



**BOARD OF DIRECTORS REPORT IN RELATION TO SHARE PLANS AND  
THE INCREASE IN THE NUMBER OF SHARES AVAILABLE UNDER THE  
ACCIONA, S.A. SHARE AND PERFORMANCE SHARE DELIVERY PLAN**

**(ITEM 5 ON THE AGENDA)**

**REPORT ON THE SHARE PLANS.**

The Board of Directors, acting on a proposal of the Appointments and Remuneration Committee has issued the following report on the share plans in force and the fifth item on the agenda of the 2018 Ordinary General Meeting of Shareholders.

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

**1.1.-** It has been proposed that the General Meeting increase the maximum number of shares available for the 2014 Share and Performance Share Delivery Plan (the "**Plan**") and which is the subject of a specific resolution to be adopted, as the case may be, at the 2018 Ordinary General Meeting. The Regulations of the Plan approved by the Board of Directors at its meeting of 26 February 2015 have been modified to adapt it to the 2018, 2019 and 2020 Remuneration Policy. The current terms of the Plan are contained in the Annual Report on the Remuneration of Directors.

**1.2.-** In the 2017 financial year, in accordance with the terms of the Regulations of the Plan, and based on an assessment of the results obtained in the 2014-2016 three-year period, the Board of Directors, acting on a proposal from the Appointments and Remuneration Committee, resolved in the 2017 financial year to deliver 104,096 shares to the executive directors and to allocate 26,025 shares to be delivered on a deferred basis, lineally, over a three-year period (1/3 each year).

**1.3.-** At the date of this report, the maximum number of shares that can be delivered under the Plan is 314,498 shares after the delivery made to the Executive Directors and having used 38,742 shares for delivery to managers other than executive directors in 2018. The above notwithstanding, in the 2017 financial year 26,025 shares were assigned, but delivery has been deferred lineally, for a period of three years (1/3 each year).

**1.4.-** The number of shares delivered to beneficiaries other than executive directors in 2018, a total of 44, by virtue of the Plan, in view of their dedication and performance during the 2017 financial year, was 38,742 shares.

**1.5.-** With regard to executive directors, the final assignment of shares, pursuant to the terms of the Plan, will be made **(a)** at the end of the total term of duration of the 2014 Plan, in 2020, corresponding to the assessment of the entire 2014-2019 period.

## **2.- OTHER SHARE PLANS.**

### **2.1.-PLAN FOR THE REPLACEMENT OF VARIABLE REMUNERATION WITH SHARES.**

The Board of Directors, acting on a proposal from the Appointments and Remuneration Committee, given the limited number of Beneficiaries of the previous Plan, with a view to enhancing and extending the objectives of loyalty and permanence of managers in the Group, approved the “Plan for the Replacement of Variable Remuneration with Acciona Shares, directed at the management of Acciona and its Group” on 26 March 2015 (the “**Replacement Plan**”), excluding the executive directors, whose main terms were the subject of a report for the ordinary General Meeting of 2015.

The object of the Plan is to offer certain managers in Acciona and its Group, on a discretionary basis, the option of replacing or exchanging all or part of the variable remuneration in cash for shares in the Company in accordance with an exchange equation to be determined each year. In 2018 the exchange equation approved was the same as in 2017, representing an incentive of 25% on the variable remuneration replaced.

The own shares transferred to these beneficiaries (but only those shares corresponding to the incentive, and not part of the shares corresponding to the replacement remuneration according to the modification approved on 29 February 2016 by the Board of Directors) will be subject to a buyback right in favour of Acciona which can be exercised in the event the beneficiary acquiring the shares 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 delivery of shares, valued at their trading price at market close on 29 March 2018, took place in the first week of April.

The number of shares delivered in 2018 by virtue of the Replacement Plan was 27,112 and the number of beneficiaries was 36.

### **2.2.-SHAREHOLDER PLAN**

Acciona, as part of its remuneration plan and with a view to facilitating participation in the shareholding of the Company, approved a new Plan on 29 February 2016, the “**Shareholder Plan**” which makes it possible to redistribute part of the variable and/or fixed monetary remuneration up to a limit of 12,000 euros per annum by means of the delivery of Company shares in accordance with the current regulatory framework, which favours this kind of plan in fiscal terms.

It is a completely voluntary plan which offers all employees who are tax residents in Spain the possibility of sharing in the profits of the Company by becoming shareholders. This Plan does not affect executive directors as their relationship is a commercial rather than a labour one. The delivery of shares, valued at the trading price at market close on 29 March 2018, took place in the first week of April.

The number of shares delivered in 2018 by virtue of the Shareholder Plan was 53,564 and the number of beneficiaries 417.

The number of shares delivered in 2018 under all the plans was a total of 119,418

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

#### **Motivation for the proposal.**

The maximum number of shares that can be assigned under the 2014 Share and Performance Share Delivery Plan, according to the authorisation from the General Meeting at the date of this report, is 314,498, after using 142,838 since the last General Meeting for delivery in 2017 and 2018 to executive directors and managers included in the Plan.

The Regulations of the Share/Performance Share Delivery Plan expressly envisage that the maximum number of shares to be assigned by the Board of Directors to its beneficiaries under the 2014 Plan can be increased by agreement of the General Meeting of shareholders. The intention of the Board of Directors is that the formulation of the Plan constitute a significant instrument linking its beneficiaries to the creation of value for shareholders in the longer term and as motivation for their dedication to the group throughout its term. As such, they consider it appropriate that the maximum number of shares available for assignment under the 2014 Plan be adjusted over the 2014-2019 six-year period so that at any given time the number of available shares approved by shareholders is sufficient to achieve the levels of possible remuneration that incentivise the achievement of the strategic business objectives of Acciona and its Group and, at the same time, promote loyalty and permanence of managers. Under the proposed increase, the maximum number of shares available for the Plan would be 414,498 which represents approximately 0.72% of the share capital. For this reason, the Board of Directors, at the request of the Appointments and Remuneration Committee, submits the following proposal in relation to the fifth item on the agenda for the approval of the General Meeting of shareholders:

#### **Resolution proposed in the fifth item on the Agenda:**

To increase the maximum number of shares available under the 2014 Share and Performance Share Delivery Plan by 100,000 shares, notwithstanding subsequent increases if so proposed by the Board of Directors and approved by the General Meeting of Shareholders.

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

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