

Proposals presented by the Board Directors to the Annual General Shareholders' Meeting, to be held at Avenida de Burgos 16 D, Madrid, at 12:00 hours on 21 June 2016, at the first call, and on the following day, 22 June 2016, at the same time and venue, at the second call.

- a) Approval of the Annual Accounts, and the Directors' Reports of the Company and its consolidated group corresponding to the financial year ended at 31 December 2015.
- b) Approval of the following proposed application of results, comprising profits of 7,587,578 euros: to voluntary reserves, 6,828,820 euros; and, legal reserve 758,758 euros.
- c) Approval of the management of the Governing Body during the 2015 financial year.
- d) To approve, for merely consultative purposes, the Report on Remuneration of the Board of Directors for the 2015 financial year.

Report approved by the Board of Directors on February 25, 2016.

- e) To approve the amendment of the Remuneration Policy of the Directors, which is included as Annex I forming part of this agreement, in order to contemplate the incentive policy and fix the system of severance the CEO.
- f) To approve the remuneration system consisting of stock options plan of the Company which is included as Annex II as part of this agreement, applicable to certain directors and officers of the Company and Group companies.
- g) To distribute share premium amounting to 100 million euros. The distribution will occur in stages and quarterly. The first distribution will take place once the second calendar quarter of 2016 completed and in the third quarter, and successive within each subsequent quarter until the second calendar quarter of 2017, in which the last distribution corresponding to this agreement will take place.

The Board of Directors is empowered to determine the exact date and amount of each distribution, always with the overall limit of the maximum amount indicated. In the event that the amounts set by the Board of Directors do not cover this maximum amount, this agreement will void with respect to the amount not distributed.

- h) To authorize, indiscriminately, any of the members of the Board of Directors so that they may execute to the necessary extent the resolutions that have been adopted, undersigning any public or private documents that are necessary or appropriate for the purpose, and even so that they may correct them for the sole purpose of having them recorded with the relevant Mercantile Registry.

The new text has been marked in bold and underlined in order to facilitate identification of the modifications, and for the same purpose certain deleted sections of text have been left in place, struck through, as follows:

ANNEX I

The proposals of the Remuneration Policy of the Board modifications are presented with change control over the text of the current policy in force:

SAETA YIELD, S.A.

PROPOSAL FOR REMUNERATION POLICY OF THE BOARD OF DIRECTORS

1. INTRODUCTION

This document is prepared in compliance with the provisions in Article 529 novodecies of the Companies Enterprise Act, consolidated text approved by Royal Legislative Decree 1/2010 of July 2 (the "**Companies Enterprise Act**"), and endorses the proposal of remuneration policy of the Board of Directors of Saeta Yield, SA (the "**Remuneration Policy**") that approved by the Board of Directors, will be raised for approval to the General Shareholder's Meeting of the Company.

~~It is envisaged that the proposed Remuneration Policy contained in this document is approved by the Board of Directors at the first meeting to be attended by the directors to serve on the same occasion of the admission to trading on the Stock Exchange of the shares of the company Saeta Yield, SA (the "**Society**"). Therefore, this proposal has the character of initial or provisional proposal and may be amended or replaced if the Board of Directors, once effective IPO of the Company so decides before his elevation to the General Meeting of the Society.~~

~~In any case,~~ The Remuneration Policy of directors, in their capacity as such as the performance of executive functions, will be oriented to compensation in reasonable proportion to the scale of the company, its economic situation and the market standards of comparable companies. Similarly, the system of remuneration of the Directors shall be aimed at promoting profitability and long- term sustainability of the Company and will incorporate the necessary precautions to avoid excessive risk taking and reward unfavorable results.

2. DIRECTORS 'REMUNERATION

In accordance with the article 11 of the By-laws, the remuneration system for the Directors in their capacity as such comprises a fixed annual allocation payable quarterly, and

allowances for attending each meeting of the Board of Directors or the Committees thereof.

The maximum amount **of the annual remuneration** that the Company may pay to the Directors for both concepts, fixed payment and attendance fees, may not exceed 450,000 euros.

2.1 Fixed annual allocation

The fixed annual allocation will be greater in the case of the Chairman of the Board Directors and those Directors belonging to the Committees of the Board, in accordance with the greater dedication that the performance of their functions entail for them.

The additional amount to be received by the Directors belonging to Committees will be the same, whether they are members of one Committee or both (Audit Committee or Appointments and Remuneration Committee).

2.2 Allowances for attending each meeting

The Directors will receive an amount, by way of expenses, for each plenary session of the Board or the Committees thereof that they attend. The amount of these expenses will be moderate, and the monies received by the Directors in this regard may not for each financial year represent more than 15% of the fixed allocation.

3. EXECUTIVE DIRECTORS 'REMUNERATION

- 3.1 It is expected to the only Executive Director is the Chairman of the Board of Directors, who likewise holds the position of Managing Director.

The Initial remuneration for the performance of the executive functions inherent in his position as Managing Director includes a fixed remuneration of 185,000 euros per year, **which will be updated according to the CPI**, plus a variable remuneration of up to 35%, which concrete amount is determinate **by the Board of Directors** according ~~the~~ criteria and objectives set ~~by~~ the board of directors of the Company. ~~The fixed remuneration shall be updated according to the CPI. The remaining initial conditions of its contract with the Company on such functions, be identical to those that had you agreed as a manager in his previous company (Cobra Instalaciones y Servicios, S.A.). Consequently, the admissibility of compensation for unilateral termination by the Company and its amount would be determined according to the criteria of labor legislation (on the basis of seniority to December 1, 2008) with, and initially there is no agreement between the parties on compensation linked to shares, retention or post contractual competition.~~ **quantitative (determined in accordance with the evolution of the main financial and accounting data) and qualitative. The CEO's remuneration scheme it is integrated into the Remuneration policy of in kind, social benefits and liability insurance applicable to the managers of society including insurance civil responsibility, assistance in health insurance, life insurance and accident and vehicle. Similarly, the Chief Executive**

Officer may be beneficiary of other compensation plans in the medium and long term, consisting of multi-year bonds approved by the General Meeting or plans Options on shares, which will be duly approved by the General Shareholder's Meeting as provided in the art. 219 Corporate Enterprise Act and bylaws.

- 3.2 ~~This system of remuneration and contractual terms will apply until otherwise agreed by the parties to a new contract that would have to be approved by the Board of Directors under a policy modified remunerations or replacing the initial, reflected in this document.~~

The CEO's contract shall remain in force while it should remain in office. The contract will not non-compete agreements be contemplated. The CEO shall, on termination of the relationship with the company as chief executive, to compensation equivalent to two annuity cessation. To this end, the annuity is calculated as half the sum of full compensation received in the two preceding that in which the termination (or last year doubled, if seniority is not reached two years). Should the date of termination of the relationship there is an outstanding option plan exercise, the rights arising from this plan may be exercised after its termination cases the terms and agreed the plan itself.

The CEO shall be entitle, on termination of the relationship with the company as chief executive of the same, to compensation equivalent to two years payment. To this end, the annuity is calculated as half the sum of full compensation received in the two immediately preceding that in which the termination (or last year doubled to occur exercise, if an old two is not reached years). In the event that there is a date of termination option plan exercise outstanding shares, the rights arising from this plan shall be respected and the CEO may exercise such rights even after leaving office.

As the earlier approved the new Remuneration Policy of the Board of Directors shall be as follows:

SAETA YIELD, S.A.

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3.2 The CEO's contract shall remain in force while it should remain in office. The contract will not non-compete agreements be contemplated. The CEO shall, on termination of the relationship with the company as chief executive, to compensation equivalent to two annuity cessation. To this end, the annuity is calculated as half the sum of full compensation received in the two preceding that in which the termination (or last year doubled, if seniority is not reached two years). Should the date of termination of the relationship there is an outstanding option plan exercise, the rights arising from this plan may be exercised after its termination cases the terms and agreed the plan itself.

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ANNEX 2

ADOPTION OF A REMUNERATION SYSTEM CONSISTING OF COMPENSATION IN STOCK OPTIONS PLAN OF THE COMPANY APPLICABLE TO CERTAIN DIRECTORS AND EXECUTIVES OF THE COMPANY AND GROUP COMPANIES.

It approved to expand the remuneration system of the CEO and the management of the Company through the implementation of "2016 Stock Options Plan" which includes the delivery of purchase options to purchase the shares of Saeta Yield, S.A. When executives exercise options and acquire shares, they will have achieved a benefit by the difference between the market value of the shares of the company at that time and the price at which the manager can buy these shares upon exercise of the option.

The acquisition by the Company of shares for the said plan is part of the authorization granted by the general shareholders meeting of Saeta Yield dated January 27, 2015.

Executives 'Stock Option Plan 2016 will have the following main characteristics:

- a) The number of shares subject to the Option Plan will be a maximum of 470,000 shares, of one euro of face value. In compliance with the provisions of Article 219 of the Companies Enterprise Act it notes that the maximum number stock options attributable to the CEO will be 210,000.
- b) The exercise price of the options which the CEO and the executives may, where appropriate, will acquire the shares of 9.31 euros.
- c) The time period in which the options may be exercised is two years from May 1, 2018.
- d) The options will be exercisable by halves equal parts, accumulated at the beneficiary choice, during the third and fourth years following, including, May 1, 2016.

The determination of the executives beneficiaries of the Plan, the number of options granted to the CEO and each of the executives beneficiaries, the other conditions of the Plan and aspects which amplify, develop and allow the execution of the Option Plan shall be established by the Board of Directors following a report of the Appointments and Compensation Committee, in whose favor delegating as broadly as law is necessary or appropriate.