

ABENGOA

Report drawn up by the Board of Directors of Abengoa, S.A. pursuant to Article 529 *decies* of the Spanish Corporate Enterprise Law, in relation with the proposed agreement to appoint Gonzalo Urquijo Fernández de Aroz as Executive Director of Abengoa, S.A., which is subject to approval at the Extraordinary Shareholders' Meeting of Abengoa, S.A., to be held on November 21 and 22, 2016, on first and second call respectively, in item six of the agenda.

Paragraph four of Article 529 *decies* of the Spanish Corporate Enterprise Law establishes that proposals to appoint or reelect Board Members corresponds to the Appointments and Remuneration Commission, in the case of independent directors, and to the Board of Directors itself in other cases. Paragraph five of the same Article then establishes that proposals must be accompanied in all cases by a justificatory report from the board in which the proposed applicant's skills, experience and merits are assessed. This report must be presented along with the minutes from the Shareholders' Meeting or those of the Board itself.

In order to comply with Paragraph five of Article 529 *decies* of the Spanish Corporate Enterprise Law, the Board of Directors of Abengoa, S.A. (henceforth, "**Abengoa**" or the "**Company**"), has drawn up this report on the proposed agreement to appoint Gonzalo Urquijo Fernández de Aroz as a member of the Company's Board of Directors. In his capacity of Executive Director, he is subject to approval at Abengoa's Extraordinary Shareholders' Meeting in item six of its agenda.

This proposed agreement is drawn up within the framework of the obligations undertaken by the Company to restructure the financial debt and recapitalize the group of companies of which Abengoa is the parent company (henceforth the "**Abengoa Group**"), entered into on September 24, 2016, by the Company, a group of investors and a group of creditors, which included financial entities and holders of debt securities issued by companies in the Abengoa Group (henceforth the "**Restructuring Agreement**"), consisting of the commitment to submit for approval at one of the Company's Extraordinary Shareholder Meetings an agreement proposal on the renewal of the composition of the Company's Board of Directors, by replacing all of the current directors with people who are eligible to serve as independent external directors of the Company, based on a candidate proposal drawn up by Spencer Stuart, a firm that specializes in providing human resources consultancy services, in compliance with the express provisions of the Restructuring Agreement, so that the Company's Board of Directors will henceforth be composed of a majority of independent, external directors.

The proposal is drawn up by the Board of Directors based on the report prepared in advance by the Company's Appointments and Remuneration Commission. This report is itself based on the candidate proposal drawn up by Spencer Stuart.

In accordance with the provisions of Article 529 *decies*, the Board of Directors has in particular assessed Gonzalo Urquijo Fernández de Aroz's capacity, proven merits and experience over the course of his career, in the terms set out in the *curriculum vitae* attached to this report. Moreover, the Board of Directors has considered the extensive knowledge that Mr. Urquijo Fernández de Aroz has had the opportunity to acquire with respect to the Company and the Abengoa Group over the last few months while performing his duties as an independent advisor, without executive functions, on the Company's Board of Directors in matters related to the viability plan and the monitoring of compliance with the prerequisites set out in the terms and conditions of the Restructuring Agreement.

As a result, the Board of Directors of Abengoa believes that Gonzalo Urquijo Fernández de Aroz is the right person to hold the position of Executive Director of Abengoa for the statutory four-year period.

The following agreement proposal is submitted unanimously for approval at the Extraordinary

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Shareholders' Meeting:

" 6.3 *The appointment of Mr. Gonzalo Urquijo Fernández de Araoz.*

At the proposal of the Board of Directors, following a report by the Appointments and Remuneration Committee, based on Spencer Stuart's proposal, in accordance with the terms of the Restructuring Agreement, the appointment of Gonzalo Urquijo Fernández de Araoz, of legal age, married, a Spanish national with Spanish ID Card number 05241137-N, and domiciled for the purposes hereof in Madrid at Calle Manuel Pombo Angulo 20, is approved as executive director for a period of four years.

This proposal includes the justificatory report from the Board of Directors in accordance with Article 529 decies of the Spanish Corporate Enterprise Law, which has been available to shareholders since the publication of the notice to call the Shareholders' Meeting and is attached to these minutes. "

The proposed applicant's *curriculum vitae* is attached to this report.

The effectiveness of this agreement, if approved by the shareholders, shall be subject to the approval of the agreements that are subject to approval at the Extraordinary General Meeting of Shareholders in items one to four of its agenda.

This report was drawn up and approved by the Board of Directors of Abengoa in meetings held on October 10 and 17, 2016.

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GONZALO URQUIJO FERNÁNDEZ DE ARAOZ

Executive Director

EDUCATION

IE Business School, Madrid

MBA, 1988

Yale University, New Haven, CT

Bachelor's Degree in Economics, 1984

LANGUAGES

Spanish, mother tongue

English, fluent

French, fluent

CURRENT BOARDS

Vocento S.A. (2016-to date)

Independent Director

Fertiberia (2011-to date)

Independent Director

ArcelorMittal España S.A. (2007-to date)

Chairman

PREVIOUS BOARDS

Aperam S.A. (2010-2015)

Director

Gonvarri Steel Industries S.A. (1997-7/2016)

Director

Gestamp (until 2015)

Director

CAREER SUMMARY

2002-to date **ARCELORMITTAL GROUP**
Madrid, Luxembourg

2015-
to date Strategy Director

2013-2015 Director of Tubular Products and CSR, Communications, Industrial Relations and Occupational Safety Manager

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2011-2013	Manager of AACIS, AMDS, Tubular Products and Corporate Responsibility
2008-2011	Vice-president of Stainless Steel, Long Products and China
2006-2008	Director General of Long Products and Distribution
2004-2006	Director General of the Distribution Division
2002-2004	Director of the Flat Products Division for Southern Europe
1997-2002	ACERALIA CORPORACIÓN SIDERÚRGICA Madrid Chief Financial Officer
1991-1997	CORPORACIÓN JM ARISTRAIN Madrid Chief Financial Officer
1989-1991	CRÉDIT AGRICOLE INDOSUEZ SPAIN Madrid Capital Market Manager
1988-1989	CAPITAL ALIANZA PRIVATE EQUITY INVESTMENT Madrid Capital Market Director
1984-1988	CITIBANK Madrid, London 1986-1988 Capital Market Distribution Unit Manager, Citibank España 1985-1986 Multinational Client Manager, Citibank España 1984-1985 Credit Analyst, Citibank N.A. (UK)