

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 20 June 2017, at the first call, and on the following day, 21 June 2017, at the same time and venue, at the second call.

1. 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 2016, which were formulated by the Board of Directors at its meeting on February 28, 2017.
2. Approval the proposed application of results formulated by the Board of Directors at its meeting on February 28, 2017, which consists in allocating the benefit resulting from the 2016 financial year, amounting to EUR 29,963 M, in full to voluntary reserves.
3. Approval of the management of the Governing Body during the 2016 financial year.
4. To approve, for merely consultative purposes, the Report on Remuneration of the Board of Directors for the 2016 financial year.
5. On November 4, 2016, the Board of Directors, in exercise of the legal power to co-opt to fill the vacancy existing after Mr. Rajaram Rao resigned, the Board appointed Mr. Antoine Kerrenneur as Proprietary Director.

The Board of Directors is subject to the ratification of the appointment made on November 4, 2016, of Mr. Antonie Kerrenneur as director, with the same category, for the statutory term of four years from the date of his appointment:

- Mr. Antione Kerrenneur, of French nationality, of legal age, married, domiciled in London at the address The Peak, 5 Wilton Road, and holder N.I.E. Y 3421130 D.

According to art. 529 decies of the Company Enterprises Act, the Board of Directors has formulated the report in which it assesses the competence, experience and merit of the proposed candidate.

In accordance with the provisions of articles 518 e) and 529 decies of the Company Enterprises Act, the Company's website has been published for the appointment of the Board of Directors in addition to the present proposal, (i) the report of the Appointments and Remuneration Committee, (ii) Board of Director's report justifying the competence, experience and merit of the proposed candidate, and (iii) the candidate's identity, category and short curriculum in order to have information on his profile and merits.

6. To approve the amendment of the Remuneration Policy of the Board of Directors, which is included as Annex I and is part of this agreement.
7. Following a proposal made by the Audit Committee, extend the appointment of Deloitte, S.L., I.D. number B-79104469 and R.O.A.C. number SO692, as Saeta Yield, S.A. statutory auditors for a period of one year from and including January 1, 2017. For this purpose, the Board of Directors and its Chairman are authorized, without distinction, to enter into a corresponding

service lease agreement with the aforementioned auditing company, for the term and conditions that, within the usual market rates, they consider convenient.

8. To distribute share premium amounting to 100 million euros. The first distribution will correspond to the one corresponding to the second natural quarter of 2017 payable in the third quarter of 2017, and so on until the distribution of the first natural quarter of 2018, payable in the second quarter of 2018 which will be the last distribution corresponding to this agreement.

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.

9. Renew, until June 30, 2020, the delegation to the Board of Directors, the addition in section 8 c) of recommendation 5 of the Code of Good Governance, of the power to issue bonds, debentures and other simple fixed-income securities, exchangeable and/or convertible into shares, warrants, promissory notes and preferred shares, with the power to exclude the right to subscription and the authorization for the Company to guarantee issues of fixed income securities made by subsidiaries approved by the General Shareholder's Meeting on January 27, 2015, which is included as Annex II and is part of this agreement.
10. Renewal, until June 30, 2020 the delegation to the Board of Directors of the power to increase the share capital which was approved by the General Shareholder's Meeting on January 27, 2015. It is included as Annex III and is part of this agreement.
11. 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.

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, as approved by the General Meeting of January 27, 2015:

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.

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~~ **650,000** 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~~ **50**%, which concrete amount is determinate by the Board of Directors according criteria 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 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.

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

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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).

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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 50%, which concrete amount is determinate by the Board of Directors according criteria 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.

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ANNEX II

Renew, until June 30, 2020, the delegation to the Board of Directors, the addition in section 8 c) of recommendation 5 of the Code of Good Governance, of the power to issue bonds, debentures and other simple fixed-income securities, exchangeable and/or convertible into shares, warrants, promissory notes and preferred shares, with the power to exclude the right to subscription and the authorization for the Company to guarantee issues of fixed income securities made by subsidiaries approved by the General Shareholder's Meeting on January 27, 2015

At the General Shareholders Meeting of 27 January, 2015, it was agreed to delegate, in accordance with the general system for the issuing of debentures and in accordance with the provisions in Articles 286, 297, 510 and 511 of the Corporation Law and article 319 of the Companies Business Registry, the power to issue debentures and any other instruments of a similar nature, whether simple, convertible into or new issue shares of the Company and/or convertible into shares of the Company already in circulation, as well as warrants or other similar securities, whether newly issued or already in circulation.

It is proposed to the General Shareholders Meeting to renew the delegation to the Board of Directors, adding only in section 8 c) the limit established in recommendation 5 of the Code of Good Governance.

The modifications are underlined and it is establish in accordance with the following conditions:

1. Securities covered by the issue

Marketable securities referred to by the current delegation of powers may be debentures, bonds and other fixed yield securities of a similar nature, whether simple or exchangeable for Company shares, shares in any other company, whether or not the company belongs to this Group, and/or convertible into shares in the Company. The present delegation of powers may also be used to issue promissory notes and warrants (options to subscribe to new shares or to acquire existing shares in the Company).

2. Term of the Delegation

The issue of the securities which are the subject of the delegation may take place once or several times over the term of three years from the date of the present agreement.

3. Maximum value of the delegation

The maximum value of the issue or issues of securities that may be agreed under the present delegation of powers will be equivalent to 500 million Euros. In the case of the warrants, for the purpose of calculating this limit, the total of premiums and agreed exercise price for the warrants in each issue approved under the present delegation.

4. Scope of the Delegation of powers

The delegation of powers to issue securities referred to in this agreement will extend to the setting of different aspects and conditions of each issue (face value, type of issue, redemption price in the case of warrants, premiums and exercise price currency of the issue, type of interest, repayment, anti-dilution measures, subordination clauses, issue guarantees, place of issue, admissions to negotiation, etc.) and to the setting of the number of stages necessary or appropriate, for the execution of the particular issues that it is decided to complete under the present delegation of powers.

5. Bases and methods of conversion and/or exchange

In the case of issue of convertible or exchangeable debentures or bonds, and for the purpose of determining the bases and methods of the conversion and/or exchange, it has been agreed to establish the following criteria:

- a) The conversion and/or exchange ratio will be fixed, and for such purposes the fixed yield securities will be valued at their face value and shares at the fixed rate, as laid down in the Board of Directors' agreement, or at a rate defined on the date or dates indicated in the Board of Directors' agreement itself, and depending on the stock market value of the company's shares on the date(s) or during the period(s) which are taken as reference in the same agreement. In all cases, the price of the shares cannot be lower than the highest between (i) the arithmetic average of the closing prices of the Company shares in the Stock Exchange Interconnection System (Continuous Market) during the period to be determined by the Board of Directors, no greater than three months and no less than fifteen days, before the date of the Board of Directors' meeting which, making use of the present delegation of powers, approves the issue of debentures or bonds, and (ii) the closing price of the shares in the same Stock Exchange Interconnection System (Continuous Market) on the day before the holding of the Board of Directors' meeting which, making use of the present delegation of powers, approves the issue of debentures or bonds.
- b) Under no circumstances can the convertible debentures be issued at a figure lower than their face value. Furthermore, in accordance with the provisions of article 415.1 of Corporation Law, debentures cannot be converted into shares when the face value of the former is lower than that of the latter.
- c) When the conversion and/or exchange proceeds, the fractional shares which, where appropriate, should be handed over to the holder of the debentures or bonds, will be rounded down to the whole number immediately below, and each holder will receive as a cash payment any difference produced in such an instance.
- d) At the time of approving an issue of convertible and/or exchangeable debentures or bonds under the authorisation of the present agreement, the Board of Directors will issue a report developing and specifying, on the basis of the criteria already set out, the bases and methods of conversion to be applied specifically to the issue concerned. This report

will be accompanied by the corresponding report by the auditors of accounts referred to in article 414.2 of the Corporation Law.

6. Bases and methods for the exercise of warrants

In the case of issues of warrants, to which the provisions set down in Corporation Law with regard to convertible debentures will apply, it is agreed to set the following criteria for the determination of bases and methods:

- a) Warrants issued under this agreement may provide a right to the subscription of new shares in the Company and/or the acquisition of shares of the same Company already in circulation, or a combination of the two. In all cases, the Company can reserve for itself the option, at the time of exercise of the warrants, to transfer other new or existing shares, or a combination of the two.
- b) The term for the exercise of the warrants will be determined by the Board of Directors, and cannot exceed 5 years, counting from the date of issue.
- c) The exercise price of the warrants may be fixed or variable. In the latter case, it shall depend on the date(s) or period(s) taken as reference. The price shall be determined by the Board of Directors at the time of issuance or determined at a later time in accordance with the criteria set forth in the agreement itself. At all events the price per share to be considered may not be less than the highest of (i) the arithmetic mean of the closing prices of the Company's shares on the Spanish Stock Market Interconnection System (Continuous Market) during the period to be determined by the Board of Directors, which shall not exceed three months or be less than fifteen days prior to the date of the meeting of the Board of Directors that, in the use of these powers, approves the issue of the warrants and, (ii) the closing price of the shares on the same Stock Market Interconnection System (Continuous Market) on the day before the Board of Directors meeting which, in the use of these powers, approves the issue of the warrants.
- d) When issuing warrants with a simple exchange rate or at par, i.e. one share per warrant, the sum of the premium or premiums paid for each warrant and its strike price may in no case be less than the market price of the Company's shares considered in accordance with the provisions of the preceding paragraph, or their nominal value. In the event of warrants with multiple exchange rates, i.e. other than one share per warrant, the sum of the premium or premiums paid for all the warrants issued and their aggregate exercise price may not, under any circumstances, be less than the result of multiplying the number of shares underlying the total number of warrants issued by the share price of the Company considered in accordance with the previous paragraph, nor of their nominal value.
- e) At the time of approving an issue of warrants under these powers, the Board of Directors shall issue a report based on the criteria described above that explains and

specifies the rules and modes of exercise specifically applicable to said issue. By analogical application of article 414 of the Capital Companies Act, this report shall be accompanied by the auditors' report referred to therein.

7. Rights of convertible security holders

Holders of convertible and/or redeemable securities and warrants shall have all the rights conferred by the currently applicable legislation. In particular, they shall be protected by appropriate anti-dilution provisions and, in the case of convertible debentures and warrants on newly issued shares, preferential subscription rights unless the Board of Directors, in the terms and with the legally prescribed requirements, agrees to total or partial exclusion of the same.

8. Capital increase and exclusion of the right to preferential subscription of convertible securities

The delegation of powers for issue of debentures or convertible bonds and warrants on newly subscribed shares shall include the following:

- a) The power to increase the capital by the amount required to address the requests for conversion or exercise of the warrant over the new shares. Said power may only be exercised to the extent that the Board of Directors, adding the increased capital to address the issue of debentures or convertible bonds or the exercise of warrants and any other capital increases that have been agreed pursuant to the powers granted by the General Meeting, does not exceed, as a nominal amount, the limit of half the share capital provided for in article 297.1.b) of the Capital Companies Act at the date of this agreement.
- b) For the purposes of the calculation of this limit, the amounts of the increases – where applicable – approved pursuant to the delegation of powers foreseen in Agreement Six must be taken into account.
- c) The power for the exclusion of the pre-emptive subscription right of shareholders or titleholders of convertible debentures or bonds, when necessary for the raising of funds on international markets, the use of techniques based on book-building, or any other method required by corporate interest. In all cases, should the Board of Directors decide to cancel the pre-emptive subscription right with regard to a specific issue of debentures or bonds or warrants corresponding to newly-issued shares, a decision which it might adopt pursuant to the present authorization, at the moment of endorsing the issue it shall issue a report listing the specific reasons of corporate interest that justify this measure, which shall be the subject of the correlated report by the Auditor referred to in article 511 of the Capital Company Act. For the assumption of the issue of shares or convertible securities excluding the pre-emptive subscription right, and in order to comply with Recommendation 5 of the Good Governance Code of listed companies, the amount that may be subject to an exclusion of the preemptive right in an authorized capital, shall not exceed 20% of the capital at the time of the delegation.

- d) The delegation of powers for the issue of convertible and/or exchangeable debentures and warrants shall further include the power to develop and specify the bases and modalities of the conversion and/or exchange or exercise established in sections 5 and 6 above, and specifically, to determine the time of conversion and/or exchange or exercise of the warrants, which might be limited to a pre-established period; the ownership of the right to convert and/or exchange the debentures or exercise, which may be attributed to the Company or to the debenture holders or warrant owners (by conversion, exchange or even a combination of the two techniques, which may be left to their choice at the time of execution, or even establish the necessarily convertible nature of the debentures issued), and in general, as many limits and conditions that may be necessary or appropriate for the issue.

9. Guarantee of issue of fixed-income securities.

The Board of Directors is likewise empowered to guarantee, in the name of the Company, the issue of fixed-income securities (debentures, bonds, notes, promissory notes, or any other) of companies belonging to its group of companies.

10. Trading of the securities issued

The Company may request the admission to trading in official or unofficial secondary markets at home or abroad of the debentures, bonds, warrants, preferred stock and other securities issued by the Company by virtue of this delegation of powers, empowering the Board of Directors for the performance of the procedures necessary for admission to trading before the competent bodies of the various domestic and foreign stock markets.

11. Power of replacement

The Board of Directors is empowered for the delegation in turn in favour of any one of its members of the delegated powers referred to in this agreement.

ANNEX III

Renewal, until June 30, 2020 the delegation to the Board of Directors of the power to increase the share capital which was approved by the General Shareholder's Meeting on January 27, 2015.

At the General Shareholder's Meeting held on January 27, 2015, it was agreed to delegate to the Board of Directors, if it considered it appropriate, to increase the share capital by up to a figure equal to one half of the current share capital, once or several times, and in the opportunity and amount considered appropriate, with attribution of the power to exclude the pre-emptive right.

It is proposed to the General Shareholders Meeting to renew this delegation until June 30, 2020 under the same conditions of its initial approval.

The relevant changes are underlined, the delegation is established in accordance with the following terms:

1. Authorized capital, amount and term.

It is resolved to delegate to the Board of Directors of the Company, in accordance with the provisions of article 297.1.b) of the Capital Companies Act and without consulting the General Shareholders' Meeting, the possibility of increasing the share capital by half of the share capital of the Company, being able to exercise that power to June 30, 2020, one or more times and at the opportunity, amount and conditions that in each case freely agrees.

2. Scope of the delegation.

In this way, the Board of Directors may determine all the terms and conditions of the capital increases and the characteristics of the shares, as well as determine the investors and markets to which the capital increases and the placement procedure to be targeted, to freely offer new unsubscribed shares during the pre-emptive subscription period, and to determine, in the event of an incomplete subscription, the capital increase to be rendered ineffective or that the capital be increased only in the amount of the subscriptions made and to redraft the article relative to the share capital of the Articles of Association.

The Board of Directors may designate the person or those persons, whether or not directors, who must execute any of the agreements adopted on behalf of this authorization and, in particular, the closing of the capital increase.

3. Rights of the new shares, type of issuance and countervalue of the increase.

The new shares issued in connection with the capital increase or increases agreed in accordance with this delegation shall be ordinary shares equal in rights to those already existing (except for dividends already declared and outstanding at the time of issuance), which will be issued at the nominal value or, if applicable, with a share premium determined. The counter value of the new shares to be issued will necessarily consist of cash contributions.

4. Exclusion of the pre-emptive subscription right.

Pursuant to article 506 of the Capital Companies Act, the Board of Directors is expressly granted the right to exclude, in whole or in part, the pre-emptive right in respect of any or all of the issuances that it may agree upon under this authorization; however this power will be limited to capital increases carried out under this delegation up to an amount equivalent to 20% of the share capital of the Company.

Pursuant to the applicable legislation, the Board of Directors may use the power granted under the provisions of this section 4 whenever the Company's interest so requires, and provided that the face value of the shares together with the share premium, if applicable, is equivalent to the fair value of the Company's shares resulting from the report that, at the request of the Board of Directors, must prepare by an auditor appointed for these purposes by the Mercantile Registry on each occasion in which use is made of the power to exclude the pre-emptive subscription right conferred in this paragraph. The auditor should be other than the Auditor of the Financial Accounts.

5. Application for admission.

The Board of Directors of the Company is also authorized to request the admission to trading and its exclusion in secondary markets, either in Spain or abroad, of the shares that may be issued or, in case of a change in the face value of those already issued, its exclusion and new admission, complying with the rules that are applicable in relation to the hiring, remain and exclusion of the negotiation.

6. Power of replacement.

The Board of Directors is authorized to delegate to any of its members the delegated powers to which this agreement refers.