



02. Annual Report on Remuneration of Board Members (ARR)

A. The Company's Remunerations Policy for the On-going Year

A.1. Abengoa's Remuneration Policy for the 2018 Financial Year

At Abengoa, S.A. (hereinafter, "**Abengoa**" or the "**Company**" or "**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 relaunching 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 measurable performance indicators.

The remunerations policy for Abengoa's board members reflected in this report was approved by the Ordinary General Meeting of Shareholders held of 30 June 2017, which also agreed that said policy be applicable to the 2017 financial year, thus modifying the policy then in vigour since 2015.

The criteria used for establishing the remunerations policy for the board members are in accordance with the stipulations of the Corporate Enterprises Act (Articles 217 to 219, 249 and 529o to 529r), 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 such**
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 by payment in shares or in pre-emptive rights over them or the value of which is referenced at 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;
- (f) savings or forecast systems deemed opportune.

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.

Currently, amongst the various possibilities set forth in the internal regulations of Abengoa, the remuneration of board members, when specified in a fixed annual amount for serving as a member of the Board of Directors, another for serving on the Committees of the Board of Directors, another for serving as Chairperson of the Board of Directors (except if by an executive board member with delegated powers) or on any of the committees and, in addition, a variable remuneration, although such variable remuneration, if accrued, shall not be payable until 2021.

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.

Likewise, the Company shall underwrite civil liability insurance and shall separately reimburse, without such being deemed a remuneration, 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. It should be noted that 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.

A.2. The process for determining the remunerations policy

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 board members reflected in this report was approved by the Ordinary General Meeting of Shareholders held of 30 June 2017, which also agreed that said policy be applicable to the 2017 financial year, thus modifying the policy then in vigour since 2015. Said remunerations policy was prepared, discussed and formulated in the heart of the Appointments and Remunerations Committees, submitting the resulting proposal to the Board of Directors to be subjected to the General Meeting for approval. Its realization in relation to board members holding positions on the date of this report required the consideration of market references based on the information provided by renowned consultants, as indicated hereunder in this same section A.2.

In accordance with the bylaws and Abengoa's Board of Directors regulations, 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 said 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.

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	Secretary	Non-Board Member

Ms. Cavero Mestre was appointed as member of the Committee by and at the Meeting of the Board of Directors of Abengoa, S.A. held on 22 November 2016, and selected as Chairlady by and at the Meeting of the Appointments and Remunerations Committee held on that same date; on the other hand, the Secretary was appointed by and at the Meeting of Board of Directors of Abengoa, S.A. held on 22 November 2016.

Mr. Piqué Camps was appointed member of the Committee by and at the Meeting of the Board of Directors of Abengoa, S.A. held on 13 July 2017, in replacement of José Luis del Valle Doblado, who served on the Committee briefly after the resignation of Miguel Antoñanzas Alvear.

In the context of the restructuring of Abengoa and in accordance with the terms of the Restructuring Agreement signed by the Company on 24 September 2016, the Board of Directors was completely modified, both in number as well as composition, at the Extraordinary General Meeting of Shareholders held on 22 November 2016. 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.

A.3. Components of the fixed remuneration

(a) Remuneration of board members as such

The remuneration of the board members of Abengoa as such consists of a fixed annual amount that can vary based on membership and, as the case may be, chairmanship of the Board of Directors and its Committees, and a variable remuneration.

Regarding the fixed remuneration, the relevant amounts can only accrue for attendance of the board member to sessions of the relevant organ. Below is a list of the items.

- › For membership of the board: €80,000, 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 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 annum, 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 amount set forth above is 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.

(b) Remuneration of board members for the performance of executive functions

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 2018 financial year as €1,000,000, same as that of 2017 financial year. Should other executive board members 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.

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

A.4. Variable components of the remuneration systems

(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 C.1(iii) in relation to the pluriannual variable remuneration of the Executive Chairman as board member with executive duties.

The maximum amount for said single payment shall, in the event of its accrual, 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, as the case may be, other board members with executive duties, shall receive variable remunerations with double components – one annual and another pluriannual - 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, and 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 board members 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 board members, the Board of Directors is entitled to, following a report from the Appointments and Remunerations Committee, 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 board members 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 other indicators related to the Business of the Group. Based on such criteria a range of total variation of the variable remuneration of the executive board members 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 2017 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. After assessing the conditions set forth for such and upon establishing the non-performance of one of the general triggers, it was decided that it had not accrued and, was therefore not recognised for either the company's Executive Chairman, its directors or employees.

(b.2) Pluriannual Variable Remuneration

Executive Board Members, as members of top management of Abengoa, can enter the system of the pluriannual 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 long-term incentives plan, 2017-2020 ("ILP") and whose conditions are listed in section C.1, 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.

As regards the executive directors, on the date of this report, only as regards the Executive Chairman, the potential aim of the plan is the withholding and motivation, to incentivise dedication and commitment to the Company.

A.5. Long-term savings system

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

A.6. Compensations

There are no plans to pay any compensation 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 listed in section A.7 below.

A.7. Conditions of executive directors' contracts

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 Aroz, 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 he issues 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 fixed and annual 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 annual fixed remuneration and received over the last year as annual variable. The payment of the fine shall not exempt the rights to claims for other damages that may 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 (not considered as such if caused by the Executive Chairman him/herself as a result of a change in the control of the group), 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 must pay 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 pluriannual, 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.

A.8. Complementary Remunerations

On the date of this report, no complementary remuneration has accrued as payment for services rendered other than those inherent in the post of board member or, as the case may be, the performance of executive duties.

A.9. Advances, credits and guarantees granted

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

A.10. Remunerations in kind

As remunerations in kind, the Executive Chairman receives a life and accidents insurance with the premiums paid for the Company.

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

A.11. Remunerations accrued by the board members in lieu of payments made to a third party entity

No payments were made to any entity for the purpose of remunerating services rendered to Abengoa by external board members.

A.12. Other items payable

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

A.13. Actions taken for the reduction of risks

To guarantee the good running of the organization and to guarantee the long-term future of the Company, in addition to a good strategic planning, there must be accurate and rigorous management that bears in mind the risks associated with the activity of the company and envisages how to mitigate them.

Thus, Abengoa has an overall system of managing its own risks, which allows for the control and identification of the risks and which is regularly updated for the purpose of creating a common management culture, of attaining the goals and objectives set forth herein and for having an adaptation capacity to mitigate the threats that may emerge within such competitive environments as the present.

The implementation of this system obliges:

- › The management of risks at all levels of the organization, without exception.
- › Its full integration into the strategy and into the systems for the attainment of the fixed goals and objectives.
- › The full support of the Management for evaluating, following-up on and complying with the marked guidelines relating to the handling of threats.

This risks management system is formalized in three tools:

- › Compulsory compliance rules (NOC).
- › Compulsory compliance processes (POC).
- › The Universal Risks Model (MUR).

Compliance thereof is guaranteed through verifications done by the Internal Audits Department and regularly committee meetings held by the Senior Management and the Chairmanship of the Company.

These tools or common management systems are designed based on quality standards for the purpose of complying with the international rules and regulations, like the ISO 31000 and the Sarbanes-Oxley rules, and have been certified by internationally renowned firms.

The Universal Risk Model (MUR) is the methodology that Abengoa uses to identify, compress and assess the risks that affect the company. The purpose is to obtain an integral vision of them, designing an efficient system that is in line with the business objectives of Abengoa.

The MUR is comprised by more than 55 risks belonging to 20 different categories grouped into 4 great areas: financial, strategic, regulatory and operational.

The MUR is revised annually, ensuring that the calculations designed for each risk are the most appropriate for the reality of the Company.

C. Overall Summary of How The Remunerations Policy was Applied During the Closed Financial Year

C.1. Remunerations Policy applied during the 2017 financial year: remunerations structure and items

Below is a detail of the structure and items of the remunerations policy applied in the 2017 financial year, distinguishing between the remuneration of board members as such and their remuneration for the performance of executive duties:

Remuneration of board members in their condition as such

The structure and items of the remunerations policy applied in the 2017 financial year to board members as such are as follows:

- › Per diem for attendance of Board of Directors sessions: 552 thousands of Euros.
- › Per diem for attendance to Audit Committee sessions and to Appointments and Remunerations Committee, and for chairmanship thereof: 92.5 thousands of Euros.

The amounts shown are the aggregated calculation for all the board members.

Pursuant to the Board Member Remunerations Policy for the 2018-2020 period (in its sections 3.2 and 4.2.3D), which regulates the long-term variable remunerations for Board Members and Executive Chairman, respectively, the Company reserved the amount of €1,018 thousands of Euros, the 2017 estimate. Said amount shall not be payable in the event of the non-performance of the goals and objectives set forth and shall not be paid before 31st December 2020.

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

The structure and items of the remunerations policy applied in the 2017 financial year for the performance of executive duties are as follows:

(i) Fixed Remuneration

The amount of the fixed remuneration paid to the Executive Chairman, the only board member who performed executive duties during the 2017 financial year, according to the contract approved by the Board of Directors on the proposal of the Appointments and Remunerations Committee reached a total of € 1,000,000 Euros.

(ii) Annual variable remuneration (or bonus)

The amount of the annual variable remuneration accrued for the Executive Chairman during the 2017 financial year reached 0 Euros (see section A above).

(iii) Pluriannual Variable Remuneration

As shown in paragraph (b.2) of section A.4, there is currently a four (4) years long-term 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 necessary condition (“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 is 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 attributed value, at the end of the ILP accrual period, in the operations of the secondary market, to the “Senior Old Money” debt, inherited from the restructuring, is equal to or above 25%.

The ILP shall accrue if the metrics of performance of the objectives is, in each of them, 90% or above. In that minimum threshold of performance of 90% in both objectives, 50% of the ILP reference shall be for the beneficiary, including the Executive Chairman. 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 means that no amounts shall be paid 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 pluriannual 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, pursuant to the Board Member Remunerations Policy for the 2018-2020 period (in its sections 3.2 and 4.2.3D), which regulates the long-term variable remunerations for Board Members and Executive Chairman, respectively, the Company reserved the amount of €1,018 thousands of Euros, the 2017 estimate. Said amount shall not be payable in the event of the non-performance of the goals and objectives set forth and shall not be paid before 31st December 2020.

(iv) Remuneration in kind

In the 2017 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 €25,043.28 Euros in total.

(v) Other items. Advances, credits and guarantees. Payments to third parties. Complementary Remunerations

In the 2017 financial year Abengoa’s Board of Directors did not accrue any remunerations in the financial year for executive duties for items other than those listed in sections (i) to (v) above.

In the 2017 financial year no advances, credits or guarantees were granted to board members; no payments were made to any entity for the purpose of paying for services rendered to Abengoa by external board members; and there was no accrual of any amounts for any board member as complementary remuneration in payment for services other than those inherent in board member duties or, as the case may be, in the performance of executive duties.

D. List of Individual Remunerations Accrued by each Board Member

D.1. List of individual remunerations accrued by board members

a) Remunerations accrued in Abengoa, S.A. (in thousands of Euros):

Name	Typology	Period	Salary	Fixed Remuneration	Per Diem	Variable Remuneration at short-term	Variable Remuneration at long-term	Remuneration for belonging to Board Committees	Compensation	Other items	Total 2017 Financial Year	Total 2016 Financial Year
Javier Benjumea Llorente ⁽¹⁾	Executive	01/01/2016-30/06/2016										111
José Borrell Fontelles ⁽²⁾	Independent	01/0/20161-22/11/2016										185
Mercedes Gracia Díez ⁽²⁾	Independent	01/0/20161-22/11/2016										185
Ricardo Martínez Rico ⁽²⁾	Independent	01/0/20161-22/11/2016										100
Alicia Velarde Valiente ⁽²⁾	Independent	01/0/20161-22/11/2016										176
Ricardo Hausmann ⁽²⁾	Independent	01/0/20161-22/11/2016										229
José Joaquín Abaurre Llorente ⁽²⁾	Proprietary	01/0/20161-22/11/2016										100
José Luis Aya Abaurre ⁽³⁾	Proprietary	01/01/2016-12/02/2016										20
Inayaba, S.L. ⁽²⁾⁽⁴⁾	Proprietary	07/03/2016-22/11/2016										80
Claudi Santiago Ponsa ⁽⁵⁾	Proprietary	01/01/2016-25/05/2016										36
Ignacio Solís Guardiola ⁽²⁾	Proprietary	01/0/20161-22/11/2016										71
Antonio Fornieles Melero ⁽²⁾⁽⁶⁾	Independent/Executive	01/0/20161-22/11/2016										548
José Domínguez Abascal ⁽⁷⁾	Executive/External	01/01/2016-18/04/2016										119
Joaquín Fernández de Piñola Marín ⁽²⁾⁽⁸⁾	Executive	01/0/20161-22/11/2016										571
Gonzalo Urquijo Fernández de Araoz ⁽⁹⁾⁽¹⁰⁾	Executive	01/01-31/12	1,000		80						1,080	124
Manuel Castro Aladro ⁽¹⁰⁾	Independent	01/01-31/12			80			10			90	19
José Wahnnon Levy ⁽¹⁰⁾	Independent	01/01-31/12			80			20			100	21
Pilar Caveró Mestre ⁽¹⁰⁾	Independent	01/01-31/12			80			20			100	26
José Luis del Valle Doblado ⁽¹⁰⁾⁽¹¹⁾	Independent	01/01-31/12			80			20			100	19
Javier Targhetta Roza ⁽¹⁰⁾⁽¹²⁾	Independent	01/01-26/01			8						8	21
Ramón Sotomayor Jáuregui ⁽¹⁰⁾	Independent	01/01-31/12			80			10			90	21

Name	Typology	Period	Salary	Fixed Remuneration	Per Diem	Variable Remuneration at short-term	Variable Remuneration at long-term	Remuneration for belonging to Board Committees	Compensation	Other items	Total 2017 Financial Year	Total 2016 Financial Year
Miguel Antoñanzas Alvear ⁽¹³⁾	Independent	23/3-19/5			16			5			21	–
Josep Piqué Camps ⁽¹⁴⁾	Independent	13/7-31/12			48			8			56	–
Total			1,000	0	552	0	0	93	0	0	1,645	2,782

Note (1): Javier Benjumea Llorente was removed from his duty as board member in the General Meeting of Shareholders held on 30 June 2016.

Note (2): Antonio Fornieles Melero, Joaquín Fernández de Piérola Marín, Ms. Alicia Velarde Valiente, Ms. Mercedes Gracia Díez, José Borrell Fontelles, Ricardo Hausmann, Ricardo Martínez Rico, José Joaquín Abaurre Llorente, Inayaba, S.L. (represented by Ms. Ana Abaurrea Aya) and Ignacio Solís Guardiola submitted their respective resignations as board members on 22 November 2016.

Note (3): José Luis Aya Abaurre passed away on 12 February 2016.

Note (4): Inayaba, S.L. was appointed proprietary board member of Abengoa, in replacement of Aya Abaurre, on 7 March 2016, naming Ms. Ana Abaurrea Aya as personal physical representative.

Note (5): Claudi Santiago Ponsa submitted his resignation as board member 25 May 2016.

Note (6): Fornieles Melero was appointed independent Board Member of Abengoa on 19 January 2015, in replacement of Aplidig, S.L. Later, on 1 March 2016, Fornieles Melero was appointed Executive Chairman of the Board of Directors of Abengoa in replacement of José Domínguez Abascal.

Note (7): Domínguez Abascal was appointed proprietary board member and non-executive Chairman of the Board of Directors of Abengoa on 23 September 2015, in replacement of Felipe Benjumea Llorente. Later, on 27 November 2015, the Board of Directors of Abengoa approved the conferment of all legally and statutorily conferrable powers on Domínguez Abascal. Later, on 1 March 2016, Domínguez Abascal was removed as Executive Chairman of the Board of Director of Abengoa, and replaced by Fornieles Melero, then made to hold the condition of another external board member.

Note (8): Fernández de Piérola Marín was appointed Managing Director Board member of Abengoa, in replacement of Seage Medela, on 27 November 2015. Until his appointment as Managing Director Board member, Fernández de Piérola Marín held the post of chairman of the board of director of Abengoa México, S.A. de C.V. Later, on 1 March 2016, Fernández de Piérola Marín was appointed CEO of Abengoa.

Note (9): Urquijo Fernández de Araoz was appointed independent consultant of the Board of Directors of Abengoa, without the condition of board member, on 10 August 2016. Later, on 22 November 2016, he was appointed executive board member and Chairman of the Board of Directors of Abengoa in replacement of Antonio Fornieles Melero.

Note (10): Messrs. Castro Aladro, Wahnnon Levy, Cavero Mestre, del Valle Doblado, Targhetta Roza and Sotomayor Jáuregui were appointed independent board members of Abengoa on 22 November 2016 in replacement of previous members of the Board of Directors, who resigned on that date.

Note (11): José Luis del Valle was appointed member of the Appointments and Remunerations Committee on 27 February 2017 in replacement of Javier Targhetta Roza, a post he held until 23 March 2017, the date on which he was replaced by Miguel Antoñanzas. Later, following the resignation of Antoñanzas, he was again appointed as member of the Appointments and Remunerations Committee from 19 May 2017 to 13 July 2017, when he was replaced by Piqué Camps.

Note (12): Targhetta Roza resigned as board member on 26 January 2017.

Note (13): AntoñanzasAlvear was appointed independent board member of on 23 March 2017 in replacement of Targhetta Roza. He later resigned as board member on 19 May 2017.

(Note (14): Piqué Camps was appointed independent board member on 13 July 2017 in replacement of Antoñanzas Alvear.

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

Name	Typology	Remuneration accrued in the Company				Remuneration accrued in the Group's companies				Total		Contribution to the savings system during the financial year
		Total Cash remuneration	Value of shares granted	Gross Benefit of options exercised	Total 2017 Financial Year company	Total Cash remuneration	Value of shares granted	Gross Benefit of options exercised	Total 2017 Financial Year Group	Total 2017 Financial Year	Total 2016 Financial Year	
Javier Benjumea Llorente	Executive	-	-	-	-	-	-	-	-	-	111	-
José Borrell Fontelles	Independent	-	-	-	-	-	-	-	-	-	185	-
Mercedes Gracia Díez	Independent	-	-	-	-	-	-	-	-	-	185	-
Ricardo Martínez Rico	Independent	-	-	-	-	-	-	-	-	-	100	-
Alicia Velarde Valiente	Independent	-	-	-	-	-	-	-	-	-	176	-
Ricardo Hausmann	Independent	-	-	-	-	-	-	-	-	-	229	-
José Joaquín Abaurre Llorente	Proprietary	-	-	-	-	-	-	-	-	-	100	-
José Luis Aya Abaurre	Proprietary	-	-	-	-	-	-	-	-	-	20	-
Inayaba, S.L.	Proprietary	-	-	-	-	-	-	-	-	-	80	-
Claudi Santiago Ponsa	Proprietary	-	-	-	-	-	-	-	-	-	36	-
Ignacio Solís Guardiola	Proprietary	-	-	-	-	-	-	-	-	-	71	-
Antonio Fornieles Melero	Independent/Executive	-	-	-	-	-	-	-	-	-	548	-
José Domínguez Abascal	Executive/External	-	-	-	-	-	-	-	-	-	119	-
Joaquín Fernández de Piérola Marín	Executive	-	-	-	-	-	-	-	-	-	571	-
Gonzalo Urquijo Fernández de Araoz	Executive	1,080	-	-	1,080	-	-	-	-	1,080	124	-
Manuel Castro Aladro	Independent	90	-	-	90	-	-	-	-	90	19	-
José Wahnnon Levy	Independent	100	-	-	100	-	-	-	-	100	21	-
Pilar Caveró Mestre	Independent	100	-	-	100	-	-	-	-	100	26	-
José Luis del Valle Doblado	Independent	100	-	-	100	-	-	-	-	100	19	-
Javier Targhetta Roza	Independent	8	-	-	8	-	-	-	-	8	21	-
Ramón Sotomayor Jáuregui	Independent	90	-	-	90	-	-	-	-	90	21	-
Miguel Antoñanzas Alvear	Independent	21	-	-	21	-	-	-	-	21	-	-
Josep Piqué Camps	Independent	56	-	-	56	-	-	-	-	56	-	-
Total		1,645	-	-	1,645	-	-	-	-	1,645	2,782	-

D.2. Relation between remuneration and Company profit and loss outcome

The remuneration of the executive board members of Abengoa is related to the profit and loss outcome of Company through the variable components pointed out in sections A.4 and C.1:

- › the annual variable remuneration or bonus, linked to the attainment of goals and objectives mainly linked referenced to EBITDA and others determined by the Board of Directors on the proposal of the Appointments and Remunerations Committee; and
- › the pluriannual variable remuneration, structured through the ILP, also pointed out in sections A.4 and C.1, and whose maturity is envisaged for 31 December 2020.

As already mentioned above, pursuant to the Board Member Remunerations Policy for the 2018-2020 period (in its sections 3.2 and 4.2.3D), which regulates the long-term variable remunerations for Board Members and Executive Chairman, respectively, the Company reserved the amount of €1,018 thousands of Euros, the 2017 estimate. Said amount shall not be payable in the event of the non-performance of the goals and objectives set forth and shall not be paid before 31st December 2020. Regarding the 2017 annual variable, after assessing the conditions set forth for such and upon establishing the non-performance of one of the general triggers, it was decided that it had not accrued and, was therefore not recognised for either the company's Executive Chairman, its directors or employees.

D.3. Result of the consultative votes cast by the General Meeting of Shareholders on the annual report of the remunerations of the previous financial year

	Number	% of total
Votes cast	36,711,208,050	20.197

	Number	% of those cast
Votes in favour	25,676,190,795	69.94
Votes against	508,802,502	1.39
Abstentions	10,526,214,753	28.68

E. Other Information of Interest

Not Applicable

This annual remunerations report has been unanimously approved by the Board of Directors of the Company, in its session dated 7th March 2018.