

ABENGOA

Report by the Board of Directors of Abengoa, S.A., for purposes of the provisions of Section 529 *decies* of the Capital Companies Act (*Ley de Sociedades de Capital*), in connection with the resolution for ratification and appointment of Mr. Santiago Seage Medela as executive director appointed on an interim basis (cooption) on May 18, 2015, to be submitted to the shareholders at the Extraordinary General Shareholders' Meeting called to be held on October 10 or 11, 2015, on first and second call, respectively

Section 529 *decies* of the Capital Companies Act, as amended by Law 31/2014, of December 3, provides in paragraph four that the proposal for appointment or re-election of members of the board of directors falls within the purview of the appointments and remuneration committee in the case of independent directors, and within the purview of the board itself in all other cases. Paragraph five then provides that the proposal must be accompanied in all cases by a report from the Board of Directors that provides a rationale for the proposal and assesses the capacity, experience and qualifications of the nominee, which report must be attached to the minutes of the General Shareholders' Meeting or of the meeting of the board.

In order to comply with the provisions of paragraph 5 of the aforementioned section, the Board of Directors of Abengoa, S.A. has prepared this report regarding the proposal for ratification and appointment of Mr. Santiago Seage Medela as a member of the Company's Board of Directors and in the capacity of executive director, for submission at the Extraordinary General Shareholders' Meeting of the Company.

Mr. Santiago Seage Medela was appointed as CEO, with the status of executive director and by means of the procedure of interim appointment to fill vacancies (cooption), on May 18, 2015, following the resignation of Mr. Manuel Sánchez Ortega from his executive positions for strictly personal reasons. In addition, on July 27, 2015, the Board of Directors approved the appointment of Mr. Santiago Seage Medela as First Vice-Chairman of Abengoa.

In order to prepare the aforementioned proposal, the Board of Directors has assessed the report of the Appointments and Remuneration Committee pursuant to the provisions of Section 529 *quindecies*, and has reviewed the current composition and needs of the Board within the framework of the Company's specific shareholding profile. In particular, it has assessed the desirability of appointing a person with the professional track record and the

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deep knowledge of the Company and its group like Mr. Santiago Seage Medela as First Vice-Chairman and CEO of Abengoa.

Furthermore, in preparing this report, the Board of Directors has valued as highly positive, as prescribed by the legal provisions cited above, the capacity, proven qualifications and experience of the nominee during his professional career.

In particular, the Board has taken into account Mr. Santiago Seage Medela's remarkable experience in high-responsibility positions within the Abengoa group. Before his appointment to the Board of Abengoa, Mr. Santiago Seage Medela served as CEO at Abengoa Yield, plc, as chairman and head of the Concessions business group, and as chairman of Abengoa Solar, and was also director of strategy and corporate development at Abengoa. Before joining Abengoa in 2005, he was a partner at McKinsey & Company, for which he worked at different locations in the areas of strategy, growth and corporate finance. Before that, he held various positions at Procter & Gamble in Spain and the Middle East.

As a result of the foregoing, the Board of Directors of Abengoa believes that Mr. Santiago Seage Medela is the appropriate person to hold the position of executive director, and in view of the fact that he has been appointed on an interim basis, he should be ratified and appointed as an executive director by the shareholders at the General Shareholders' Meeting.

The proposed resolution unanimously submitted to the shareholders for approval at the General Shareholders' Meeting reads as follows:

"Upon a proposal of the Board of Directors, after a report from the Appointments and Remuneration Committee, the ratification and appointment as executive director for a four-year period of Mr. Santiago Seage Medela, of legal age, married, a Spanish citizen, holder of ID number 07474641-D, residing in Madrid, at Paseo de la Castellana 43, who was appointed on an interim basis (cooption) on May 18, 2015, is hereby approved.

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 the minutes thereof."

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

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This report has been drafted and approved by the Board of Directors during its meeting held on 23 September 2015.

Mr. Santiago Seage Medela

Executive director, First Vice-Chairman and CEO

Economist

Track record

Santiago Seage has been CEO of Abengoa since May 2015. Previously, he served as CEO of Abengoa Yield, Plc (Nasdaq: ABY), as chairman and head of the Concessions business group of Abengoa and as chairman of Abengoa Solar, and was also director of strategy and corporate development at Abengoa. He holds a degree in Business Administration from Universidad Pontificia Comillas - ICADE in Madrid.

Before joining Abengoa in 2005, he was a partner at McKinsey & Company, for which he worked at different locations in the areas of strategy, growth and corporate finance. Before that, he held various positions at Procter & Gamble in Spain and the Middle East.