

Madrid, July 27, 2016

For the purposes provided in article 228 of Law 24/1988, July 28, the Spanish Securities Market Act, and supplementary provisions I hereby declare the following **Significant Event**:

The General Shareholder's Meeting of Saeta Yield, S.A., held on June 22, 2016, authorized the Board of Directors to establish a Stock Option Plan on the Company shares in favor to the management team of the Group.

Pursuant to this resolution, the Board of Directors of the Company at its meeting held on July 27, 2016, following a report of the Appointment and Remuneration Committee of July 27, 2016, agreed to establish of a Stock Option Plan on Saeta Yield, S.A. shares (2016 Manager Stock Option Plan) which is regulated as follows:

- a) The number of shares subject to the Option Plan will be a maximum of 470,000 shares, par value of one euro per unit.
- b) Beneficiaries are:

2016 MANAGER STOCK OPTION PLAN

BENEFICIARIES	NUMBER OF OPTIONS
José Luis Martínez Dalmau	210,000
Álvaro Pérez de Lema de la Mata	140,000
Francisco González Hierro	70,000
María Dolores del Valle Calvo	50,000
TOTAL	470,000

- c) Purchase option price will be Euros 9.31 per share. This price will be modified in the corresponding amount in the event that a dilution of the shares occurs.
- d) With the exception of certain scenarios of early termination of the work relationship, the option will be exercisable, by halves and equal parts, accumulated at the beneficiary election, during the third and fourth years after May 1, 2016, inclusively.
- e) Tax withholdings, and taxes applicable to the case, upon exercise of the option shall be borne, exclusively, by the beneficiary.
- f) Plan effectiveness is subject to comply with any requirements legally in force.

Yours faithfully,

José Luis Martínez Dalmau
Chairman