02. Annual report on remuneration of board members (ARR)

A. The company's remunerations policy for the on-going year

A.1. Explain the current directors remunerations policy applicable for the on-going financial year. If deemed relevant, include specific information as reference to the remunerations policy approved by the general meeting of shareholders, as long as the inclusion is clear, specific and concrete.

It should include a description of the specific conditions for the on-going year, both for the remunerations of the directors for their condition as such, for example, for holding executive director positions, that a director may have held in accordance with the stipulations in the contracts signed with the executive directors and with the remunerations policy approved by the general meeting.

Be what the case may, the following aspects should at least be reported:

› Provide a description of the procedures and organs of the company involved in the determination and approval of the remunerations policy and the conditions.

› Indicate and if possible, explain whether companies of similar nature were taken into account in establishing the company's remunerations policy.

› Give information on whether external consultants participated and, if so, identify such consultant.

At Abengoa, S.A. (hereinafter, "Abengoa" or the "Company" or the "Company") it is paramount to maintain policies geared towards proposing long-term professional careers within the group headed by the Company (hereinafter, the "Group") and, at the same time, to promote long-term profitability and sustainability of the Company and its Group, withholding a reasonable proportion considering the Company's magnitude, its financial situation at all times and the standards of the comparable enterprise markets. In the activities that Abengoa is engaged in, executed in highly competitive environments, the attainment of its goals and objectives, to a great extent, depends on the work quality and capacity, the dedication and knowledge of those holding key positions and leading the organization.

Following the financial crisis that plagued the Company and in light of the new demands of the new situation of the Group, with new focus, challenges and difficulties, the Policy for the Remuneration of Abengoa's Board Members has been redefined to the service of a prevailing goal: attract and retain the most outstanding and appropriate professionals ready to contribute towards the attainment of Abengoa's new strategic goals and objectives, concretized in (a) the re-launching of its original activity as an overseas market frontline contractor, (b) the securing of a margin in its contracts and in the generation of cash to ensure performance of payment commitments owed to its creditors, and to finance its own operations and investments, and (c) the reorganization of Abengoa as a sustainable and profitable enterprise that adjusts its business structure and its costs to the demands of the activity it intends to undertake in future.

These premises determine the remunerations policy for the Group in general and for the board members in particular, especially for the executives, and must be attractive enough to bring in and retain the most distinguished professionals.

Consequently, the board members' remunerations policy aims at ensuring that their remunerations:

› Are geared towards promoting the Company's long-term profitability and sustainability, taking the necessary cautions to prevent the excessive assumption or risks.

› Makes efforts to encourage the attainment of specific quantifiable company objectives, aligned with the interests of the shareholders and other interest groups.

› Are appropriate enough for the situation of crisis that the Company has passed through, the results of which are heavy weight for the viability of the Company in future, so as to attract, commit and motivate professionals able to contribute in getting the Company and its group to overcome the difficulties and recover normalcy in its business and a sustainable profitability, and for that reason, using the present market standards for comparable companies.

› Are necessary for remunerating the dedication, qualification and responsibility required for the performance of board member duties, considering the tasks performed in the Board of Directors and on the Committees on which they may serve, but, in the case of non-executive board members, not so high enough to alter their independence.

› With regards to remuneration of executive board members for the performance of their executive duties:

(i) Ensure that the overall remunerations package and its structure remain competitive with what is offered in the international sector and are compatible with our leadership vocation.

(ii) Maintain a variable component linked to various periods and specific objectives, in order to link them to the performance of the executive in question, using predetermined and measureable performance indicators.

Pursuant to Article 28 of Abengoa's Board of Directors' regulations, it is the duty of the Appointments and Remunerations Committee to propose the remuneration policy for Directors, managing directors or those with executive responsibilities reporting directly to the Board, and for executive Committees or Chief Executives, to the Board of Directors for approval by the Company's General Meeting of Shareholders, as well as regularly revising said policy and guaranteeing that the individual remuneration for each of them is proportional to what is paid to the rest of the board members and the general managers of the Company.

The remunerations policy for Abengoa's directors reflected in this report was approved by the Ordinary General Meeting of Shareholders held of 30 June 2017. The remunerations policy was prepared, discussed and signed in the meeting of the Appointments and Remunerations Committee. The proposal was submitted to the Board of Directors, approved thereby as proposal to the General Meeting and approved by the General Meeting on the date indicated. Notwithstanding the above, the Board of Directors' Meeting held on 25th February 2019 agreed to submit a proposal to the Extraordinary General Meeting scheduled for 27th and 28th March 2019 respectively, for the modification of the Remunerations Policy applicable for the 2019 and 2020 financial years under the terms and conditions set forth in Section A.2 following. Said modification proposal, which was approved by said Meeting, was studied by Mercer Consultants.

To set up the remunerations for new members of the Board of Directors, all independent except for the Executive Chairman, the Appointments and Remunerations Committee obtained information on market reference provided by a specialized firm, Spencer Stuart. To determine the contractual conditions of the Executive Chairman, Mercer, a consultancy company also specialized in matters of remunerations, was also consulted.

Regarding the Appointments and Remunerations Committee, it is set forth in the bylaws and in Abengoa's Board of Directors regulations that the majority of the members of the Appointments and Remunerations Committee have to be independent board members and its Chairperson must be appointed from amongst the independent Board Members forming part of the Committee. Currently, the Appointments and Remunerations Committee is exclusively made up of independent board members, including its Chairlady, all appointed based on their knowledge, aptitude and experience in matters to be handled by the Committee.

In the 2018 financial year the current members of the Appointments and Remunerations Committee, and as such, participants in the definition and regular revision of the remunerations policy, are as follows:

Pilar Cavero Mestre	Chairman	Independent Board Member
Josep Piqué Camps	Member	Independent Board Member
Ramón Sotomayor Jáuregui	Member	Independent Board Member

Juan Miguel Goenechea Domínguez served as secretary of the Appointments and Remunerations Committee during the 2018 financial year, but resigned from his post effective 1st January 2019.

The current criteria approved by the Ordinary General Meeting in 2017 used for establishing the remunerations policy for directors are in accordance with the stipulations of the Corporate Enterprises Act (Articles 217 to 219, 249 and 529 sexdecies to 529 novodecies), of the Bylaws (Article 39) and in the Regulations of the Board of Directors (Article 20), setting forth various criteria based on whether or not a board member performs executive duties:

› Remuneration of board members based on their condition as

The position of board member is remunerated in accordance with the stipulations of Article 39 of the Bylaws. The remuneration of directors shall consist of an amount whose total shall be agreed upon by the Company's Shareholders' General Meeting, in conformity with the remunerations policy of Board Members, in accordance with all or some of the following items and subject, in cases in which it may be deemed necessary if stipulated by law, to the prior approval by the Shareholders' General Meeting:

(a) a fixed salary;

(b) attendance per diem;

(c) variable remuneration with indicators or general parameters of reference;

(d) remuneration through the award of shares or their options rights or their amounts referenced to the value of the company's shares

(e) compensations for resignation, as long as the resignation is not due to non-performance of the duties assigned to the person; and

(f) the savings or forecast systems deemed appropriate.

Likewise, the payment may be made through the handover of shares to non-executive board members as long as it is based on the condition that said shares would be maintained (with the exception of those that may need to be assigned to meet the costs of acquiring them) until resignation as board members.

At present, from among the various possibilities contemplated in Abengoa's internal regulations, the remuneration of directors as such are concretized in (A) fixed annual salaries for each of the following situations: (a) membership of the Board of Directors, (b) membership of Board of Directors' Committees, (c) performance as coordinating director (when not presiding over any of the committees), (d) Chairmanship of the Board of Directors (except if held by an executive director with delegated powers) or of any of its committees and, in addition, (B) a variable remuneration that, when accrued, will not be payable until 2021. The specific amounts are listed in the next section of this report, taking into account the distribution of contents defined by the standard template.

The specific determination of the relevant amount for the aforementioned items to each of the Board Members and the form of payment shall be set by the Board of Directors within the parameters set forth by the remunerations policy. For that purpose, as already pointed out above, duties performed by each board member on the board itself, membership to the board and attendance to the various Committees, shall be considered.

Besides the amounts associated with the performance of the post and duties, the Company (a) shall underwrite a civil liability insurance and (b) shall separately reimburse, without such being deemed a remuneration, the directors' travel and lodging expenses that may be required for the performance of duties and expenses incurred for acquiring the necessary media and installations.

The rights and duties of any nature derived from membership to the Board of Directors shall be compatible with whatsoever other rights, obligations and compensations to which the Board Member may be entitled for the other duties, including executive, which, as the case may be, members perform in the Company.

› Remunerations for the performance of duties in the Company other than those of board member

It includes board member remunerations for performing executive or other kinds of duties, other than those of supervision and decision-making as member on the Board of Directors or on its Committees.

These remunerations are compatible with receiving remuneration that may be payable thereto for the condition of mere member of the Board of Directors.

It is the Company's Board of Directors duty to set the remuneration of the Board Members for the performance of executive duties.

Since the Extraordinary Shareholders' General Meeting held on 22 November 2016, the only executive board member still on the board is the current Executive Chairman, Gonzalo Urquijo Fernández de Araoz.

From 22nd November 2016, the date of the Extraordinary Shareholders' General Meeting to the end of the 2018 financial year, or from then up to the date of the approval of this Annual Remunerations Report by the Appointments and Remunerations Committee, no other director, all being independent as already indicated, has received any remunerations (order than that for being the Company's board member) for the performance of executive duties or for tasks or responsibilities entrusted then by the Company or entities of its group.

› State the relative importance of the variable remuneration items with regards to fixed (mix remuneration) and the criteria and objectives considered in determining them and guaranteeing an appropriate balance between the remuneration's fixed and variable components. Specifically, outline the actions taken by the company in relation to the remuneration system to reduce its exposure to excessive risks and to adjust them to the long-term goals, values and interests of the company, which will include, if possible, a reference to the measures put in place to ensure that in the remuneration policy the company's long-term results are met, the measures taken in relations to categories of personnel whose professional activities bear material repercussion on the profile of the risks of the entity and the measures envisaged to prevent conflicts of interests, as the case may be.

Also indicate whether the company established a date, for the accrual or consolidation of specific variable remuneration items like shares or other financial instruments, a period of deferment in the payment of amounts or in the award of financial instruments already accrued and consolidated, or whether the company agreed on a clause of reduction in the deferred remuneration or which forces the director to return remunerations received if such remunerations were paid based on information that is later found to be clearly and unquestionably incorrect.

A) The quantification of the variable items and their relative importance with regards to fixed amounts in the remuneration of the Company's directors, both independent and executive directors, are fixed with the aim of attaining a balance that is in line with the Company's financial situation and that, at the same time, constitutes a possible complement of the current fixed remuneration of the directors for the performance of their duties, on the condition that they meet the target and specific goals set for 2020, defined as the determining factors of their accrual.

The setting of said conditional variable remuneration was decided upon in 2017 bearing in mind that the established fixed remuneration may be considered reduced for (a) the dedication to and the complex nature of the duties that directors have to perform for the Company and (b) the specific qualification required for better serving the corporate interests in the difficult context of financial tensions and uncertainty of the consolidation of its new business model, in comparison with the performance of the duty of director in other listed companies not in situations comparable to that of the difficult situations of Abengoa after its 2015 financial crisis.

The variable remuneration in question was postponed to 2021 and on the condition that by 2020 the Company of the group would have attained the specific goals and objectives to which the accrual of the Long-term Incentive package of the executive directors is also conditioned. The determinant goals and objectives are indicators deemed appropriate to justify that the situation of economic and financial uncertainty has been conquered and that the feasibility of the business model defined after the crisis that arouse in 2015 has been consolidated.

The amount of the variable remuneration was calculated, as detailed further below, into an amount equal to half of the fixed remunerations that each director, whether independent or executive, received strictly for the performance of their duties as members of the board of directors performing the collective tasks of the board itself from 22nd November 2016 to 31st December 2020 (therefore explicitly excluding remunerations received by the executive director for the performance of its duties as such). This means that if the conditions are met for the accrual, the variable remunerations of the directors will increase the total amount of their fixed remuneration, the only amounts received up until then, complementing such by 50 % of the accrued for each director until that date and reaching a total amount much befitting the remuneration deemed necessary to offer for attracting and retaining the professionals with the qualifications of those who should form part of the Board of Directors until the end of 2020.

The additional maximum that may be accrued, which will altogether not be more than € 2,320,000 in 2020, as variable remuneration for the performance of the duty of director during the period of more than 4 years, as well as the conditions to which they are pegged, which are the same as those set for the accrual of the Long-term Incentives of the team of directors (EBITDA, coefficient of conversion of this operational benefit in cash, degree of indebtedness associated with the new activity after the financial crisis, and the on-market evaluation of the senior debt derived from the financial crisis), does not amount to, but a reduction of, exposure to the assumption of excessive risks by decisions of the Board of Directors and an encouragement of the adjustment of management decisions incumbent upon the Board of Directors to the Company's long-term goals and objectives, values and interests.

The amounts of the variable remuneration and the determining goals and objectives of the accrual, being defined as such, it was not deemed necessary to take particular or specific measures with regards to any category of personnel or directors whose professional activities bear material repercussion on the profile of risks of the Company or its group, or for preventing conflicts of interests as a result of the variable remuneration scheme designed, that was not identified.

B) The accrual of the variable remuneration described above for non-executive independent directors (that is, all directors except for the Executive Chairman) will only take effect at the close of 2020. Nevertheless, no period of consolidation for deferred payment has been set up for after that time. Neither are there any rules on the obligation of non-executive directors to return remunerations received if the payment of such remunerations was based on information later discovered to be untrue and as demonstrated incorrect.

With regards to the variable remuneration of the Executive Chairman (both annual and pluri-annual) derived from his contract for performance of his duties as top executive of the Company, indeed there is the obligation to return remunerations received based on untrue information and demonstrated as incorrect. The Executive Chairman is, by virtue of his contract, under obligation to reimburse the variable components of his remuneration, both annual and pluri-annual, that may have been paid if one of the financial parameters sustaining such payment is overturned by Abengoa's audits service, and it shall be set at the new result in the case of the variable remuneration if less, or even null as the case may be (for the application of a necessary requirement or "trigger", or for not reaching the minimum thresholds), with the Executive Chairman being obliged to return the resulting difference.

› Amount and nature of the fixed components expected to accrue during the year for the directors in their conditions as such.

The remunerations of Abengoa's directors as such consist of (A) fixed annual amounts that accrue depending on the attendance of Board of Directors sessions and, where possible, the Committee membership. These amounts vary based on membership and, as the case may be, the chairmanship that each director holds on the Board and on the Committees, and (B) a variable remuneration.

Regarding the fixed remuneration (A) the accrual of the relevant amounts depends on the director's attendance of the sessions of the relevant organ. Below is a list of the items.

- For board membership: As maximum, € 80,000 annually, at the rate of € 8,000 per session.
- For membership of any committee of the Board of Directors: € 10,000 per year for each session, at the rate of € 2,500 per session.
- For chairmanship of the Board of Directors, except if held by an executive board member: € 40,000, at the rate of € 4,000 per session.
- For the post of Coordinating Board Member, when held by a Board Member not presiding over any of the committees of the Board of Directors: € 10,000, at the rate of € 1,000 per session.

› For chairmanship of any committee of the Board of Directors: € 10,000 for each committee, at the rate of € 2,500 per session.

The maximum amount calculated for the entire board members would be €1,160,000 per year, in the expectation of a possible increment within the triennium of the validity of the Remunerations Policy, for (a) the number of members of the Board of Directors up to ten, (ii) the number of the members of each of the committees by up to five board members and (c) the number of committees that the Board of Directors may set up with consultative duties for the better performance of its functions.

The exact amount of the aggregated remuneration set forth in the paragraph above may be lower than what is set forth as maximum if the individual amounts set forth above are accrued as such by the board members who have held posts during the financial year in question.

In the event of only serving for a part of the financial year, the accrual shall be proportional to the time during the year in question during which the post is held.

The form of payment shall be set by the Board of Directors.

› Amount and nature of the fixed components that will accrue for the top executive of the executive directors' performance of the duties during the year.

Executive board members receive a fixed payment or salary for rendering services in their executive capacities. This consists of a fixed gross amount equally divided into twelve months.

Its amount must be within the normal parameters of remuneration for analogous positions in companies with similar profile. Its determination requires the consideration, in the manner possible, of market studies by external consultants.

The fixed remuneration may be increased annually based on the revision conducted by the Board of Directors, upon the proposal of the Appointments and Remunerations Committee and on the applicable remuneration policy.

As already indicated, since 22 November 2016 the only executive board member Abengoa has had is its Executive Chairman, Gonzalo Urquijo Fernández de Araoz, whose remuneration is set for the 2019 financial year as € 1,000,000, similar to that of 2018. Should other executive directors be appointed during the financial year, their fixed remuneration shall be governed by the stipulations set for the fixed remuneration of the Executive Chairman with a maximum limit of 70 % of the fixed remuneration for said chairman.

Executive chairpersons are also entitled to life insurance and/or accident insurance as well as medical insurance, and the premiums shall be paid by the Company and that, in the case of Mr. Urquijo, the Company reimburses him upon justification of the costs.

Abengoa shall assume the expenses of security, displacement, communication media and others incurred in relation to the performance of duties, without such being a reward.

› Amount and nature of any component of the remuneration in kind that will accrue during the year, including, but not limited to, insurance premium paid for the director.

As remunerations in kind, the Executive Chairman receives a life and accidents insurance plus that of health (€ 26,417.93 and € 12,800 respectively).

Likewise, it be noted that all of Abengoa's board members are covered by a civil liability policy engaged by the Company under normal conditions of the market (€ 589,875.57).

› Amount and nature of variable components, separated between those set for short- and long-terms. Financial and non-financial parameters, the latter including social, environmental and climate change, selected for determining the variable remuneration in the ongoing financial year. Explanation of the scale to which such parameters bear relation with the performance, both of the director, as well as the entity and with its risk profile, and the methodology, period necessary and the techniques envisaged for determining, at year end, the degree of performance of the parameters used in the design of the variable remuneration.

Indicate the monetary range of the various variable components based on the degree of performance of the set goals and objectives and parameters, and whether a maximum monetary limit exists in absolute terms.

(a) Variable remuneration of board members as such

Board members, in their condition as such, shall be entitled to additional remuneration in a single payment in an amount equal to half of what is paid to each of them as board member and for duties performed in their capacities and in committees (excluding remunerations for executive duties) from 22 November 2016 to 31 December 2020 (including board members that may only have exercised their duties for part of the time, as long as for less than a year), if the members of the team of executives who are beneficiaries of the long-term incentive plan for the period between 2017-2020 approved by the Board of Directors in its session dated 24 May 2017 accrue the right to variable remunerations for the plan, described in section [ ] in relation to the pluri-annual variable remuneration of the Executive Chairman as director with executive duties.

The maximum amount for said single payment, should it accrue, shall be € 2,320,000 in addition to what is set for the remuneration for the 2020 financial year.

(b) Variable remuneration of board members for the performance of executive functions

The Executive Chairman (and, should he appoint other directors with executive duties, these other executive directors) shall receive variable remunerations with double components – one annual and another pluri-annual - with their respective accruals being conditioned to the attainment of specific goals predetermined by the Board of Directors following a report from the Appointments and Remunerations Committee.

Each of the components of the variable remuneration is structured in coherence with the distinct time period to which it is linked, and its accrual is tied to the verification of the attainment of the corresponding pre-defined goals and objectives, which are predetermined, quantified, measurable and linked to:

(a) Abengoa's own financial econometrics like the progress of the company's equity or its shares, its various margins, its profits at various levels, the debt, the generation of free cash-flow and liquidity, and other magnitudes of Abengoa's creation, and

(b) the attainment of the specific goals, in line with the Strategic Plans or valid Business Plans at all times, in connection with the professional performance and execution of the executive board member and with financial and non-financial factors.

(b.1) *Annual variable remuneration (or bonus)*

The annual variable remuneration of the executive director is entered in the general policy of the remuneration of Abengoa's Senior Management, participating in the same general structure as the annual variable remuneration of the senior directors. In relation to the executive directors, the Board of Directors is entitled, following a report from the Appointments and Remunerations Committee, to set yearly objectives and their adjustment in conformity with the stipulations of the applicable remunerations policy.

The annual variable remuneration (or bonus) of the executive director is linked to the performance of goals and objectives. These objectives are fundamentally referenced to the *Earnings Before Interest, Taxes, Depreciation and Amortization* or "EBITDA", as commonly referred to) as well as to other indicators relating to the business of the Group as already established. Based on such criteria a range of total variation of the variable remuneration of the executive director is estimated at the start of the financial year.

The variable remuneration is the annual bonus and is payable in bulk.

For the purpose of calculating the annual variable remuneration of the Executive Chairman, the variable target of reference amounts to 100 % of its fixed annual remuneration and is the amount of the bonus in the event of performing 100 % of all the objectives set for the year in question. Should it accrue, the annual variable remuneration can be between 80 % and a maximum of 140 % of the variable target referred to. In addition, for the purpose of attaining a balanced implementation of all the marked goals and objectives the Board of Directors may establish that to accrue the right to any amount of annual variable remuneration during a financial year it is a requirement ("trigger" or "necessary condition") that a minimum degree of one or several or all of the objectives be attained.

In 2018 the objectives of the Executive Chairman's annual variable remuneration was the same as set forth for the entire team of directors, with the same metric weighting. The variable remuneration of all the beneficiaries was defined, specifically, with two components and subject to the requirement set forth by the Company at the time of the liquidity necessary for the payment of the amount that, as the case may be, could have accrued:

(a) the first component of the variable remuneration was linked to the sale or to obtaining financing, partially or totally, for (i) residual interest of 16.5 % of the capital of Atlántica Yield held by Abengoa at the start of 2018 - object of an adjustment of 60 % in this component (a) - and (ii) the shares Abengoa holds in Project 3T in Mexico - object of the 40 % shares in this component (a) - and

(b) the second component will include a variable remuneration for each of the group of directors based on their level of responsibility (putting the executive director on equal footing with the other members of the Executive Committee for that purpose):

(x) an amount identified as "corporate ordinary variable" whose accrual remains linked to the achievement of seven general objectives of the business of the group in the 2018 financial year - (i) EBITDA from the activity defined as conventional for the future (excluding, therefore, concession incomes), (ii) liquidity (defined as cash income from the EBITDA of the same conventional activity), (iii) construction work (also from conventional activity), (iv) gross margin of the contract, (v) volume of the contract, (vi) reduction of general expenses and (vii) improvement of the safety and security index of workers -, each of them are attributed with a specific adjustment (of 25 % for the first two, 15 % for the second two, 10 % for the fifth and 5 % for the last two) and a minimum and maximum performance bracket of 80 % to 140 % (except the safety and security objective, which has a bracket of between 100 % and 120 % and as long as no accident occurs that result in death); each objective is attributed a proportional amount for being met within the bracket (with zero (0) value if met below the minimum bracket and 120 % if met above that percentage) and it is also required that the performance of the first two requirements be met by at least the minimum of 80 % as condition precedent (trigger factor) for the accrual to the beneficiaries of any amount for that “corporate ordinary variable”; plus,

(y) another amount linked to the assessment of the beneficiary and the results from his/her business unit, with a different relative weight of (x) and (y) for each level of responsibility, variable remuneration is attributed to the executive director and other members of the Executive Committee only for the “corporate ordinary variable”, while the weight of this “corporate ordinary variable” is less than 100 % for other groups of directors and a possible receipt of a part of the variable incentive is recognized for them for the individual assessment that the beneficiary deserves and for the results of his/her business unit.

On the proposal of the Appointments and Remunerations Committee, after the Board of Directors analyzed the performance or non-performance of the variable described in letter a) in its session held held on 21st January, it resolved that section i) was performed but that section ii) was not, thus recognizing the accrual of the 60 % of the variable set forth as Section B.

Regarding section b) of the variable, on the proposal of the Appointments and Remunerations Committee, in its session dated 21st January 2019, in light of the outcomes, the Board of Directors deemed 95.4 % of the goals and objectives of the “ordinary corporate variable” performed and thus gave instructions that the process of evaluating the specific objectives be completed in area or function subject to variable.

(b.2) Pluri-annual Variable Remuneration

Executive Board Members, as members of top management of Abengoa, can enter the system of the pluri-annual variable remuneration for directors that may at anytime be approved by the Board of Directors on the recommendation of the Appointments and Remunerations Committees.

Currently, in compliance with the commitments assumed in the Group’s financial debt restructuring agreement that was legally endorsed on 8 November 2016, there is a four (4) years withholding and incentives plan, 2017-2020 (“ILP”) and whose conditions are listed below in this report, which was approved by the Board of Directors, on the proposal of the Appointments and Remunerations Committee, on 24 May 2017, and of which a group of approximately 125 directors are beneficiaries, including the Executive Chairman and whose conditions are outlined further in this report.

Likewise, as already indicated, the Board of Directors’ Meeting held on 25th February 2019 issued a proposal to the Extraordinary General Meeting of Shareholders convened for 27th and 28th March on the approval of a modification of the Remunerations Policy applicable for the 2019 and 2020 financial years with the aim of implementing a new long-term (2019-2024) incentives plan, compatible with the previous, for which the Executive Chairman will be beneficiary Said proposal was approved.

As regards the Executive Chairman (the sole executive director on the date of signing this report), the potential aim of said plan is the withholding and motivation, to incentivise dedication and commitment to the Company.

› **Main characteristics of the long-term savings systems. Amongst other information, indicate the contingencies covered by the system, whether defined contribution or benefit, the annual contribution that should be made to the defined contribution systems, the benefit to which the beneficiaries may be entitled in the case of defined benefit systems, the conditions of consolidation of economic rights of directors and its compatibility with any kind of payment or compensation for closure or early termination, or derived from expiration of contractual relationship between the company and the director, under the terms and conditions envisaged.**

It should be clarified if the accrual or consolidation of some of the long-term savings plans is linked to the achievement of specific goals and objectives relating to the short- and long-term performance of the director.

The remunerations package of Abengoa’s board members does not include any long-term savings system.

› **Any kind of payment or compensation for closure or early termination or derived from expiration of contractual relationship between the company and the director, under the terms and conditions envisaged, whether the termination is voluntary by the company or the director, as well as any kind of agreements reached, such as exclusivity, post-contractual non-competition, lock-up and loyalty pledge, that may entitle to any kind of payment.**

There no plans to pay any compensations to board members in the event of termination of their services as such. The payment of compensations is only envisaged in possible terminations of executive services that, as the case may be, they may be performing, such as reported in the section below.

› State the conditions that should be met in contracts of those holding top management posts as executive directors. Amongst others, report on the duration, limits on the amount of the compensation, the lock-up clauses, the prior notification period, as well as the payment in exchange for said prior notification period, and any other clauses relating to hiring bonus (retainer), and compensations or golden parachutes for early termination or expiration of contractual relationship between the company and the executive director. It should include the non-competition, exclusivity, lock-up or loyalty pledge, and post-contractual non-competition agreements, except if already explained in the section above.

The Board of Directors, upon the proposal by its Appointments and Remunerations Committee, sets the remuneration for executive directors for the performance of their executive duties and other basic conditions that their contracts must adhere to, duly approved by the Board of Directors under the terms and conditions set forth in Article 249 of the Corporate Enterprises Act.

Below are the main conditions of the contract signed by the Company with the Executive Chairman, Gonzalo Urquijo Fernández de Araoz, the only executive board member still in power on the date of this report:

a) Time Indefinite

The contract of the Executive Chairman is time indefinite and it envisages a financial compensation in the event of the termination of the contractual relationship with the Company, except if said termination is voluntary, caused by death or incapacity of the board member or is a result of serious non-compliance and breach of his obligations.

b) Periods of prior notification

The contract of the Executive Chairman envisages a period for prior notice to be respected, of, at least, three months from the moment of the issuance of the notice of his decision to terminate the contract. In the event of non-compliance with the period, the board member shall compensate Abengoa with an amount equal to the total annual remuneration, fixed and variable, to which he may be entitled during the breached prior notice.

c) Exclusivity and Non-competition

The contract of the Executive Chairman sets forth that his obligation is to dedicate all that involves executive duties exclusively to the Company.

In addition, it includes a post-contractual non-competition agreement to last for a period of one year following the termination of his contractual relationship with the Company. In exchange for that commitment the Executive Chairman shall be entitled to compensation in the amount equal to one year of his annual fixed and variable remuneration. In the event of voluntary termination, the Company reserves the right to or not to activate the agreement. In the event that the termination compensation referred to in section e) et seq. is recognized, the post-contractual non-competition compensation shall be understood as included in said amount.

If the board member breaches the post-contractual non-competition agreement, he shall be bound to pay the Company a fine equal to a year of his fixed annual and that received in the last years as variable remuneration. The compensation does not exclude the right to claim other damages that could have been caused.

d) Compensation Clauses

The contract of the Executive Chairman acknowledges his right to collect a compensation in the amount equal to two annual payments of his fixed and variable salaries in the event of the termination of the contract, except if said termination is voluntary (termination instigated by the Executive Chairman because of a change in the control of the group shall not be considered voluntary), caused by death or incapacity of the board member, or is as a result of a breach of his obligations. In the event of voluntary termination, the resignation must be preceded by a prior notice issued at least three months in advance, and the board member shall be bound to compensate the Company in the event of a breach with an amount equal to his annual fixed and variable remuneration for the part of the prior notice period not respected. If it is recognized that the board member owes such compensation for terminating the contract, one of the two annual payments of salary shall be understood as received as compensation for the non-competition agreement described in section b) above.

e) Claw Back Clause

The contract of the Executive Chairman contains a clause that allows Abengoa to claim the reimbursement of the variable components of the remuneration, both annual and pluri-annual, that may have been paid to the Executive Chairman if one of the financial parameters sustaining such payment is overturned by Abengoa's audits service, and it shall be set at the new result in the case of the variable remuneration if less, or even null as the case may be (for the application of a necessary requirement or "trigger", or for not reaching the minimum thresholds), with the Executive Chairman being obliged to return the resulting difference.

› The nature and estimate of any other complementary remuneration that may accrue for directors during the ongoing financial year in consideration for services rendered other than those inherent in their duties.

On the date of this report, no complementary remuneration had accrued for any director as payment for services rendered other than those inherent in director duties or, in the case of the Executive Director, than those inherent in his duties as chief executive.

› **Other remuneration items like those derived, if possible, from the company's concession to the director as advance, credits and guarantees and other remunerations.**

On the date of this report, there are no advances, credits or guarantees granted to members of the Abengoa's Board of Directors.

› **The nature and estimate of any other envisaged complementary remuneration not included in the sections above, whether payable by the company or another entity of the group, which may be accrued by directors during the ongoing financial year.**

There are no other items payable other than those set forth in sections above.

A.2. Explain any relevant change in the remuneration policy applicable during the ongoing financial year derived in:

› **A new policy or a modification of the policy already approved by the Meeting.**

› **Relevant changes in the specific decisions taken by the board on the valid remunerations policy for the ongoing financial year with regards to that applied during the previous financial year.**

› **Proposal that the board may have decided to submit to the general meeting of shareholders to which this annual report will be submitted and which they propose to apply during the ongoing financial year.**

In its session held on 25th February 2019, and on the proposal of the Appointments and Remunerations Committee, the Board of Directors of Abengoa, S.A. prepared a proposal to be submitted to Extraordinary General Meeting of the Company's shareholders scheduled for 26th and 27th March, on first and second call respectively. It entails a modification of the Remunerations Policy applicable for the 2019 and 2020 financial years (both inclusive), such that said Policy will now include the amounts accrued under a new long-term incentives plan for 2019-2023 ("New MIP I"), as pluri-annual variable remuneration for directors performing executive duties and for the financial years in question. The aim is to bind the executive director (Executive Chairman) and the key team of directors of the Company (up to a maximum of 25 directors) with the creation of its value through the execution of its strategic plan for said financial year. The Meeting, held on second call, approved said modification

Said modification stems from the interests shown by the Company's shareholders and from the fulfilment of the commitments undertaken with its financial creditors within the framework of the restructuring Agreement signed on 11th March 2019 and is consistent with recommendation 61 of the Good Governance Code of Listed Companies.

The accrual of envisaged payments for this new plan is set up to be made in shares, thus dividing its entire amount in the following manner:

- Abengoa's Class A shares
- Abenewco1's shares

The New MIP I, which is compatible with the currently valid ILP, is determined by the value creation in both Abengoa and Abenewco1, such that, meeting the lock-up requirements set for 2019-2023 (with the exceptions made in the plan itself), the beneficiaries will only be entitled to collect the incentive if:

- in the part linked to the re-evaluation of Abengoa (20 % of the plan), the value of the Class A shares reach a minimum of 25 cents of a Euro (approximately 10 times its current value).
- in the part linked to the re-evaluation of Abenewco1 (80 %), its initial value, for the purpose of the plan, multiplies 1.7 times in the five years plan, less the amount of the very plan referring to Abenewco1.

With the following limits:

- In the case of the part referring to Abengoa, the limit value of Class A shares be stable at 50 cents of a Euro (approximately 20 times its actual value), with the amount of this part of the plan remaining static from that value.
- In the case of the part referring to Abenewco1, for the purpose of the plan, a maximum limit value of 58 million is set forth.

Both part, will be measured separately, independently valued and liquidated.

If the executive director (Executive Chairman) performs the requirements and conditions of the Plan, he will receive:

i) For the part affecting Abengoa, a maximum number of Class A shares of 1,630,000 (with the conditions and under the limits already stated above).

ii) For the part affecting Abenewco1, an approximate maximum amount of 20 % of the amount accrued for the entire plan.

The expiry date of the plan is 31st December 2024, nevertheless accruing in two tranches, the first being on 31st December 2023, when 2/3 will accrue, and the second on 31st December 2024, when the remaining 1/3 will accrue, except if there is an event of liquidity which will hasten the expiration.

For that purpose, the following three situations shall be deemed liquidity event:

(a) Takeover by a third party, whether singularly or in a concerted effort, through the direct or indirect acquisition of Abenewco1 shares, by virtue of which more than 50 % of the voting rights would be held in Abenewco1 or of a lower amount that may grant the right to appoint most of the members of the board of directors of Abenewco1.

(b) When Abenewco1 (IPO) is admitted to trading, regardless of the terms and conditions agreed upon in the event.

(c) When Abenewco2bis is admitted to trading after an event of conversion of the SOM upon its maturity.

If the plan ends with an amount not assigned to any beneficiary for any of the possible reasons, said excess amount shall be shared among the beneficiaries of the plan who meet the required conditions in the end, in the proportion set forth at the beginning of the plan.

When the plan ends for any of the reasons therein, Abengoa's Board of Directors would be responsible for determining whether or not the plan was performed and, if performed, the re-evaluation attained in each of the parts, establishing and reporting the final amount of the plan for each of the beneficiaries.

For information purposes, the Company will introduce another plan -New MIP II-, for the same period, for the Company's key management team, with 100 employees as maximum, not including the executive director (Executive Chairman), but which is equally necessary for ensuring the business goals and objectives.

The new MIP I is compatible with the 2017-2020 Long-term Incentive Plan referred to in section D) above.

The Extraordinary General Meeting held on 28th March 2019 approved the aforementioned modification.

A.3. Provide the direct link to the document that has the company's valid Remunerations Policy, which must be available on the company's website:

http://www.abengoa.es/export/sites/abengoa_corp/resources/pdf/gobierno_corporativo/juntas_generales_de_accionistas/2017/ordinaria/es/11-jgo2017-es.pdf

A.4. Considering the information provided in section B.4, explain how the shareholders' vote was taken into account when the annual report on remunerations of the previous year was brought to their attention, for the purpose of consultation:

Some shareholders think that the Remunerations Policy should bear in mind the progress of the share trade and therefore anticipate that one part of the variable remuneration be through the award of shares.

The Remunerations Policy for the 2018 to 2020 financial years approved by the Shareholders' General Meeting on 30 June 2017 envisaged the possibility that should it be applied through the inclusion of shares or options in the remunerations of executive directors it shall require the approval of the General Meeting if proposed by the Board of Directors following a report from the Appointments and Remunerations Committee. Given the extraordinary circumstances that the Company has been through over the past years, the trading volatility and its low and unstable correlation with basic information on capital value, up until now the Board of Directors had not thought it convenient to include the award of shares as part of the pluri-annual variable remuneration for the Executive Chairman (and for other executive directors if ever appointed).

Notwithstanding, as already stated in section A.3 above, given the interests shown by shareholders and in compliance with the obligations assumed by the Company in the Restructuring Agreement, the Board of Directors has suggested that the Extraordinary General Meeting approves a modification of the Remunerations Policy for its application during the 2019 and 2020 financial years. Said modification consists of recognizing additional pluri-annual variable remuneration payable in shares under the terms and conditions described in the section above. Said proposal was approved.

B. Overall summary of how the remuneration policy was applied during the closed financial year

B.1. Explain the process followed in applying the remunerations policy and in deciding on individual salaries as shown in section C of this report. This information must include the role played by the Remunerations Committee, the decisions taken by the board of directors and, if possible, the identity and role of the external consultants whose services were used in the process of applying the remunerations policy during the closed financial year.

The Appointments and Remunerations Committee performed an intense activity in 2018 to evaluate, initially, the concurrent circumstances surrounding the accrual of the variable remuneration of 2017; then, they defined the variable remuneration scheme for 2018; and finally, at the close of 2018, they evaluated the information relevant for recognizing the corresponding variable remuneration with regards to their components described above, including, among other considerations, the treasury status of the group, before arriving at the conclusion that was fair to recommend to the Board of Directors to only recognize the obligation to pay the component (i) of variable (a), linked to the sale of or to obtaining financing for the Company's investments in Atlantica Yield.

In addition, in 2018 the Appointments and Remunerations Committee started studying a long-term incentives scheme for the team of directors as complement of the actual amount set out for the four-year period (2017-2020) superimposing a new scheme for the subsequent financial years.

In defining this new long-term incentives plan, they engaged the services of Mercer, an external professional consultancy firm specialized in remuneration schemes like the one under consideration, and of Lazard.

The design of the new plan considered the various indications received from shareholders and creditors wishing to reinforce the alignment of the incentives of the team of directors with those of interested groups through the inclusion of the Company's shares, or of instruments indexed to the Company's shares as a part, at least, of the long-term payable variable remuneration.

B.2. Explain the various actions taken by the company in relation to the remunerations system and how it has contributed to reducing exposure to excessive risks and adjustment to the goals and objectives, long-term values and interests of the company, including a reference to the measures that have been put in place to ensure that the accrued remuneration met with the long-term results of the company and attained an appropriate balance between the fixed and variable components of the remuneration, what measures have been taken in relation to the category of personnel whose professional activities bear material repercussion on the entity's risks profile, and what measures are in place to prevent conflicts of interests, where possible.

No general actions have been taken with regards to the remunerations systems aimed at or for the purpose of reducing the exposure to excessive risks and adjustment to the goals and objectives, the long-term values and interests of the Company except for considering them (a) in designing the annual variable remunerations for each financial year, (b) in designing the Long-term Incentives plan for the 2017-2020 period as well as the MIP I, [with the latter approved by the Extraordinary General Meeting held on 28th March 2019, as far as the remuneration of the Executive Chairman is concern] and (c) in ensuring that the Executive Chairman's contract includes a clause that supports a claim for the amounts that may have been recognized and payment based on information later deemed and proven to be misleading.

B.3. Explain how the remuneration accrued in the financial year complies with the provisions in the valid remuneration policy.

Also report on the relation between the remuneration received by the directors and the results or other measures of performance, at short- and long-term, of the entity, explaining, if possible, how the variations in the company's performance was able to influence in the variation of the directors' remunerations, including the accruals that have been deferred in payment, and how these contribute to the company's short- and long-term results.

The remuneration of the directors in their condition as such for the financial year for the duties entailed in the post of Board of Director that accrued in the 2018 financial year (on the condition of the directors' attendance of Board meetings and, if possible, Committee meetings, such as set forth in the valid Remunerations Policy) is in compliance with the 2018 financial year Remunerations Policy. It did not exceed the maximum amount of € 1,160,000 set forth in the Remuneration Policy and was confirmed for the 2018 financial year by specific decision of the Ordinary General Meeting of Shareholders held on 25th June 2018.

The remuneration of the Executive Chairman, the only director who performed executive duties, has remained unchanged in its fixed component aspect since the approval of the valid Remunerations Policy by the Ordinary General Meeting of Shareholders held 30th June 2017.

Regarding the variable components of the 2018 annual remunerations for the Executive Chairman, the annual variable remuneration in 2018 was based on two components as described above, one was linked to the execution of two divestitures or on obtaining financing for the respective investments, and the other to various magnitudes of business, also already described in this Report. Both the structure and magnitude on which the accrual depended, like the decision to pay one of the components by instalment and not to recognize the obligation to pay for the other because of reasons already stated, it is in agreement with the Remunerations Policy as regards the Executive Chairman as one of the beneficiaries of the 2018 variable remunerations to which the decisions are applicable.

Lastly, the pluri-annual variable remunerations of the Executive Chairman also is in compliance with the Remunerations Policy approved by the Ordinary General Meeting of Shareholders held in 2017 when it set up the conditions for the accrual and quantification that are coherent with the forecasts of the valid Remunerations Policy. Up to date there has been no accrual of any amount for the Executive Chairman in the item of pluri-annual variable remuneration.

B.4. Report on the result of the consultative voting by the general meeting on the annual report on remunerations of the previous financial year, indicating the number of votes against, if any were cast:

	Number	% of total
Votes cast	26,763,564,710	14.924

	Number	% of those cast
Votes against	8,386,982,408	31.34
Votes in favour	13,638,655,104	50.96
Abstentions	4,737,927,198	17.70

Observations

B.5. Explain how the fixed components accrued were determined during the financial year by the directors in their condition as such, and how it has varied with regards to the previous years.

As pointed out above, the fixed components of the remunerations of directors in their condition as such for the performance in the collective action as member of the corporate bodies and the committees are specific maximum annual amounts that accrue depending on the actual attendance of the Board sessions and the relevant committees to which each director belongs.

The maximum fixed remunerations set up in the valid Remunerations Policy are as follows:

- For board membership: As maximum, € 80,000 annually, at the rate of € 8,000 per session.
- For membership of any committee of the Board of Directors: € 10,000 for each committee, at the rate of € 2,500 per session.
- For chairmanship of the Board of Directors, except if held by an executive board member: € 40,000, at the rate of € 4,000 per session.
- For the post of Coordinating Board Member, when held by a Board Member not presiding over any of the committees of the Board of Directors: € 10,000, at the rate of € 1,000 per session.
- For chairmanship of any committee of the Board of Directors: € 10,000 per year for each session, at the rate of € 2,500 per session.

The maximum amount added for the entire directors shall be € 1,160,000 per year.

The fixed components of the remuneration for the directors for the performance of their duties inherent therein have not changed in comparison to that of last financial year.

B.6. Explain how the accrued salaries were determined, for the closed financial year, for each one of the executive directors for the performance of their management duties, and how it has changed in comparison to that of last year.

The salary accrued by the Chairman of the Board of Directors, the only executive director, remains unchanged in the sum of € 1,000,000 since it was set by decision of the Board of Directors on 22nd November 2016 on the proposal of the Appointments and Remunerations Committee.

The remuneration in the salary item was subsequently supported by the Remunerations Policy approved by the General Meeting of Shareholders on 30th June 2017.

In the determination by the Appointments and Remunerations Committee of that salary, as well as in the revisions performed, said Committee collected and considered market information provided by independent consultants, mainly Mercer and Spencer Stuart.

B.7. Explain the nature and main characteristics of the variable components of the remuneration systems accrued for the closed financial year.

Particularly:

› **Identify each one of the remuneration plans that determined the various variable remunerations accrued for each of the directors during the closed financial year, including information on the scope, the date of approval, the date of implementation, accrual and validity periods, the criteria used for evaluating the performance and how it impacted the setting of the accrued variable amount, as well as the criteria of measurement used and the period necessary to get to be in the conditions to appropriately measure all the stipulated criteria and conditions.**

In the case of options plans over shares or other financial instruments, the general characteristics of each plan should include information on the conditions to acquire there unconditional ownership (consolidation) so as to be able to exercise said options or financial instruments, including the price and the exercise period.

› **Each of the directors, and their category (executive directors, external proprietary directors, external independent directors or other external directors), who are the beneficiaries of the remuneration systems or plans that incorporate a variable remuneration.**

› **Where possible, provide information on the established accrual or payment deferment periods that were applied and /or shares or other financial instruments withholding or non-disposal periods, if there are.**

Explain the short-term variable components of the remuneration systems

The only variable remuneration accrued in 2018 is that which the Executive Chairman will be entitled to receive as variable annual remuneration for 2018 in accordance with his contract with the Company as Executive Chairman and with the attainment of the goals and objectives described as component (a) - linked to the sale of or obtaining of financing from the investments of the group in Atlantica Yield and in Project 3T in Mexico. Said remuneration shall be paid in the same instalments and proportion in each payment as those of other directors who are beneficiaries of the remuneration. The amount to be received by the Executive Chairman, in the event of liquidation of the entire amount of the variable remuneration, shall be € 366,342.

Explain the long-term variable components of the remuneration systems

Variable remuneration of directors in their condition as such:

Board members, in their condition as such, shall be entitled to additional remuneration in a single payment in an amount equal to half of what is paid to each of them as board member and for duties performed in their capacities and in committees (excluding remunerations for executive duties) from 22 November 2016 to 31 December 2020 (including board members that may only have exercised their duties for part of the time, as long as for less than a year), if the members of the team of executives who are beneficiaries of the long-term incentive plan for the period between 2017-2020 approved by the Board of Directors in its session dated 24 May 2017 accrue the right to variable remunerations for the plan, described below in relation to the pluri-annual variable remuneration of the Executive Chairman as director with executive duties.

The maximum amount for said single payment, should it accrue, shall be € 2,320,000 in addition to what is set for the remuneration for the 2020 financial year.

The beneficiaries of this remuneration are the current directors of the Company (Ms. Cavero and Messrs. Urquijo, Wahnon, del Valle, Sotomayor, Castro and Piqué).

In 2018 the Company set aside an amount of € 1,081 thousands of Euros from its accounts as an estimate of 2018 for this item. Said amount will not be paid without the performance of the goals and objectives set forth and not before 31st December 2020.

Variable remuneration of board members for the performance of executive functions

As shown in paragraph (b.2) of section A.1, there is currently a four (4) years withholding and incentives plan ("ILP") of which a group of approximately 125 directors are beneficiaries, including the Executive Chairman.

The ILP demands compliance with a requirement as condition precedent (“trigger”), that is based on the fact that the ratio representing the bank debt generated by the business activity after the restructuring – excluding, therefore, the debt inherited from the restructuring, that of suppliers and of financial instruments like factoring or confirming – at the close of the last financial year of the ILP with regards to the EBITDA of that last financial year being equal to or lower than 3. If the ratio is above the rights to incentives shall not accrue.

Once this condition is met, the accrual of the amount of the ILP i tied to the attainment of two objectives that have been defined by the Board of Directors following a report from the Appointments and Remunerations Committee, with an adjustment of 50 % each:

(a) the ratio representing the free cash flow generated in 2020 with regards to the EBITDA of that last 2020 financial year (EBITDA which must be equal to or above € 100 million as fixed goal and objective in the business plan) is equal to or above 80 %; and

(b) the value attributed to the “Senior Old Money” debt inherited from the restructuring is equal to or above 25 %, in the operations of the secondary market, at the end of the ILP accrual period.

The ILP shall accrue if the metrics of performance of the objectives is, in each of them, 90 % or above. In this minimum threshold of 90 % compliance in both objectives, the beneficiaries of the ILP will be entitled to 50 % of the ILP figure of reference (including the Executive Chairman in his capacity as director and separate from what he may be entitled to in his capacity as executive member of the corporate body). In the performance of 100 %, it will be 100 % of the reference figure. In the performance of 120 %, it will be 150 % of the reference figure. The degree of intermediate performance shall determine the relevant percentage of the reference figure based on the lineal interpolation between the two referents immediately above and farther up. A performance lower than 90 % of any of the two objectives shall exclude the right receipt to any amounts from the ILP. A performance above 120 % shall not entitle the right of receipt of more than 150 % of the reference figure.

The reference figure for the Executive Chairman for performance of 100 % of the objectives is set at 175 % of the amount of his fixed annual remuneration of € 1,000,000. Consequently, if the necessary requirements or “trigger” are met and the 100 % of the goals and objectives are attained, the Executive Chairman shall be entitled to a pluri-annual variable remuneration of € 1,750,000 at the end of the four years. If the performance is 90 % he shall be entitled to half of the amount, that is, € 875,000. If he attains 120 % or above, he shall be entitled to € 2,625,000.

The evaluation of the degree of attainment of the goals and objectives shall be executed by the Audit Committee and, as the case may be, the Appointments and Remunerations Committee, upon the closure of the financial year and the preparation of the annual accounts. Based on that information, the Appointments and Remunerations Committee shall make a proposal for the acknowledgement, as the case may be, of that remuneration, a proposal that shall be remitted to the Board of Directors, the body that shall take a decision in that regard.

As already mentioned above, in accordance with the Board of Directors’ Remunerations Policy for the 2018-2020 period (specifically, the stipulations in sections 3.2 and 4.2.3D) which regulates the long-term variable remuneration of Directors and the Executive Director, respectively) the Company has made available the amount of 1,018 thousands of Euros as estimate for 2018. The provision of said amount does not mean that it should be paid, and so shall in no manner whatsoever until the goals set forth are met at the close of 2020, and whatever the case, the payment shall not be made before 31st December 2020.

B.8. Indicate whether the company cut down on or requested the reimbursement of any components of the variable remunerations if, in the first place, such payments were consolidated and deferred or, in the second, consolidated and paid, based on any information subsequently deemed and proven to be incorrect. Describe the amounts reduced or reimbursed as a result of the application of the reduction or reimbursement (clawback) clauses, giving reasons why they were executed and the financial years thereof.

Not applicable

B.9. Explain the main characteristics of the long-term savings systems whose equivalent annual amounts or costs appear in the tables in Section C, including retirement and any other survivor and safety net benefits, that may be partially or entirely financed by the company, whether internally or externally funded, indicating the kind of plan, whether the contribution is definite, the contingencies covered, the conditions of consolidation of economic rights of the directors and its compatibility with any kind of compensation for early termination or expiration of contractual relationship between the company and the director.

Not applicable

B.10. Explain, if possible, the compensations or any other kind of payment derived from early termination, whether such termination is voluntary by the company or the director, or the expiration of the contract, under the terms and conditions envisaged therein, accrued and/or received by the directors during the closed financial year.

During the financial year there was no accrual or payment of any compensations or any early termination payment to any director.

B.11. Indicate whether there were any significant modifications in the contracts of those performing top management duties as executive directors and, if possible explain them. Likewise, explain the main conditions of the new contracts signed with executive directors during the financial year, except if already explained in section A.1.

The Board of Directors' Meeting of Abengoa held on 25th February 2019, following a report from the Appointments and Remunerations Committee, unanimously approved the modification of the Contract of the Executive Chairman to include the remunerations in kind consisting of the payment of health insurance premiums.

B.12. Explain any complementary remuneration accrued for the directors in considerations for the services rendered other than those inherent in their duties.

There was no accrual of any remuneration for such item.

B.13. Explain any remuneration derived from the concession of advances, credits and guarantees, indicating the interest rates, their essential characteristics and the amounts eventually returned, as well as the obligation assumed by them as guarantee.

In the 2018 financial year no advances, credits or guarantees were granted to directors.

B.14. Give detail of the remuneration in kind accrued by directors during the financial year, briefly explaining the nature of the different salary components.

In the 2018 financial year, the Executive Chairman, Gonzalo Urquijo Fernández de Araoz, was beneficiary of life and accidents insurance paid for by the Company.

The premiums paid amount to € 26,417.93 and € 12,800 respectively.

The Company also has a civil liability policy that costs € 589,875.57 for directors and executive directors.

B.15. Explain the remunerations accrued by the directors by virtue of payments made by the listed company to a third party entity where the director renders services, if the purpose of such payments is to remunerate the services in the company.

There was no remunerations of this kind accrued during the 2018 financial year.

B.16. Explain any other remuneration item other than the above, whatsoever their nature or the entity of the group that pays it, especially if considered a linked operation or if its issuing distorts the true image of the entire remunerations accrued by the director.

During the 2018 financial year there were no remunerations accrued for directors other than what is described above.

C. List of individual remunerations accrued by each board member

Name	Typology	Period of accrual 2018 Financial Year
Gonzalo Urquijo Fernández de Araoz	Executive Director	From 01/01/2018 to 31/12/2018
Manuel Castro Aladro	Independent	From 01/01/2018 to 31/12/2018
José Wahnon Levy	Independent	From 01/01/2018 to 31/12/2018
Pilar Cavero Mestre	Independent	From 01/01/2018 to 31/12/2018
Ramón Sotomayor Jáuregui	Independent	From 01/01/2018 to 31/12/2018
José Luis del Valle Doblado	Independent	From 01/01/2018 to 31/12/2018
Josep Piqué Camps	Independent	From 01/01/2018 to 31/12/2018

C.1. Complete the following tables regarding the individualized remunerations of each of the directors (including the yearly remuneration as executives) accrued during the year.

a) Remunerations of the company of this report:

i) Remuneration accrued in cash (in thousands of Euros)

Name	Fixed Remuneration	Per Diem	Remuneration for board committee membership	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total 2018 Financial Year	Total 2017 Financial Year
Gonzalo Urquijo Fernández de Araoz		80,000		1,000,000	366,342				1,446,342	1,080,000
Manuel Castro Aladro		90,000	10,000						100,000	90,000
José Wahnon Levy		80,000	20,000						100,000	100,000
Pilar Cavero Mestre		80,000	20,000						100,000	100,000
Ramón Sotomayor Jáuregui		80,000	10,000						90,000	90,000
José Luis del Valle Doblado		80,000	10,000						90,000	100,000
Josep Piqué Camps		80,000	10,000						90,000	56,000

Observations

ii) Table of movements of the systems of remuneration based on gross shares and benefits of the shares or consolidated financial instruments.

As described in previous sections, the Company has no system of remuneration based on shares.

Observations

iii) Long-term savings system

As stated above, the Company does not have any long-term savings system.

	Remuneration for consolidation of rights to savings systems
Director 1	

Name	Contribution of the financial year by company (thousands of Euro)				Amount of the funds accumulated (thousands of Euros)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		Financial year t		Financial year t-1	
	Financial year t	Financial year t-1	Financial year t	Financial year t-1	Systems with consolidated economic rights	Systems with non-consolidated economic rights	Systems with consolidated economic rights	Systems with non-consolidated economic rights
Director 1								

Observations

iv) Give detail of other items

Name	Item	Remuneration amount
Gonzalo Urquijo Fernandez de Araoz	Life and accidents insurance	26,417.93
	Health Insurance	12,800

Observations

b) Remunerations to company directors for membership of the board of other companies of the group:

i) Remuneration accrued in cash (in thousands of Euros)

Name	Fixed Remuneration	Per Diem	Remuneration for board committee membership	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total Financial Year t	Total Financial Year t-1
Director 1										
Director 2										

Observations

ii) Table of movements of the systems of remuneration based on gross shares and benefits of the shares or consolidated financial instruments.

Observations

iii) Long-term savings system

	Remuneration for consolidation of rights to savings systems
Director 1	

Name	Contribution of the financial year by company (thousands of Euro)				Amount of the funds accumulated (thousands of Euros)			
	Savings systems with consolidated economic rights		Savings systems with non-consolidated economic rights		Financial year t		Financial year t-1	
	Financial year t	Financial year t-1	Financial year t	Financial year t-1	Systems with consolidated economic rights	Systems with non-consolidated economic rights	Systems with consolidated economic rights	Systems with non-consolidated economic rights
Director 1								

Observaciones

iv) Give detail of other items.

Name	Item	Remuneration amount
Director 1		

Observations

c) **Summary of remunerations (in thousands of Euros):**

The summary should include the relevant amounts for all the remuneration items included in this report that has been accrued by the director, in thousands of Euros.

	Remuneration accrued in the Company					Remuneration accrued in the Group's companies				
Name	Total Cash remuneration	Gross benefits of shares or consolidated financial instruments	Remuneration for savings systems	Remuneration for other items	Total 2018 Financial Year company	Total Cash remuneration	Gross benefits of shares or consolidated financial instruments	Remuneration for savings systems	Remuneration for other items	Total group 2018 financial year
Gonzalo Urquijo Fernández de Araoz	1,446,342			39,200	1,485,542					
Manuel Castro Aladro	100,000				100,000					
José Wahnon Levy	100,000				100,000					
Pilar Cavero Mestre	100,000				100,000					
Ramón Sotomayor Jáuregui	90,000				90,000					
José Luis del Valle Doblado	90,000				90,000					
Josep Piqué Camps	90,000				90,000					
Total	**2,016,342**				**2,055,542**					

Observations

D. Other informations of interest

If there are any significant aspects regarding the remuneration of directors that is not included in the other sections of this report, but should be included in order to provide more complete and well-reasoned information regarding the company remunerations in connection with their directors, briefly describe them.

This annual remunerations report has been approved by the board of directors of the company, in its session dated 29th April 2019.

State whether any directors voted against or abstained in connection with the approval of this Report.

No

Name or corporate name of members of the board of directors who did not vote for the approval of this report	Reasons (opposed, abstained, absent)	Explain the reasons