

ANNEX 1

ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

ISSUER IDENTIFICATION DATA

DATE OF END OF REFERENCE YEAR

31/12/2017

TAX ID NUMBER:

A08001851

COMPANY NAME

ACCIONA, S.A.

COMPANY DOMICILE

AVDA. EUROPA, 18. PARQUE EMP. "LA MORALEJA" (ALCOBENDAS)
MADRID

ANNUAL REPORT ON REMUNERATION FOR DIRECTORS OF LISTED COMPANIES

A COMPANY REMUNERATION POLICY FOR THE REPORTING YEAR

A.1 Describe the Company's remuneration policy: Include the following information in this section:

- General principles and fundamentals of the remuneration policy.
- Most significant changes in the remuneration policy with respect to the previous year and changes made during the year to the conditions for the exercise of previously awarded options.
- Criteria used and composition of groups of comparable companies whose policies have been considered in establishing the company's remuneration policy.
- The proportion between variable and fixed remuneration and standards for determining the components of directors' remuneration package

Describe the remuneration policy

*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 business strategy, risk tolerance and long-term 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, atypical or exceptional transactions 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 the director remuneration is moderate and aligned with remuneration at other companies of a similar size and activity.

The new director remuneration policy for the years 2018, 2019 and 2020 was approved as a separate item on the agenda by the General Meeting on 18 May 2017, in accordance with the provisions of article 529 of the Capital Companies Act and of article 31.5 of ACCIONA's Bylaws, which establish the obligation to approve a director remuneration policy every three years as a separate item on the agenda.

*Remuneration policy applicable to the Directors for supervision functions.

In accordance with article 32.1 of Acciona's Bylaws, director remuneration shall consist of a fixed 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 membership of the Board of Directors and its Committees is the amount determined for this purpose by the General Meeting of Shareholders, and it remains 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.

Article 55 of the Board of Directors Regulation also refers to director remuneration. That text is available on the company's website.

In accordance with article 31.6 of the Bylaws and article 55.8 of the Board of Directors Regulation, Acciona has arranged civil liability insurance for its directors and executives.

*Remuneration policy applicable to Directors for discharging executive functions.

In accordance with article 31.3 of the Bylaws, 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 Bylaws 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 by any other remuneration system referenced to the share price.

Article 55 bis of the Board of Directors Regulation also refers to executive director remuneration. That text is available on the company's website.

Under the current policy, in addition to the remuneration components for membership of the Board of Directors, executive directors of the company may also receive remuneration comprising the following elements: fixed remuneration, annual variable remuneration, shares and stock options, saving plans and remuneration in kind.

* Most significant changes in the remuneration policy with respect to the previous year.

On 18 May 2017, the General Meeting approved a new director remuneration policy for the years 2018, 2019 and 2020 (the "Policy"), in accordance with article 529 novodecies of the Capital Companies Act and article 31.5 of Acciona's Bylaws. The amendments introduced by the policy will apply to remuneration accrued from the date of approval of the policy. The plans, rules, contracts and similar instruments in force must be adapted as necessary to comply with this policy as soon as possible.

The resolution was adopted with 88.81% of votes in favour.

The most significant amendments in the director remuneration policy with respect to previous years are the following:

- a) update of the cap on the remuneration for directors for their collegiate functions. That amount, which is €1,700,000 and which will remain in force until it is amended by the General Meeting, may be reduced by the Board of Directors in the terms envisioned in the Bylaws.
- b) introduction of deferral, malus and clawback clauses with respect to executive directors' variable remuneration in order to comply with best practices in the area of corporate governance.
- c) modification of the executive director share ownership plan under the authorisation of the General Meeting, as set out in section A.4.

The remuneration policy is published on the company's web page.

There were no changes in the conditions for exercising the options granted to executive directors as set out in section D.

* Executive directors' remuneration mix.

The executive directors' remuneration mix, comprising the above-mentioned items, consisted primarily of variable remuneration in 2017: approximately 75% of the total, in line with 2016.

A.2 Information on the preparatory work and decision-making process followed to determine the remuneration policy and role, if any, performed by the Remuneration Committee and other supervisory bodies in shaping the remuneration policy. This information should include any mandate given to the remuneration committee, its composition and the identity of the external consultants whose services have been used to define the remuneration policy. Also describe the category of any directors who participated in the definition of the remuneration policy.

Describe the process for determining the remuneration policy

1. Composition of the Appointments and Remuneration Committee

1. Acciona's Bylaws and Board of Directors Regulation establishes that the Appointments and Remuneration Committee shall comprise at least three (3) and at most five (5) directors, all of whom must be non-executive and at least two of whom must be independent.

The members of the Appointments and Remuneration Committee will be appointed on the basis of possessing the appropriate knowledge, skill and experience in the light of the tasks they will be required to perform.

At the date of drafting this report and throughout 2017, the Committee's composition was as follows:

- Mr Fernando Rodès Vilà (Member. Independent Director).
- Mr Jaime Castellanos Borrego (Chairman. Independent Director).
- Mr Daniel Entrecanales Domecq (Member. Proprietary director)
- Mr Juan Carlos Garay Ibargaray (Member. Independent Director).
- Mr Jorge Vega-Penichet López (Secretary, not a director)

The members of the Committee are appointed by the Board of Directors. The chairman of the Committee is appointed by the Board of Directors from among the independent directors.

2. Functions of the Appointments and Remuneration Committee

In accordance with the Bylaws and the Board of Directors Regulation, the Appointments and Remuneration Committee has general powers in remuneration matters and in proposals for the appointment and removal of directors and senior executives. Its functions are detailed in article 40 ter of the Bylaws and article 32 of the Board of Directors Regulation.

3. Meetings of the Appointments and Remuneration Committee.

The Appointments and Remuneration Committee meets as often as is required to perform its functions, and at least once per year, to evaluate remuneration and, if appropriate, to advise on re-appointments on the Board of Directors, the Executive Committee and the other sub-committees. The Committee also meets when convened in accordance with the provisions of the Board of Directors Regulation.

The Appointments and Remuneration Committee meets as often as is necessary to respond to requests by the Board of Directors, the Chairperson of Acciona, the Managing Director or the Executive Committee for a report, proposal or opinion from the Appointments and Remuneration Committee within the scope of its powers.

The Committee met on seven occasions in 2017. Preparatory reports on proposals submitted to the Committee are presented at the meetings, and a copy is preserved along with the minutes. As regards remuneration, the Appointments and Remuneration Committee in 2017: a) analysed remuneration for the first and second tier of executives; b) approved the proposal to assign shares to executives; c) issued a favourable report on the Plan to replace variable remuneration in cash with shares; d) supervised the report on director remuneration policy and the corporate governance report and proposed that the Board adopt them; e) proposed the 2018-2020 director remuneration policy to the Board of Directors and produced a specific report about the policy to be made available to shareholders; f) submitted to the Board a proposal to deliver shares to the executive directors for the period 2014-2016 in execution of the Share and Performance Share Delivery Plan 2014-2019; and g) presented the Board with a proposal to adapt the 2014-2019 Share and Performance Share Delivery Plan to best practices in the area of corporate governance and to the principles and guidelines of the 2018-2020 Remuneration Policy.

According to the schedule for 2018, the Appointments and Remuneration Committee is expected to hold at least three meetings during the year.

4. External consulting

In the process to adopt decisions in connection with remuneration, the Appointments and Remuneration Committee and the Board of Directors are informed and advised by the Company's specialised internal units as well as by specialised external advisors. In particular, with regard to the 2018-2020 remuneration policy, which was approved by the General Meeting on 18 May 2017, the company was advised by Uría & Menéndez and Ernst & Young.

A.3 Indicate the amount and nature of the fixed components, with a breakdown, where necessary, of the remuneration for the performance of senior management functions by the executive directors, the additional remuneration for acting as chairman or member of any board committee, per diem payments for attendance at meetings of the Board and its committees and other fixed payments for directorship, and an estimate of the fixed annual remuneration to which they give rise. Identify other benefits not paid in cash and the parameters on which they are based.

Describe the fixed components of remuneration

At the proposal of the Appointments and Remuneration Committee, on 28 February 2013 the Board of Directors resolved to reduce remuneration for belonging to the Board of Directors and its Committees by 10%, with the following result:

- Fixed remuneration for belonging to the Board of Directors: €67,500.
- Fixed remuneration for non-executive directors for belonging to the Executive Committee: €45,000.
- Fixed remuneration for belonging to the Audit Committee: €45,000.
- Fixed remuneration for belonging to the Appointments and Remuneration Committee: €36,000.
- Fixed remuneration for belonging to the Sustainability Committee: €36,000.

On 11 June 2015, the Board of Directors established additional remuneration for chairing Board committees (excluding the Executive Committee) in the amount of 10,000 euros.

The Appointments and Remuneration Committee focused particularly on the level of responsibility when proposing remuneration for belonging to the Board and its Committees, ensuring that remuneration is competitive with that offered for equivalent functions at comparable companies.

Executive directors who are members of the Executive Committee do not receive remuneration for belonging to the committee.

There are no specific per diems for attending meetings of the Board of Directors or its sub-committees.

The amount paid to directors for belonging to the Board of Directors and its committees was €1,308,247 in 2017, i.e. lower than the cap established by the General Meeting in 2013 (€1,503,000). In 2016, the amount was €1,330,500 and in 2015 it was €1,365,000.

The 2018-2020 remuneration policy set the cap at €1,700,000 to include changes that may arise while the Remuneration Policy is in force due to an increase in the number of members of the Board by the General Meeting as a result of the possibility that the current Appointments and Remunerations Committee may be split into two separate committees (one for appointments and other for remunerations) in accordance with the Bylaws and the Board of Directors Regulation, and to the potential fine-tuning of remuneration for belonging to any of the existing bodies or committees.

Additionally, executive directors receive fixed remuneration for performing senior management functions, as detailed below:

- Executive Chairman: €1,000,000.
- Executive Vice-Chairman: €500,000.

The executive directors' fixed remuneration in 2017 was unchanged with respect to the previous year.

According to the remuneration policy, these amounts will remain fixed until such time as the Board decides to change them. The Board of Directors may, based on a proposal by the Appointments and Remuneration Committee, review the amounts of the executive directors' fixed remuneration as a function of their performance, market remuneration information about comparable companies at a global level with a remuneration range between the average and the 75th percentile, and the Company's results.

In this regard, for 2018, the Board, based on a proposal from the Appointments and Remuneration Committee, established a new annual fixed salary: • --Executive Chairman: €1,375,000.

Executive Vice-Chairman: €738,000.

Other remuneration not paid in cash, such as remuneration in kind, is detailed in section A.10.

A.4 Describe the amount, nature and main characteristics of the variable components of the remuneration systems.

In particular:

- Detail the amount, date of approval, date of implementation, effective period and the main characteristics of the remuneration plans of which the directors are beneficiaries. For plans involving stock options and other financial instruments, the general features of the plan must include information on the conditions for exercising such options or financial instruments for each plan.
- Indicate any payments made under profit-sharing or bonus schemes, and the reason why they were granted.
- Detail the basic parameters and grounds for any annual bonus scheme.
- The types of directors (executive directors, proprietary external directors, independent external directors or other external directors) that are beneficiaries of remuneration systems or plans that incorporate variable remuneration.
- The foundations of such variable remuneration systems or plans, the criteria chosen to assess performance as well as the components and methods for determining whether or not the criteria have been met, and an estimate of the total amount of variable remuneration that would result from the current compensation plan, as a function of the degree to which targets or benchmarks have been met.

- Where appropriate, give information on any deferral periods or deferral of payment established and/or retention periods for shares or other financial instruments.

Describe the variable components of the remuneration systems

1. Annual variable remuneration system

Variable remuneration 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 and encourages social cohesion are also assessed. The annual assessment of executive director performance includes specific sustainability objectives and metrics. The necessary safeguards are in place in connection with variable remuneration to ensure that it is linked to the professional performance of its beneficiaries and not simply to the general performance of the 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 when the payments were made, Acciona may claim from the executive directors: (i) the reimbursement of the amounts paid which were calculated on the basis of data later shown to be inaccurate, and (ii) the reimbursement of the amounts paid, or non-payment of amounts to which they might be entitled, in those cases where the director committed a serious breach of the duties of diligence and loyalty with respect to their position in Acciona, or any other serious and culpable breach of the obligations assumed by the executive director by virtue of the contracts signed with Acciona in connection with their executive position.

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.

This variable remuneration is settled in cash, either at the time of payment or deferred through a contribution to the Savings Plan. In 2017, the variable remuneration was partly deferred in the form of extraordinary contributions to the executive directors' saving plans.

Only executive directors are eligible for remuneration systems which include variable remuneration, as established under article 31.3 of the Bylaws. No profit-sharing or bonus schemes have been established.

2. Long term variable share-based remuneration system

As provided in article 31.4 of the Bylaws and article 55bis of the Board of Directors Regulation, 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, subject to prior approval by the General Meeting.

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

On 24 June 2014, the General Meeting of Shareholders adopted the following resolution:

A) Extend the term of the Share and Option Delivery Plan for executives of the Acciona group, including executive directors, approved by the General Meeting of Shareholders on 4 June 2009, so that it applies from 2014 to 2020, increasing the number of available shares by 200,000.

B) Empower the Board of Directors of the Company, to the fullest extent required by law and at the proposal of the Appointments and Remuneration Committee, to amend the Plan Regulation, in the terms and conditions it considers advisable and, as necessary, establish delivery conditions and periods, vesting periods, assignment criteria and limits and any other aspect it deems relevant, with a view to aligning the long-term interests of executive directors and executives of the Acciona group with those of the shareholders of the Company and increase their motivation to enhance the Group's value and stability over the long term and secure their loyalty to, and permanence in, the Group. Under the authorisation of the General Meeting on 26 February 2015, the Board of Directors, based on a proposal by the Appointments and Remuneration Committee, approved the modification of the Plan Regulation to cover 2014 to 2019, both inclusive.

Additionally, and making use of the authorization of the General Meeting on 18 May 2017, at a meeting on 14 December 2017 the Board, based on a proposal by the Appointments and Remuneration Committee, approved an additional amendment to the plan regulation in order to adapt to best practices in the area of corporate governance regarding deferrals, malus and clawback of executive directors' variable remuneration and to the principles and guidelines set out in the director remuneration policy approved by the General Meeting.

Based on those resolutions, the main characteristics of the Plan are as follows:

a) The 2014 share and performance share delivery plan aims to reward the management of Acciona and its Group, including the executive directors, in order to encourage the achievement of strategic business goals for the benefit of the shareholders and to foster loyalty and retain executives.

b) Strategic indicators and objectives to fulfil.

Attainment of objectives is measured as a function of the strategic business indicators. Those indicators were defined by the Board of Directors for the years 2014 to 2019. Within the Board of Directors' freedom to decide, the following variables are included:

- (a) Consolidated net debt/Consolidated EBITDA ratio at the end of the last year of the reference period;
- (b) Ordinary profit before taxes in the reference period;
- (c) Net earnings per share in the reference period;
- (d) Other criteria to be assessed by the Appointments and Remuneration Committee, including at least the following:
 - i. Total shareholder return, due to share appreciation and dividends, during the reference period.
 - ii. Comparison of estimates in terms of the future value of the Acciona share 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.

After considering the recommendation by the Appointments and Remuneration Committee, the Board of Directors defined the following with respect to each of the strategic business indicators for the reference period of the 2014 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.
- c) Executive directors.

For the first time, executive directors have been given the possibility of an annual allocation of "performance shares" by the Board of Directors, which does not entitle them to acquire the corresponding shares (except in cases envisioned in the Regulation), but constitute an indication by the Board of Directors of the number of shares that it considers may be assigned to those executive directors at a later time if they fulfil the twin condition of remaining with the Group and achieving the long-term strategic objectives of Acciona Group that the Board of Directors establishes as a requirement for executive directors to receive shares.

The reference period for strategic business indicators will be the six-year period from 2014 to 2019; however, "performance shares" will be allocated for the whole period from the beginning of the application period of the 2014 Plan to the end of the preceding year.

At the end of each year, the Board may assess the progress made to date in achieving the long-term strategic goals. Based on that progress and the executive directors' discharge of their respective responsibilities as senior management of Acciona and its Group until that time, the Board of Directors may assign to each of the executive directors a specific number of "performance shares"; i.e. units whereby the Board of Directors estimates expectations of own shares to be delivered to the executive director, based on his/her (a) continuity and (b) achievement of the strategic objectives defined for the relevant period.

The final allocation of shares to executive directors will be made (a) at the end of the total duration of the 2014 Plan (2020), considering the assessment made for the entire period 2014 to 2019, and (b) at an intermediate milestone, in 2017, after completing the first three years (2014-2016), considering the assessment of the first three years (2014-2016). The shares assigned and delivered to executive directors in 2017 are listed in section D.

The delivery of shares assigned to executive directors is subject to the condition that, until March 31 of the year in which the shares are delivered to the executive director, he/she has not been removed as a member of senior management of Acciona and its Group for reasons attributable to the director.

If, before that date, the director has been terminated due to causes not attributable to him/her, the condition attached to share delivery will be deemed to have been fulfilled and, following consultation with the Appointments and Remuneration Committee, the Board of Directors will resolve upon the final vesting of shares in the name of the executive directors and the immediate delivery of the own shares corresponding to the "performance shares" assigned to the executive director up to the time of his/her termination for that reason and which had not yet vested.

If the Board of Directors decides not to allocate performance shares, at the time of termination for reasons not attributable to the director it will evaluate the degree of attainment of the objectives established in the period elapsed up to his/her termination and will deliver the appropriate number of shares based on the criteria established by the Board of Directors.

In no case may the number of shares allotted and so quantified plus the others allocated under the 2014 Plan exceed the maximum number of available shares approved by the General Meeting.

The exact date of share delivery in accordance with the aforementioned provisions will be determined by the Board or its sub-committees and, in any case, will be after the General Meeting of the year in which the delivery will take place. The delivery of 20% of the shares which executive directors are entitled to receive will be subject to a deferral period of at least one (1) year, making accrual conditional not only upon the executive director remaining, as provided in the Regulation, but also upon there not coming to light during the deferral period any event that, in the opinion of the Board of Directors, based on the 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) years following the date of delivery of the shares whose reimbursement is claimed, Acciona may claim from executive directors: (i) the reimbursement of the amounts paid which were calculated on the basis of data later shown to be inaccurate, and (ii) the reimbursement of the amounts paid, or non-payment of amounts to which they might be entitled, in those cases where the director committed a serious breach of the duties of diligence and loyalty with respect to their position in Acciona, or any other serious and culpable breach of the obligations assumed by the executive director by virtue of the contracts signed with Acciona in connection with their executive position.

Lastly, the 2014 plan does not contemplate the possibility of selling delivered shares to cover the tax incurred by the beneficiary as a result of such delivery. The cost of tax prepayments under the 2014 Plan will not be charged to the beneficiaries, and the Company will bear the tax cost which that prepayment has on the personal taxation of the beneficiaries, subject to the limits that Acciona establishes.

d) Non-director executives

For other beneficiaries who are not executive directors, following consultation with the Appointments and Remuneration Committee, the Board of Directors will approve the amount of the individual variable remuneration to be paid by delivery of shares of Acciona allocated with respect to each of the years for each executive, other than executive directors, who is a beneficiary of the 2014 Plan.

e) Number of shares available for the Plan.

The maximum number of shares which may be assigned to the beneficiaries in application of the 2014 Plan was initially set at 258,035, although it may be increased by a decision of the General Meeting.

On 11 June 2015, 10 May 2016 and 18 May 2017, the Shareholders' Meeting resolved to increase the maximum number of shares available under the Plan by 100,000 in each year, and the number may be increased again in the future if the Shareholders' Meeting so decides based on a proposal by the Board of Directors.

At 2017 year-end, the maximum number of shares that could be assigned under the Plan was 353,240, since 35,917 shares had been delivered in 2017 to executives who are not executive directors and 104,096 shares had been delivered to executive directors. Without prejudice to the foregoing, 26,025 shares were assigned in 2017 whose delivery was deferred on a straight-line basis for a three-year period (1/3 each year).

f) Other instruments

The Board may, based on a proposal of the Appointments and Remuneration Committee, substitute the delivery of own shares to executive directors according to the 2014 plan with the delivery of other securities, financial instruments or assets, or other payment procedures considered appropriate as a long-term remuneration method based on the Acciona director remuneration policy that is in force at any given time.

g) Beneficiaries.

The number of beneficiaries, including executive directors and executives of the Acciona Group, may not exceed 100 in any given year.

3. Other possible extraordinary incentives.

The Board of Directors, at the proposal of the Appointments and Remuneration Committee, may submit other extraordinary incentive plans for approval to the General Meeting to respond to business circumstances or corporate transactions, if it considers this to be necessary.

A.5 Describe the main features of the long-term savings systems, including retirement and any other survivorship benefit, partly or wholly funded by the company, whether endowed internally or externally, with an estimate of their amount or annual equivalent cost, indicating the type of plan, whether defined contribution or defined benefit, the conditions for the vesting of the directors' economic rights and their compatibility with any type of severance payment for early cancellation or termination of the contractual relationship between the company and the director.

Also indicate payments made to any director's defined-benefit pension scheme; or any increase in the director's vested rights with regard to contributions to defined-benefit schemes.

Describe the long-term saving systems
--

The Company has established a savings plan linked to survival to a given age, total, absolute and severe permanent disability, and death ("Savings Plan") 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 Savings Plan Regulation.

1. BASIC FEATURES OF THE SAVINGS PLAN.

a) It is a defined-contribution plan.

b) It is a system which is outsourced through payment by the Company of an annual premium to an insurer on behalf of the plan member to cover survival and risk contingencies, i.e.: (i) death, and (ii) permanent disability in the degrees set out in the Regulation.

c) In the event that a plan member ceases to hold the office of executive director of Acciona for any reason, the Company will cease to pay premiums into the savings plan on the date that the participant conclusively ceases to hold office, without prejudice to the economic rights recognised on behalf of the members.

d) The benefit under the Savings Plan will be paid directly by the insurer to the member, net of any personal income tax withholdings and prepayments that apply, which will be borne by the beneficiary. In case of death, the benefit will be paid directly by the insurer to the heirs.

e) Savings plan members will abandon the plan in any of the following circumstances:

The occurrence of any of the risk contingencies covered, and receipt of the benefit. Reaching the age of 65 ("expiration").

Termination as executive director of Acciona for any reason other than those set out above.

f) The Board of Directors of Acciona is empowered to cancel or modify the amount of the premium.

2. VESTING CONDITIONS

The beneficiary of the Savings Plan benefit will be the Company in the following two cases:

A) Where the member ceases to hold the post of executive director of Acciona due to voluntary resignation.

B) Where the executive director is terminated due to a breach of his/her duties or the performance of any act or omission that is detrimental to the Company, as ruled on a final basis by a competent court.

In these cases, the member forfeits all economic rights accumulated in the Savings Plan and, therefore, may not receive the benefit arising from this Plan.

3. CONTRIBUTIONS.

The contributions made for the executive directors in 2017 amounted to 5,125 thousand euro. Those contributions included the annual contributions (75% of the fixed remuneration) and an additional amount derived from extraordinary contributions to the Savings Plan relating to a part of the 2017 variable remuneration.

The Remuneration Policy for 2018-2020 establishes that the percentage between 75% and 100% of the fixed salary is that provided for the next few years, although the Board of Directors may, based on a proposal from the Appointments and Remuneration Committee, amend those contributions to adjust them to business and market performance.

The Board, upon a proposal of the Appointments and Remuneration Committee, decided that an amount equivalent to 100% of the fixed salary will be the annual contribution in 2018.

There are no indemnities in the event of early termination of the contractual relationship with executive directors, so it is considered unnecessary to establish compatibility conditions in the savings plan.

A.6 Indicate any indemnity payments agreed or paid in the event of termination as a director.

Describe the indemnity

The contract signed with executive directors does not establish any indemnity in the event of termination as a director nor has any amount been paid for termination as director.

A.7 Describe the conditions with which contracts with executive directors for performing senior functions must comply. Among other aspects, give information on the term, limits to the amounts of indemnity, permanence clauses, notice periods and payments in lieu of notice, and any other clauses regarding hiring bonuses, as well as severance payments or golden handshakes for early cancellation or termination of the contractual relationship between the company and the executive director. Include, inter alia, non-compete, exclusivity, permanence or loyalty covenants or agreements and any governing non-competition after termination.

Describe the conditions of executive directors' contracts

The term of the executive directors' contract for their executive functions is indefinite. According to Article 31.1 of Acciona's Bylaws, 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 directors.

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 Acciona Group or institutional or representative posts in non-profit entities.

For one year following the termination of the contract signed 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 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.

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.

(c) 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 Acciona Group to end their relationship with them.

The contracts signed with the executive directors preclude any compensation for the one-year post-contractual non-compete obligation assumed by executive directors.
The regular employment relationship that executive directors have had with the company since they joined it is suspended once they become directors.
In compliance with articles 249 and 529 octodecies of the Capital Companies Act, the appropriate contracts have been signed with the executive directors.

A.8 Describe any additional remuneration paid to directors for services rendered other than those inherent to their directorship.

Describe supplementary remuneration items

Ms Carmen Becerril had a contract to provide professional services to Acciona Group in the areas of sustainability, climate change and energy. Apart from that, the directors have not received any remuneration other than that indicated in this report.

A.9 Indicate any remuneration granted in the form of advances, loans or guarantees, stating the interest rate, key features and any amounts repaid, as well as guarantee obligations assumed on their behalf.

Describe the advances, loans and guarantees granted

The Directors have not received any type of remuneration in the form of advances, loans or guarantees.

A.10 Describe the main features of remuneration in kind.

Describe any 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.

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 documented.

This remuneration in kind is itemised in section D of this report. This remuneration may be modified by the Board, at the proposal of the Appointments and Remuneration Committee.

The company pays the travel expenses incurred by non-executive directors in the course of their work.

A.11 Indicate the remuneration accruing to the director by virtue of payments made by the listed company to a third party in which the director provides services, where such payments are intended to remunerate the director's work in the company.

Describe the remuneration accruing to the director by virtue of payments made by the listed company to a third party in which the director works.

The company has not paid remuneration of this kind.

A.12 Any kind of compensation other than as listed above, of whatever nature and provenance within the group, especially when it qualifies as a related-party transaction or where its omission would detract from a true and fair view of the total remuneration accrued by the director.

Describe other remuneration items

The directors have not received any remuneration other than as set out in this report, without prejudice to that which corresponds to them for their status as shareholders.

A.13 Describe the actions taken by the company in connection with the remuneration system to reduce excessive risk exposure and match it to the company's long-term goals, values and interests. Include references to any: measures designed to ensure that the remuneration policy is aligned with the company's long-term performance; measures to provide an appropriate balance between fixed and variable compensation; measures taken in relation to those categories of staff whose work has a material impact on the undertaking's risk profile; clawback formulae or clauses to claim back performance-based variable remuneration when it was paid out on the basis of data that is subsequently proven to be manifestly inaccurate; and measures designed to prevent conflicts of interest, where applicable.

Describe actions taken to reduce the risks

The remuneration system established for directors is aimed at enhancing the Company's long-term profitability and sustainability and incorporates the necessary preventive measures to avoid excessive risk-taking and to avoid rewarding unfavourable results. Director remuneration for membership of the Board of Directors and its committees is a fixed predetermined annual amount. The maximum remuneration that directors may receive for discharging their supervisory functions is that established by the General Meeting.

Executive directors' variable remuneration takes into account quantitative and qualitative objectives which contribute to a business model that promotes balanced, sustainable development and social cohesion. Annual variable remuneration is analysed each year by the Appointments and Remuneration Committee and is submitted to the Board of Directors for final approval. The variable remuneration components are sufficiently flexible, to the extent they can be eliminated entirely.

The 2014 Plan for the delivery of shares and "performance shares", as set out in section A.4, aims to align remuneration with the Company's long-term objectives and interests. The Plan is part of a multi-year approach to ensure that the assessment process is based on long-term results and takes account of the Company and the Group's underlying economic cycle.

The allocation of "performance shares" as a measure of the prospect of delivery of own shares does not constitute a right of the executive directors that entitles them to demand, then or at a later date, the delivery of the corresponding own shares, apart from the cases provided for in the Regulation in connection with circumstances or events not attributable to the executive directors.

Own shares that are delivered to the executive directors in 2017 (in connection with 2014, 2015 and 2016) will be subject to a call option held by Acciona and exercisable in the event that the executive director who receives the shares is terminated as a senior manager of Acciona and its Group prior to 31 March 2020 for breach of contract or through voluntary resignation.

Additionally, as indicated in section A.4 above, Acciona amended its director remuneration policy in 2017 to introduce deferral, malus and clawback clauses with respect to executive directors' variable remuneration in order to align with best practices in the area of corporate governance.

In terms of remuneration governance, the requirements as to independence in the composition of the Appointments and Remuneration Committee and its deliberations are met, and Board decisions that affect the remuneration of executive directors are adopted without the participation of those directors in the discussion or the vote.

B REMUNERATION POLICY PROJECTED FOR FUTURE YEARS

Derogated.

C OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE REPORTING YEAR

C.1 Give a brief description of the main features of the structure and remuneration items of the remuneration policy applied during the last financial year, with a breakdown of the individual remuneration accrued by each of the directors listed in Section D of this report, and a summary of the resolutions passed by the board to implement those items.

Describe the structure and remuneration items of the remuneration policy applied during the year

Fixed remuneration for directors for their supervisory functions was unchanged in 2017 with respect to the previous year. Non-executive directors do not receive any type of variable remuneration.

Executive directors' fixed remuneration remained unchanged in 2017 with respect to the previous year, and it has not increased in the last five years.

The necessary safeguards are in place in connection with variable remuneration to ensure that it is linked to the professional performance of its beneficiaries and not simply to the general performance of the market or of the Company's sector of activity.

EBITDA, EBT, debt and the other financial objectives established at the beginning of the year, in line with the Company's long-term 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 and encourages social cohesion are also assessed. The annual assessment of executive director performance includes specific sustainability objectives and metrics. The individual variable remuneration disclosed in this report is the result of decisions by the Board in its overall evaluation of attainment of the financial targets established in the annual budgets and in the assessment of the professional performance by each executive director, which includes qualitative objectives that contribute to a business model that promotes balanced, sustainable development and social cohesion.

As discussed in section A.5 above, part of the variable remuneration was settled in cash and part as an extraordinary contribution to the Savings Plan. The origin of each executive director's funds accumulated in the savings plan, which is detailed in section D, is detailed in the following breakdown:

- Executive Chairman:

- €3,000,000 from contributions made by the Company.

- €5,600,000 from individual contributions made by the director from his/her variable remuneration.

- Executive Vice-Chairman:

- €1,500,000 from contributions made by the company.

- €1,800,000 from individual contributions made by the director from his/her variable remuneration.

Regarding the long-term variable remuneration linked to shares of the Company, in accordance with the 2014 Plan regulations, and based on the results obtained during the 2014-2016 period, in 2017 the Board, based on a proposal by the Appointments and Remuneration Committee, resolved to deliver 104,096 shares to the executive directors and allocate 26,025 shares whose delivery has been deferred on a straight-line basis over three years (1/3 per year), as set out in section D of this report.

In 2017 the executive directors have exercised all the stock options they held, as disclosed in D of this report.

D BREAKDOWN OF INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Accrual period in 2017
JOSÉ MANUEL ENTRECANALES DOMEcq	Executive Director	From 01/01/2017 to 31/12/2017.
JUAN IGNACIO ENTRECANALES FRANCO	Executive Director	From 01/01/2017 to 31/12/2017.
ANA INÉS SAINZ DE VICUÑA BEMBERG	Independent	From 01/01/2017 to 31/12/2017.
JUAN CARLOS GARAY IBARGARAY	Independent	From 01/01/2017 to 31/12/2017.
JAIME CASTELLANOS BORREGO	Independent	From 01/01/2017 to 31/12/2017.
MARÍA DEL CARMEN BECERRIL MARTÍNEZ	Other External	From 01/01/2017 to 18/05/2017.
FERNANDO RODÉS VILA	Independent	From 01/01/2017 to 31/12/2017.
JAVIER ENTRECANALES FRANCO	Proprietary	From 01/01/2017 to 31/12/2017.
BELÉN VILLALONGA MORENÉS	Independent	From 01/01/2017 to 31/12/2017.
DANIEL ENTRECANALES DOMEcq	Proprietary	From 01/01/2017 to 31/12/2017.
JERÓNIMO MARCOS GERARD RIVERO	Independent	From 01/01/2017 to 31/12/2017.
KAREN CHRISTIANA FIGUERES OLSEN	Independent	From 18/05/2017 to 31/12/2017.

D.1 Complete the following tables on the individual remuneration accrued during the year by each of the directors (including remuneration for carrying out executive functions).

a) Remuneration accrued at the reporting company:

i) Remuneration in cash (thousand euros)

Name	Employee compensation	Fixed remuneration	Per diems	Short-term variable remuneration	Long-term variable remuneration	Remuneration for belonging to Board committees	Indemnities	Other items	2017 total	2016 total
JOSÉ MANUEL ENTRECANALES DOMEcq	1,000	68	0	810	3,502	0	0	32	5,412	2,497
JUAN IGNACIO ENTRECANALES FRANCO	500	68	0	206	2,101	0	0	16	2,891	782

Name	Employee compensation	Fixed remuneration	Per diems	Short-term variable remuneration	Long-term variable remuneration	Remuneration for belonging to Board committees	Indemnities	Other items	2017 total	2016 total
JUAN CARLOS GARAY IBARGARAY	0	68	0	0	0	136	0	0	204	204
JAIME CASTELLANOS BORREGO	0	68	0	0	0	136	0	0	204	204
DANIEL ENTRECANALES DOMEcq	0	68	0	0	0	82	0	0	150	150
JAVIER ENTRECANALES FRANCO	0	68	0	0	0	81	0	0	149	149
ANA INÉS SAINZ DE VICUÑA BEMBERG	0	68	0	0	0	45	0	0	113	113
BELÉN VILLALONGA MORENÉS	0	68	0	0	0	0	0	0	68	68
FERNANDO RODÉS VILA	0	68	0	0	0	72	0	0	140	140
JERÓNIMO MARCOS GERARD RIVERO	0	68	0	0	0	0	0	0	68	68
KAREN CHRISTIANA FIGUERES OLSEN	0	42	0	0	0	0	0	0	42	0
MARÍA DEL CARMEN BECERRIL MARTÍNEZ	0	26	0	0	0	14	0	63	103	254

ii) Share-based remuneration systems

JOSÉ MANUEL ENTRECANALES DOMECC PLAN 2012												
Date of implementation	Options held at the beginning of 2017					Options assigned during 2017						
	No. of options	Shares affected	Strike price (€)	Exercise period		No. of options	Shares affected	Strike price (€)	Exercise period			
25/05/2012	9,995	9,995	66.73	04/15 to 03/18		0	0	0.00	-			
Conditions: -												
Shares delivered in 2017			Options exercised in 2017				Options vested but not exercised	Options at 2017 year-end				
No. of shares	Price	Payment	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period	
0	0.00	0	75.15	9,995	9,995	84	0	0	0	0.00	-	
Other requirements for exercise: -												

JOSÉ MANUEL ENTRECANALES DOMECC PLAN 2011												
Date of implementation	Options held at the beginning of 2017					Options assigned during 2017						
	No. of options	Shares affected	Strike price (€)	Exercise period		No. of options	Shares affected	Strike price (€)	Exercise period			
29/06/2011	4,874	4,874	53.00	04/14 to 03/17		0	0	0.00	-			
Conditions: -												
Shares delivered in 2017			Options exercised in 2017				Options vested but not exercised	Options at 2017 year-end				
No. of shares	Price	Payment	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period	
0	0.00	0	74.89	4,874	4,874	107	0	0	0	0.00	04/14 to 03/17	
Other requirements for exercise: -												

JOSÉ MANUEL ENTRECANALES DOMEQ
2013 PLAN

Date of implementation	Options held at the beginning of 2017				Options assigned during 2017			
	No. of options	Shares affected	Strike price (€)	Exercise period	No. of options	Shares affected	Strike price (€)	Exercise period
06/06/2013	10,138	10,138	56.21	04/16 to 03/19	0	0	0.00	-

Conditions: -

Shares delivered in 2017			Options exercised in 2017				Options vested but not exercised	Options at 2017 year-end			
No. of shares	Price	Payment	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period
0	0.00	0	74.89	10,138	10,138	189	0	0	0	0.00	-

Other requirements for exercise: -

JOSÉ MANUEL ENTRECANALES DOMEQ
2014 PLAN

Date of implementation	Options held at the beginning of 2017				Options assigned during 2017			
	No. of options	Shares affected	Strike price (€)	Exercise period	No. of options	Shares affected	Strike price (€)	Exercise period
26/06/2014	5,511	5,511	62.84	04/17 to 03/20	0	0	0.00	-

Conditions: -

Shares delivered in 2017			Options exercised in 2017				Options vested but not exercised	Options at 2017 year-end			
No. of shares	Price	Payment	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period
0	0.00	0	75.19	5,511	5,511	68	0	0	0	0.00	-

Other requirements for exercise: -

José Manuel Entrecanales Domecq
2014 SHARE AND PERFORMANCE SHARE DELIVERY PLAN

Date of implementation	Options held at the beginning of 2017				Options assigned during 2017			
	No. of options	Shares affected	Strike price (€)	Exercise period	No. of options	Shares affected	Strike price (€)	Exercise period
24/06/2014	0	0	0.00	-	81,326	81,326	0.00	2020

Conditions: -

Shares delivered in 2017			Options exercised in 2017				Options vested but not exercised	Options at 2017 year-end			
No. of shares	Price	Payment	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period
65,060	69.91	4,548	0.00	0	0	0	0	16,266	16,266	0.00	2020

Other requirements for exercise: -

Juan Ignacio Entrecanales Franco
2014 SHARE AND PERFORMANCE SHARE DELIVERY PLAN

Date of implementation	Options held at the beginning of 2017				Options assigned during 2017			
	No. of options	Shares affected	Strike price (€)	Exercise period	No. of options	Shares affected	Strike price (€)	Exercise period
24/06/2014	0	0	0.00	-	48,795	48,795	0.00	2020

Conditions: -

Shares delivered in 2017			Options exercised in 2017				Options vested but not exercised	Options at 2017 year-end			
No. of shares	Price	Payment	Strike price (€)	No. of options	Shares affected	Gross gain (€mn)	No. of options	No. of options	Shares affected	Strike price (€)	Exercise period
39,036	69.91	2,729	0.00	0	0	0	0	9,759	9,759	0.00	2020

Other requirements for exercise: -

iii) Long-term savings systems

Name	Contribution in the year by the company (€000)		Total accumulated funds (€000)	
	2017	2016	2017	2016
JOSÉ MANUEL ENTRECANALES DOMEcq	3,850	3,250	9,481	5,162
JUAN IGNACIO ENTRECANALES FRANCO	1,275	1,275	3,287	2,026

b) Remuneration accrued by company directors for belonging to boards of other group companies:

i) Remuneration in cash (€000)

Name	Employee compensation	Fixed remuneration	Per diems	Short-term variable remuneration	Long-term variable remuneration	Remuneration for belonging to Board committees	Indemnities	Other items	2017 total	2016 total
JOSÉ MANUEL ENTRECANALES DOMECCQ	0	0	0	0	0	0	0	0	0	0
JUAN IGNACIO ENTRECANALES FRANCO	0	0	0	0	0	0	0	0	0	0
JUAN CARLOS GARAY IBARGARAY	0	0	0	0	0	0	0	0	0	0
JAIME CASTELLANOS BORREGO	0	0	0	0	0	0	0	0	0	0
JAVIER ENTRECANALES FRANCO	0	0	0	0	0	0	0	0	0	0
DANIEL ENTRECANALES DOMECCQ	0	0	0	0	0	0	0	0	0	0
ANA INÉS SAINZ DE VICUÑA BEMBERG	0	0	0	0	0	0	0	0	0	0
BELÉN VILLALONGA MORENÉS	0	0	0	0	0	0	0	0	0	0
KAREN CHRISTIANA FIGUERES OLSEN	0	0	0	0	0	0	0	0	0	0
FERNANDO RODÉS VILA	0	0	0	0	0	0	0	0	0	0
JERÓNIMO MARCOS GERARD RIVERO	0	0	0	0	0	0	0	0	0	0
MARÍA DEL CARMEN BECERRIL MARTÍNEZ	0	0	0	0	0	0	0	0	0	0

ii) Share-based remuneration systems

iii) Long-term savings systems

c) Summary of remuneration (€000):

Summarise the amounts corresponding to all the remuneration items included in this report that have accrued to the director, in thousand euro.

Where there are long-term saving systems, disclose contributions or endowments made to such systems:

Name	Remuneration accrued in the Company				Remuneration accrued in Group companies				Total		
	Total cash remuneration	Value of shares granted	Gross gain from options exercised	2017 Total Company	Total cash remuneration	Value of shares delivered	Gross gain from options exercised	2017 Total Group	2017 Total	2016 Total	Contribution to savings systems in the year
JOSÉ MANUEL ENTRECANALES DOMEcq	5,412	4,548	448	10,408	0	0	0	0	10,408	2,497	3,850
JUAN IGNACIO ENTRECANALES FRANCO	2,891	2,729	0	5,620	0	0	0	0	5,620	782	1,275
JUAN CARLOS GARAY IBARGARAY	204	0	0	204	0	0	0	0	204	204	0
JAIME CASTELLANOS BORREGO	204	0	0	204	0	0	0	0	204	204	0
JAVIER ENTRECANALES FRANCO	149	0	0	149	0	0	0	0	149	149	0
DANIEL ENTRECANALES DOMEcq	150	0	0	150	0	0	0	0	150	150	0
ANA INÉS SAINZ DE VICUÑA BEMBERG	113	0	0	113	0	0	0	0	113	113	0
BELÉN VILLALONGA MORENÉS	68	0	0	68	0	0	0	0	68	68	0
KAREN CHRISTIANA FIGUERES OLSEN	42	0	0	42	0	0	0	0	42	0	0
FERNANDO RODÉS VILA	140	0	0	140	0	0	0	0	140	140	0
JERÓNIMO MARCOS GERARD RIVERO	68	0	0	68	0	0	0	0	68	68	0
MARÍA DEL CARMEN BECERRIL MARTÍNEZ	103	0	0	103	0	0	0	0	103	254	0
TOTAL	9,544	7,277	448	17,269	0	0	0	0	17,269	4,629	5,125

D.2 Describe the relationship between the remuneration received by the directors and the undertaking's earnings or other performance indicators, detailing how any variations in the company's performance influenced the variation in directors' remuneration.

Director remuneration for belonging to the Board of Directors and its committees is fixed, as detailed in section A.3 and, therefore, it bears no relationship to the Company's earnings or other metrics of performance during the year. With respect to executive directors, remuneration for their executive functions is directly related to the company's earnings and the evaluation of their professional performance. Variable annual remuneration is set essentially on the basis of meeting the economic objectives set out in the annual budget, as described in section A.4. The Appointments and Remuneration Committee evaluates the results and submits its proposal to the Board of Directors for final approval. Regarding the system of long-term variable remuneration in shares, after concluding the first three years of the 2014-2019 plan, the shares corresponding to the first period have been delivered and allocated based on strategic indicators and the goals achieved in the period.

D.3 Describe the outcome of the consultative vote at the annual meeting on the annual remuneration report for the previous year, indicating the number of votes cast against, if any:

	Number	% of total
Votes cast	47,244,161	82.50%

	Number	% of total
Votes against	5,317,004	11.25%
Votes in favour	41,795,079	88.47%
Abstentions	132,078	0.28%

E OTHER INFORMATION OF INTEREST

If there are any material aspects relating to directors' remuneration that could not be disclosed in other sections of this report but that are necessary to provide a more comprehensive and fully reasoned picture of the remuneration structure and practices for the company's directors, describe them briefly.

-

This annual report on the remuneration of directors was approved by the company's Board of Directors on 26 February 2018.

Indicate whether any board members voted against or abstained with respect to the approval of this report.

Yes

No