

Report issued by the Board of Directors of Abengoa, S.A. for the purposes of complying with Section 529 *decies* of the Spanish Companies Act, in relation with the proposal to re-elect Ms. Alicia Velarde Valiente as independent director to be submitted to the shareholders at the Ordinary General Shareholders' Meeting called to be held on June 29 or 30, 2016, on first and second call, respectively

Section 529 *decies* of the Spanish Companies Act, as amended by Spanish Act 31/2014, of December 3, provides at paragraph 4 that the proposal to appoint or re-elect a director is a matter for the appointments and remunerations committee, in the case of independent directors, and otherwise for the board itself. Paragraph 5 then provides that the proposal should be accompanied in all cases by a report by the Board reviewing the competence, experience and merits of the nominee, and that the report shall be attached to the minutes of the General Meeting or the Board.

In order to comply with such provisions in paragraph 5, the Board of Directors of Abengoa, S.A. has prepared this report regarding the proposal to re-elect Ms. Alicia Velarde Valiente as a member of the Board of Directors of the Company and, specifically, to serve as an independent director, for submission to the Annual General Meeting.

The Board of Director has reviewed the proposal submitted by the Appointments and Remunerations Committee, as directed by Section 529 *decies*, and has conducted an analysis of the current composition and needs of the Board within the framework of the Company's specific shareholding profile. Specifically the Board has considered appropriate this re-election to maintain the number of independent directors in the Board of Directors, which is particularly relevant in light of the nature of Abengoa as a company where a single controlling shareholder holds more than 50% of the voting rights.

The Board of Directors has also valued highly, as required by the aforementioned legislation, the capacity, proven qualifications and experience of the nominee shown during his career.

Specifically the Board has taken into account the intense dedication and valuable contributions of Ms. Velarde Valiente during the years of the mandate that now expires, which have been valued for the issuance of this report by the Board of Directors. The Board has also valued the fact that the re-election of Ms. Velarde Valiente helps increase the representation of all genres on the Board, thereby following the recommendations put forward by corporate governance codes in countries boasting the most advanced capital markets.

As a result, the Board of Directors believes that Ms. Velarde Valiente is the right individual to serve as independent director and that, in light of the expiration of her appointment, she should be re-elected as independent director for the 4-year term in the by-laws.

The proposal to be submitted –unanimously– for approval by the General Meeting is then as follows:

“3.4 Re-election of Ms. Alicia Velarde Valiente

Upon a proposal of the Appointments and Remunerations Committee and following the expiry of the 4-year mandate conferred by the General Shareholders Meeting held in 2012, the re-election as independent director of Ms. Alicia Velarde Valiente, of legal age, a Spanish citizen, holder of ID number 50,830,224-V, residing for these purposes in Seville, c/Energia Solar 1, is hereby approved for a four-year period.

This proposal is supported by the report of the Board of Directors provided for in Section 529 decies of the Capital Companies Act, which has been made available to the shareholders since the publication of the announcement of the call to the General Shareholders’ Meeting and which is attached to these minutes.”

ABENGOA

[ENGLISH TRANSLATION FOR INFORMATION PURPOSES. SPANISH VERSION SHOULD PREVAIL]

The *curriculum vitae* of the nominee is attached to this report.

This Report has been approved by the Board of Directors in the meeting held on 25 May 2016.

Ms. Alicia Velarde Valiente

Independent director, second vice-chairman and lead director

She was born in Madrid on October 28, 1964. She studied in the school ICE Pablo VI with the qualification of Honor's Registration. She studied Laws (1983-1987) in the Center of University Studies San Pablo (Complutense University) obtaining of 25 subjects, 21 Honor's Registrations, 3 understudies and 1 notable one. In October, 1987 she begins the preparation of the competitive examinations to the Cuerpos de Notarios de España under the guidance of D. Juan Bolás Alfonso, presenting herself to the exam of 1990 and obtaining the position of Notary in this first exam (April, 1991). From this date she serves diverse notary's offices and from 2001 until the current date in Tarancón (Madrid). In parallel, since she approved the competitive examination, D. Juan Bolás (renowned Dean of the School) delegated in her the preparation of the Group nº. 1 of opponents to Notary's offices, of the Academy of Madrid of Preparation to Notary's offices, work that she has come redeeming until 2006. In the academic course 1994-1995 she began to give classes of Civil rights in the University Francisco de Vitoria, continuing with this activity until 1999 (year of the birth of her third son). She remains linked to this University, giving from 1999 up to the actuality, magisterial classes in the Master of Canon law, under the guidance of D. José M^a. Iglesias Altuna.