

B. Structure of the company’s governing bodies

B.1 Board of Directors

B.1.1 Indicate the maximum and minimum number of directors stipulated in the company Bylaws:

Maximum number of directors	15
Minimum number of directors	3

B.1.2 Complete the following table on the members of the Board of Directors:

Personal or corporate name of member	Representative	Seat on the Board	Date of 1st appt.	Date of last appt.	Election procedure
Mr.Felipe Benjumea Llorente		Chairman	25/06/1983	05/04/2009	Voting Rights in Shareholders’ Assembly
Aplicaciones Digitales SL.	Prof. José B. Tercerio Lomba	Chairman	15/04/2007	10/04/2011	Voting Rights in Shareholders’ Assembly
Mr.Manuel Sánchez Ortega		Managing Director (CEO)	25/10/2010	10/04/2011	Voting Rights in Shareholders’ Assembly
Mr.José Joaquín Abaurre Llorente		Board Member	25/06/1988	05/04/2009	Voting Rights in Shareholders’ Assembly
Mr.José Luis Aya Abaurre		Board Member	25/06/1983	05/04/2009	Voting Rights in Shareholders’ Assembly
Mrs.María Teresa Benjumea Llorente		Board Member	15/04/2007	10/04/2011	Voting Rights in Shareholders’ Assembly
Mr.Javier Benjumea Llorente		Board Member	25/06/1983	05/04/2009	Voting Rights in Shareholders’ Assembly
Prof.José Borrell Fontelles		Board Member	27/07/2009	11/04/2010	Voting Rights in Shareholders’ Assembly
Prof.Mercedes Gracia Díez		Board Member	12/12/2005	11/04/2010	Voting Rights in Shareholders’ Assembly
Mr.Ricardo Martínez Rico		Board Member	24/10/2011	24/10/2011	Co-optation
Prof.Carlos Sebastián Gascón		Board Member	26/06/2005	05/04/2009	Voting Rights in Shareholders’ Assembly
Mr.Ignacio Solís Guardiola		Board Member	15/04/2007	10/04/2011	Voting Rights in Shareholders’ Assembly
Mr.Fernando Solís Martínez-Campos		Board Member	15/04/2007	10/04/2011	Voting Rights in Shareholders’ Assembly
Mr.Carlos Sundheim Losada		Board Member	15/04/2007	10/04/2011	Voting Rights in Shareholders’ Assembly
Mrs.Alicia Velarde Valiente		Board Member	06/04/2008	06/04/2008	Voting Rights in Shareholders’ Assembly
Total of Board Members					15

Indicate the Board of Directors whose services were terminated during the period being reported:

Personal or corporate name of board member	Condition of member at the time of termination	Termination Date
Mr.Daniel Villalba Vilá	Independent member	25/07/2011

B.1.3 Complete the following tables on the different types of members of the board:

■ Executive directors

Personal or corporate name of director	Committee that proposed the appointment	Position within the company structure
Mr.Felipe Benjumea Llorente	Appointments and Remuneration Committee	Executive-Chairman
Aplicaciones Digitales, S.L.	Appointments and Remuneration Committee	Executive Deputy Chairman
Mr.Manuel Sánchez Ortega	Appointments and Remuneration Committee	CEO

Total number of Board members 3

Total % of Board 20%

■ Independent External Directors

Personal or corporate name of board member	Committee that proposed the appointment	Personal or corporate name of significant shareholder they represent or which proposed their appointment
Mr.Fernando Solís Martínez-Campos.	Appointments and Remunerations Committee	Inversión Corporativa, I.C., S.A.
Mr Ignacio Solís Guardiola.	Appointments and Remunerations Committee	Inversión Corporativa, I.C., S.A.
Mr.Javier Benjumea Llorente	Appointments and Remunerations Committee	Inversión Corporativa, I.C., S.A.
Mr.José Joaquín Abaurre Llorente	Appointments and Remunerations Committee	Inversión Corporativa, I.C., S.A.
Mr.José Luis Aya Abaurre	Appointments and Remunerations Committee	Inversión Corporativa, I.C., S.A.
Mrs.M ^a . Teresa Benjumea Llorente	Appointments and Remunerations Committee	Inversión Corporativa, I.C., S.A.
Mr.Carlos Sundheim Losada	Appointments and Remunerations Committee	Inversión Corporativa, I.C., S.A.

Total number of proprietary directors 7

% of total Board of Directors 46.667

■ Independent external directors

Personal or corporate name of director Mrs. Alicia Velarde Valiente

Profile Independent

Mrs. Alicia Velarde was born in Madrid on October 28, 1964 and studied at ICE Pablo VI from where she graduated Magna Cum Laude. She earned a Law Degree from San Pablo University Studies Centre (Universidad Complutense) obtaining 21 distinctions (A+), 3 As and 1 A-. In 1990 she passed the Notary exams and became a Notary Public. During the 1994-1995 academic years she taught Civil Law at Universidad Francisco de Vitoria, where she remained until 1999. She is still connected with this University where from 1999 to the present, she teaches Master Lectures in the Masters in Canon Law, under the Directorship of Mr. José M^a Iglesias Altuna.

Personal or corporate name of director Prof. Carlos Sebastián Gascón

Profile Independent

Prof. Gascón (born in Madrid in 1944) studied at the universities of Madrid, Essex (UK) and the London School of Economics. He has been professor of Introduction to Economic Analysis at Madrid's Universidad Complutense since 1984. Outside his academic life, he has served as Director General for Planning attached to the Spanish Ministry of the Economy, director of the Fundación de Estudios de Economía Aplicada (FEDEA) and consultant and director of various private companies. He currently sits on the boards of Abengoa, S.A., Abengoa Bioenergía, S.A. and Gesif, S.A. He is likewise a member of the Boards of Trustees of Fundación Real Madrid and

of the Scientific Committee of Fundación de Estudios Financieros. He has written many articles and papers on macroeconomics, the workplace, economic growth and the institutional economy and is also a regular columnist for the Cinco Días economic newspaper.

Personal or corporate name of board member Mr. Ricardo Martínez Rico

Profile Independent

Mr. Ricardo Martínez Rico holds a Degree in Business, with extraordinary merit, Commercial Expert and State Economist, on leave of absence, and founding member and executive chairperson of the Equipo Económico, S.L. Among other posts previously held, he managed the Spanish Business and Economic office in Washington and served as State Secretary for Budgets and Expenses in 2003/2004.

Personal or corporate name of director Prof. Mercedes Gracia Díez

Profile Independent

Professor of Econometrics at Madrid’s Universidad Complutense and at Centro Universitario de Estudios Financieros. She has had her scientific work published in the Journal of Business and Economic Statistics, Review of Labour Economics and Industrial Relations, Applied Economics and the Journal of Systems and Information Technology. Director of Balance Sheet Management at Caja Madrid (1996-1999). Head of the Economics and Law Division of the National Agency for Evaluation and Forecasting (Agencia Nacional de Evaluación y Prospectiva) (1993-1996).

Personal or corporate name of director Prof. José Borrell Fontelles

Profile Independent

Mr Borrell Fontelles (born 24/04/1947) is professor of Introduction to Economic Analysis at Madrid’s Universidad Complutense and is to be the next Chairman of the European University Institute in Florence. He studied aeronautic engineering at the Universidad Politécnica in Madrid, and also holds a doctorate in Economic Sciences, a master’s degree in Operations Research from Stanford and a further master’s from Paris’ Institut Français du Pétrole. He worked as an engineer at Compañía Española de Petróleos (1972-1981) and, between 1982 and 1996, he served successively as Secretary General for Budget, Secretary of State for Finance and Minister for Public Works, Telecommunications, Transport and the Environment. He was Chairperson of the European Parliament over the first half of the 2004-2009 legislative term and Chairperson of the Development Assistance Committee over the second.

Total number of independent directors	5
% of total Board of Directors	33.3%

■ Other external directors

None.

Explain the reasons for why these cannot be considered independent or proprietary directors and detail their connections with the company, its executives or its shareholders.

Not applicable.

Detail any changes in the classification of directors that may have taken place over the year:

Not applicable.

B.1.4 Explain, where applicable, the reasons why proprietary directors have been appointed at the request of shareholders whose stake amounts to less than 5% of the share capital.

Detail any failure to address formal requests for board representation made by shareholders whose stake equals or exceeds that of others at whose request proprietary directors have been appointed. If so, explain why the request was not entertained.

Not.

B.1.5 Indicate whether any director has left their post before the end of their term of office, whether they explained their reasons to the Board and by which means and, if this was served in writing to the entire Board, explain the reasons given as a bare minimum:

On July 25, 2011, Mr. Daniel Villalba Vilá resigned as board member and the resignation was accepted by the Board of Directors of Abengoa on the same date (he also resigned as head of the Appointments and Remunerations Committee and as member of the Audit Committee) due to the increase of other professional occupations.

B.1.6 Indicate, if applicable, the powers vested in any Chief Executive Officers:

All CEO-related faculties are vested in Mr. Manuel Sánchez Ortega and Mr. Felipe Benjumea Llorente. A General Power of Attorney has been conferred upon Mr. José Terceiro.

B.1.7 Identify, where applicable, any Board members who hold administrative or executive posts in other companies that belong to the same business group as the listed company subject to this report:

Personal or corporate name of board member	Corporate name of entity of group	Position
Prof. José B. Terceiro	Bioetanol Galicia, S.A	Chairman
Mr. Ricardo Martínez Rico	Abengoa Bioenergía, S.A.	Board Member

B.1.8 Provide details, where applicable, of any company Board members who also sit on the boards of other entities that do not belong to the same business group and are listed on official securities markets in Spain, insofar as these are known by the company.

B.1.9 Indicate whether the company has established rules on the number of Boards on which its own Board members may sit. If so, provide details:

No.

B.1.10 In relation to recommendation 8 of the Unified Code, indicate the company's general strategies and policies that must be approved by plenary session of the Board of Directors:

Investment and financing policy
Yes.

Definition of the structure of the business group
Yes.

Corporate governance policy
Yes.

Corporate social responsibility policy
Yes.

Strategic or Business Plan, and budget and management targets
Yes.

Remuneration and performance assessment policy for senior executives
Yes.

Risk control and management policy; and the frequent monitoring of internal information and control systems
Yes.

Dividends and treasury stock policy and, in particular, limits thereto
Yes.

B.1.11 Complete the following tables on the aggregate remuneration of Board members accrued over the financial year:

a) For the company covered by this report:

Type of remuneration	Figures in thousands of Euros
Fixed remuneration	1.172
Variable remuneration	9.632
Allowances	2.204
Benefits as per Bylaws	-
Share options and/or other financial instruments	-
Others	177
Total	13.185

Other benefits	Figures in thousands of Euros
Advance payments	-
Loans granted	-
Pension funds and plans: Contributions	-
Pension funds and plans: Acquired obligations	-
Life insurance premiums	-
Guarantees created by the company in favour of Board members	-

b) Remuneration payable to members of the company's Board of Directors due to positions held on other Boards of Directors and/or within the senior management of other group companies:

Type of remuneration	Figures in thousands of Euros
Fixed remuneration	52
Variable remuneration	-
Allowances	-
Benefits as per Bylaws	-
Share options and/or other financial instruments	-
Others	-
Total	52

Other benefits	Figures in thousands of Euros
Advance payments	-
Loans granted	-
Pension funds and plans: Contributions	-
Pension funds and plans: Acquired obligations	-
Life insurance premiums	-
Guarantees created by the company in favour of Board members	-

c) Total remuneration by type of director:

Type of director	For the company	For the group
Executive	11.170	-
External, proprietary	875	24
External independent	1.140	28
Other external	-	-
Total:	13.185	52

d) Profit attributed to the parent company:

Total remuneration to directors (in thousand Euros)	13.237
Total remuneration to directors/profit attributed to the parent company (expressed as %)	5,14%

B.1.12 Identity any members of the senior management that are not in turn executive directors, and indicate the total remuneration payable thereto during the financial year:

Personal or corporate name:	Position
Mr. Javier Salgado Leirado	Director of the Bioenergy Business Group
Mr. Javier Molina Montes	Director of the Environment Business Group
Mr. Alfonso González Domínguez	Director of Ind. Engineering and Construction Business Group
Mr. Santiago Seage Medela	Director of Solar Business Group
Mr. Miguel Angel Jiménez-Velasco Mazario	General Secretary
Mr. Jose Fernando Cerro Redondo	Vice General Secretary
Mr. José Marcos Romero	Director of Appointments and Remuneration
Mr. Jose Dominguez Abascal	Technical General Secretary
Mr. Álvaro Polo Guerrero	Director of Human Resources
Mr. Luis Fernandez Mateo	Director of Organization, Quality and Budgets
Mr. Vicente Jorro de Inza	Financial Director
Mr. Juan Carlos Jiménez Lora	Director de Planning and Control
Mr. Luis Enrique Pizarro Maqueda	Internal Audit Director
Mr. Enrique Borrajo Lovera	Director of Consolidation
Mrs. Barbara Sofia Zubiria Furest	Director of Reporting and Head of Investor Relations
Mr. German Bejarano García	Director of International Institutional Relations
Mr. Fernando Martínez Salcedo	General Secretary of Sustainability

Total remuneration paid to the senior management (in thousand Euros): 7.822

B.1.13 Identify, on an aggregate basis, whether members of the company's or group's senior management team, including executive directors, are afforded guarantees or golden parachute clauses in the event of dismissal or changes of control. Indicate whether these contracts must be communicated to, and/or approved by the governing bodies of the company or its group:

There are no contracts or lists of the indicated. Whatever the case may be it is the competence of the Board of Directors upon the proposal of the Appointment and Remunerations Committee, which, as already indicated, has not yet been exercised.

B.1.14 Describe the process for establishing the remuneration of Board members and the relevant provisions of the Bylaws.

Process for establishing the remuneration of Board members and relevant Bylaws

Established by the Appointments and Remuneration Committee, Art. 39 of the Bylaws, Remuneration Policy Report for company directors presented to the General Shareholders' Meeting.

Indicate whether the following decisions must be approved by plenary session of the Board:

Following a proposal from the company's chief executive, the appointment and removal of senior executives, including their compensation clauses
Yes.

The remuneration of Board members and, in the case of executive ones, the additional remuneration for their executive functions and other conditions set forth in their contracts.
Yes.

B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and explain the matters covered therein:

Amount of fixed remuneration items, including a breakdown, where applicable, of allowances for participation on the Board and its committees and an estimation of the annual fixed remuneration to which they give rise
Yes.

Variable remuneration items.
Yes.

Main characteristics of the benefits system, with an estimation of their annual amount or equivalent cost.
Yes.

Conditions that must be contained within the contracts of those who perform senior management functions as executive directors.
Yes.

B.1.16 Indicate whether the Board submits a report on the directors' remuneration policy to the advisory vote of the General Shareholders' Meeting, as a separate item on the agenda. If so, explain aspects of the report concerning the remuneration policy as approved by the Board for forthcoming years, the most significant departures in such policies compared to that applied during the financial year in question and an overall summary of how the remuneration policy was applied over the financial year in question. Outline the role played by the Remuneration Committee and, if external consultancy was sought, the identity of the external consultants that provided it.

Yes.

The 2011 financial year Appointments and Remunerations Committee issued reports on: The follow-up and evolution of remunerations of the members of the Board of Directors and the company's top management.

The proposal of remunerations for the members of the Board of Directors and the company's top management.

The preparation of the relevant information to be included in the financial statement.

The proposal to the Board of Directors for the co-optation appointment of board member Mr. Manuel Sanchez Ortega, following the resignation of Mr. Miguel Martín Fernández

The proposal to the Board of Directors to be submitted to the next Shareholders' General Assembly, to ratify the previous appointment of Mr. Manuel Sánchez Ortega as CEO, by co-optation.

The proposal to the Board of Directors for the approval of the annual report on the Policy of Remuneration of Administrators.

03

Annual Corporate Governance Report

The report verifying adherence to the conditions entailed in the appointment of board members and their characteristics and type.

The proposal to the Board of Directors reporting on the remuneration of the members of the board of directors and the chief executive.

Reports on salary comparison and market researches by independent experts.

Issues covered in the remuneration policy report

Amount of fixed remuneration and variable remuneration items.

Role played by the Remuneration Committee

Preparation of the proposal to the Board, stating grounds.

Did the company seek external consultancy?

Yes.

Identity of external consultants

Three independent external consultancy firms.

B.1.17 Indicate, if applicable, the identity of Board members who are also members of the Board of Directors, executives or employees of companies and at the same time hold significant shareholdings in the listed company and/or in entities belonging to its business group:

Personal or corporate name of director	Corporate name of the significant shareholder	Position
Mr. Felipe Benjumea Llorente	Inversión Corporativa, I.C, S.A.	Chairman and joint and several delations powers
Mr. Fernando Solís Martínez -Campos	Inversión Corporativa, I.C, S.A.	Member
Mr. Ignacio Solís Guardiola	Inversión Corporativa, I.C, S.A.	Member
Mr. Javier Benjumea Llorente	Inversión Corporativa, I.C, S.A.	Member
Mr. José Joaquín Abaurre Llorente	Inversión Corporativa, I.C, S.A.	Member
Mr. José Luis Aya Abaurre	Inversión Corporativa, I.C, S.A.	Vice-chairman with joint and several delegation powers

Provide details, where applicable, of any relevant relations other than those contemplated in the previous section, between members of the Board of Directors and significant shareholders and/or group entities:

Personal or corporate name of the Board member

Mr. Benjumea Llorente

Personal or corporate name of significant shareholder

Finarpisa, S.A.

Description of the relationship

Chairman of the Board

B.1.18 Indicate whether any amendments were made to the Regulations of the Board of Directors during the financial year:

In the Board of Directors' meeting held on 24th October 2011, amongst other things, a decision was taken with regards to the agreement on the partial modification of Articles 27 and 28 of the Board of Directors of Abengoa S.A. A specific entry was made on the minimum number of members that may make up the Appointments and Remunerations Committee, as well as that of the Audit Committee:

Article 27: "[...] The Audit Committee shall consist of a minimum of three board members with mandates of four years maximum. Two of them shall be non-executive board members, thus ensuring a non-executive majority as envisaged in the aforementioned Law [...]"

Article 28: "[...] The Appointments and Remunerations Committee shall consist of a minimum of three board members with mandates of four years maximum. Two of them shall be non-executive board members, thus ensuring a non-executive majority [...]"

Said modification was entered in the Seville Company Registry and the CNMV was informed thereof.

B.1.19 Indicate the procedures for the appointment, reappointment, appraisal and removal of Board members. Provide details of the competent bodies, the processes to be followed and the criteria employed in each of the procedures.

The Appointments and Remuneration Committee is the competent body in all cases and provides the Board of Directors with its duly substantiated proposal, applying the criteria of independence and professionalism as established in the regulations governing the Board and the Committee itself.

The performance of board members and of the executive board members is evaluated on the proposal of the Appointments Commission through a reasoned report filed to the Board during its first meeting of the following quarter, after the closing of the previous exercise and upon obtaining or at least knowing the estimate of the accounts closure for the exercise and receiving the report from the auditor, which are essential as evaluation criteria.

The Audit Committee and the Appointment and Remunerations Committee were formed on December 2, 2002 and on February 24, 2003, respectively. On the same date, the Board of Directors prepared a proposal to modify the Bylaws for the purpose of incorporating the forecasts relating to the Audit Committee, the proposal of the Regulations on the development of Shareholders Assemblies, the partial modifications to the Regulations of the Board of Directors and, finally, the Regulations on the internal system of the Audit Committee and of the Appointment and Remunerations Committee, approved by the General Meeting on June 29, 2003.

In February 2004 the composition of both commissions was modified for the purpose of permitting independent board members from outside the Company to become members of those commissions. Consequently, the Audit Committee and the Appointment and Remunerations Committee were now made up of board members, all of whom were non-executive and most of whom were independent, in accordance with what is established in the Financial System Reforms Act. As a result, the first two independent board members were appointed by the Board of Directors since there was still, logically, no appointment committee. Said independence is also ratified on annual basis by the Appointment Commission. Upon its forming, the proposal for the appointment of board members became part of its competence, and since then the aforementioned commission has been the one making the proposals to the Board of Directors.

B.1.20 Indicate the cases in which Board members are obliged to resign.

Directors are removed from office when the term for which they were appointed comes to an end, and similarly in all other cases when removal or resignation is required pursuant to applicable law, the Bylaws or these Regulations.

Directors must offer to resign and, if the Board of Directors considers it appropriate, tender their resignation in the following cases:

- a) In any of the cases of incompatibility or prohibition prescribed by law.
- b) When they are severely punished by a public authority for having violated their obligations as board members.
- c) When asked to do so by the Board itself for having violated their obligations as board members.

Thus, Article 13 (Board Member Dismissal) of the Board of Directors Regulations establishes that:

1. Board members shall be dismissed from their posts after the period for which they were appointed and under all the other assumptions pursuant to the Law, the Bylaws and this Regulation.
2. Board members are bound to place their posts at the disposal of the Board of Directors and to sign, should the Board deem it convenient, the relevant resignation in the following cases:
 - a) If they are involved in any of the legally envisaged assumptions of prohibition, incompatibility or conflicts of interest;
 - b) If they are severely punished by any public authority for infringing upon their obligations as board members;
 - c) Should the board itself request it so for having infringed upon their obligations as board members;
3. Once the period ends or is terminated, for any other reason, said board member, in the performance of its duty, may not render any services to any other competing entity for a period of two years, except if the Board of Directors frees him/her from this obligation or shortens its duration

B.1.21 Explain whether the function of chief executive of the company falls upon the Chairman of the Board of Directors. If so, indicate the measures that have been taken to limit the risks associated with powers being concentrated in one sole person:

Measures to limit risks

In accordance with that set forth in article 44 bis of the company's Bylaws, the Board of Directors set up the Audit Committee and the Appointments and Remuneration Committee on December 2, 2002 and February 24, 2003, respectively.

These committees are vested with the necessary non-delegable powers stemming from the responsibilities assigned to them by law, the Bylaws and their respective internal regulations. They have been set up to control and oversee those matters that fall within their remit.

Both are presided over by an independent, non-executive director, and likewise comprise a majority of independent and non-executive directors.

On December 10, 2007, the Board of Directors decided to appoint Mr. José B. Terceiro Lomba (representing Aplicaciones Digitales SL), coordinating board member, as Executive Deputy Chairman of the Board of Directors, with the consent of all the other board members and especially the independent members.

On October 25, 2010, the Board of Directors also decided to appoint Mr. Manuel Sánchez Ortega as CEO sharing his executive duties with Mr. Felipe Benjumea Llorente. The existence of three executive board members, as stated above, within a wide majority

of independent or external board members results in the working control of the decisions of the top executive, ensuring that sound decisions are taken and allowing better performance of the company's corporate governance.

Indicate and, where applicable, explain whether rules have been established that empower one of the independent Board members to request that a meeting of the Board be convened, or that new items be added to the agenda, the aim being to coordinate and echo the concerns of the external directors and oversee evaluation by the Board of Directors.

Explanation of the rules

The Board of Directors is currently composed of fifteen members. The Regulations of the Board of Directors govern its composition, functions and internal organization. In addition, there is an Internal Code of Conduct in Stock Markets, the scope of which extends to members of the Board of Directors, senior management and all those employees who, on account of their posts or assigned duties, may be affected by its content. The Regulations of the General Shareholders' Meeting govern the formal and internal aspects of such meetings. Lastly, the Board of Directors is assisted by the Audit Committee and the Appointments and Remuneration Committee, which both have their own Internal Regulations. All these regulations, brought together in a consolidated text of the Internal Corporate Governance Regulations, are available at the company's website, www.abengoa.com. Since its inception, the Appointments and Remuneration Committee has been analyzing the structure of the company's governing bodies and has been working to adapt it to incorporate corporate governance recommendations, paying particular attention to the historic and special configuration of these bodies within Abengoa. In accordance with this analysis, in February 2007 the Committee recommended the creation of the post of coordinating director, coupled with the elimination of the Advisory Committee to the Board of Directors. The first measure was in order to incorporate the most recent corporate governance recommendations, as created in Spain in 2006, whereas the second was proposed because the Committee considered that the Advisory Committee had already fulfilled the function for which it was originally created and that its coexistence with the corporate bodies could lead to conflicts of power. Both proposals were approved at a meeting of the Board of Directors held in February 2007 and at the General Shareholders' Meeting held on April 15 of the same year, and José B. Terceiro was appointed (on behalf of Aplicaciones Digitales, S.L.) as coordinating board member, in his capacity as independent member. On a final note, in October 2007 the Committee proposed to the Board that it accept the resignation of Mr. Javier Benjumea Llorente from his position as Vice-Chairman, with the consequent revocation of his delegated powers, and likewise accept the appointment of a new natural person to represent Abengoa and the Focus-Abengoa Foundation in those entities or companies in which they have an appointed position.

The Committee then considered it advisable to recommence its study on the number and characteristics of the Vice-Chairman of the Board of Directors within the current structure of governing bodies.

As a result of this, the Committee thought it necessary for the Executive Deputy Chairman of Abengoa to have the powers conferred by the Spanish Corporations Act (Ley de Sociedades Anónimas) with regard to the organic representation of the company on the one hand, and, on the other, as a counterweight to the functions of the Chairman within the Board of Directors. On this basis, it considered that a coordinating director – with the functions assigned to that position by the resolutions of the Board of Directors (February 2007) and the General Shareholders' Meeting (April 2007) – would be the ideal figure, given the corporate governance recommendations and the structure of the company, as well as the composition and diversity of its directors. The coordinating director has already been entrusted with the task of coordinating the concerns and motivations of the other Board members, and as such has the power to request that a Board meeting be convened and that new items be included on the agenda. In its role as the visible head of Board members' interests, it has, more

de facto than de jure, a certain representative nature on the Board, and it therefore seemed appropriate to confirm and expand this representation by making the post both institutional and organic. For the reasons outlined above, the Committee proposed Aplicaciones Digitales, S.L. (Aplidig, represented by Mr José B. Terceiro Lomba), the current coordinating director, as the new executive deputy chairman to the Board of Directors. In addition, and within the functions of organic representation, the current executive deputy chairman, jointly with the chairman of the Board, was put forward as the physical representative of Abengoa in its capacity as the chair of the Focus-Abengoa Foundation, as well as in any other foundations and institutions in which the company is or must be represented.

In view of the above, on December 10, 2007, the Board of Directors agreed to appoint Aplicaciones Digitales, S.L. (represented by Mr José B. Terceiro Lomba), the current coordinating director, as executive deputy chairman of the Board of Directors, with the unanimous consent of the independent directors for the company to continue acting as coordinating director in spite of its new appointment as executive deputy chairman. In addition, and within the functions of organic representation (conferred by means of a power of attorney granted by the Board of Directors on July 23, 2007), the vice-chairman, jointly with the chairman of the Board of Directors, has been put forward as the physical representative of Abengoa, in its capacity as the chair of the Board of the Focus-Abengoa Foundation, as well as in any other foundations and institutions in which the company is or must be represented.

B.1.22 Are reinforced majorities (different from legal majorities) required for any type of resolution?

No.

Indicate how the resolutions of the Board of Directors are adopted, stating, at least, the minimum quorum and the types of majorities required to adopt the resolutions:

Description of the resolution:

All, save ones for which legally reinforced majorities are required.

Quorum	%
Half plus one	50.01

Type of majority	%
Simple	50.01

Description of the resolution:

Delegation of powers

Quorum	%
Half plus one	50.01

Type of majority	%
Two thirds	66,66

B.1.23 Explain whether there are specific requirements, different from those relating to Board members, in order to be appointed Chairman.

No.

B.1.24 Indicate whether the Chairman has a casting vote:

Yes.

Matters on which there is a casting vote: In the event of a tie

B.1.25 Indicate whether the Bylaws or the Board Regulations establish any limit on the age of directors:

Maximum age of Chairman	Maximum age of the Chief Executive	Maximum age for Board members
0	0	0

B.1.26 Indicate whether the Bylaws or the Regulations of the Board of Directors establish a limited term of office for independent directors:

No.

Maximum term of office: None

B.1.27 If there are few or no female directors, explain the reasons and the initiatives adopted in order to remedy the situation.

Explanation of the reasons and the initiatives

As at December 31, 2011, there were 3 females in a total of 15 board members (20%)

The internal policy of the company, mainly reflected in the Code of Conduct and in the procedure for selecting and hiring workers, excludes all discriminatory measures, actions or omissions

In particular, indicate whether the Appointments and Remuneration Committee has established procedures to ensure that selection processes do not suffer from implicit biases that hamper the selection of female Board members, and whether female candidates who meet the required profile are deliberately sought:

Specify the main procedures

There are no discriminatory measures. The number of female directors increased from one in 2006 to three (25/02/2008).

Through the Abengoa Equality Framework Plan the company has defined a corporate strategy in the field of equal rights between male and female. Thus, all Abengoa companies and work centres are using this Plan as reference to develop and approve their own.

Article 1 letter a and b of the Appointments and Remunerations Committee Regulations specifically outline the quest for equal opportunities.

B.1.28 Indicate whether there are any formal processes in place for granting proxies at Board meetings. If so, provide a brief description:

Not applicable.

The second section of Article 10 of the Regulations of the Board of Directors establishes

the following:

“Each Board Member may confer his/her representation upon another Board Member without it limiting the number of representations that each may hold for attendance to the Board. The representation of the absent Board Members may be conferred by any written means whatsoever, including telegram, telex or telefax addressed to the Chair.”

B.1.29 Indicate the number of Board meetings held during the financial year. Likewise indicate, where applicable, the number of times the Board met without the Chairman in attendance:

Number of Board meetings	11 (including 1 written meeting)
Number of Board meetings without the attendance of the Chairman	0

Indicate the number of meetings held by the different Board committees during the financial year:

Number of meetings of the Executive or Delegate Committee	Not applicable.
Number of meetings of the Audit Committee	5
Number of meetings of the Appointments and Remuneration Committee	4
Number of meetings of the Appointments Committee	Not applicable.
Number of meetings of the Remuneration Committee	Not applicable.

B.1.30 Indicate the number of Board meetings held during the year without the attendance of all its members. Proxies granted without specific instructions for the meeting should be treated as non-attendances:

Number of non-attendances of directors during the year	7
% of non-attendances of the total votes cast during the year	2.6

B.1.31 Indicate whether the individual and consolidated annual accounts presented to the Board for approval are previously certified:

Yes.

Identify, where applicable, the people who certified the company’s individual and consolidated accounts for approval by the Board:

Name	Position
Mr. Vicente Jorro	Financial Manager
Mr. Enrique Borrajo Lovera	Director of Consolidation

B.1.32 Explain, if applicable, the mechanisms established by the Board of Directors to prevent the prepared individual and consolidated accounts from being presented to the General Shareholders’ Meeting with qualifications in the audit report.

The risk control system, the internal audit services and the Audit Committee have been set up to act as mechanisms of frequent and recurrent control and oversight. They identify and, where appropriate, resolve potential situations which, if not addressed, could give rise to incorrect accountancy treatment.

B.1.33 Is the secretary to the Board also a director?

No.

B.1.34 Explain the procedures for the appointment and removal of the

Secretary to the Board, indicating whether they are proposed by the Appointments Committee and approved by plenary session of the Board.

Appointment and Removal Procedure

Proposal from the Appointments and Remuneration Committee, stating grounds

Does the Appointments Committee communicate appointments?	Yes.
Does the Appointments Committee communicate removals?	Yes.
Does the plenary session of the Board approve appointments?	Yes.
Does the plenary session of the Board approve removals?	Yes.

Does the Secretary to the Board have special responsibility for ensuring that the recommendations on good governance are followed?

Yes.

B.1.35 Indicate, if applicable, the mechanisms established by the company to preserve the independence of the auditor, of financial analysts, of investment banks and of rating agencies.

The Audit Committee is composed of a majority of non-executive directors, thus meeting the requirements set forth in the good governance regulations and, especially, in the Spanish Financial System Reforms Act (Ley de Reforma del Sistema Financiero). Likewise, in accordance with the provisions of Article 2 of its Internal Regulations, the office of Chairman of the Committee must be held by a non-executive director.

Functions

The Audit Committee is entrusted with the following functions and responsibilities:

To report on the Annual Accounts, as well as on the quarterly and half-yearly financial statements that must be issued to the regulatory or supervisory bodies of the securities markets, with express mention of the internal control systems, verification of compliance and monitoring through internal audit and, when applicable, on the accounting criteria applied.

To inform the Board of any change in the accounting criteria and the risks either on or off the balance sheet.

To report to the General Meeting of Shareholders on matters questioned by shareholders, and which fall within its powers.

To advise the Board of Directors to propose the appointment of the external financial auditors to the General Meeting of Shareholders.

To monitor the internal audit services. The Committee will have full access to the internal audit and will report on the process of selection, appointment, renewal and cessation of the internal audit director, monitoring the director's remunerations and reporting on the department's budget.

To study the financial reporting process and the Company's internal control systems. To liaise with the external auditors in order to obtain information on any matters that could jeopardize their independence and on any other matters that may be in relation to the financial auditing process.

To summon Board members deemed appropriate to its meetings to provide any information whatsoever until the Audit Committee is satisfied.

To prepare an annual report on the activities on the Audit Committee to be included within the management report.

The same procedure applies to financial analysts, investment banks and rating agencies, including their selection under conditions of competence, confidentiality, and non-interference in other departments.

B.1.36 Indicate whether the company changed its external auditor during the financial year. If so, identify the incoming and outgoing auditors:

No.

In the event of disagreements with the outgoing auditor, please provide details:

No.

B.1.37 Indicate whether the audit firm carries out other, non-audit work for the company and/or its business group. If so, state the total fees paid for such work and the percentage this represents of the fees billed to the company and/or its business group:

	Company	Group	Total
Fees for non-audit work (thousand Euros)	1.224	1.132	2.356
Fees for non-audit work/total amount invoiced by the audit firm (%)	57,60%	24,82%	35,23%

B.1.38 Indicate whether the audit report of the annual accounts for the previous financial year contains reservations or qualifications. If so, detail the reasons given by the Chairman of the Audit Committee to explain the content and scope of such reservations or qualifications.

Not applicable.

B.1.39 State the number of consecutive years during which the current audit firm has been auditing the annual accounts of the company and/or its business group. Likewise, indicate how many years the current audit firm has been auditing the accounts as a percentage of the total number of years over which the annual accounts have been audited:

Number of consecutive years	Company	Group
Nº of years audited by current firm	21	21
nº of years over which the company has been audited (%)	100	100

B.1.40 Indicate any equity holdings held by company Board members in the capital of entities engaged in the same, analogous or complementary type of business to that which constitutes the corporate purpose of either the company or its business group, insofar as these have been communicated to the company. Likewise indicate the positions or functions they exercise within such companies:

None.

B.1.41 Indicate whether there is a procedure whereby directors may seek

external consultancy.**If so, provide details:**

The secretary to the Board of Directors exercises the functions legally attributed to that position. Currently, the office of secretary and legal consultant are vested in the same person, who is responsible for ensuring that meetings are validly convened and that resolutions are validly adopted on the Board. In particular, he advises board members on the legality of the deliberations and motions put forward and on compliance with the Internal Corporate Governance Regulations. He therefore guarantees the principle of formal and material legality, which governs the actions of the Board of Directors. The Secretary's Office to the Board of Directors, as a specialized body set up to ensure the formal and material legality of the Board's conduct, has the full support of the latter to carry out its functions with complete independence of criteria and stability. It is likewise responsible for monitoring compliance with the internal regulations on corporate governance. Acting on its own initiative or upon the request of board members, it provides the necessary external consultancy to ensure the Board is kept duly informed.

The Board of Directors has access to external, legal or technical consultancy, according to its needs, which may or may not be arbitrated through the Board secretary. The second paragraph of Article 19 of the Regulations of the Board of Directors sets forth that:

"Likewise, through the chairman of the Board of Directors, the board members shall be empowered to propose to the Board of Directors, by majority, the hiring of legal, accounting, technical, financial, commercial consultants or consultants of any other nature deemed necessary in the interests of the Company for the purpose of providing assistance in the exercise of their duties in dealing with specific problems of certain magnitude and complexity linked with the exercise of such duties."

B.1.42 Indicate whether there is a procedure whereby directors can obtain the information needed to prepare for meetings of the governing bodies sufficiently in advance:

Yes.

Details of the procedure:

Remitting of documents and/or making them available at the Board headquarters in advance of Board Meetings.

Also, in compliance with the stipulations in recommendations 24 and 25 of the Unified Code of Good Governance, a handbook of internal basic rules and regulations applicable to the functions and responsibilities of the board member was created to be given to each new board member appointed, to provide vast knowledge of the company and its internal rules. Mr. Ricardo Martínez Rico received a copy of said handbook upon appointment.

B.1.43 Indicate whether the company has established rules that oblige directors to report and, where appropriate, resign in cases wherein the image and reputation of the company may be damaged.

Yes.

Explain the rules

Art. 13 of the board Regulations: Board members must offer to resign and, if the Board of Directors considers it appropriate, formalize said resignation in the following cases: When they fall within any of the grounds for incompatibility or prohibition as prescribed by the applicable law.

Section (p) of Article 14.2 of the same Regulation also establishes the obligation of the board members to inform the company of all legal and administrative or whatsoever other kinds of claims which, due to their magnitude, may severely affect the reputation of the company.

B.1.44 Indicate whether any member of the Board of Directors has informed the company that s/he has been sentenced or formally accused of any of the offences stipulated in Article 124 of the Spanish Corporations Act (Ley de Sociedades Anónimas):

Not applicable.

Indicate whether the Board of Directors has analyzed the case. If so, explain the decision taken regarding whether or not the director should remain in his/her post, giving reasons.

Not applicable.

B.2 Committees attached to the Board of Directors

B.2.1. List all the committees of the Board of Directors and the members thereof:

a) Audit Committee

Name	Position	Type
Prof. Carlos Sebastián Gascón	Chairman	Independent
Mr. José Joaquín Abaurre Llorente	Member	Proprietary
Mr. José B. Terceiro	Member	Executive
Prof. Mercedes Gracia Díez	Member	Independent
Mrs. Alicia Velarde Valiente	Member	Independent

b) Appointments and Remuneration Committee

Name	Position	Type
Prof. Mercedes Gracia Díez	Chairman	Independent
Mr. José Luis Aya Abaurre	Member	Proprietary
Prof. José B. Terceiro	Member	Executive
Mrs. Alicia Velarde Valiente	Member	Independent
Prof. Carlos Sebastián Gascón	Member	Independent

B.2.2 Indicate whether the following functions are vested in the Audit Committee:

Monitoring the preparation process and the integrity of the financial information on the company and, where applicable, the group, verifying compliance with legal requirements, proper delimitation of the scope of consolidation and the correct application of accounting criteria.

Yes.

Frequently assessing the internal control and risk management systems, so that the main risks are adequately identified, managed and made known.

Yes.

Ensuring the independence and efficacy of the internal audit; proposing the selection, appointment, reappointment and removal of the head of the internal audit service; proposing the budget for such service; receiving frequent information on its activities; and checking that the senior management takes the conclusions and recommendations of its reports into account.

Yes.

Establishing and overseeing a mechanism that enables employees to communicate - confidentially and, when considered appropriate, anonymously - any possible irregularities they may observe within the company, especially those of financial and accounting.

Yes.

Presenting the Board of Directors with proposals for the selection, appointment, reappointment and replacement of the external auditor, as well as the conditions under which it is contracted.

Yes.

Regularly receiving information from the external auditor, on the audit plan and the results of its implementation, and checking that the senior management takes its recommendations into account.

Yes.

Ensuring the independence of the external auditor

Yes.

In the case of groups, helping to ensure that the group auditor also conducts the audits for individual group companies.

Yes.

B.2.3 Describe the rules governing the organization, function and responsibilities of each of the Committees attached to the Board of Directors.

1st Appointments and Remunerations Committee

Brief description

The Appointments and Remunerations Committee is composed of a majority of non-executive directors, thereby fulfilling the requirements established in the Financial System Reforms Act (Ley de Reforma del Sistema Financiero). Likewise, in accordance with the provisions in Article 2 of its Internal Regulations, the position of Chairman of the Committee must be held by a non-executive board member.

Functions

The following are the duties and competencies of the Appointments and Remunerations Committee:

1. To report to the Board of Directors on appointments, re-elections, cessations and remunerations of the Board and its posts, as well as the general policy of remunerations and incentives for Board members and for the senior management.
2. To issue prior reports on all proposals that the Board of Directors have to present to the General Meeting of Shareholders on the appointment or removal of directors, even in cases of co-optation by the Board itself; to annually verify the continuous compliance with the requirements governing appointments and nature or type of directors, and to include all of this information in the Annual Report issued. The Appointments Committee shall ensure that the selection procedures for filling in vacancies do not suffer from implicit biases that may hinder the inclusion of females meeting the required profile into the potential candidates thus preventing the selection of female directors.
3. To prepare an annual report on the activities of the Appointments and Remunerations Committee, to be included in the management report.

Organization and function

The Appointments and Remunerations Committee will meet as often as necessary to perform its functions, but at least once every six months.

A quorum is deemed to exist when the majority of its members are present. Proxies may only be granted to non-executive directors.

The Committee shall meet on the occasions necessary to fulfil its functions and, at least, once a quarter. In 2011 it met on four occasions.

The resolutions adopted shall be valid when the majority of the members of the Committee, present or represented by proxy, vote in favour. Situations of tie shall be resolved by Chairman's vote.

2nd Audit Committee

Brief description

The Audit Committee is comprised of a majority of non-executive directors, thereby fulfilling the requirements established in the good governance regulations and, especially, in the Financial System Reforms Act. Likewise, in accordance with the provisions of Article 2 of its Internal Regulations, the office of Chairman of the Committee must be held by a non-executive director.

Functions

The Audit Committee is entrusted with the following functions and responsibilities:

1. To report on the Annual Accounts, as well as on the quarterly and half-yearly financial statements that must be issued to the regulatory or supervisory bodies of the securities markets, with express mention of the internal control systems, verification of compliance and monitoring through internal audit and, when applicable, on the accounting criteria applied.
2. To inform the Board of any change in the accounting criteria, and any risks either on or off the balance sheet.
3. To report to the General Meeting of Shareholders on matters questioned by shareholders, and which fall within its powers.
4. To advise the Board of Directors to propose the appointment of the external financial auditors to the General Meeting of Shareholders.

5. To monitor the internal audit services. The Committee will have full access to the internal audit and will report on the process of selection, appointment, renewal and cessation of the internal audit director, monitoring the director's remunerations and reporting on the department's budget.
6. To study the financial reporting process and the Company's internal control systems.
7. To liaise with the external auditors in order to obtain information on any matters that could jeopardize their independence and on any other matters that may be in relation to the financial auditing process.
8. To summon any Board members it deems appropriate to its meetings to issue reports until said Audit Committee is satisfied.
9. To prepare annual reports on the activities of the Audit Committee to be included in the Management Report.

Organization and function

The Audit Committee will meet as often as necessary to perform its functions, and at least once every quarter. In 2011 it met on five occasions.

The Audit Committee is considered validly constituted when the majority of its members are present. Proxies may only be granted to non-executive directors.

B.2.4 Indicate the powers of each committee with regard to consultancy, consultation and, where applicable, delegation:

1ºAppointments and Remuneration Committee

Brief Description

To report to the Board of Directors on appointments, reappointments, cessations and remunerations of the Board and its posts, as well as the general policy of remunerations and incentives for Board members and for the senior management. To report, in advance, on all proposals that the Board of Directors presents to the General Shareholders' Meeting regarding the appointment or cessation of directors, even in cases of co-optation by the Board of Directors itself; to verify, on an annual basis, continuing compliance with the requirements for appointments of directors and the relevant nature or type of director. This information must be included in the annual report. The Appointments Committee will ensure that, when vacancies are filled, the selection procedures do not suffer from implicit biases that hinder the selection of female directors and that women meeting the required profile are included among the potential candidates. Likewise, to prepare an annual report on the activities of the Appointments and Remuneration Committee to be included in the Management Report.

2ºAudit Committee

Brief Description

To report on the annual accounts, as well as the quarterly and half-yearly financial statements. To inform the Board of any change in the accountancy criteria, or any risks either on or off the balance sheet. To report at the General Shareholders' Meeting on those matters requested by shareholders that fall within its remit. To propose the appointment of the external financial auditors to the Board of Directors, for subsequent referral on to the General Shareholders' Meeting.

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Annual Corporate Governance Report

B.2.5 Indicate, where applicable, the existence of regulations governing the committees attached to the Board, the place where they are available for consultation and any amendments that may have been made during the financial year. Likewise indicate whether an annual report on the activities of each committee has been voluntarily prepared.

1º Audit Committee and Appointments and Remuneration Committee

Brief description

The Regulations of the Audit Committee and the Regulations of the Appointments and Remuneration Committee are both available from the company’s website and also from the CNMV (Spanish Securities and Exchange Commission). Most recent amendment: October 24 2011. Each Committee prepares an annual report on activities, which is published as part of the Annual Report.

B.2.6 Indicate whether the composition of the Executive Committee reflects the participation on the Board of the different categories of directors:

Not applicable – there is no Executive Committee.

If not, explain the composition of the executive committee

There is no Executive Committee

C. Related-party transactions

C.1 Indicate whether the Board, sitting in plenary session, has reserved for itself the function of approving, following a favourable report from the Audit Committee or any other body entrusted with such task, transactions that the company performs with directors, with significant shareholders or shareholders represented on the Board, or with related parties:

Yes.

C.2 Give details of any relevant transactions involving a transfer of assets or liabilities between the company or group entities and significant shareholders in the company:

Not applicable.

C.3 Provide details of any relevant transactions involving a transfer of assets or liabilities between the company or Group entities and the company’s managers or directors:

Personal or corporate name of manager or director	Name of group company or entity	Nature of operation	Type of operation	Amount (thousand of Euros)
Barinas Gestión y Asesoría (associate company of Aplicaciones Digitales S.L.)	Bioetanol Galicia, S.A.	Economic consultancy services	Consultancy	90