

CORPORATE

governance

Corporate governance

In ACCIONA, corporate governance practices are aimed at the creation of economic and social value in the long term. Our objective is to ensure financial stability and safeguard investors' interests by maximizing the positive impact on society as a whole.

Efficient management of governing bodies is based on both external and internal standards, adapted to ACCIONA, which help generate confidence among investors in the Company.

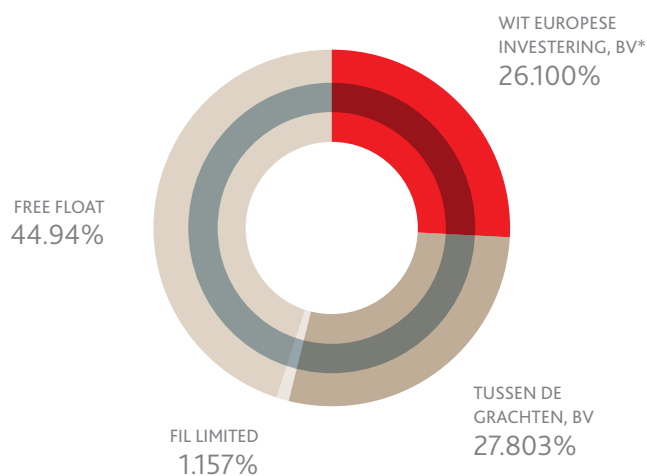
The new Corporate Enterprise Act and the Unified Corporate Governance Code recently introduced in Spain enact new demands and corporate governance recommendations for listed companies in relation to the functioning and composition of the board, diversity, the nature of directors and the responsibilities vested in them in the exercise of their duties.

These new developments do not constitute a challenge for the Company, which is compliant with the majority of such requirements, and no further modifications in the structure or in the management processes of governance bodies are necessary.

Structure of ACCIONA's share capital

The Company's share capital comprises 57,259,550 ordinary shares with a nominal amount of 1 euro.

Shares making up the share capital carry the same rights and no bylaw-mandated restrictions exist on their transferability. All such shares are listed in the stock exchanges of Madrid and Barcelona.



Source: CNMV, at March 30, 2015
* Formerly ENTREAZCA BV

The Company's governing bodies

The General Shareholders' Meeting (GSM)

- The supreme decision-making body in ACCIONA.
- Its responsibilities include approving the composition of the Company's Board of Directors, decisions on remuneration policies and allocation of profits, among other responsibilities.
- In 2014, the GSM approved by a broad majority (more than 87%) the resolutions put up for a vote on the agenda.

The Board of Directors

- Designated by the GSM to guide, supervise and manage the Company's affairs.
- The Board of Directors is responsible for guiding the Company's strategy and overseeing fulfillment of objectives.
- It must oversee compliance with applicable external and internal rules and regulations.

Lead Independent Director

- This director coordinates the work of non-executive directors.
- He/she has the capacity to call a Board meeting and directs the evaluation of the Chairman.

Committees of the Board of Directors

- ACCIONA has three advisory committees and an executive committee that assist in executing tasks that fall under the responsibility of the Board of Directors.
- They monitor the effectiveness of internal risk management control systems.
- They set out a calendar of meetings and the work program. They meet six times a year, on average.

Executive Committee

- Delegated all of the powers of the Board of Directors, with the exception of those that cannot be delegated by law.

Appointments and Remuneration Committee

- It assesses the competences, knowledge and experience necessary on the Board.
- It defines the functions and skills required in candidates for Board vacancies.
- It assesses the time and dedication required to perform such roles.

Audit Committee

- It supports the Board of Directors in supervising accounting, tax and financial information, internal and external audit services and corporate governance.

Sustainability Committee

- It assesses the degree of compliance with sustainability and corporate social responsibility policies approved by the Board of Directors.

Senior management

- Responsible for the day-to-day management of the Company. They must ensure successful functioning in accordance with the policies and procedures established by the governing bodies.
- They periodically report to the Board of Directors on compliance with established objectives.

A focus on strategy, risks and compliance

The Board of Directors is obligated to stay informed, deliberate and oversee the most significant risks, opportunities and decisions arising in the Company in financial and non-financial matters in the short, medium and long term.

Strategic orientation and oversight of compliance with business objectives

- The Board of Directors provides guidance on and determines the strategy that is the basis for the strategic plans of Company divisions.
- Senior managers regularly report to the Board, providing the necessary documentation to allow the governance team to analyze, with total independence, markets, strategies and risks.
- The Board of Directors periodically oversees the fulfillment of the established objectives. This monitoring is carried out in greater depth each quarter, in parallel with the authorization for issue of the Company's financial statements.

Ethical commitment of the organization

- The Board of Directors is the supreme guarantor of effective observance of the ethical model of ACCIONA, leading the work that strengthens the compliance framework of all rules and regulations applicable to the Company and its employees.

Oversight of adequate functioning of risk control and management systems

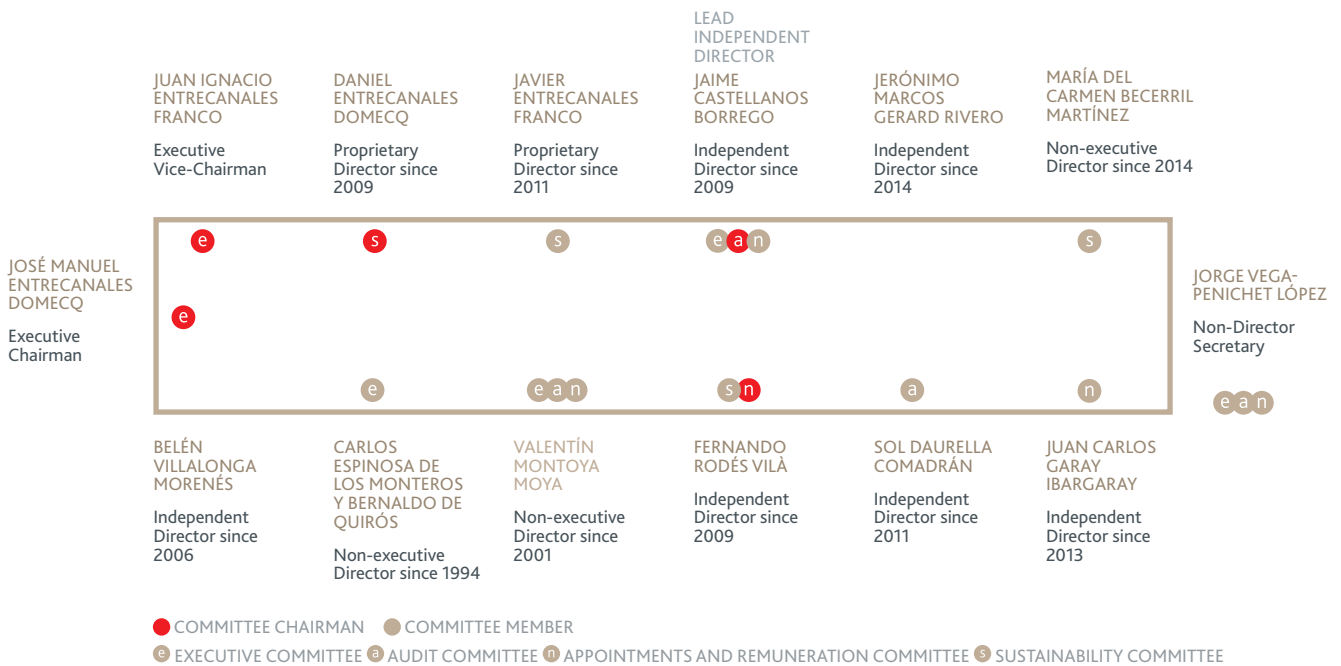
- The Board of Directors approves the risk management and control policy.
- The Audit Committee periodically reviews risk management systems to identify, manage and gain knowledge on the main risks, and it oversees the effectiveness of their functioning. This committee also exercises control over the management of environmental risks identified in the risk map, the evaluation criteria of which have an impact on the image and sustainability of the Company. The Sustainability Committee oversees management of the Company's non-financial risks and oversees their compliance by devising the policies, processes and control mechanisms that provide a response to environmental, social and governance risks.
- The risk scenarios identified by ACCIONA's risk management system are classified as financial, strategic, operational and chance. In 2014, the Company also consolidated its initiatives in the management of environmental risks, and focused its efforts on identifying and mitigating the most significant risks.
- The risk tolerance level is set in relation to the attainment of specific targets for each of the investment activities or projects. Situations that surpass the risk tolerance level are analyzed on an individual basis by business unit managers who, in coordination with the Corporate Financial Department, put in place mechanisms to mitigate them.

Composition of the Board of Directors of ACCIONA

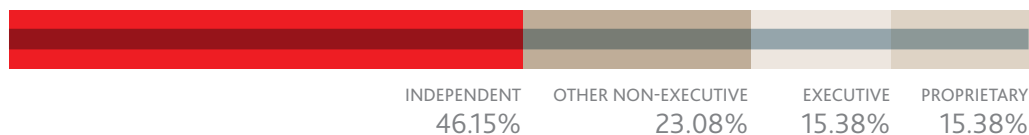
The Board of Directors of ACCIONA comprises 13 directors who represent the interests of the Company.

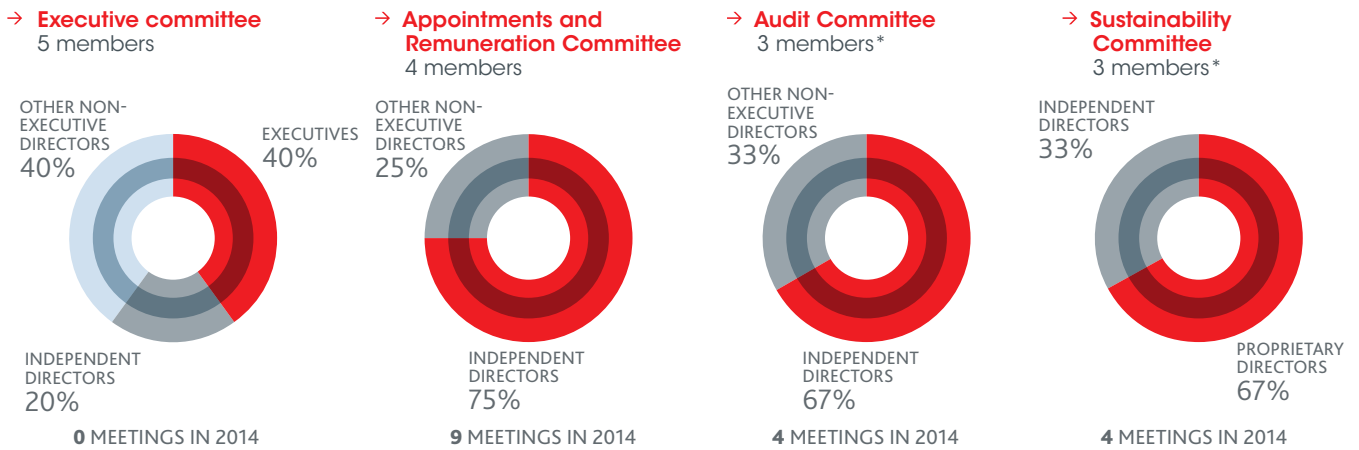
In line with the requirements and recommendations of governance standards observed by ACCIONA, the structure is designed on the basis of criteria of complementarity, balance, professionalism and diversity.

A yearly evaluation is carried out, via an individual and anonymous questionnaire, of the quality and functioning of the Board, the performance of the Chairman and Vice-Chairmen of the Board and of the Executive Committee and other committees.



Board of Directors: 13 members





* At year end

ACCIONA's Code of Conduct ensures equality across the Group through its action policies, as the Company does not accept any discrimination in the workplace.

The Company's Board of Directors guarantees the actions necessary to avoid appointments that show implicit bias in the selection of its members. The Appointments and Remuneration Committee recommends the inclusion of women among candidates to members of the Board that have a suitable professional profile.

Diversity of profiles is a factor to which the Company's Board of Directors assigns special importance. The composition of the Board must be a reflection of the opinions in the environment on the Company's business and it must have the capacity to give advice on the best way to deal with trends and challenges, even in a critical manner.

It is no coincidence, therefore, that the Board is made up of men and women from different specialized fields (energy, infrastructure, water and services), but also lawyers, former bankers, entrepreneurs, people from the media, representatives of non-governmental organizations, etc. The appointment of new directors has sought to further the Company's strategy. Hence, consideration has been given to candidates with diverse profiles and professional backgrounds that possess the skills, knowledge and experience necessary to properly perform the assigned duties.

Two new directors were appointed in 2014 as a result of the resignation of the independent directors Consuelo Crespo Bofill and Miriam González Durantez for personal reasons set forth in a meeting of the Board of Directors. The Appointments and Remuneration Committee proposed the appointment of Jerónimo Marcos

23.08%

FEMALE DIRECTORS

3

YEARS
TERM OF OFFICE

11

BOARD MEETINGS
IN 2014

93.7%

ATTENDANCE
TO TOTAL VOTES

Gerard Rivero as an independent director and favorably reported on the proposed appointment of Carmen Becerril Martínez as a non-executive director.

With their appointment, which was approved at the General Shareholders' Meeting of June 2014, the Company is reinforcing its strategy of internationalization and is bringing forth two profiles with an extensive international background.

Jerónimo Marcos Gerard Rivero is the Chairman and CEO of the México Retail Properties Group (MRP). He is the first international director to join the Company. In addition to his position as the chief executive of MRP, he is a director of AMEXCAP, Vice-Chairman of the Mexican Association of Real Estate and Infrastructure Funds (AMFII), Director of the Mexican Stock Exchange, Director of Grupo

Mexicano de Desarrollo S.A.B., manager of private investment funds in Mexico for *The Latin America Enterprise Fund*, Chairman of Institutional Infrastructure and Director of Telefónica México.

Carmen Becerril was General Manager of the International division until May 2014, and also head of Corporate Sustainability. From 2010 and 2013, she was also Chair of ACCIONA Energía, S.A., contributing to the Board her extensive knowledge of one of the Company's core businesses.

Directorship in other organizations

JOSÉ MANUEL ENTRECANALES DOMEQ EXECUTIVE CHAIRMAN

He joined the ACCIONA Group in 1991 and was appointed Chairman of the Company in 2004. His institutional positions include his 2013 election as a member of the Advisory Board of the UN and World Bank *Sustainable Energy for All* initiative, and he is a member of the Executive Committee of the World Business Council for Sustainable Development. He is also Chairman of the José Manuel Entrecanales Foundation, Vice-Chairman and Founder of the Pro CNIC Foundation and member of Global Lubbock, S.A.

JUAN IGNACIO ENTRECANALES FRANCO EXECUTIVE VICE-CHAIRMAN

He joined ACCIONA in 1993. In 2004 he was appointed Vice-Chairman of ACCIONA.

Other governing bodies of which he is a member:

- Hef Inversora, S.L.
- Nexotel Adeje, S.A.

INDEPENDENT DIRECTORS

JUAN CARLOS GARAY IBARGARAY

Expert on the financial system.

SOL DAURELLA COMADRÁN

Other governing bodies of which she is a member:

- Grupo Cacaolat, S.L.
- Cobega, S.A.
- Teatre Nacional de Catalunya, S.A.
- Equatorial Coca-Cola Bottling Company, S.L
- Banco Santander

FERNANDO RODÉS VILA

Experience in international business management.

Other governing bodies of which he is a member:

- Neometrics
- Acta Diurna
- Proximia Baleares
- ACACIA ISP, S.L.
- In Store Media
- Havas Management Group España, S.L.

BELÉN VILLALONGA MORENÉS

Specialist in corporate finance, corporate governance and business strategy.

Other governing bodies of which she is a member:

- Grifols, S.A.

JERÓNIMO MARCOS GERARD RIVERO

First international director of the Company.

LEAD INDEPENDENT DIRECTOR

JAIME CASTELLANOS BORREGO

Other governing bodies of which he is a member:

- Vocento, S.A.
- Lazard Asesores Financieros, S.A.
- Willis Consulting, S.L.
- Willis Iberia Correduría de Seguros y Reaseguros, S.A.

OTHER NON-EXECUTIVE DIRECTORS

MARÍA DEL CARMEN BECERRIL MARTÍNEZ

Extensive international experience and in-depth knowledge of the Company, with a prominent role as Chair of ACCIONA Energy and head of sustainability.

CARLOS ESPINOSA DE LOS MONTEROS BERNALDO DE QUIRÓS

State economist. Highly knowledgeable of public administration.

Other governing bodies of which he is a member:

- Inditex, S.A.
- Fraternidad Muprespa

VALENTÍN MONTROYA MOYA

Possesses in-depth knowledge of the Company. Other governing bodies of which he is a member:

- Fundación para la Innovación en Sostenibilidad José Manuel Entrecanales
- Fomento para la Innovación y el Desarrollo Sostenible Tres SCR

PROPRIETARY DIRECTORS

JAVIER ENTRECANALES FRANCO

Other governing bodies of which he is a member:

- Hef Inversora, s.l.
- Draco Inversiones, siva
- Livorno Inversiones, s.a.
- La Sin Rival, s.l.

DANIEL ENTRECANALES DOMECQ

Other governing bodies of which he is a member:

- Fractalia Remote Suystems, S.A.
- Entreriver, S.A.
- Revolution Publicidad, S.L.
- Madrid Horse Week, S.L.

NON-DIRECTOR SECRETARY

JORGE VEGA-PENICHER LÓPEZ



Further information on the profile of the Board of Directors and other governing bodies of which they are members can be found on the website <http://www.acciona.com/shareholders-investors/corporate-governance/governance-and-executive-boards/board-of-directors/>