

Introduction

The Appointments and Remuneration Committee was set up on February 24, 2003, by the Board of Directors of Abengoa, S. A., in accordance with Article 29 of the Board of Directors Rules and Regulations, in order to incorporate the recommendations regarding the Appointments and Remuneration Committee under the terms of the Financial System Reform Act (44/2002). During the meeting referred to above the Board of Directors also approved, its Internal Rules and Regulations.

Composition

The Committee is currently composed of the following members:

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| - Carlos Sebastián Gascón | Chairman. Non-executive independent officer |
| - Aplicaciones Digitales, S. L.
(Represented by Mr. José B. Terceiro Lomba) | Board member. Executive officer |
| - José Luis Aya Abaurre | Board member. Non-executive officer representing shareholders |
| - Ignacio de Polanco Moreno (*) | Board member. Non-executive independent officer |
| - Daniel Villalba Vilá | Board member. Non-executive independent officer |
| - José Marcos Romero | Non-board member secretary |

(*) Until 10-22-07 when his resignation, due to an increase in his other professional activities, was accepted.

The Secretary was appointed at the Appointments and Remuneration Committee meeting held on January 28, 2004 by circular resolution; the Chairman was, in turn, appointed at the Appointments and Remuneration Committee meeting held on October 19, 2006.

As a result, the Appointments and Remuneration Committee is composed of an executive officer and three non-executive officers, thereby meeting the requirements established under the Financial System Reform Act. Likewise, and in accordance with the provisions of Article 2 of its Internal Rules and Regulations, the office of Chairman of the Committee falls compulsorily to a non-executive officer.

Duties and Powers

The duties and powers of the Appointments and Remuneration Committee are as follows:

1. To report to the Board of Directors on appointments, re-elections, resignations and remuneration of Board members, as well as on the general policy regarding remuneration and incentives for board members and senior management.

2. To inform in advance of all proposals the Board of Directors intends to submit to the General Shareholders Meeting regarding the appointment or removal of directors, including in the event of co-optation by the Board of Directors itself; to confirm on a yearly basis adherence to the conditions for appointment of a director, as well as the nature or typology assigned to him or her, for inclusion in the Annual Report. The Appointments and Remuneration Committee, when filling vacancies as they arise, will ensure that the selection procedures do not implicitly hinder the selection of female directors, and that women matching the profile being sought are included among the potential candidates.
3. To draft an annual report on the activities of the Appointments and Remuneration Committee for inclusion in the management report.

Sessions and calling of meetings

In order to perform the aforementioned duties, the Appointments and Remuneration Committee will meet on as many occasions as necessary, and at least every six months. It will also meet whenever called by the Chairman. Finally, the meeting will be deemed valid when all members are present and they agree to hold a session.

During the 2007 fiscal year, the Committee held eight meetings. Among the issues dealt with, particularly significant were the issuing of a report on the current suitability of the Advisory Board to the Board of Directors and the proposal, where appropriate, for its dissolution, as well as the report justifying amendment of bylaws and the proposal to the Board of Directors of the Operational Procedure of the Coordinating Director of the Board of Directors of Abengoa, S.A., acceptance of the resignations as independent director of Mr. Ignacio de Polanco Moreno and that of Mr. Javier Benjumea Llorente as vice-chairman, as well as the appointment of Aplicaciones Digitales. S. L. (Aplidig, represented by Mr. José B. Terceiro Lomba), current Coordinating Director, as vice-chairman of the Board of Directors, proposing the vice-chairman, together with the chairman of the Board, as physical representative of Abengoa in his position as chairman of the Board of the Focus-Abengoa Foundation, as well as in those foundations and institutions in which the company is, or should be, represented.

Quorum

The Committee Meeting is deemed quorate when the majority of its members are present. Only non-executive officers may serve as proxies for other members.

The resolutions adopted will be valid when voted for by the majority of Committee members, either in person or by representation. In the event of a tie, the Chairman shall cast the deciding vote.

The company's remuneration officer director shall attend Committee meetings acting as the Committee's secretary.

Information submitted to the Committee

- Monitoring and evolution of payment of members of the Board of Directors and company senior management.
- Proposal for payment of members of the Board of Directors and company senior management.

- Preparation of pertinent information for inclusion in the annual financial statements.
- Issuing of the report on the current suitability of the Advisory Board to the Board of Directors.
- Proposal, where appropriate, for dissolution of the Advisory Board. Report justifying and proposing amendment of Company Bylaws, Article 44, letter ñ and 46.
- Proposal to increase the maximum number of directors. Report justifying and proposing amendment of Company Bylaws, Article 39.
- Proposal to increase the maximum number of vice-chairpersons of the Board of Directors. Report justifying and proposing amendment of Company Bylaws, Article 41.
- Proposal for approval by the Board of Directors of the Operational Procedure of the Coordination Director of the Board of Directors of Abengoa, S.A., as well as appointment of Mr. José B. Terceiro Lomba to the aforementioned position.
- Proposal to the Board of Directors for the appointment through the General Shareholders' Meeting as members of the Board of Directors of Mr. Miguel Martín Fernández, as an independent director, Mr. Ignacio Solís Guardiola, Mr. Fernando Solís Martínez-Campos, Mr. Carlos Sundheim Losada and Ms. María Teresa Benjumea Llorente, as directors representing shareholders, and Mr. Miguel Ángel Jiménez-Velasco Mazario in order to fill the existing vacancy following appointment of the aforementioned persons and the increase in the number of members from nine to fifteen.
- Propose to the Board of Directors the report on payment of members of the Board of Directors and of the Chairman.
- Reports on market research prepared by independent experts and payment comparisons.