria, S.L.
- Lizard Global Investment, S.L.
- Global Lubbock, S.L.
- JME Venture Capital, S.A.
- Fomento para la Innovación y el desarrollo sostenible tres S.C.R.
- Fundación para la Innovación en Sostenibilidad José Manuel Entrecañales

Date of first and subsequent appointments as Director in Acciona:

14 April 1997, 25 May 2002, 6 June 2007, 24 May 2012 and 11 June 2015.

Acciona shares and options held by the director:

None directly. He is a major shareholder of Wit Europese Investerings, BV and has 16,266 shares assigned, delivery of which has been deferred on a lineal basis for a period of three years.

The Appointments Committee has verified that Mr José Manuel Entrecañales meets the requirements of commercial and professional honour, has appropriate knowledge and experience and is prepared to oversee the proper

governance of the Company. Moreover, it has verified with the candidate for re-election that he is ready to continue offering the required dedication for the performance of his duties.

2.- The re-election of Mr Juan Ignacio Entrecanales Franco, who this Committee, due to his training and wide experience in the business sector in particular, as can be seen from his professional profile included below and because he has held the position of Director since 14 April 1997 and executive vice-chairman of the group since 2004, considers the appropriate person to hold the position of **Executive Director**.

Professional profile.

Mr Juan Ignacio Entrecanales Franco (Madrid, 1965) qualified as an Industrial Engineer from Tufts University (1990) and holds an Executive MBA from the Instituto de Empresa (1996). He began his professional career in Arthur Andersen in 1992 and joined Acciona in 1994, where he was Assistant Director of Construction from 1995 until his appointment as Executive Vice-Chairman of Acciona Infraestructuras in 1997.

He was Chairman of Mostostal Warsawa from 2001 to 2007, leading the expansion of Acciona Infraestructuras in Poland.

In 2004 he was appointed Executive Vice-Chairman of Acciona S.A. and Chairman of Acciona Infraestructuras, a position he held until 2010.

He is a member of the following entities:

- Foro de empresas del Consejo Social Universidad Carlos III de Madrid
- Consejo Profesional de ESADE
- IE University Advisory Board
- Comité Español de Lloyd´s Register EMEA.
- Trustee of Fundación Integra.
- Vice-Chairperson of Fundación con R (Foro de Contratación Pública socialmente Responsable).
- Fundación José Entrecanales Ibarra.
- Museo Arqueológico Nacional.

Other Boards of Directors to which he belongs, as well as other remunerated activities:

- La Sin Rival, S.L.
- 2034 Laeters, S.L.
- Copenav, S.L.
- Nexotel Adeje, S.A.
- HEF Inversora, S.L.

Date of first and subsequent appointments as Director in Acciona:

14 April 1997, 25 May 2002, 6 June 2007, 24 May 2012 and 11 June 2015.

Acciona shares and options held by the director:

None directly. He is a major shareholder of Tussen de Grachten, BV and has 9,759 shares assigned, delivery of which has been deferred on a lineal basis for a period of three years.

The Appointments Committee has verified that Mr Juan Ignacio Entrecanales Franco meets the requirements of commercial and professional honour, has appropriate knowledge and experience and is prepared to oversee the proper governance of the Company. Moreover, it has verified with the candidate for re-election that he is ready to continue offering the required dedication for the performance of his duties.

REPORT FROM THE BOARD OF DIRECTORS IN RELATION TO THE PROPOSAL AND REPORT ON THE RE-ELECTION AND APPOINTMENT OF DIRECTORS

This report is drawn up by the Board of Directors of Acciona S.A., (the "Company") in accordance with the terms of section 5 of article 529 decies of the restated text of the Spanish Companies Act and is designed to justify the proposal submitted for the approval of the General Meeting of Shareholders of the Company called for 29 May 2018, at first call and 30 May 2018 at second call, respectively, as item no. 4 on the agenda.

In accordance with the terms of the above article, the proposal for the appointment or re-election of the members of the Board of Directors who are not classed as independent Directors is the responsibility of the Board of Directors, after receiving a report from the Appointments and Remuneration Committee and that of the Committee itself in the case of independent Directors.

The Board of Directors considers that in order to be able to properly discharge its duty of supervision and control, as established in the Director Selection Policy, the members will combine sufficient capacities and competences in the following areas, among others:

- a) knowledge of the sectors in which the Company is active;
- b) experience and knowledge of economic and financial aspects, management of highly qualified human resources and of regulatory and legal frameworks;
- c) international experience; and
- d) experience and knowledge of management, leadership and business strategy.

In this regard, the professional profile of the Directors whose appointment and re-election is being proposed to the General Meeting of Shareholders according to the proposals and reports from the Appointments and Remuneration Committee and that the Board has approved, accredit that they have the necessary honour, suitability, professional competence, experience, training, availability and commitment, which guarantees the contribution of a plurality of points of view to the matters debated by the Board of Directors.



The Board considers that the proposed re-elections and appointments will maintain the diversity of knowledge, competence and experience necessary for the proper discharge of the functions attributed to it.
