

Abengoa, S.A. Flexible Dividend (Scrip Dividend) Questions & Answers

Abengoa, S.A. makes available to its shareholders the following questions and answers document in relation to the dividend paid in shares program which was approved at the General Shareholder's Meeting held on April 6th 2014. This document has been updated with the specific timetable approved by the Shareholders' Meeting. For further information, please contact by e-mail the Investor Relations department at the following address: ir@abengoa.com

I.- General Aspects.

1. What is this new form of remuneration to Abengoa's shareholders?

Abengoa, S.A. has always paid dividends entirely in cash, and it's our aim to maintain a policy which guarantees that all shareholders may receive their compensation entirely in cash if they wish to.

Abengoa, S.A., in line with the policy implemented by other domestic and international companies, wants to give its shareholders the chance to, without limiting their ability to receive their remuneration fully in cash if desired, receive their remuneration in company's paid-up shares tax advantages.

This system that offers shareholders the option of receiving their compensation in cash or, if they prefer, in paid-up shares will be done through a capital increase against reserves.

2. Does this system mean that I can't receive the dividend payment entirely in cash?

No. With this system the options given to shareholders are increased.

In particular, with this system we offer the shareholders the option of having the remuneration for what would have been the traditional payment of the dividend in cash, or if preferred in paid-up shares (in other words, with any cash disbursement by the shareholders) with their tax advantages.

3. Why is Abengoa, S.A. setting up this system?

To increase the flexibility of shareholders, by allowing them to choose if they want to receive their compensation in cash or in paid-up shares.

In this way, Abengoa, S.A. adopts a practice already followed by other domestic and international companies.

4. Will I collect fewer dividends under this system?

No. The price at which Abengoa, S.A. commits to acquire the free-of-charge rights is equal to at least the amount of the cash dividend that would otherwise have been made for the dividend corresponding to fiscal year 2013.

5. Is this a change in Abengoa, S.A. policy of paying dividends in cash?

No. Abengoa, S.A. continues guaranteeing that all shareholders who want to will receive the entirety of their retribution in cash, as they would receive it if this system did not exist.

6. Will Abengoa, S.A. use this system in the future?

On the date hereof, Abengoa, S.A. has not made any decision regarding the possible application of this system in subsequent years.

II.- Description of the remuneration system

7. What does this system consist of?

The Board of the Directors decided on the 6th of April to execute the free share capital increase, the company's shareholders will receive a free-of-charge rights allocation for each Abengoa, S.A. Class A share and for each Abengoa, S.A. Class B share held on the date of publication of the announcement in the BORME at 23:59 hours CET estimated on the 8th of April.

These rights will be listed and therefor may be transferred under the same conditions as the shares to which they relate on the Barcelona, Madrid, Bilbao and Valencia Stock Exchange within fifteen (15) calendar days period. Once this period is ended the free-of-charge rights owned by the holders will be converted into new shares automatically.

Furthermore, Abengoa, S.A. will assume an irrevocable commitment to the shareholders to purchase the free-of-charge rights for a price of 0.111€ for each free-of-charge right (**Commitment to Purchase**) which shall be at least the amount agreed of the dividend to each right. In this way, the company guarantees every shareholder the possibility of monetize their rights if they don't want to receive new shares, equal as receiving cash dividend.

8. How many Rights do I receive for each share of Abengoa, S.A. I hold and when will I receive them?

The legitimate owners of Abengoa, S.A. Class A shares and Abengoa, S.A. Class B shares will receive a free-of-charge right allocation for each share held on the date of publication of the announcement in the Boletín Oficial del Registro Mercantil at 23:59 hours CET estimated on the 8th of April.

9. How many free-of-charge rights will be needed for the allocation of a new share?

It will depend on the quoted price of the Abengoa, S.A shares. This information will be determined and communicated by a Relevant Fact of Abengoa, S.A. before the right's trading period.

10. When will the final terms of the capital increase and the rest of conditions will be known?

On the 6th of April the Board of Directors of Abengoa, S.A. approved and communicated to the market through a Relevant Fact and an Informative Document the final terms of the capital increase and the following timetable:

- April 8, 2014: Record date for the allocation of free-of-charge rights (23:59 PM Madrid).
- April 9, 2014: Commencement of the trading period of the free-of-charge rights. Abengoa, S.A. Clase A shares and Abengoa, S.A. Clase B shares quote ex-coupon.
- April 15, 2014: Deadline for requesting payment in cash under the purchase commitment agreed by Abengoa.
- April 23, 2014: End of the trading period of the free-of-charge rights.
- April 23, 2014: Closing of the paid-in capital increase.
- April 25, 2014: Payment of cash to shareholders who have elected to receive cash under the purchase commitment agreed by Abengoa.
- April 25-30, 2014: Procedures for registration of the paid-in capital increase and admission to listing of the new shares on the Madrid and Barcelona Stock Exchanges.
- May 2, 2014: Estimated date of the beginning of the ordinary trading session of the new shares on the Spanish stock exchanges.

11. Which options do I have under this remuneration system?

Once received the free-of-charge rights, shareholders of Abengoa, S.A. will have the option to freely choose between:

(a) Not selling their rights. In that case the shareholder will receive the corresponding new shares resulting from the exchange ratio determined totally paid-up.

(b) Selling all or part of the rights to Abengoa, S.A. in accordance with the **Purchase Commitment** for a price of 0.111€ exclusively when the rights proceed from the attribution to the shareholders of the free-of-charge rights made on the date of publication of the announcement in the BORME at 23:59 hours CET, namely not acquired on the Stock Exchange. In this way, the shareholders monetize their rights.

(c) Selling all or part of their rights on the Stock Exchange. In this case, the shareholders also monetize their rights but instead of receiving a guaranteed fixed price, the remuneration would depend on the market conditions in general and the quotation price of the rights in particular.

The company's shareholders will be able to combine any of the alternatives mentioned in sections (a) to (c). Note that tax treatment of the alternatives is different.

12. Who should I contact to communicate my choice?

You will need to contact the financial institution where your shares are deposited in order to instruct according to your decision.

If you don't provide any instruction, you will receive new shares based on the number of your free-of-charge allocation rights.

13. How much time do I have to give notice of my choice?

If you decide to sell your rights on the Stock Exchange, you must contact the entity where the shares are deposited and follow its instructions so that it can put the rights up for sale during the trading period established for that purpose. The trading period of the free-of-charge rights began on April 9, 2014 and ends on April 23, 2014.

If you decide to sell your rights to Abengoa, S.A. at the guaranteed price (**Purchase Commitment**), you must also contact with your depository entity and follow its instructions in order for it to be able to sell the rights to Abengoa, S.A.

If you don't give the instructions contemplated in the preceding two paragraphs, you will receive shares based on the number of free-of-charge rights that you own.

14. So, if I want to receive the amount in cash in the way I used to receive the dividend, what must I do?

You must contact the entity where your shares are deposited in order to instruct it to sell the rights on the Stock Exchange or to ABENGOA, S.A. at the guaranteed fixed price of 0.111€ for each free-of-charge right under the (**Purchase Commitment**) or on the Stock Exchange at the current market price.

15. What happens if I don't choose any option?

In that case you will receive newly issued Abengoa, S.A. shares based on the number of free-of-charge rights that you own (1 free-of-charge for each owned share) and the number of free-of-charge rights needed for the allocation of a new share.

16. If I choose to receive new shares, do I have to pay for them?

No. The capital increase is free of expenses and fees regarding the allocation of the new issued shares.

Abengoa, S.A. will assume the expenses related to the issue, subscription, placement, and admission to trading and any and all other related to the capital increase. However, the financial entity with which shareholders have deposited their shares may, in accordance with the applicable law, freely establish fees and expenses regarding the subscription of the new shares and the maintenance of the shares in the accounting records.

17. Can I choose to receive part of the remuneration in free shares and a part of it in cash?

Yes. In order to do so, you will have to sell part of the free-of-charge rights to Abengoa, S.A. or on the Stock Exchange, keeping the other part in the desired proportion.

III.- Choice of an option

18. Which option is the best for me? To receive cash or shares?

This is a personal decision that you must make. If you prefer to receive free new shares of Abengoa, S.A., that you can always sell if needed, then choose not to sell the rights and receive shares.

On the other hand, if you prefer cash, you can sell the free-of-charge rights.

However, your decision will depend upon your personal, financial and patrimonial situation, as well your tax regime and each option tax regime, if you deem it appropriate; you should check your decision with your advisors.

19. If I choose to receive cash, which is better, selling to Abengoa, S.A. or selling on the Stock Exchange?

If you choose to sell the free-of-charge rights to Abengoa, S.A., the sale will be made at the guaranteed fixed price (**Purchase Commitment**) to which the same withholding tax will apply as it would to a cash dividend.

If you choose to sell the free-of-charge rights on the Stock Exchange, there will be no tax withholding, but the price will not be guaranteed (**Purchase Commitment**) by Abengoa, S.A. In this case you may receive more or less cash than if you had decided to sell to Abengoa, S.A., depending on the current market price of the free-of-charge rights.

You should also take into consideration the date you receive the cash because it could be different based on the alternative chosen.

In both cases, the financial entity with which you have deposited you shares may, in accordance with the applicable law, freely establish fees and expenses regarding the processing of orders for the purchase and sale of free-of-charge rights.

20. If I choose to sell the rights on the Stock Exchange, when will I receive the cash?

On the third business day after the sale.

21. If I choose to sell the Rights to Abengoa, S.A., when will I receive the cash?

It is expected to take place no later than 25 April 2014.

22. If I choose to receive shares, on what date will I receive them?

It is expected no later than 2 May 2014.

23. Why are there differences between the dates I receive cash or Abengoa, S.A. shares?

This is mainly due to the time required for the completion of all the formalities in order to achieve the inclusion of the new shares in Iberclear (Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal), the listing of the new shares on the Stock Exchange of Barcelona, Madrid, Bilbao and Valencia and the registration of the capital increase at the Commercial Registry.

24. What happens if the number of my free-of-charge rights is not sufficient to receive one share or is not an exact multiple of the needed proportion to subscribe for shares? What can I do? And, in this case, what would happen if I do not choose any option?

If you are a shareholder that does not have free-of-charge allocation rights in a number sufficient to receive one share or the number of your free-of-charge rights is not an exact multiple of the needed proportion to subscribe for shares, you may:

- (a) Acquire on the market a sufficient number of free-of-charge rights which, added to those already held by you, gives you the right to receive one share;
- (b) Transfer all or part of your free-of-charge rights to Abengoa, S.A. or transfer them on the market.

If, under these circumstances, you do not choose any of the three alternatives mentioned above, following section below will apply.

25. What will happen to rights that are not sufficient to receive a share?

Based on the custody agreement that you may have signed with your depository institution (or the instructions that you have given thereto), the depository institution will sell them on the market and will pay you the proceeds from the sale in cash.

Notwithstanding the foregoing, if such agreement or the instructions you have given to the depository institution do not contemplate/permit such sale, the paid-in shares corresponding to such odd-lots (both yours and those of the other shareholders in the same situation) will be deposited into a securities account in the name of Abengoa, S.A. and for the account of third parties.

After the passage of three years from the date the deposit was made, the shares may be sold by Abengoa, S.A. and the net amount from the sale of the shares will be deposited and made available to the interested parties at Banco de España or at Caja General de Depósitos in accordance with the provisions of article 117.3 of the Companies Law (Ley de Sociedades de Capital).

26. I'm bare owner of ABENGOA, S.A. shares from an usufruct of shares? What happens in this case?

The bare owner is entitled to decide what to do with the free-of charge rights corresponding to shares subject to a usufructuary. If the bare owner chooses to receive new shares or to sell the rights on the market, the usufruct will extend to cover the new shares or the proceeds of the sale. If, on the other hand, the bare owner chooses to sell the rights to Abengoa, S.A., the corresponding cash will be subject to the same withholding as dividends and will be considered a "fruit" of the shares, belonging to the usufructuary.

27. What is the tax regime for each of the options?

The tax regime applicable to shareholders in Spain will be as follows:

a) Delivery of shares.

The delivery of shares as a result of the Capital Increase will be considered, for tax purposes, to be a delivery of bonus shares and, therefore, does not qualify as income for the purposes of personal income tax (IRPF), corporate income tax (IS) or non-resident income tax (IRNR), regardless of whether the non-resident is operating via a permanent establishment in Spain.

The acquisition price, of both the new shares received as a result of the Capital Increase and the shares from which they arise, will be the result of dividing the total cost by the number of pre-existing plus bonus shares. The seniority of the bonus issue shares will be that of the shares from which they arise.

Since it is not deemed to be income for personal income tax purposes, no withholding tax will apply.

b) Sale of rights to free assignment in the market

For shareholders who sell their rights to free assignment on the market, the amount obtained will be subject to the following tax regime:

- With regard to personal income tax (IRPF) and income tax of non-residents (IRNR) without a permanent establishment, the amount obtained from selling rights to free assignment in the market will be subject to the same

tax rules that apply to preemptive subscription rights. Consequently, the amount obtained from selling rights to free assignment decreases the acquisition value, for tax purposes, of the shares from which those rights arise, in accordance with the provisions of article 37.1.a) of 35/2006 Law of November 28, of the personal income tax (IRPF).

Therefore, if the amount obtained from that sale exceeds the acquisition value of the securities from which it arose, the difference will be considered as capital gains for the seller during the tax period that the sale takes place.

- With regard to corporate income tax (IS) and income tax of non-residents (IRNR) with a permanent residence in Spain, the tax regime will conform to the applicable accounting regulation at that time to the extent that it represents the closure of a full commercial cycle.

Since it is not deemed to be income for personal income tax purposes, no withholding tax will apply.

c) Sale of the rights to free assignment to Abengoa, S.A. according to Purchase Commitment.

In the event that the holders of rights to free assignment decide to sell those to Abengoa, S.A. according to **Purchase Commitment** the tax regime applicable to the amount obtained from selling to the Company the rights to free assignment based on the status as shareholder or due to acquisition in the market will be equivalent to that applicable to dividends distributed directly in cash, and, therefore, subject to the corresponding withholding.

This analysis (which is based on specific situations) does not include all possible tax consequences. Accordingly, it is advisable to be aware of modifications that may arise in terms of the legislation in force when this report was drafted and its interpretation criteria, and the specific situation of each shareholder or holder of rights to free assignment.