

B.5 Indicate whether there are any bylaw restrictions requiring a minimum number of shares to attend the general shareholders meeting:

Yes

Number of shares required to attend the general shareholders meeting	375
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See Section H "Other Information of Interest"

B.6 Section deleted.

B.7 Indicate the URL and method for accessing the company's website to access information regarding corporate governance and other information regarding general meetings of shareholders that must be made available to the shareholders through the company's website.

The address of the Abengoa SA website is [www.abengoa.com/es](http://www.abengoa.com/es) and all the necessary and updated information relating to shareholders meetings can be found under the section of shareholders and investors.

The full path to follow is:

[http://www.abengoa.es/web/es/accionistas\\_y\\_gobierno\\_corporativo/juntas\\_generales/](http://www.abengoa.es/web/es/accionistas_y_gobierno_corporativo/juntas_generales/)

In compliance with the provisions of article 539.2 of the Spanish Companies Act, Abengoa maintains an electronic forum for shareholders in order to facilitate communication between shareholders regarding the convening and holding of all the general meetings of shareholders. In accordance with the regulations on the electronic forum for shareholders, Shareholders may send the following prior to each general meeting:

- › Proposals intended for inclusion as part of the agenda outlined in the call for the general shareholders meeting.
- › Request for the inclusion of said proposals.
- › Initiatives to reach the required percentage to exercise minority voting rights.
- › Requests for voluntary representation.

## C. Structure of the company's governing body

### C.1 Board of directors

#### C.1.1 Maximum and minimum number of directors stipulated in the company by-laws:

Maximum number of directors	16
Minimum number of directors	3

**C.1.2 Complete the following table identifying the members of the board:**

Personal or corporate name of director	Represent..	Category of the director	Seat on the board	Date of first appointment	Date of last appointment	Election procedure
Gonzalo Urquijo Fernández de Araoz		Executive	Chairman	22/11/2016	22/11/2016	Voting in Shareholders Meeting
Manuel Castro Aladro		Independent	Coordinating Director and Member	22/11/2016	22/11/2016	Voting in Shareholders Meeting
José Luis del Valle Doblado		Independent	Director	22/11/2016	22/11/2016	Voting in Shareholders Meeting
José Wahnnon Levy		Independent	Director	22/11/2016	22/11/2016	Voting in Shareholders Meeting
Ramón Sotomayor Jáuregui		Independent	Director	22/11/2016	22/11/2016	Voting in Shareholders Meeting
Javier Targhetta Roza		Independent	Director	22/11/2016	22/11/2016	Voting in Shareholders Meeting
Pilar Cavero Mestre		Independent	Director	22/11/2016	22/11/2016	Voting in Shareholders Meeting
Total number of directors			7			

**Indicate the vacancies on the board of directors during the reporting period:**

Personal or corporate name of the director	Category of the director at the time of removal	Leaving date
José Luis Aya Abaurre	Proprietary	12/02/2016
José Domínguez Abascal	Other External	18/04/2016
Claudi Santiago Ponsa	Proprietary	25/05/2016
Javier Benjumea Llorente	Executive	30/06/2016
Antonio Fornieles Melero	Executive	22/11/2016
Joaquín Fernández de Piérola Marín	Executive	22/11/2016
Alicia Velarde Valiente	Independent	22/11/2016
José Joaquín Abaurre Llorente	Proprietary	22/11/2016
Inayaba, S.L. (represented by Ana Abaurrea Aya)	Proprietary	22/11/2016
José Borrell Fontelles	Independent	22/11/2016
Mercedes Gracia Díez	Independent	22/11/2016
Ricardo Hausmann	Independent	22/11/2016
Ricardo Martínez Rico	Independent	22/11/2016
Ignacio Solís Guardiola	Proprietary	22/11/2016

See Section H "Other Information of Interest"

### C.1.3 Complete the following tables on the directors and their different categories:

#### Executive directors

Personal or corporate name of the director	Position within the company structure
Gonzalo Urquijo Fernández de Aroz	Chairman
Total number of executive directors	1
Total % of directors	14.29 %

#### External proprietary directors

Personal or corporate name of the director	Individual or company name of the significant shareholder represented by the director or that has proposed the director's appointment
0	N/A
Total number of proprietary directors	0
Total % of the Board	0 %

#### Independent external directors

Personal or corporate name of the director	Profile
Manuel Castro Aladro	He has a Business Administration and Management degree from the Universidad Pontificia de Comillas (ICADE), and an International Executive MBA from the University of Chicago. He began his career at Arthur Andersen and later, in 1992, moved to the banking sector. In 1998 he joined BBVA where he held various positions related to business development until 2009, the year he was appointed Group Chief Risk Officer, a position he held until 2015. Since 2015 he has been independently advising banks and investment funds on issues related to risk management and investments.

Personal or corporate name of the director	Profile
José Luis del Valle Doblado	He has a Mining Engineering degree from the Universidad Politécnica de Madrid and a degree in Nuclear Engineering from the Massachusetts Institute of Technology (MIT), as well as an MBA from Harvard University. He has approximately 35 years' experience at Banco Central Hispanoamericano, Santander Central Hispano, where he participated in the merger between the two banks. He has also held various positions at Iberdrola, where he was CEO of Scottish Power, and was appointed Director of Strategy and Development in 2002. In 2014 he was appointed non-executive chairman of GES Insurers and Reinsurers and Lar Spain, and is an independent director of Ocaso Seguros.
José Wahnon Levy	He has a Business Administration and Management degree from the Universidad de Barcelona and a Law degree from the Universidad Complutense de Madrid as well as a Doctorate from Harvard Business School. He started his career at Pricewaterhouse Coopers, a firm of which he became a partner in 1987, responsible for the financial institutions division between 1975 and 2003 and for the audit division from 2003 until he left the firm in 2007. He was subsequently a director at several enterprises tied to the Deposit Guarantee Fund.
Ramón Sotomayor Jáuregui	He has an in Industrial Engineering degree from the University of Portsmouth and an MBA from Rutgers University. He began his professional career at Ercross Spain and later joined the ThyssenKrupp Group, where he held various positions including CEO for Southern Europe, Africa and the Middle East from 2011-2015. He has also been an independent director of several companies among which are Velatia and Levantina Natural Stone.
Javier Targhetta Roza	He has a Mining Engineering degree from the Universidad Politécnica de Madrid and a PADE in Business Administration through the IESE. He began his career in the metallurgical sector, where he joined the AIPSA project. In 1973 he joined the Sereland consulting firm, where he worked for 8 years. After his experience at Sereland he worked in the naval sector as chairman of the Compañía Transatlántico Española and Empresa Nacional Elcano. In 1990 he was appointed CEO of Rio Tinto Minera, a company that was acquired in 1993 by Freeport McMoran, a position he still holds to date.
Pilar Caveró Mestre	She holds a Law degree from the Universidad Complutense de Madrid, as well as a programme of Leadership of Services Companies from Harvard. She began her career at the Asociación de Cajas de Ahorros en España, and then in 1986 she joined the legal practice sector. In 1990 she joined Cuatrecasas where she has developed her professional career since being named partner in 1993. She is currently an honorific partner of the Practice, without executive functions, and is an independent director of Testa.

Total number of independent external directors	6
Total % of the Board	85.71 %

Indicate whether any director classified as independent receives from the company or its group any amount or benefit for items other than director remuneration, or maintains or has maintained during the last financial year a business relationship with the company or with any company of its group, whether in the director's own name or as a significant shareholder, director, or senior officer of an entity that maintains or has maintained such relationship.

No

If applicable, include a reasoned statement of the director regarding the reasons for which it is believed that such director can carry out the duties thereof as an independent director

Not Applicable

Personal or corporate name of the director	Description of the relationship	Reasoned statement
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#### Other external directors

Identify the other external directors and describe the reasons why they cannot be considered proprietary or independent directors as well as their ties, whether with the company, its management, or its shareholders:

N/A

Personal or corporate name of the director	Reasons	Company, executive or shareholder with whom the connection is held
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Total number of other external directors	
Total % of the Board	

Indicate the changes, if any, in the class of each director during the period in the category of each Director:

Personal or corporate name of the director	Date of change	Previous category	Current category
Antonio Fornieles Melero	1/3/2016	Independent	Executive
José Domínguez Abascal	1/3/2016	Executive	Other External

**C.1.4** Complete the following table with information regarding the number of female directors for the last 4 financial years, as well as the status of such directors:

	Number of female directors:				% of total of directors of each category			
	Financial year 2016	Financial year 2015	Financial year 2014	Financial year 2013	Financial year 2016	Financial year 2015	Financial year 2014	Financial year 2013
Executive	0	0	0	0	0	0	0	0
Proprietary	0	0	1	1	0	0	14.28	14.28
Independent	1	2	2	2	14.29	33.33	40	50
Other External	0	0	0	0	0	0	0	0
Total:	1	2	3	3	14.29	15.38	18.75	20

**C.1.5 Explain any measures adopted to include on the board of directors a number of women that allows for a balanced representation of men and women.****Explanation of the measures**

In its Article 1, the regulations of the Appointments and Remuneration Committee provides the following:

“Article 1. Composition. Designation of its members”. [...] “The Appointments and Remuneration Committee shall establish procedures and ensure that when new vacancies arise:

- a) The selection process for board vacancies has no implicit bias against female candidates;
- b) The company makes a conscious effort to include female candidates that meet the professional profile sought.”

It is the responsibility of the Appointments and Remunerations Committee to notify the Board about any issues of gender diversity. It is also obliged to establish a representation target for the less represented sex on the Company's Board of Directors and draft guidelines on how to achieve this target

The Appointments and Remunerations Committee is also responsible for verifying compliance with the board members selections policy. It establishes that the selection process shall begin with an analysis of the needs of the Company and its group of companies, bearing in mind the following: (i) that the appointments are based on the diversity of knowledge, experience and gender within the Board of Directors; and (ii) that the Committee ensures that by the year 2020 the number of female board members shall amount to, at least, thirty percent of the total of the members of the Board of Directors.

Moreover, through the company's Gender Equality Framework Plan, in 2009, to ensure the practice of these values, Abengoa created the Equal Opportunity and Treatment Office (OITO) under the Gender Equality Framework Plan. The mission of this office is to advocate gender equality within the whole organisation, promoting, developing and managing the Gender Equality Plan and other plans associated with it

In addition, the Equal Opportunities and Treatments Committee was set up with the duty of a worldwide follow-up, with its subsequent development of aspects related with equal opportunities between men and women in the Abengoa Group. The Equal Opportunities and Treatments Committee is presided over by the Human Resource Director and integrated, as permanent members, by the heads of Human Resource in the various business units and geographical areas, as well as by the director of Corporate Social Responsibility.

Equal Opportunity and Treatment office (EOTO) within the Framework Plan

It also created an Equal Opportunity and Treatment Commission responsible for making a worldwide follow-up, with its subsequent development, on issues related to equal opportunities between men and women within the Abengoa Group. The Equal Opportunity and Treatment Commission is chaired by the Human Resources Director and integrated by the HR heads from the various areas and geographical locations of the business, as well as by the CSR director as permanent members.

**C.1.6 Explain any measures approved by the appointments committee in order for selection procedures to be free of any implied bias that hinders the selection of female directors, and in order for the company to deliberately search for women who meet the professional profile that is sought and include them among potential candidates:****Explanation of the measures**

The Appointments and Remunerations Committee is responsible for assessing the capabilities, knowledge and experience required on the Board, defining the necessary aptitudes and functions of the candidates for covering its vacancies, assessing the time and dedication needed for the appropriate execution of their jobs.

The Appointments and Remunerations Committee objectively and transparently assesses the potential candidates based on merit criteria, promoting male and female equality and rejecting all kinds of direct or indirect discrimination based on gender.

In the context of restructuring Abengoa and pursuant to the terms and conditions of the Restructuring Agreement that the Company signed on 24th September 2016, Abengoa's Board of Directors was completely modified, both in number and composition, at the Extraordinary General Meeting of Shareholders held on 22nd November 2016.

En the selection process for new members of the Board of Directors, all of them independent except one, the Appointments and Remunerations Committee, for that purpose, using the proposal of Spencer Stuart, strived for the inclusion of women among other candidates and, at least, one woman among those finally selected.

**If there are few or no female directors despite any measures adopted, describe the reasons for such result:****Explanation of the reasons**

The members of the Board of Directors of Abengoa were appointed by the General Shareholders Meeting on 22 November 2016 and, in compliance with the undertakings assumed under the restructuring agreement signed on 24 September 2016, were proposed by the Appointments and Remuneration Committee on the basis of selection and proposal carried out by the consulting firm Spencer Stuart.

In this regard, Spencer Stuart and the Appointments and Remuneration Committee assessed the capabilities and merits of the various candidates and proposed those candidates considered most appropriate taking into account the characteristics of Abengoa and its current circumstances.

**C.1.6 bis Explain the conclusions of the appointments committee regarding verification of compliance with the director selection policy. Particularly, explain how said policy is promoting the goal that the number of female Board of Directors represents at least 30% of all members of the Board of Directors by 2020.**

The policy for selecting directors sets out that, when making such a selection, this shall be based on analysing the needs of the Company and of its group of companies, further taking into account (i) that the appointments must favour diversity of expertise, experience and gender on the Board of Directors; and (ii) that by 2020 the number of female directors must represent at least 30% of all members of the Board of Directors. External advisors may be brought in to assist with the selection of directors.

In accordance with the directors' selection policy, said directors must be persons respectable in the society, qualified and with recognised expertise, competence, experience, qualifications, training, availability and commitment to their duties, seeking to ensure that the composition of the Board of Directors is diverse and balanced.

The Extraordinary General Shareholders meeting held on 22 November 2016, following a positive report issued by the Appointments and Remuneration Committee in the case of the executive director and at its proposal in the case of independent directors, renewed the composition of the Board of Directors by appointing the current directors of Abengoa, among which there directors with financial, industrial and legal profiles.

As described in the mandatory reports of the Board of Directors in this respect, the appointment proposals were formulated within the framework of the obligations assumed by the company under the agreement for the restructuring of the financial debt and recapitalisation of the group of companies of which Abengoa is the parent company. This involves the undertaking to submit a proposal for approval by an Extraordinary General Shareholders meeting with regard to renewal of the composition of the company's Board of Directors, by replacing all directors with people that comply with the conditions to be considered as independent external directors of the Company, based on the candidate proposal put forward by Spencer Stuart, a firm that specialises in providing human resource consultancy services, to enable the Company's Board of Directors to comprise a majority of independent external directors.

The selection of directors, made by the firm, Spencer Stuart, and on which the Appointments Committee bases its reports and proposals, took into account (i) the company's needs at a time of financial difficulties; (ii) the required diversity of profiles, combining people with an industrial profile, required for a greater understanding of the business, as well as financial and legal persons capable of understanding the complex financial situation the company was in; and (iii) the capability, demonstrated qualifications and experience of the different candidates, thus fulfilling the objectives set out in the policy for selection of directors and with the conditions it sets out when selecting candidates.

Based on previous considerations, the Appointments and Remunerations Committee concluded that the board member selection policy was satisfactorily applied in 2016

**C.1.7 Explain the form of representation on the board of shareholders with significant holdings.**

In 2016, the shareholders with significant shares were represented through proprietary directors that perform their duties on the basis of the Company's code of conduct and the remaining standards that apply to all members of the Board.

At the close of the financial year, after replacing former members of the Board of Directors with others holding the nature of independent or executive directors, the significant shareholders were no longer represented on the board by proprietary directors.

**C.1.8 Explain, where applicable, the reasons why proprietary directors have been appointed at the proposal of shareholders whose shareholding interest is less than 3 % of share capital:**

Not Applicable

Personal or corporate name of the shareholder	Justification
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Indicate any failure to address formal requests for board representation made by shareholders with stakes equal to or exceeding that of others at whose request proprietary members were appointed. If so, explain the reasons why the request was not met:

N/A

Personal or corporate name of the shareholder	Explanation
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**C.1.9 Indicate whether any director has resigned from his/her position as such before the expiration of the director's term of office, whether the director has given reasons to the board and by what means, and in the event that the director gave reasons in writing, describe at least the reasons given thereby:**

Name of director	Reason for withdrawal
José Luis Aya Abaurre	Passed away on 12 February 2016
José Domínguez Abascal	Submitted his resignation to the Board of Directors on 18/04/2016 for personal reasons.
Claudi Santiago Ponsa	Submitted his resignation to the Board of Directors on 25/05/2016 in light of the expected new shareholding body of the Company resulting from the restructuring process.
Javier Benjumea Llorente	Removed from office as an executive director through a resolution adopted by the Ordinary General Shareholders meeting on 30 June 2016 at the second call.
Antonio Fornieles Melero	Submitted his resignation to the Extraordinary General Shareholders meeting on 22 November 2016 due to the Company's restructuring process.
Joaquín Fernández de Piérola Marín	Submitted his resignation to the Extraordinary General Shareholders meeting on 22 November 2016 due to the Company's restructuring process.
Alicia Velarde Valiente	Submitted his resignation to the Extraordinary General Shareholders meeting on 22 November 2016 due to the Company's restructuring process.
José Joaquín Abaurre Llorente	Submitted his resignation to the Extraordinary General Shareholders meeting on 22 November 2016 due to the Company's restructuring process.
Inayaba, S.L. (represented by Ana Abaurrea Aya)	Submitted his resignation to the Extraordinary General Shareholders meeting on 22 November 2016 due to the Company's restructuring process.
José Borrell Fontelles	Submitted his resignation to the Extraordinary General Shareholders meeting on 22 November 2016 due to the Company's restructuring process.
Mercedes Gracia Díez	Submitted his resignation to the Extraordinary General Shareholders meeting on 22 November 2016 due to the Company's restructuring process.
Ricardo Hausmann	Submitted his resignation to the Extraordinary General Shareholders meeting on 22 November 2016 due to the Company's restructuring process.
Ricardo Martínez Rico	Submitted his resignation to the Extraordinary General Shareholders meeting on 22 November 2016 due to the Company's restructuring process.

Name of director	Reason for withdrawal
Ignacio Solís Guardiola	Submitted his resignation to the Extraordinary General Shareholders meeting on 22 November 2016 due to the Company's restructuring process.

**C.1.10 Indicate, where applicable, any powers delegated by any Chief Executive Officer:**

Personal or corporate name of the director	Brief description
Gonzalo Urquijo Fernández de Araoz	General Powers that can be jointly exercised with other attorneys-in-fact of the Company

**C.1.11 Identify, where applicable, any members of the board who are directors or officers of companies within the listed company's group:**

Not Applicable

Personal or corporate name of the director	Corporate name of group entity	Post	Does he/she holds executive responsibilities
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**C.1.12 Provide details, where applicable, of company directors who also sit on the boards of other entities listed on different official stock markets to their group, of which the company is aware:**

Personal or corporate name of the director	Corporate name of the listed company	Post
Gonzalo Urquijo Fernández de Araoz	Vocento, S.A.	Director
José Luis del Valle Doblado	Lar España Real Estate SOCIMI, S.A.	Chairman

**C.1.13** Indicate and, if applicable, explain whether the regulations of the board have established rules regarding the maximum number of boards on which its directors may sit:

Yes

**Explanation of the rules**

Article 14 of the Board Regulations limits the number of boards on which company directors may sit.

*"[...] Directors are obliged by virtue of their office, in particular, to:*

*[...]*

*(n) Participate actively and with dedication in the matters covered by the Board of Directors, and follow them up, gathering the necessary information. For the foregoing purposes, in order to ensure the adequate time allocation of the directors for the correct performance of their functions and without prejudice to the terms of article 16 herein below, which shall, in any event, be applicable, the directors may not simultaneously hold more positions in listed companies than those which are set out in one of the following combinations:*

*i. An executive position together with three non-executive positions.*

*ii. Five non-executive positions.*

*The term executive position shall be understood to mean a position for which management functions are performed*

*irrespective of the legal nature of the functions carried out.*

*The foregoing restrictions relate only to positions on the boards of directors of other listed companies, although if a director were to participate on the board of directors*

*of other unlisted companies and such participation were to involve a high degree of dedication, such director must immediately inform his intention and the Appointments and Remuneration Committee shall evaluate the authorisation to join such board of directors.*

*The executive positions or non-executive positions which are held within a single corporate group or in commercial companies in which the Company holds a shareholding of at least 10% of the share capital or of the voting rights shall be considered to constitute a single position".*

**C.1.14** Section deleted.

**C.1.15** Indicate the overall remuneration of the board of directors:

Remuneration of the board of directors (in thousands of Euros)	2,782
Amount of remuneration for the concept of accumulated pension entitlements for current directors (in thousands of Euros)	0
Amount of remuneration for the concept of accumulated pension entitlements for former directors (in thousands of Euros)	0

**C.1.16** Identify the members of the company's senior management who are not executive directors and indicate the total remuneration accruing to them during the financial year:

Name or Corporate Name	Post	Body	AD Date
Mr. Joaquín Fernández de Piérola	Managing Director	Executive Committee	From 22.11.16
Mr. Daniel Alaminos Echarri	General and Board Secretary	Executive Committee	From 22.11.16 (*)
Mr. Víctor Manuel Pastor Fernández	Finance Director	Executive Committee	From 22.11.16
Mr. David Jiménez-Blanco Carrillo de Albornoz	Director of Restructuring and Strategy	Executive Committee	From 22.11.16
Mr. Álvaro Polo Guerrero	Director of Human Resources	Executive Committee	From 22.11.16 (*)
Mr. Juan Carlos Jiménez Lora	Director of Appointments and Remunerations	Strategy Committee	Until 22.11.16
Mr. Armando Zuluaga Zilbermann	Director of Solar Business Group	Strategy Committee	Until 22.11.16
Mr. Germán Bejarano García	Director of Int. Institutional Relations.	Strategy Committee	Until 22.11.16
Mr. Antonio Vallespir de Gregorio	Director of the Bioenergía Business Unit	Strategy Committee	Until 22.11.16
Mr. Alfonso González Domínguez	Director of ICI Business Unit	Strategy Committee	Until 22.11.16
Mr. Enrique Borrajo Lovera	Director of Consolidation	Strategy Committee	Until 22.11.16



Name or Corporate Name	Post	Body	AD Date
Mr. Miguel Ángel Jiménez de Velasco Mazarío	Director of Regulations Compliance	Strategy Committee	Until 22.11.16
Mr. Jesús Ángel García-Quílez Gómez	Finance Director	Strategy Committee	Until 22.11.16
Mr. Teodoro López del Cerro	Technical General Secretary	Strategy Committee	From 23.08 Until 22.11.16
Mr. Pedro Almagro Gavilán	Director of Vertical de Agua	Strategy Committee	From 23.08 Until 22.11.16
Mr. Arturo Buenaventura Pouyfaucón	Director Abengoa Research	Strategy Committee	From 23.08 Until 22.11.16
Mr. Luis Enrique Pizarro Maqueda	Director of Internal Audits	Strategy Committee	Until 30.11.16
Mr. Enrique Aroca Moreno	Director of Simosa IT	Strategy Committee	Until 17.10.16
Ms. Ana Raquel Díaz Vázquez	Technical General Secretary	Strategy Committee	Until 31.05.16
Mr. Manuel Doblaré Castellanos	Director Abengoa Research	Strategy Committee	Until 31.05.16
Mr. Carlos Cosín Fernández	Director of Grupo de Negocio Agua	Strategy Committee	Until 06.05.16
<b>Total Remuneration of Top Management (in thousands of Euros)</b>			<b>2,348 thousands of Euros</b>

See Section H "Other Information of Interest"

**C.1.17 Indicate the identity of the members of the board, if any, who are also members of the board of directors of significant shareholders and/or in entities of their group:**

Not Applicable

Personal or corporate name of the director	Corporate name of significant shareholder	Post

Describe any significant relationships, other than the ones contemplated in the point above, of the members of the board of directors linking them to significant shareholders and/or companies within their group:

N/A

Name or company name of associated director	Name or company name of associated significant	Description of relationship

**C.1.18 Indicate whether the regulations of the board was amended during the financial year:**

Yes

**Description of amendments**

Pursuant to the resolution of the Board of Directors dated 30 March 2016 the Board regulations were amended to adapt their content to the Corporate Governance Recommendations included in the Good Governance Code of Listed Companies approved through a Resolution from the CNMV Board dated 18 February 2015. In particular articles 4, 6, 10, 11, 13, 14, 19, 20, 21, 23, 27 and 28 of the foregoing regulations were modified.

Furthermore, at its meeting held on 13 June 2016 the Board of Directors of Abengoa unanimously agreed to amend article 30 of the Board regulations in order to complete the functions of the Investment Committee.

Lastly, at its meeting held on 22 November June 2016, the Board of Directors of Abengoa unanimously agreed to amend articles 3, 14, 18, 20, 21, 27 and 28 and to revoke articles 29 and 30 of the Board regulations for the dual purpose of improving the degree of compliance with the recommendations in issues of corporate governance, as well as to adapt their content to the latest version of the by/laws resulting from the amendments approved by the shareholders general meeting held on that same day.

**C.1.19 Indicate the procedures for the selection, appointment, re-election, evaluation, and removal of directors. Describe the competent bodies, the procedures to be followed, and the criteria applied in each of such procedures.**

The Appointments and Remunerations Committee is the competent body for drafting, insofar as independent directors are concerned, and reporting on, in the case of all other directors, the proposal to be presented to the Board of Directors for appointment by co-opting or for subsequent submission before the General Shareholders meeting, as well as proposals for their re-election or discharge by the General Shareholders meeting, applying criteria of independence and professionalism set out in the Board regulations and the Commission regulations, and ensuring that they hold the recognised creditworthiness and suitable knowledge, prestige and professional experience to perform their duties pursuant to the provisions set out in the director selection policy.

With regards to the procedures for selecting and appointing independent directors, the Appointments and Remunerations Committee is the body in charge of selecting profiles that best represent the needs of the different stakeholders among professionals from different fields and of renowned national and international prestige. The procedure for selecting them is based on the principles of merits and capacity, promoting gender equality and rejecting all kinds of direct or indirect gender discrimination.

Thus, the Appointments and Remunerations Committee performs annual inspections to verify the sustenance of the conditions met for the appointment of a director and the nature and typology assigned to said member, and such information shall be included in the annual report on corporate governance. The Appointments Committee likewise strives to ensure that the selection procedures for filling vacancies refrain from implicit bias that may hinder the inclusion of females that fit the required profile among the potential candidates. Its functions also include reporting to the Board of Directors on appointments, re-elections, terminations and remuneration for senior management, as well as proposing to the Board the general remuneration policy and incentives for Directors and senior management, individual remuneration of Directors, the other contractual terms and conditions of each executive director and the basic contractual conditions for senior management, as well as informing the Board of Directors beforehand on all proposals to be submitted to the General Shareholders meeting for the appointment or dismissal of directors, even in cases of cooptation by the Board of Directors itself.

The performance appraisal of the Board of Directors and its Committees is overseen and organised by the Appointments and Remunerations Committee through substantiated reports filed with the Board during the meeting held in the following first quarter, after the closure of the financial year in question and after the accounting deadline and after issuance of the auditor's report or, at least, its draft, given its importance as assessment criteria. Based on the result of the assessment, the Appointments and Remunerations Committee proposes an action plan for correcting the identified shortcomings.

**C.1.20 Explain the extent to which the self-evaluation of the board has given rise to significant changes in its internal organisation and regarding the procedures applicable to its activities:**

There were no significant amendments made as a result of the annual evaluation of the Board.

Description of amendments
N/A

**C.1.20.bis Describe the evaluation process and the areas evaluated by the board of directors, as it may be assisted by an external consultant, regarding diversity in its composition and powers, the operation and composition of its committees, the performance of the chairman of the board and chief executive officer, and the performance and contribution of each director.**

On this report's preparation date the board of directors had not yet completed its annual assessment due to the special circumstances the company, and especially its administrative organ, went through in 2016. The administrative organ focused its attention mainly on negotiating the financial debt restructuring agreement which was finally agreed upon on 24 September 2016. Following the endorsement of the refinancing agreement the entire Board of Directors, including the executive board members, resigned. The current board members, out of which only one is an executive, were appointed in replacement of the preceding by the General Meeting of Shareholders held on 22 November 2016. As the governing body, they are in charge of managing the fulfilment of the terms and conditions of the effectiveness of the refinancing agreement and, in general, henceforth the exercise of the faculties of the company's management and administration. This singular situation, void of continuity in the composition of the organ, explains why the current board of directors, acting on the Appointments and Remuneration Committee's proposal, decided to engage external consultancy in the assessment of the board of directors and its committees, as well as individual board members.

The consultancy for which the external consultant would be engaged, which shall serve as reference for the current board of directors for assessing its functions in the 2016 financial year and initiatives that could improve their functions during the 2017 and subsequent financial years, shall focus, firstly, on analyzing the function of the board and its committees, and for that purpose, requesting information from all board members who may have performed duties in 2016 by obtaining responses from them through questionnaires issued to them with instructions that they must answer questions deemed especially relevant in relation to the functioning of the board; and, secondly, in assessing the participation and the individual performance of each one of the Company's board members, in light of the functions and duties that, based on the

different typologies to which they are ascribed, attributed to them by law and the internal regulations of the Company's corporate governance.

The external consultant shall be independent, and the Appointments and Remunerations Committee shall evaluate and specifically comment on said independence before it is engaged and prior to executing its duties.

The consultant's report, the Appointments and Remunerations Committee's report and the assessment that the administrative body may deduce from them shall be object of consideration and decision in a session of the board of directors prior to the holding of the 2017 ordinary general shareholders meeting

**C.1.20.ter List any business relationships of the consultant or any company of its group with the company or any company of its group.**

N/A

**C.1.21 Indicate the circumstances under which the resignation of directors is mandatory.**

In accordance with the provisions in article 13 of the Board of Directors' regulations, directors are removed from office when the term for which they were appointed comes to an end, and in all other cases deemed appropriate by law, the bylaws or the Board of Directors' regulations.

Directors are obliged to surrender their posts to the Board of Directors and to resign, if the board deems it convenient, in the following cases:

- › a) If they fall within any of the grounds for incompatibility or prohibition as prescribed by the law.
- › (b) If deemed severely liable by any public authority for infringing upon their obligations as directors.
- › (c) If the Board itself requests it so for having infringed upon their obligations as board members.

In the case of independent directors, the Board cannot ask them to resign prior to elapse of the statutory period for which they were appointed, unless (i) there has been a public takeover bid, a merger or other kind of similar corporate operation that involves a change to the company's share capital, and as a consequence of this there are changes required to the structure of the Board of Directors to maintain the proportionality between proprietary and non-executive directors; or (ii) that there are just grounds in the opinion of the Board following a report from the Appointments and Remuneration Committee.

- › (d) When, in the case of proprietary directors, the shareholder they represent transfers all of their shareholding or reduces it to a level that requires a reduction to the number of proprietary directors, in the latter case by the corresponding proportion.
- › (e) In those cases where their actions may harm the credit and reputation of the Company.

**C.1.22 Section deleted.**

**C.1.23 Are qualified majorities, different from the statutory majorities, required to adopt any type of decision?**

No

If applicable, describe the differences.

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Description of the differences

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**C.1.24 Explain whether there are specific requirements, other than the requirements relating to directors, to be appointed chairman of the board of directors.**

N/A

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Description of requirements

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**C.1.25 Indicate whether the chair has the casting vote:**

Yes

**Matters in which there is a casting vote**

In the event of ties.

**C.1.26 Indicate whether the by-laws or the regulations of the board set forth any age limit for directors:**

No

Age limit for chairperson

Age limit for chief executive  Age limit for director

**C.1.27 Indicate whether the by-laws or the regulations of the Board establish any limit on the term of office for independent directors that is different than the term provided by regulatory provisions:**

No

Maximum number of terms

**C.1.28 Indicate whether there are formal rules for proxy-voting at meetings of the board of directors, the manner of doing so, and especially the maximum number of proxies that a director may hold, as well as whether any restriction has been established regarding the categories of directors to whom proxies may be granted beyond the restrictions imposed by law. If so, give brief details.**

Article 10 of the Board of Directors' regulations governs the delegation of voting rights in the following way:

"Members of the Board of Directors may only delegate their representation to another member of the Board. Non-executive directors may only be represented by other non-executive members of the Board of Directors. Representation of absent directors may be granted by means of written communication of any nature addressed to the Chairmanship, which is sufficiently competent to accredit the representation granted and the identity of the represented director."

**C.1.29 Indicate the number of meetings that the board of directors has held during the financial year. Also indicate, where applicable, how many times the Board has met without the Chairman being present: Proxies granted with specific instructions shall be counted as attendance.**

Number of meetings of the Board	32
Number of Board meetings without the Chairman attending	0

If the chair is an executive director, Indicate the number of meetings held without the presence in person or by proxy of any executive director and chaired by the lead independent director

Number of meetings	0
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Indicate the number of meetings held by the different committees of the board of directors during the financial year:

Number of meetings of the executive committee	N/A
Number of meetings of the audit committee	11
Number of meetings of the appointments and remuneration committee	12
Number of meetings of the appointments committee	N/A
Number of meetings of the remuneration committee	N/A

**C.1.30 Indicate the number of meetings that the board of directors has held during the financial year with the attendance of all of its members. Proxies granted with specific instructions shall be counted as attendance.**

Number of meetings with the attendance of all directors	22
% of attendances of the total votes cast in the year	68.75

**C.1.31 Indicate whether the annual individual accounts and the annual consolidated accounts that are submitted to the board for approval are previously certified:**

No

Identify, if applicable, the person/persons that has/have certified the annual individual and consolidated accounts of the company for preparation by the board:

Name	Post
Enrique Borrajo Lovera	Consolidation Manager

**C.1.32 Explain the mechanisms, if any, adopted by the board of directors to avoid any qualifications in the audit report on the annual individual and consolidated accounts prepared by the board of directors and submitted to the shareholders at the general shareholders' meeting.**

The risk control system, the internal auditing services and the Audits Committee, to which the others report, are set up as frequent and regular monitoring and supervision mechanisms that prevent and, if appropriate, resolve potential situations which, if not addressed, could lead to incorrect accounting treatment. Thus, the Audits Committee receives regular information from the external auditor on the Audit Plan and on the results of its execution, and ensures that senior management acts on its recommendations.

The Board regulations and the internal regulations of the Audit Committee expressly set out in their articles 27(b) and 3.2, respectively, that the said Committee shall in all cases perform the duty of "ensuring that the Board of Directors presents the annual accounts to the General Shareholders meeting without limitations or qualifications in the external audit report, and the chairman of the Audit Committee, together with the external auditor, must clearly explain to the shareholders the nature and scope of said limitations or qualifications, if applicable".

**C.1.33 Is the secretary of the board a director?**

No

If the secretary is not a board member, complete the following table:

Name or company name of the secretary	Representative
Daniel Alaminos Echarri	N/A

**C.1.34 Section deleted.**

**C.1.35 Indicate the mechanisms, if any, used by the company to preserve the independence of auditors, financial analysts, investment banks, and rating agencies.**

Article 27 of the Board of Directors' regulations establishes that the role of the Audits Committee is to ensure the independence of the external auditor, which includes, among other matters, ensuring that the company and the auditor respect the regulations in force with regard to the provision of services other than those concerning auditing, the limits on the focus of the auditor's services, and in general, other regulations in place to ensure independence of auditors

In any case, every year, the external auditors shall issue the Audit Committee declarations of their independence from the company or companies related directly or indirectly, as well as the information on all kinds of additional services that may have been rendered by said external auditors or persons or companies associated with them pursuant to the accounts auditing regulations and the corresponding fees they may have received thereof.

At the same time, prior to issuing the accounts auditing report, the Committee shall also issue annual reports giving its opinion on the independence of the external auditor.

On the other hand, article 3.16 c.(iv) of the internal regulations of the Audits Committee orders the Audits Committee "to strive to ensure the remuneration of the external auditor for its work without compromising either its quality or independence".

With regards to financial analysts and investment banks, the company has an internal application procedure in place with three tenders for the procurement thereof. The contract is signed through a letter of appointment outlining the exact terms and conditions of the entrusted duty.

Insofar as rating agencies are concerned, at the close of 2016 financial year the Company has a rating from Moody's and Standard and Poors. In both cases the job was formalized through their corresponding mandate letters.

**C.1.36 Indicate whether the Company has changed the external auditor during the financial year. If so, identify the incoming audit firm and the outgoing auditor:**

No

Outgoing auditor	Incoming auditor

If there has been any disagreement with the outgoing auditor, provide an explanation thereof:

N/A

Explanation of the disagreements

**C.1.37 Indicate whether the audit firm performs other non-audit work for the company and/or its group. If so, indicate the amount of the fees paid for such work and the percentage they represent of the aggregate fees charged to the company and/or its group:**

Yes

	Company	Group	Total
Fees for non-audit work (in thousands of Euros)	1.633	578	2,211
Fees for non-audit work/Total amount invoiced by the audit firm (in %)	65 %	4 %	40 %

**C.1.38 Indicate whether the audit report on the annual accounts for the prior financial year has observations or qualifications. If so, indicate the reasons given by the chair of the audit committee to explain the content and scope of such observations or qualifications**

No

Explanation of the reasons
N/A

**C.1.39 Indicate the consecutive number of years for which the current audit firm has been auditing the annual accounts of the company and/or its group. In addition, indicate the percentage represented by such number of financial years audited by the current audit firm with respect to the total number of financial years in which the annual accounts have been audited:**

	Company	Group
Number of consecutive financial years	5	5

	Company	Group
Number of years audited by the current audit firm / Number of years in which the company has been audited (%)	0.19	0.19

**C.1.40** Indicate and, if so, explain whether there are procedures for directors to hire external consultancy services:

Yes

**Describe the procedure**

The Secretary of the Board of Directors performs the duties legally attributed. Currently, the position of secretary and legal adviser are one and the same, and this person is responsible for the valid call to meeting and the adoption of resolutions by the board of directors. In particular, the Secretary of the Board advises Board members on the legality of the deliberations and resolutions proposed and on compliance with the internal rules of corporate governance, which makes this person the guarantor of the principle of formal and material legality, which governs the actions of the Board. As the specialised body tasked with guaranteeing the formal and material legality of the Board's actions, the Secretary of the board has the full support of said board to perform his/her duties with complete independence of criterion and stability, and is also charged with safeguarding the internal regulations of corporate governance. Acting in their position or on behalf of the directors, he or she channels the external advice necessary for the proper formation of the Board.

The Board of Directors has access to external, legal or technical consultants, depending on its needs, which may or may not be arbitrated through the Secretary of the Board. The second paragraph of Article 19 of the Regulations of the Board of Directors sets out that:

*“Through the Chairperson of the Board of Directors, Board Members shall be empowered to submit a proposal by majority to the Board of Directors to engage the services of a legal, accounting, technical, financial, commercial or any other kind of consultants deemed necessary in the interests of the Company to provide assistance in the exercise of their duties in dealing with specific problems of certain magnitude and complexity associated with the exercise of such duties”.*

**C.1.41** Indicate and, if so, explain whether there are procedures for directors to obtain information required to prepare for management-level meetings with sufficient time in advance:

Yes

**Describe the procedure**

Availability of the information before each Board meeting via an online platform that can be accessed by all of the directors. In addition, via this platform directors have access at all times to consult the internal regulations and basic legislation applicable to the role and responsibility of the Director, which offers them sufficient knowledge of the Company and its internal rules, as well as on issues that may be submitted to them for consideration.

**C.1.42** Indicate and, if so, explain whether the company has regulations that require directors to inform the company and, if applicable, resign in cases in which they could damage the company's prestige and reputation:

Yes

**Explain the rules**

Article 13 of the Board of Directors' regulations sets out the following: *“Directors are obliged to surrender their posts to the Board of Directors and to formalise their resignation, if the board deems it convenient, in the following cases: (a) If they fall within any of the grounds for incompatibility or prohibition as prescribed by law; (b) If deemed severely liable by any public authority for infringing upon their obligations as Directors; (c) If the Board itself requests so due to a Board member having infringed upon his/her obligations as Director [...] (e) In those cases in which the actions thereof may prejudice the prestige or reputation of the Company. For the foregoing purposes, the Directors must inform the Board of Directors of any criminal actions for which they are being investigated as well as of any other legal proceedings in relation thereto. If the Director was to be finally accused of or if a court hearing was set down in relation thereto for any offence set out under commercial legislation, the Board of Directors shall examine the specific case and shall determine whether or not it is appropriate to request the director in question to resign from office”.*

Section (q) of Article 14 of the same Regulation also establishes the obligation of the directors *“to inform the company of all legal and administrative claims and of any other claims that, given their magnitude, may severely affect the reputation of the company. Accordingly, the directors must notify the Board of Directors of any criminal proceedings for which they are being investigated as well as any other legal proceedings in relation thereto”.*

**C.1.43** Indicate whether any board member has informed the company of being subject to prosecution or an indictment for any of the crimes envisaged in section 213 of the Companies Act:

No

Name of director	Criminal Case	Comments
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Indicate whether the board of directors has analysed the case. If so, provide a duly substantiated explanation of the decision adopted regarding whether or not the director should remain in office or, if applicable, describe the actions taken by the board of directors up to the date of this report or that it plans to take

N/A

Decision taken / action taken	Reasoned explanation
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**C.1.44 Describe the significant agreements entered into by the company that go into effect, are amended, or terminate in the event of a change in control at the company as a result of a takeover bid, and effects thereof.**

The Company has not implemented any significant agreements that entered into force, whether amended or expired as a specific result of a change of control in the Company deriving from a takeover bid.

Nevertheless, the company has signed agreements in which change of control clauses are set out, which are not necessarily triggered as a result of a takeover bid. For that purpose “control” is understood as the ability or power (be it by share ownership, power of attorney, contract, agency or any other way) to (i) vote for or control the vote of more than 50% of voting rights that may be exercised in the Company’s general meeting; (ii) appoint or dismiss more than 50% or all members of the Company’s governing body; or (iii) establish guidelines on the Company’s operating and financial policies that must be complied with by administrators or equivalent staff; or ownership of more than 50% of capital in the form of common shares or any other type that, where applicable, hold voting rights. Said agreements may be terminated on the request of creditors in the event of a change of majority control.

Financial agreements that may be signed under the restructuring framework shall also include change of control clauses in the sense referred to in the preceding paragraph..

**C.1.45 Identify on an aggregate basis and provide a detailed description of the agreements between the company and its management level and decision-making positions or employees that provide for indemnities, guarantee or “golden parachute” clauses upon resignation or termination without cause, or if the contractual relationship is terminated as a result of a takeover bid or other type of transaction.**

In the event of the termination of the business contract of the Executive Chairman, Gonzalo Urquijo Fernández de Araoz (except if said termination is due to voluntary resignation, death or incapacity, or the non-performance of his obligations), entitles him to compensation equivalent to two years’ fixed and variable salary, and one of the annual payments will be in fulfilment of a non-competition clause.

Elsewhere, senior management contracts for members of the Executive Committee (with the exception of Mr. Gonzalo Urquijo Fernández de Araoz, whose compensation is set out in the previous paragraph), Messrs Fernández de Piérola, Pastor, Jiménez-Blanco, Alaminos and Polo shall be entitled to compensation in the event of termination for an amount equivalent to one year’s fixed salary plus variable remuneration, which will be two years in the case of a change of control or succession of the business. There shall be no compensation in the event the termination due to [unilateral termination or severe and culpable non-compliance of obligations by the senior director. Post-contractual non-competition commitment compensation is set as a fixed salary annuity plus variable understood as to be included in the amount of the compensation set forth above, if the need arises. In the event of voluntary termination of the contract by Abengoa, it will be necessary to give 6 months’ advance notice and, if this is not fulfilled, the Company will compensate the other party by paying the amount of remuneration for the period not notified.

It should be stated that on 22 November 2016 Mr Fernandez de Piérola Marín resigned as a director, revoking all his functions and powers. On that same date, the Board of Directors appointed him CEO of the Group but agreed to (i) terminate his contract as executive director; and (ii) to sign a new contract in his capacity as CEO, a contract containing the indemnity clauses already described. In view of the above, since the relationship between the Company and Mr Fernández de Piérola has continued, no severance compensation has accrued.





## Audit committee

Name	Post	Current
José Wahnnon Levy	Chairman	Independent
José Luis del Valle Doblado	Member	Independent
Manuel Castro Aladro	Member	Independent
% of proprietary directors		0
% of independent directors		100
% of other external directors		0

### Explain the duties assigned to this committee, describe the procedures and rules of organisation and operation thereof, and summarise the most significant activities thereof during the year.

In accordance with Articles 44 of the bylaws and 27 of the Board of Directors regulations, the Audit Committee shall be exclusively made up of External Directors appointed by the Board of Directors; most of whom must be independent directors. All of them, being members of the Committee shall appointed in light of their knowledge and experience in accounting, auditing or risks management, and at least, considering their knowledge and experience in accounting, auditing or both. The Board of Directors shall appoint the Committee Chairperson from amongst the independent board members within the committee. The post of Audit Committee Chairperson shall be held for a maximum of four years, after which he/she shall not be eligible for re-election as such for at least one year from the date of extinction, notwithstanding his/her continuation or re-election as member of the Committee.

The function of the Audits Committee is governed by the Company's bylaws, the Board of Directors regulations and the internal regulations of the Audit Committee itself.

The Audits Committee shall meet whenever necessary to carry out their duties or once every quarter, at least. The Committee shall also meet whenever convened by the Chairman, on his own initiative or at the request of any of the members, who may also suggest that the Chairman include a certain issue in the agenda of the following meeting,

The agreements established by the Audit Commission will be adopted in a fair fashion when the majority of the members present or represented in the meeting vote in favour thereof. In the event of a tie, the Chairman shall have the casting vote.

The following duties, among others, are assigned to the Audit Committee:

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 ensure that the Board of Directors presents the accounts to the General Shareholders meeting without any limitations or qualifications in the external audit report, and the Chairman of the Audit Committee, together with the external auditor, must clearly explain to the shareholders the nature and scope of said limitations or qualifications, if applicable.
3. To inform the Board of Directors of any change in the accounting criteria, and any risks either on or off the balance sheet.
4. To inform the Board of Directors on monitoring the budget, the undertakings to increase and reduce financial borrowing, monitoring of the financial deleveraging policy and the dividend distribution policy and any amendments to these.
5. To inform the General Shareholders meeting about any matters or questions that arises on issues within its power.
6. To propose the appointment of external accounts auditors to the Board of Directors for subsequent submission before the General Shareholders meeting.
7. To supervise the internal audit services, which will functionally depend on the Committee Chairman. The Commission will have full access to internal auditing and will report on the selection, dismissal, renewal and removal process of its director, on the setting of his/her salary scale, as well as the budget for this department
8. To supervise the internal functions of control and risks management.
9. To know the process of financial information and of the systems of internal control of the Company.
10. 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.
11. To summon the directors it deems appropriate to the meetings of the Committee to report on issues to the extent the Audit Commission deems fit.
12. To prepare an annual report on the activities of the Audit Committee and to include it in the management report.
13. Issue annual reports on operations with associated parties, which be publicly displayed on the Company's web page prior to the Ordinary Shareholders meeting
14. Supervise compliance with corporate governance regulations, the internal code of conduct on aspects of the stock market and other internal codes of conduct and the corporate social responsibility policy.

15. With respect to internal control and reporting systems:
- (a) To monitor the preparation process and the integrity of the financial reporting with regard to the Company and, where applicable, the group of which Abengoa is parent company (hereinafter, the "Group"), verifying compliance with legal requirements and the correct application of accounting criteria, and appropriately specifying the scope of consolidation.
  - (b) To periodically review the internal control and risk management systems so that the main risks, including those of a tax nature, are identified, managed and properly disclosed, as well as to discuss significant shortcomings of the internal control system identified in the audit with the financial auditor.
  - (c) To supervise and ensure the independence and effectiveness of the duties of internal audits, with full access thereto; to propose the selection, appointment, re-selection and dismissal of the head of internal audits; to propose the budget for said unit, and set the salary scale of its Director; to obtain the annual work plan together with incidents that may have occurred during the execution; approve the orientation and the work plans ensuring that the activity is focused mainly on the relevant risks of the Company, to obtain periodical information on said activities including a report at the end of each financial year, and information on the activities and the budget of the unit; and to ensure that senior management consider the conclusions and recommendations in its reports.
  - (d) To establish and supervise a mechanism by which the staff may confidentially and, if necessary, anonymously report any irregularities, especially those of a financial or accounting nature, detected in the course of their duties, with potentially serious implications for the company.
  - (e) To summon any Company employee or manager, and even order them to appear without the presence of any other senior officer.
  - (f) The Audit Committee shall inform the Board, prior to the latter adopting the corresponding decisions, about the following matters:
    - (i) The financial information that all listed companies must periodically disclose. The Committee must ensure that interim financial statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.
    - (ii) The creation or acquisition of shares in special purpose entities or entities resident in countries or territories considered tax havens, and any other similar transactions or operations which, due to their complexity, might impair the transparency of the Group.
    - (iii) Related-party transactions
  - (g) To supervise compliance with the Internal Code of Conduct in relation to the Securities Market and the Policy on the Use of Relevant Information and the rules of corporate governance
16. With regards to the external auditor
- (a) To propose the selection, appointment, re-selection and replacement of the external auditor, including the conditions of their hiring, to the Board of Directors to submit said proposal to the General Shareholders meeting for approval.
  - (b) To be regularly informed by the external auditor on the progress and findings of the audit plan and to ensure that senior management follow up on its recommendations
  - (c) To make sure the external auditor remains independent and, for that purpose:
    - (i) The Company should notify the National Securities Market Commission of any change of auditor as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for these.
    - (ii) The Committee must ensure that both Company and auditor respect the current regulations on providing services other than auditing, the limits on the focus of the auditor's services and, in general, other standards and regulations set out to ensure the independence of auditors  
In any case, every year the Committee should receive from external auditors the declaration of their independence from the Company or companies with a direct or indirect connection thereto, as well as information on additional services of any kind provided and the corresponding fees received from these companies by the external auditor or by the individuals or companies with a connection thereto in accordance with the provisions set out in legislation on financial auditing.
    - (iii) If an external auditor resigns, the Commission must investigate the circumstances leading to the resignation.
    - (iv) To ensure that the remuneration of the external auditor in return for its work does not compromise either its quality or independence.
  - (d) To issue every year, prior to the issuance of the financial auditing report, a report stating the judgment on the independence of the financial auditor. This report should always state the value of the additional services provided and referred to in previous section (c).(ii), individually and consolidated, different to the legal audit and with regard to the independent status or to the governing auditing regulations.
  - (e) To ensure that the Group's auditor is entrusted with conducting the audits for the individual group of companies
  - (f) To ensure that the external auditor holds yearly meetings with the entire Board of Directors to inform them on the work done and on the progress of the accounting situation and the risks of the Company
- The main interventions of the Audit Committee were as follows:**
- › Preparation of Abengoa's individual and consolidated accounts of its group for the 2015 financial year.

- › Approval of the financial information for the second half of the 2015 financial year.
- › Approval of the financial information for the intermediate periods of 2016 remitted to the CNMV
- › Follow-up on the works carried out in the framework of the restructuring process.
- › Approval of the feasibility plan prepared by Alvarez & Marsal as part of the restructuring process started and motivated by situation 5 bis.
- › Identification and follow-up on the financial risks of the Company in light of the preparation of the 2016 Financial Statement.
- › Approval of the verification Works undertaken by the external auditor
- › Monitoring of accounting impacts derived from the restructuring agreement.

Identify the director of the audit commission who has been appointed in light of his/her knowledge and experience in accounting, auditing or both, and indicate the number of years that the Chairman of this committee has been carrying out the role.

Name of director with experience	José Wahnon Levy
Number of years in chairman role	0

#### Appointments and remuneration committee

Name	Post	Current
Pilar Cavero Mestre	Chairwoman	Independent
Javier Targhetta Roza	Member	Independent
Ramón Sotomayor Jáuregui	Member	Independent

% of proprietary directors	0
% of independent directors	100
% of other external directors	0

Explain the duties assigned to this committee, describe the procedures and rules of organisation and operation thereof, and summarise its most significant activities during the year.

This Committee shall comprise at least three directors, designated by the Board of Directors, at the Committee's proposal. All members of the Committee shall be non-executive directors, at least two of whom must be independent directors.

Pursuant to Articles 44 bis of the bylaws and 28 of the Board of Directors regulation, the Audits Committee shall exclusively compose of external directors appointed by the Board of Directors, the majority of whom shall be independent board members, making sure of their knowledge, aptitudes and the sufficient experience for the duties they may be entrusted. The Board of Directors shall appoint the chairperson of the Committee from amongst the independent board members in the committee.

The duties of the Appointments and Remunerations Committee shall be governed by the Company's bylaws, the Board of Directors regulations and the internal regulations of the Committee itself.

The Appointments and Remuneration Committee shall meet whenever necessary to carry out its duties, and at least once every six months. The Committee shall also meet whenever convened by the Chairman, on his own initiative or at the request of any of the members, who may also suggest that the Chairman include a certain issue in the agenda of the following meeting,

The agreements established by the Committee shall be valid when the majority of members present or represented in the meeting vote in favour thereof. In the event of a tie, the Chairman shall have the casting vote.

Its duties include the following:

1. To present proposals before the Board of Directors to appoint independent directors by co-opting or for submission for approval before the General Shareholders meeting, as well as proposals for their re-election or discharge by the General Shareholders Meeting.
2. To present proposals to appoint all other Directors by co-opting or for submission for approval before the General Shareholders Meeting, as well as proposals for their re-election or discharge by the General Shareholders Meeting.
3. To prepare an annual report on the activities of the Appointments and Remuneration Committee, to be included in the management report.
4. To assess the competencies, knowledge and experience required on the Board, define the aptitudes and capabilities required of the candidates to fill each vacancy and assesses the time and dedication required for them to properly perform their duties.

5. To examine and organise the succession of the Chairman of the Board of Directors and the Chief Executive of the Company and, where necessary, make proposals to the Board of Directors to ensure the planned and orderly fashion of said succession.
6. To report on the proposed appointments and dismissals of top executives when the highest executive proposes it to the Board of Directors and on the basic terms and conditions of their contracts.
7. To report issues of gender diversity to the Board. To establish a representation target for the least represented sex on the Board of Directors of the Company and to draft guidelines on how to achieve this target.
8. Propose the following to the Board of Directors:
  - (i) The remuneration policy for directors, general directors or those with executive responsibilities reporting directly to the Board, and for executive committees or Chief Executives, for approval by the Company's General Shareholders meeting, and to periodically revise said policy and to ensure that the individual remuneration for each of them is proportional to what is paid to the other board members and managing directors of the Company.
  - (ii) The individual remuneration of directors and the other contractual conditions of each executive director.
  - (iii) The basic conditions of the contracts for senior management.
9. Ensure adherence to the remuneration policy of directors approved by the Company's General Shareholders Meeting.
10. Check with the Chairman or CEO of the Company, in particular when these are issues associated to Executive directors or senior management.
11. Organise, oversee and report on the annual performance appraisal of the Board of Directors and its committees and propose, based on the result of the appraisal, a plan of action to correct the identified shortcomings.
12. Analyse requests formulated by any director to take into consideration potential candidates to cover board vacancies.
13. Monitor and ensure the independence of the external consultant who, every three years, will assist the Board in its annual performance evaluation.
14. In those cases where this Committee obtains external advice to ensure that any conflicts of interest does not impair its independence.
15. Verify compliance with the director selection policy and report the findings to the Board of Directors.
16. Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration report.
17. Verify that the annual corporate governance report (i) provides an explanation on why proprietary directors appointed at the request of shareholders whose shareholding interest is less than 3 % of the capital, and (ii) sets out the reasons why, if appropriate, formal requests were rejected for a presence on the board from shareholders whose shareholding interest is equal to or higher than those whose request the proprietary directors were designated.

In 2016, the main interventions of the Appointments and Remunerations Committee were as follows:

- › Proposal of the basic terms and conditions of contracts for top executives
- › Approval of the remunerations policy for the company's top executives.
- › Report on the termination of Mr. José Domínguez Abascal, the Executive Chairman.
- › Favourable report on the proposal to appoint Mr. Antonio Fornieles Melero as Executive Chairman and Board of Directors Chairman
- › Favourable report on the proposal to appoint Mr. Joaquín Fernández de Piérola Marín as Chief Executive Officer.
- › Favourable report on the appointment of Inayaba S.L., represented by Ms. Ana Abaurrea Aya, as independent director in replacement of Mr. José Luis Aya Abaurre
- › Favourable report on the proposal to appoint Ms. Alicia Velarde Valiente as Second Vice-Chairlady of the Board of Directors.
- › Favourable report on the proposal to appoint Mr. Joaquín Fernández de Piérola Marín as First Vice-Chairman of the Board of Directors.
- › Proposal on the business agreements of the Executive Chairman Mr. Antonio Fornieles Melero and of the CEO Mr. Joaquín Fernández de Piérola Marín.
- › Favourable report on the Annual Report on Board members Remunerations.
- › Approval of the Annual Report of the Appointments and Remunerations Committee
- › Submission of the results of the annual assessment of the performance of the Board of Directors and its Committees to the Board of Directors for approval
- › Favourable report on the Policy for the Selection of Board of Directors.
- › Propose the Second Vice-Chairlady and Coordinating Board member's remuneration to the Board of Directors
- › Propose the re-selection of Mr. Martínez Rico as independent board member of the Board of Directors, to the Board of Directors
- › Propose the re-selection of Ms. Velarde Valiente as independent board member of the Board of Directors, to the Board of Directors
- › Favourable report on the proposal of the Board of Directors' decision on proposing to the General Shareholders meeting to ratify the appointment of Messrs. Joaquín Fernández de Piérola Marín and Inayaba S.L. represented by Ms. Ana Abaurrea Aya.
- › Proposal for the appointment of Messrs. Manuel Castro Aladro, José Luis del Valle Doblado, José Wahnon Levy, Ramón Sotomayor Jauregui, Javier Targhetta Roza,
- › Gonzalo Urquijo Fernández de Aroz and Pilar Cavero Mestre as new board members
- › Proposal to the Board of Directors with regard to Contracts of executive directors and senior officers.
- › Reports to the Board on the appointment of Senior Officers.
- › Proposal to the Board of Directors on remuneration of new directors until the next General Meeting.

**C.2.2 Complete the following table with information regarding the number of female directors comprising the committees of the board of directors for the last four financial years:**

	Number of female directors:			
	Financial year 2016	Financial year 2015	Financial year 2014	Financial year 2013
	Number %	Number %	Number %	Number %
Executive committee	N/A	N/A	N/A	N/A
Audit committee	0 (0)	2 (50)	2 (66.66)	2 (40)
Appointments and remuneration commission	1 (25)	2 (50)	2 (66.66)	2 (40)
Appointments committee	N/A	N/A	N/A	N/A
Remunerations committee	N/A	N/A	N/A	N/A

**C.2.3 Section deleted.**

**C.2.4 Section deleted.**

**C.2.5 Indicate, if applicable, the existence of regulations of the board committees, where such regulations may be consulted, and the amendments made during the financial year. Also indicate if any annual report of the activities performed by each committee has been voluntarily prepared.**

Both the Audits Committee and Appointments and Remunerations Committee have their own internal operating regulations available on the Company's website.

The last amendment to both texts during the financial year took place on 30 March 2016 for the purpose of reflecting the same amendments previously operated in the Board Regulations to adapt its content to the recommendations of the Good Governance Code of Listed Companies approved through the Resolution of the Board of the CNMV on 18 February 2015.

These Committees prepare their own annual report on activities. The reports prepared for the 2015 financial year were made available to shareholders together with the call for the Ordinary General Shareholders Meeting held on 30th June 2016. In addition, that of the Audits Committee was published as part of the annual report for the 2015 financial year.

**C.2.6 Section deleted.**