

A - Annual Corporate Governance Report

Listed Public Limited Companies

Issuer's Identification Details

Financial Year Close Date: December 31, 2008

Tax Id: A-41002288

Company Name: Abengoa, S.A

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Annual Corporate Governance Report Form for Listed Public Limited Companies

A - Ownership structure

A.1 Complete the following table on the company's share capital:

| Date of last modification | Share capital (euros) | Number of shares | Number of voting rights |
|---------------------------|-----------------------|------------------|-------------------------|
| 24/06/2001 | 22,617,420 | 90,469,680 | 90,469,680 |

Indicate whether there are different types of shares with different associated rights:

No

A.2 Give details of direct or indirect holders of significant stakes in your company at close of financial year, excluding members of the Board:

| Personal or corporate name of the shareholder | Number of direct voting rights | Number of indirect voting rights (*) | % of total voting rights |
|---|--------------------------------|--------------------------------------|--------------------------|
| Inversion Corporativa, I.C., S.A. | 45,234,723 | 5,465,183 | 56.041 |
| Finarpisa, S.A. | 5,465,183 | 0 | 6.041 |

| Personal or corporate name of the indirect shareholder | Through: Personal or corporate name of the direct shareholder | Number of voting rights | % of total voting rights |
|--|---|-------------------------|--------------------------|
|--|---|-------------------------|--------------------------|

| Personal or corporate name of the indirect shareholder | Through: Personal or corporate name of the direct shareholder | Number of voting rights | % of total voting rights |
|--|---|-------------------------|--------------------------|
| Inversion Corporativa, I.C., S.A. | Finarpisa, S.A | 5,465,183 | 6.041 |

Indicate the most significant changes in the shareholding structure during the financial year:

A.3 Fill in the following tables on members of the company’s Board of Directors who have company shares with voting rights:

| Corporate or personal name of the director | Number of direct voting rights | Number of indirect voting rights (*) | % of total voting rights |
|--|--------------------------------|--------------------------------------|--------------------------|
| Mr. Felipe Benjumea Llorente | 0 | 814,111 | 0.900 |
| Aplicaciones Digitales, S.L. | 930,750 | 0 | 1.029 |
| Ms. Alicia Velarde Valiente | 400 | 0 | 0.000 |
| Mr. Carlos Sebastián Gascón | 12,000 | 12,000 | 0.027 |
| Mr. Carlos Sundheim Losada | 47,027 | 0 | 0.052 |
| Mr. Daniel Villalba Vila | 13,430 | 0 | 0.015 |
| Mr. Fernando Solís Martínez-Campos | 50,832 | 34,440 | 0.094 |
| Mr. Ignacio Solís Guardiola | 15,336 | 0 | 0.017 |
| Mr. Javier Benjumea Llorente | 1,960 | 0 | 0.002 |
| Mr. José Joaquín Abaurre Llorente | 1,900 | 0 | 0.002 |
| Mr. José Luis Aya Abaurre | 55,076 | 0 | 0.061 |
| Ms. María Teresa Benjumea Llorente | 12,390 | 0 | 0.014 |
| Ms. Mercedes Gracia Díez | 500 | 0 | 0.001 |
| Mr. Miguel Martín Fernández | 1,600 | 0 | 0.002 |
| Mr. Miguel Ángel Jiménez-Velasco Mazario | 27,040 | 0 | 0.030 |

| Personal or corporate name of the indirect shareholder | Through: Personal or corporate name of the direct shareholder | Number of direct voting rights | % of total voting rights |
|--|---|--------------------------------|--------------------------|
| Mr. Felipe Benjumea Llorente | Ardachon, S.L. | 814,111 | 0.900 |
| Mr. Fernando Solís Martínez-Campos | Dehesa del Mesto, S.A. | 34,440 | 0.038 |

| | |
|---|-------|
| % of total voting rights held by the board of directors | 2.245 |
|---|-------|

Fill in the following tables on the members of the company's Board of Directors who possess rights over company shares:

A.4 Indicate, where applicable, any relations of a family, commercial, contractual or corporate nature that exist between the holders of significant stakes, to the extent that these are known by the company and unless they bear little relevance or derive from normal commercial trade or business:

A.5 Indicate, where applicable, any relations of a commercial, contractual or corporate nature that exist between the holders of significant stakes and the company and/or its group, unless these bear little relevance or derive from normal commercial trade or business:

A.6 Indicate whether the company has been informed of shareholders' agreements which affect it, in accordance with that established in article 112 of the Spanish Securities Market Act (Ley del Mercado de Valores, or LMV). Where applicable, briefly describe them and list the shareholders bound by the agreement:

No

Indicate whether the company knows of the existence of joint actions among its shareholders. Where applicable, briefly describe them:

No

If during the financial year there has been any modification or termination of these agreements or joint actions, provide details below:

A.7 Indicate whether there is any individual or legal entity who exercises or may exercise control over the company in accordance with article 4 of the Securities Market Act. If so, identify this person or entity:

Yes

| Name or corporate name |
|--|
| Inversión Corporativa, I.C., S.A. |
| Observations |
| In accordance with article 4 of the Securities Market Act, Inversión Corporativa IC, S.A. owns over 50% of the equity. |

A.8 Fill in the following tables on the company's treasury shares:

At close of financial year:

| Number of direct shares | Number of indirect s | % of total equity |
|-------------------------|----------------------|-------------------|
| 2,194,948 | 0 | 2.426 |

(*) Through:

| | |
|-------|---|
| Total | 0 |
|-------|---|

Give details of any significant variations which took place during the financial year, in accordance with that set forth in Royal Decree 1362/2007:

| Date of notification | Total number of direct shares acquired | Total number of indirect shares acquired | % of total equity |
|----------------------|--|--|-------------------|
| 31/12/2008 | 20,599,054 | 0 | 2.420 |

| | |
|--|---------|
| Capital gains/(Capital losses) of the own shares transferred during the period | -17,350 |
|--|---------|

A.9 Give details of the conditions and term of the current mandate from the Shareholders' Meeting to the Board of Directors to carry out acquisitions or transfers of treasury stock.

The Ordinary General Shareholders' Meeting held on April 6th, 2008 authorized the Board of Directors to buy back shares in the Company by means of sale and purchase either directly or through subsidiary or part-owned companies, up to the maximum limit contemplated in the relevant provisions, at a price of between three euro-cents (0.03 euros) and one hundred and twenty euros and twenty cents (120.20 euros) per share. The Board is entitled to exercise this power during the term of eighteen months from the date of the meeting, subject to that set forth in Chapter IV, Section Four of the Revised Text of the Spanish Public Limited Companies Act (Ley de Sociedades Anónimas).

On November 19th, 2007, the Company signed an agreement with Santander Investment Bolsa B.V. in order to improve the liquidity of its shares, stabilize their stock market price and prevent fluctuations due to any cause other than market trends, all the foregoing in strict compliance with Stock Exchange regulations. Although the agreement does not meet the conditions set forth in Circular (Letter) 3/2007 dated December 19th, as issued by the CNMV, Abengoa has voluntarily met the reporting obligations prescribed by said Circular. The transactions performed under the agreement in question have been duly communicated to the CNMV on a quarterly basis and are likewise published on the company's website.

As of December 31st, 2008, treasury stock amounted to 2,194,948 shares (corresponding to the Liquidity Agreement signed with Santander).

As regards transactions carried out over 2008, the company acquired 20,599,054 shares as treasury stock and disposed of 18,404,106, thereby bringing the final balance to zero, with the net result of operations standing at € (17,350,857.58).

A.10 Indicate, where applicable, any restrictions imposed by law or Company Bylaws on the exercise of voting rights, as well as any legal restrictions on the acquisition or transfer of shares in the equity. Indicate whether there are any legal restrictions on the exercise of voting rights:

No

Maximum percentage of voting rights a shareholder may exercise due to legal restrictions

0

Indicate whether there are restrictions in the company's Bylaws on the exercise of voting rights:

No

Maximum percentage of voting rights a shareholder may exercise due to restrictions in the Bylaws

0

Indicate whether there are legal restrictions on the acquisition or transfer of shares in the equity:

No

A.11 Indicate whether the General Shareholders’ Meeting has agreed to adopt any measures intended to neutralize potential takeover bids, pursuant to the terms of Act 6/2007.

No

If applicable, explain the approved measures and the terms under which the restrictions will become ineffective:

B - Structure of the Company Administration

B.1 Board of Directors

B.1.1 Indicate the maximum and minimum number of directors stipulated in the Company Bylaws:

| | |
|-----------------------------|----|
| Maximum number of directors | 15 |
| Minimum number of directors | 3 |

B.1.2 Complete the following table with the members of the Board of Directors:

| Personal or corporate name of the member | Representative | Seat on the board | Date of 1 st appt. | Date of last appt. | Election procedure |
|--|----------------|-------------------|-------------------------------|--------------------|---------------------------------|
| Mr. Felipe Benjumea Llorente | - | Chairman | 25/06/1983 | 26/06/2005 | Voting at shareholders’ meeting |
| Aplicaciones Digitales, S.L. | - | Vice-chairman | 15/04/2007 | 15/04/2007 | Voting at shareholders’ meeting |
| Ms. Alicia Velarde Valiente | - | Member | 06/04/2008 | 06/04/2008 | Voting at shareholders’ meeting |
| Ms. Carlos Sebastián Gascón | - | Member | 26/06/2005 | 26/06/2005 | Voting at shareholders’ meeting |

| Personal or corporate name of the member | Representative | Seat on the board | Date of 1 st appt. | Date of last appt. | Election procedure |
|--|----------------|-------------------|-------------------------------|--------------------|---------------------------------|
| Mr. Carlos Sundheim Losada | - | Member | 15/04/2007 | 15/04/2007 | Voting at shareholders' meeting |
| Mr. Daniel Villalba Vila | - | Member | 28/02/2005 | 26/06/2005 | Voting at shareholders' meeting |
| Mr. Fernando Solís Martínez-Campos | - | Member | 15/04/2007 | 15/04/2007 | Voting at shareholders' meeting |
| Mr. Ignacio Solís Guardiola | - | Member | 15/04/2007 | 15/04/2007 | Voting at shareholders' meeting |
| Mr. Javier Benjumea Llorente | - | Member | 25/06/1983 | 26/06/2005 | Voting at shareholders' meeting |
| Mr. José Joaquín Abaurre Llorente | - | Member | 25/06/1988 | 26/06/2005 | Voting at shareholders' meeting |
| Mr. José Luis Aya Abaurre | - | Member | 25/06/1983 | 26/06/2005 | Voting at shareholders' meeting |
| Ms. María Teresa Benjumea Llorente | - | Member | 15/04/2007 | 15/04/2007 | Voting at shareholders' meeting |
| Ms. Mercedes Gracia Díez | - | Member | 12/12/2005 | 09/04/2006 | Voting at shareholders' meeting |
| Mr. Miguel Martín Fernández | - | Member | 15/04/2007 | 15/04/2007 | Voting at shareholders' meeting |
| Mr. Miguel Ángel Jiménez-Velasco Mazario | - | Secretary Member | 15/04/2007 | 15/04/2007 | - |
| Total number of Board members | | | | | 15 |

Indicate any members who left the Board of Directors during the period:

B.1.3 Fill in the following tables on the different types of members of the board:

Executive Directors

| Personal or corporate name of the director | Committee that proposed the appointment | Position within the company structure |
|--|---|--|
| Mr. Felipe Benjumea Llorente | Board of Directors | Chairman |
| Aplicaciones Digitales, S.L. | Appointments and remuneration Committee | Vice-Chairman |
| Mr. Miguel Ángel Jiménez-Velasco Mazario | Appointments and remuneration Committee | General Secretary and Secretary to the Board |

| | |
|-------------------------------------|--------|
| Total number of executive directors | 3 |
| % of total Board of Directors | 20.000 |

External Directors Representing significant shareholders

| Personal or corporate name of the director | Committee that proposed the appointment | Personal or corporate name of the significant shareholder they represent or which proposed their appointment |
|--|---|--|
| Mr. Carlos Sundheim Losada | Appointments and Remuneration Committee | Inversion Corporativa, I.C., S.A. |
| Mr. Fernando Solís Martínez-Campos | Appointments and Remuneration Committee | Inversion Corporativa, I.C., S.A. |
| Mr. Ignacio Solís Guardiola | Appointments and Remuneration Committee | Inversion Corporativa, I.C., S.A. |
| Mr. Javier Benjumea Llorente | Board of Directors | Inversion Corporativa, I.C., S.A. |
| Mr. José Joaquín Abaurre Llorente | Board of Directors | inversion Corporativa, I.C., S.A. |

| Personal or corporate name of the director | Committee that proposed the appointment | Personal or corporate name of the significant shareholder they represent or which proposed their appointment |
|--|---|--|
| Don José Luis Aya Abaurre | Board of Directors | Inversion Corporativa, I.C., S.A. |
| Doña María Teresa Benjumea Llorente | Appointments and Remuneration Committee | inversion Corporativa, I.C., S.A. |

| | |
|---|--------|
| Total number of directors representing significant shareholders | 7 |
| % of total Board of Directors | 46.667 |

Independent external board members

Personal or corporate name of the member

Ms. Alicia Velarde Valiente

Profile

Independent

Personal or corporate name of the member

Mr. Carlos Sebastián Gascon

Profile

Independent

Personal or corporate name of the member

Mr. Daniel Villalba Vila

Profile

Independent

Personal or corporate name of the member

Ms. Mercedes Gracia Díez

Profile

Independent

Personal or corporate name of the member

Mr. Miguel Martín Fernández

Profile

Independent

| | |
|-------------------------------------|--------|
| Total number of independent members | 5 |
| % of total Board of Directors | 33.333 |

Other External Directors

Explain the reasons why they cannot be considered independent or representing significant shareholders and their connections with the company, its directors or its shareholders.

Indicate any changes in the classification of directors that have taken place during the period:

B.1.4 Explain, where applicable, the reasons why directors representing significant shareholders have been appointed at the request of shareholders whose stake amounts to less than 5% in the share capital.

Indicate any failure to address formal requests for presence on the Board of Directors made by shareholders whose stake is equal to or higher than that of others at whose request directors have been appointed. Where applicable, explain the reasons why the request was not addressed.

No

B.1.5 Indicate whether any director has left the post before the end of his/her term of office, whether they have explained their reasons to the Board and by which means and, if this was made in writing to the entire Board, explain at least the reasons given:

No

B.1.6 Indicate, if applicable, the powers vested in any Chief Executive Officers:

B.1.7 Identify, where applicable, any Board members who occupy administrative or executive posts in other companies which belong to the same business group as the listed company:

| Personal or corporate name of the member | Company name of the group entity | Position |
|--|------------------------------------|----------|
| Mr. José Joaquín Abaurre Llorente | Telvent Tráfico y Transporte, S.A. | Member |
| Ms. María Teresa Benjumea Llorente | Telvent Tráfico y Transporte, S.A. | Member |

B.1.8 Give details, where applicable, of any company Board members who also sit on the Boards of other entities that do not belong to the Group and which are listed on official securities markets in Spain, insofar as these are known by the Company:

| Personal or corporate name of the member | Corporate name of the listed entity | Position |
|--|--------------------------------------|----------|
| Mr Felipe Benjumea Llorente | Iberia Líneas Aéreas de España, S.A. | Member |
| Aplicaciones Digitales, S.L. | Unión Fenosa, S.A. | Member |
| Aplicaciones Digitales, S.L. | Promotora de Informaciones, S.A. | Member |
| Aplicaciones Digitales, S.L. | Iberia Líneas Aéreas de España, S.A. | Member |

B.1.9 Indicate whether the company has established rules on the number of Boards on which its own Board members may sit. If so, explain:

No

B.1.10 In relation to recommendation number 8 of the Unified Code, indicate the company's general strategies and policies which must be approved by plenary session of the Board of Directors:

| | |
|--|-----|
| Investment and financing policy | Yes |
| Definition of the structure of the group of companies | Yes |
| Corporate governance policy | Yes |
| Corporate social responsibility policy | Yes |
| Strategic or business plan, as well as the annual budget and management objectives | Yes |
| Policy of remunerations and assessing the performance of senior executives | Yes |
| Risk control and management policy, as well as the periodic monitoring of internal information and control systems | Yes |
| Dividends and treasury stock policy and, in particular, limits thereto | Yes |

B. 1. 11 Fill in the following tables on the aggregate remuneration of Board members accrued during the financial year:

a) In the company covered by this report:

| Type of remuneration | Figures in thousands of euros |
|----------------------|-------------------------------|
| | |

| Type of remuneration | Figures in thousands of euros |
|--|-------------------------------|
| Fixed Remuneration | 877 |
| Variable Remuneration | 6,162 |
| Allowances | 2,010 |
| Benefits as per Bylaws | 0 |
| Share options and/or other financial instruments | |
| Others | 0 |
| Total | 9,049 |

| Other Benefits | Figures in thousands of euros |
|--|-------------------------------|
| Advance payments | 0 |
| Loans granted | 0 |
| Pension Funds and Plans: Contributions | 0 |
| Pension Funds and Plans: Acquired obligations | 0 |
| Life insurance premiums | 0 |
| Guarantees created by the company in favour of Board members | 0 |

b) Remuneration payable to members of the company's Board of Directors due to positions held on other Boards of Directors and/or within the senior management of other Group companies:

| Type of remuneration | Figures in thousands of euros |
|--|-------------------------------|
| Fixed Remuneration | 97 |
| Variable Remuneration | 0 |
| Allowances | 0 |
| Benefits as per Bylaws | 0 |
| Share options and/or other financial instruments | 0 |
| Others | 0 |
| Total | 97 |

| Other Benefits | Figures in thousands of euros |
|--|-------------------------------|
| Advance payments | 0 |
| Loans granted | 0 |
| Pension Funds and Plans: Contributions | 0 |
| Pension Funds and Plans: Acquired obligations | 0 |
| Life insurance premiums | 0 |
| Guarantees created by the company in favour of Board members | 0 |

c) Total remuneration by type of director:

| Type of director | By company | By group |
|---|-------------|-----------|
| Executive | 7,410 | 0 |
| External, representing significant shareholders | 642 | 24 |
| External Independent | 997 | 73 |
| Other external | 0 | 0 |
| Total | 9049 | 97 |

d) With regard to the profit attributed to the parent company

| | |
|---|-------|
| Total remuneration to directors (in thousand euros) | 9,146 |
| Total remuneration to directors /profit attributed to the parent company (expressed in %) | 6.5 |

B.1.12 Identify any senior management members that are not in turn executive directors, and indicate the total remuneration payable thereto during the financial year:

| Personal or corporate name of the member | Position |
|--|----------|
| | |

| Personal or corporate name of the member | Position |
|--|---|
| Mr. José Domínguez Abascal | Technical Secretary (since 2008) |
| Mr. Luis Enrique Pizarro Maqueda | Director of Internal Auditing |
| Mr. Manuel Sánchez Ortega | Director of Information Technologies Business Group |
| Mr. José Marcos Romero | Director of Appointments and Remuneration |
| Mr. Alfonso González Domínguez | Director of the Ind. Engineering and Construction Business Group |
| Mr. Juan Carlos Jiménez Lora | Director of Investor Relations |
| Mr. Álvaro Polo Guerrero | Director of Human Resources |
| Mr. Javier Molina Montes | Director of the Environment Business Group |
| Mr. Enrique Borrajo Lovera | Director of Consolidation and Reporting |
| Mr. Javier Salgado Leirado | Director of Bioenergy Business Group |
| Mr. Luis Fernández Mateo | Director of Organisation and Budgets |
| Mr. Santiago Seage Medela | Director of Solar Business Group. Director of Corporate Strategy and Development (up to Dec 31, 2008)) |
| Mr. Amando Sánchez Falcón | Financial Director |
| Mr. Germán Bejarano García | Director of International Institutional Relations; Assistant to the Chairman |
| Mr. Fernando Martínez Salcedo | General Secretary of Sustainability |
| Mr. José Antonio Moreno Delgado | Technical Secretary (retired in 2008) |

Total senior management remuneration (in thousand euros)

5,757

B.1.13 Identify, on an aggregate basis, whether members of the company's or group's senior management, including executive directors, are afforded guarantees or golden parachute clauses in the event of dismissal or changes of control. Indicate whether these contracts must be communicated to and/or approved by the governing bodies of the company or its group:

Number of beneficiaries

0

Board of Directors

General Shareholders' Meeting

Body that authorises the clauses

No

No

Is the General Shareholders' Meeting informed of the clauses?

No

B.1.14 Describe the process for establishing the remuneration of Board members and the relevant provisions of the Bylaws.

Process for establishing the remuneration of Board members and relevant Bylaws

Established by the Appointments and Remuneration Committee, art. 39 of the Bylaws, Remuneration Policy Report for Company Directors presented to the General Shareholders' Meeting.

Indicate whether the following decisions must be approved by plenary session of the Board.

Following the proposal of the company's Chief Executive, the appointment and cessation of senior executives, as well as their compensation clauses.

Yes

The remuneration of Board members and, in the case of executive ones, the additional remuneration for their executive functions and other conditions set forth in their contracts.

Yes

B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and specify the matters covered therein:

Yes

Amount of the fixed remuneration items, with a breakdown, where applicable, of allowances for participation on the Board and its Committees and an estimation of the annual fixed remuneration to which they give rise.

Yes

| | |
|---|-----|
| Variable remuneration items. | Yes |
| Main characteristics of the benefits systems, with an estimation of their annual amount or equivalent cost. | Yes |
| Conditions that must be contained within the contracts of those who perform senior management functions as executive directors. | Yes |

B.1.16 Indicate whether the Board submits a report on the remuneration policy for Board members for voting by the General Shareholders’ Meeting, as a separate item on the agenda and by way of consultation. If so, explain those aspects of the report concerning the remuneration policy approved by the Board for future years, the most significant changes in such policies compared to that applied during the financial year in question and an overall summary of how the remuneration policy was applied over the financial year in question. Outline the role played by the Remuneration Committee and, if external consultancy was used, the identity of the external consultants that provided it.

Yes

Matters covered by the remuneration policy

Amount of the fixed remuneration items and variable remuneration items.

Role played by the Remuneration Committee

Preparation of the proposal to the Board, stating grounds.

Was external consultancy used? Yes

Identity of external consultants

Three independent external consultancy firms.

B.1.17 Indicate, if applicable, the identity of the Board members who are also members of the Board of Directors, executives or employees of companies that hold significant shareholdings in the listed company and/or in entities belonging to its Group:

| Personal or corporate name of the director | Corporate name of the significant shareholder | Position |
|--|---|----------|
| Mr. Felipe Benjumea Llorente | Inversión Corporativa, I.C., S.A. | Chairman |
| Mr. Carlos Sundheim Losada | Inversión Corporativa, I.C., S.A. | Member |
| Mr. Fernando Solís Martínez - Campos | Inversión Corporativa, I.C., S.A. | Member |
| Mr. Ignacio Solís Guardiola | Inversión Corporativa, I.C., S.A. | Member |

| Personal or corporate name of the director | Corporate name of the significant shareholder | Position |
|--|---|----------|
| Mr. Javier Benjumea Llorente | Inversión Corporativa, I.C., S.A. | Member |
| Mr. José Joaquín Abaurre Llorente | Inversión Corporativa, I.C., S.A. | Member |
| Mr. José Luis Aya Abaurre | Inversión Corporativa, I.C., S.A. | Member |

Give details, if applicable, of any relevant relations other than those contemplated in the previous section, between members of the Board of Directors and significant shareholders and/or Group entities:

Personal or corporate name of the Board member

Mr. Felipe Benjumea Llorente

Personal or corporate name of the significant shareholder

Finarpisa, S.A.

Description of the relation

Chairman of the Board

B.1.18 Indicate whether any amendments were made to the Board Regulations during the financial year:

No

B.1.19 Indicate the procedures for the appointment, reappointment, evaluation and cessation of Board members. Give details of the competent bodies, the processes to be followed and the criteria used in each of the procedures.

The Appointments and Remuneration Committee is the competent body in all cases and provides the Board of Directors with its duly grounded proposal, applying the criteria of independence and professionalism as established in the Regulations governing the Board and the Committee itself.

B.1.20 Indicate the cases in which Board members are obliged to resign.

Directors are removed from their positions when the period for which they were appointed comes to an end, and in all other cases when removal or resignation is required pursuant to law, the Bylaws and these Regulations.

Directors must offer to resign and, if the Board of Directors considers it appropriate, formalise said resignation in the following cases:

- a) In any of the cases of conflict of interest or prohibition prescribed by law.
- b) When they are severely punished by a public authority for having violated their obligations as Board members.
- c) When asked to do so by the Board itself for having violated their obligations as Board members..

B.1.21 Explain whether the function of Chief Executive of the company falls upon the Chairman of the Board of Directors. If applicable, indicate the measures that have been taken to limit the risks of accumulation of powers in one sole person:

Yes

Measures to limit risks

In accordance with that set forth in article 44 bis of the company's Bylaws, the Board of Directors set up the Audit Committee and the Appointments and Remuneration Committee on December 2nd, 2002 and February 24th, 2003, respectively. These Committees have the necessary and non-delegable powers stemming from the responsibilities assigned to them by Law, the Bylaws and their respective Internal Regulations. They have been created to control and supervise those matters that fall within their competence. Both are presided over by an independent, non-executive director, and comprise a majority of independent and non-executive directors.

Indicate and, where applicable, explain whether rules have been established that empower one of the independent Board members to request that a meeting of the Board be convened or that new items be added to the agenda, the aim being to coordinate and echo the concerns of the external directors and for evaluation by the Board of Directors.

Yes

Explanation of the rules

The Board of Directors is currently composed of fifteen members. The Regulations of the Board of Directors govern its composition, functions and internal organisation. In addition, there is an Internal Code of Conduct with regard to the Securities Market, the scope of which extends to members of the Board of Directors, senior management and all those employees who, due to their positions or responsibilities, may be affected by its content. The Operational Regulations of the General Shareholders' Meeting govern the formal and internal aspects of such meetings. Finally, the Board of Directors is assisted by the Audit Committee and the Appointments and Remuneration Committee, which have their own Internal Regulations. All these regulations, brought together in a consolidated text of the Internal Corporate Governance Regulations, are available at the company website, www.abengoa.com.

Since its inception, the Appointments and Remuneration Committee has been analysing the structure of the company's governing bodies and has been working to adapt the structure to incorporate the corporate governance recommendations, paying particular attention to the historic and special configuration of these bodies within Abengoa. In accordance with this analysis, in February 2007 the Committee recommended the creation of the post of coordinating director, coupled with the elimination of the Advisory Committee to the Board of Directors. The first measure was in order to incorporate the most recent corporate governance recommendations, as created in Spain in 2006; the second measure was proposed because the Committee considered that the Advisory Committee had already fulfilled the function for which it was originally created and that its coexistence with the corporate bodies could lead to conflicts of powers. Both proposals were approved at a meeting of the Board of Directors in February 2007 and by the General Shareholders' Meeting of April 15th of that same year. Finally, in October 2007 the Committee proposed to the Board that it should accept the resignation of Mr. Javier Benjumea Llorente from his position as Vice-Chairman, with the consequent revocation of his delegated powers and the appointment of a new natural person to represent Abengoa or the Focus-Abengoa Foundation in those entities or companies in which it has an appointed position.

Explanation of the rules

The Committee then considered it advisable to recommence its study on the number and the condition of the Vice-Chairman of the Board of Directors within the current structure of the governing bodies.

As a result of this, the Committee thought it necessary for the Vice-Chairman of Abengoa to have the powers conferred by the Spanish Public Limited Companies Act (Ley de Sociedades Anónimas) with regard to the organic representation of the company, on the one hand, and, on the other, as a counterweight to the functions of the Chairman within the Board of Directors. On this basis, it considered that the coordinating director – with the functions assigned to that position by the resolutions of the Board of Directors (February 2007) and the General Shareholders' Meeting (April 2007) – was the ideal figure, given the corporate governance recommendations and the structure of the company, as well as the composition and diversity of its administrators. The coordinating director has already been entrusted with the task of coordinating the concerns and motivations of the other Board members, and therefore has the power to request that a Board meeting be convened and that new items be included on the agenda. In its role as the visible head of Board members' interests, it has, more de facto than de jure, a certain representative nature within the Board, and it therefore seemed appropriate to confirm and expand this representation by making the post both institutional and organic.

For the reasons outlined above, the Committee proposed Aplicaciones Digitales, S. L. (Aplidig, represented by Mr. José B. Terceiro Lomba), the current coordinating director, as the new Vice-Chairman to the Board of Directors. In addition, and within its functions of organic representation, the current Vice-Chairman, jointly with the Chairman of the Board, was put forward as the physical representative of Abengoa in its capacity as the Chair of the Focus-Abengoa Foundation, as well as in any other foundations and institutions in which the company is or has to be represented.

In view of the above, on December 10th, 2007, the Board of Directors agreed to appoint Aplicaciones Digitales, S. L. (represented by Mr. José B. Terceiro Lomba), the current coordinating director, as the executive Vice-Chairman of the Board of Directors, with the express consent of the independent directors for the company to continue acting as coordinating director in spite of its new appointment as executive Vice-Chairman.

In addition, and within its functions of organic representation (conferred by means of a power of attorney granted by the Board of Directors on July 23rd, 2007), the Vice-Chairman, jointly with the Chairman of the Board of Directors, has been put forward as the physical representative of Abengoa, in its capacity as the Chair of the Board of the Focus-Abengoa Foundation, as well as in any other foundations and institutions in which the company is or has to be represented.

B.1.22 Are reinforced majorities (different to the legal ones) required in any type of decision?

No

Indicate how the resolutions of the Board of Directors are adopted, stating, at least, the minimum quorum and the types of majorities required to adopt the resolutions:

Description of the resolution:

All, save ones for which legally reinforced majorities are required.

| Quorum | % |
|------------------|-------|
| Half plus one | 51.00 |
| | |
| Type of Majority | % |
| | |

| Type of Majority | % |
|------------------|-------|
| Simple | 51,00 |

Description of the resolution:
Delegation of powers

| Quorum | % |
|---------------|-------|
| Half plus one | 51,00 |

| Type of Majority | % |
|------------------|-------|
| Two thirds | 67,00 |

B.1.23 Explain whether there are specific requirements, different from those relating to Board members, in order to be appointed Chairman.

No

B.1.24 Indicate whether the Chairman has a casting vote:

Yes

| Matters on which there is a casting vote |
|--|
| In case of a tie. |

B.1.25 Indicate whether the Bylaws or the Board Regulations establish any limit on the age of directors:

No

| Maximum age of the Chairman | Maximum age of the Chief Executive | Edad Limite Consejero |
|-----------------------------|------------------------------------|-----------------------|
| 0 | 0 | 0 |

B.1.26 Indicate whether the Bylaws or the Board Regulations establish a limited term of office for independent directors:

No

| | |
|---------------------------------|---|
| Maximum term of office in years | 0 |
|---------------------------------|---|

B.1.27 If there are no or very few female directors, explain the reasons and the initiatives adopted in order to correct this situation.

Explanation of the reasons and the initiatives

At present (Feb 23, 2009), there are three female directors out of a total of 15 (20%).

In particular, indicate whether the Appointments and Remuneration Committee has established procedures so that the selection processes do not suffer from implicit biases which hamper the selection of female Board members and whether female candidates who meet the required profile are deliberately sought:

Yes

Indicate the main procedures

There are no discriminatory measures; the number of female directors has increased from one in 2006 to three at present (Feb 25, 2008).

B.1.28 Indicate whether there are formal processes in place for votes on the Board of Directors to be delegated. Where applicable, briefly describe them.

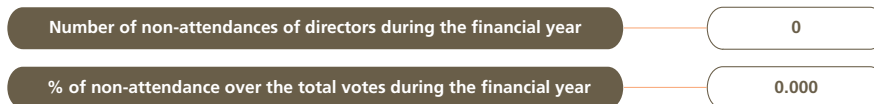
B.1.29 Indicate the number of meetings of the Board of Directors held during the financial year. Likewise indicate, where applicable, the number of times the Board met without the Chairman being present:

| | |
|---|----|
| Number of Board meetings | 11 |
| Number of Board meetings without the attendance of the chairman | 0 |

Indicate the number of meetings held by the different Board Committees during the financial year:

| | |
|---|---|
| Number of meetings of the Executive or Delegate Committee | 0 |
| Number of meetings of the Audit Committee | 4 |
| Number of meetings of the Appointments and Remuneration Committee | 8 |
| Number of meetings of the Appointments Committee | 0 |
| Number of meetings of the Remuneration Committee | 0 |

B.1.30 Indicate the number of Board meetings held during the year without the attendance of all its members. Proxies granted without specific instructions for the meeting will be considered non-attendances:



B.1.31 Indicate whether the individual and consolidated annual accounts presented to the Board for approval are previously certified:

Yes

Identify, where applicable, the people who certified the company’s individual and consolidated accounts for approval by the Board:

| Name | Position |
|----------------------------|---|
| Mr. Amando Sánchez Falcón | Financial Director |
| Mr. Enrique Borrajo Lovera | Director of Consolidation and Reporting |

B.1.32 Explain, if applicable, the mechanisms established by the Board of Directors to prevent the individual and consolidated accounts prepared by it from being presented at the General Shareholders’ Meeting with qualifications in the audit report.

The risk control system, the internal audit services and the Audit Committee are intended to act as mechanisms of periodic and recurrent control and supervision. They will identify and, where appropriate, resolve potential situations which, if they were not resolved, could give rise to incorrect accountancy treatment.

B.1.33 Is the secretary to the Board also a director?

Yes

B.1.34 Explain the procedures for the appointment and cessation of the Secretary to the Board, indicating whether they are proposed by the Appointments Committee and approved by plenary session of the Board.

Appointment and Cessation Procedure

Appointment and Cessation Procedure

Proposal from the Appointments and Remuneration Committee, stating grounds.

| | |
|---|-----|
| Does the Appointments Committee communicate appointments? | Yes |
| Does the Appointments Committee communicate cessations? | Yes |
| Does the plenary session of the Board approve appointments? | Yes |
| Does the plenary session of the Board approve cessations? | Yes |

Does the Secretary to the Board have special responsibility for ensuring that the recommendations of good governance are followed?

Yes

B.1.35 Indicate, if applicable, the mechanisms established by the company to preserve the independence of the auditor, financial analysts, investment banks and rating agencies.

The Audit Committee is composed of a majority of non-executive directors, thus meeting the requirements established in the good governance regulations and, especially, in the Financial System Reform Law. Likewise, in accordance with that set forth in article 2 of the Internal Regulations, the office of Chairman to the Committee must be held by a non-executive director.

Functions

The functions and responsibilities of the Audit Committee are:

To report information on the Annual Accounts, as well as on the quarterly and half-yearly financial statements that must be presented to the regulatory or supervisory bodies of the securities markets, with express mention of the internal control systems and the monitoring and fulfilment of these through the internal audit and, when appropriate, the accountancy criteria applied.

To inform the Board of any change in the accountancy criteria and those of risks both on and off the balance sheet. To provide information at the General Shareholders' Meeting on those matters requested by shareholders within its sphere of competence.

To propose the appointment of the external financial auditors to the Board of Directors for subsequent referral on to the General Shareholders' Meeting.

To supervise the internal audit services. The Committee will have full access to the internal audit and will inform during the process of selection, appointment, renewal and cessation of its director. It will likewise monitor the remuneration of the latter, and must provide information on the budget of the internal audit department.

To be fully aware of the financial information reporting process and the company's internal control systems.

To liaise with the external auditors to receive information on any matters that could endanger the latter's independence and any others related to the financial auditing process.

To summon those members it considers appropriate to its meetings so that they may report to the extent that the Audit Committee deems fit.

To prepare an annual report on the activities of the Audit Committee, which must be included in the management report.

B.1.36 Indicate whether during the financial year the company has changed its external auditor. If so, identify the incoming and outgoing auditors:

No

| Outgoing Auditor | Incoming Auditor |
|------------------|------------------|
| | |

If there were disagreements with the outgoing auditor, explain the content of these:

No

B.1.37 Indicate whether the audit firm carries out other work for the company and/or its group different from that of auditing and, in such case, state the total fees paid for this work and the percentage this represents of the fees billed to the company and/or its group:

Yes

| | Company | Group | Total |
|--|---------|--------|--------|
| Fees for work other than that of auditing (thousand euros) | 396 | 1,027 | 1,423 |
| Fees for work other than that of auditing/ Total amount invoiced by the audit company (in %) | 11.000 | 29.000 | 19.930 |

B.1.38 Indicate whether the audit report of the annual accounts for the previous financial year contains reservations or qualifications. If so, indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of these reservations or qualifications.

No

B.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the annual accounts of the company and/or its group. Likewise, indicate the percentage represented by the years audited by the current audit firm of the total number of years in which the annual accounts have been audited:

| | Company | Group |
|---|---------|-------|
| Number of consecutive years | 18 | 18 |
| N° of years audited by the current audit firm/ N° of years that the company has been audited (in %) | 100.0 | 100.0 |

B.1.40 Indicate any equity holdings of company Board members in the share capital of entities which have the same, or an analogous or complementary type of activity as that which comprises the corporate purpose of both the company and its group, insofar as these have been communicated to the company. Likewise, indicate the positions or functions they exercise in these companies:

B.1.41 Indicate whether there is a procedure giving the directors access to external consultancy and, if applicable, provide details:

Yes

Details of the procedure

The Secretary to the Board of Directors exercises the functions legally attributed to that position. Currently, the same person is acting as secretary and legal consultant, and is responsible for ensuring that meetings are validly convened and that resolutions by the Board of Directors are validly adopted. In particular, he advises Board members on the legality of the deliberations and agreements that are proposed and on compliance with the Internal Corporate Governance Regulations. He therefore guarantees the principle of formal and material legality governing the actions of the Board of Directors. The Secretary's Office to the Board of Directors, as a specialised body guaranteeing the formal and material legality of the actions of the Board, has the full support of the Board to carry out its functions with complete independence of criteria and stability. It is likewise responsible for monitoring compliance with the corporate governance regulations. Acting on its own initiative or upon the request of Board members, it provides the necessary external consultancy to ensure the Board is kept duly informed.

B.1.42 Indicate whether there is a procedure whereby directors can obtain the information needed to prepare meetings of the governing bodies with sufficient time and, if so, give details:

Yes

Details of the Procedure

Documents are sent before the Board meetings are held and/or documents are made available at the place where the Board meets.

B.1.43 Indicate whether the company has established rules which oblige the directors to report and, where appropriate, resign in those cases which may damage the image and reputation of the company. If so, provide details:

Yes

Explain the rules

Article 13 of the Board Regulations: Board members must offer to resign and, if the Board of Directors considers it appropriate, formalise said resignation in the following cases: when they fall within any of the grounds for incompatibility or prohibition as prescribed by applicable law.

B.1.44 Indicate whether any member of the Board of Directors has informed the company that he/she has been sentenced or formally accused of any of the offences stipulated in article 124 of the Spanish Public Limited Companies Act (Ley de Sociedades Anónimas):

No

Indicate whether the Board of Directors has analysed the case. If so, explain the decision taken regarding whether or not the director should remain in his/her post, giving reasons.

No

| Decision taken | Reason |
|----------------|--------|
| | |

B.2 Committees of the Board of Directors

B.2.1 List all the committees of the Board of Directors and their members:

| Audit Committee | | |
|-----------------------------------|----------|---------------------------------------|
| Name | Position | Type |
| Mr. Daniel Villalba Vila | Chairman | Independent |
| Aplicaciones Digitales, S.L. | Member | Executive |
| Mr. José Joaquín Abaurre Llorente | Member | Representing significant share holder |
| Ms. Mercedes Gracia Díez | Member | Independent |
| Mr. Miguel Martín Fernández | Member | Independent |

Appointments and Remuneration Committee

| Name | Position | Type |
|------------------------------|----------|--------------------------------------|
| Mr. Carlos Sebastián Gascón | Chairman | Independent |
| Ms. Alicia Velarde Valiente | Member | Independent |
| Aplicaciones Digitales, S.L. | Member | Executive |
| Mr. Daniel Villalba Vila | Member | Independent |
| Mr. José Luis Aya Abaurre | Member | Representing significant shareholder |

B.2.2 Indicate whether the following functions are vested in the Audit Committee.

| | |
|---|-----|
| Monitoring the preparation process and the integrity of the financial information on the company and, where applicable, the group, verifying compliance with legal requirements, proper delimitation of the scope of consolidation and correct application of accounting criteria. | Yes |
| Periodically revising the internal control and risk management systems, so that the main risks are adequately identified, managed and made known. | Yes |
| Ensuring the independence and efficacy of the internal audit function; proposing the selection, appointment, reappointment and dismissal of the head of the internal audit service; proposing the budget for this service; receiving periodic information on its activities; and checking that senior management takes the conclusions and recommendations of its reports into account. | Yes |
| Establishing and overseeing a mechanism that enables employees to communicate – confidentially and, when considered appropriate, anonymously – any possible irregularities they may observe within the company, especially financial and accounting ones. | Yes |
| Presenting to the Board of Directors proposals for the selection, appointment, reappointment and replacement of the external auditor, as well as the conditions under which it is contracted. | Yes |
| Regularly receiving, from the external auditor, information on the audit plan and the results of its implementation, and checking that senior management takes its recommendations into account. | Yes |
| Ensuring the independence of the external auditor. | Yes |
| In the case of groups, helping to ensure that the group auditor also conducts the audits for the individual group companies. | Yes |

B.2.3 Describe the rules governing organization and functioning, as well as the responsibilities of each of the Committees attached to the Board of Directors.

Name of the Committee

Appointments and Remuneration Committee

Brief description

The Appointments and Remuneration Committee is composed of a majority of non-executive directors, thereby fulfilling the requirements established in the Financial System Reform Law. Likewise, in accordance with that contemplated in article 2 of its Internal Regulations, the position of Chairman of the Committee must be held by a non-executive director.

The functions and responsibilities of the Appointments and Remuneration Committee are:

1. To inform the Board of Directors of appointments, reappointments, cessations and remuneration of the Board and its posts, as well as the general policy of remunerations and incentives for positions on the Board and for the senior management.
2. To report, in advance, on all proposals that the Board of Directors presents to the General Shareholders’ Meeting regarding the appointment or cessation of directors, even in cases of co-optation by the Board of Directors itself; to verify, on an annual basis, continuing compliance with the requirements for appointments as directors and the relevant nature or type of director. This information will be included in the Annual Report. The Appointments Committee will ensure that, when vacancies are filled, the selection procedures do not suffer from implicit biases that hinder the selection of female directors and that women meeting the required profile are included among the potential candidates.
3. To prepare an annual report on the activities of the Appointments and Remuneration Committee, which must be included in the Directors’ Report.

Organisation and Functioning

The Appointments and Remuneration Committee will meet as often as necessary in order to perform its functions, and at least once every six months.

It is considered validly constituted when the majority of its members are present. Attendance may only be delegated to a non-executive director. The resolutions adopted shall be valid when the majority of the members of the Committee, present or represented by proxy, vote in favour. In case of a tie, the Chairman will cast the deciding vote.

Name of the Committee

Audit Committee

Brief Description

The Audit Committee is composed of a majority of non-executive directors, thereby fulfilling the requirements established in the good governance regulations and, especially, in the Financial System Reform Act. Likewise, in accordance with that contemplated in article 2 of its Internal Regulations, the office of Chairman of the Committee must be held by a non-executive director.

Functions

The functions and responsibilities of the Audit Committee are:

1. To report on the Annual Accounts, as well as the quarterly and half-yearly financial statements that must be presented to the regulatory or supervisory bodies of the securities markets, with express mention of the internal control systems, verification of compliance and monitoring through internal audit and, when applicable, the accountancy criteria applied.

2. To inform the Board of any change in the accountancy criteria, and any risks either on or off the balance sheet.
3. To report at the General Shareholders' Meeting on any matters requested by shareholders within its sphere of competence.
4. To propose the appointment of the external financial auditors to the Board of Directors for subsequent referral on to the General Shareholders' Meeting.
5. To monitor the internal audit services. The Committee will have full access to the internal audit and will inform during the process of selection, appointment, renewal and cessation of the internal audit director. Likewise, it will monitor the remuneration of the director, and must report on the budget of the department.
6. To be fully aware of the financial information reporting process and the company's internal control systems.
7. To liaise with the external auditors to receive information on any matters that could endanger their independence and any others related to the financial auditing process.
8. To summon any Board members it considers appropriate to its meetings so that they may report to the extent that the Audit Committee deems fit.
9. To prepare an annual report on the activities of the Audit Committee, which must be included in the Directors' Report.

Organisation and Functioning

The Audit Committee will meet as often as necessary in order to perform its functions, and at least once every quarter. The Committee met 5 times over 2008.

The Audit Committee is considered validly constituted when the majority of its members are present. Attendance may only be delegated to a non-executive director.

B.2.4 Indicate the powers of each Committee with regard to consultancy, consultation and, where applicable, delegation:

Name of the Committee

Appointments and Remuneration Committee

Brief Description

To inform the Board of Directors of appointments, reappointments, cessations and remunerations of the Board and its posts, as well as the general policy of remunerations and incentives for Board members and for the senior management. To report, in advance, on all proposals that the Board of Directors presents to the General Shareholders' Meeting regarding the appointment or cessation of directors, even in cases of co-optation by the Board of Directors itself; to verify, on an annual basis, continuing compliance with the requirements for appointments to the office of director and the relevant nature or type of director. This information must be included in the Annual Report. The Appointments Committee will ensure that, when vacancies are filled, the selection procedures do not suffer from implicit biases that hinder the selection of female directors and that women meeting the required profile are included among the potential candidates. To prepare an annual report on the activities of the Appointments and Remuneration Committee, which must be included in the Directors' Report.

Name of the Committee

Audit Committee

Brief Description

To report on the Annual Accounts, as well as the quarterly and half-yearly financial statements. To inform the Board of any change in the accountancy criteria, or any risks either on or off the balance sheet. To report at the General Shareholders' Meeting on those matters requested by shareholders within the meeting's jurisdiction. To propose the appointment of the external financial auditors to the Board of Directors, for subsequent referral on to the General Shareholders' Meeting.

B.2.5 Indicate, where applicable, the existence of regulations governing the Committees attached to the Board, the place where they are available for consultation and any amendments that may have been made during the financial year. Likewise indicate whether an annual report on the activities of each Committee has been voluntarily prepared.

Name of the Committee

Appointments and Remuneration Committee

Brief Description

Regulations of the Audit Committee and Regulations of the Appointments and Remuneration Committee, available on the company's website and from the CNMV (Spanish Securities and Exchange Commission). Most recent amendment: February 25th, 2008. Each Committee prepares an annual report of activities, which is published as part of the Annual Report.

Name of the Committee

Audit Committee

Brief Description

Regulations of the Audit Committee and Regulations of the Appointments and Remuneration Committee, available on the company's website and from the CNMV (Spanish Securities and Exchange Commission). Most recent amendment: February 25th, 2008. Each Committee an annual report of activities, which is published as part of the Annual Report.

B.2.6 Indicate whether the composition of the Executive Committee reflects the participation on the Board of the different categories of directors:

No

If not, explain the composition of the executive committee

There is no Executive Committee

C - Related Operations

C.1 Indicate whether the plenary session of the Board has reserved for itself the function of approving, following a favourable report from the Audit Committee or any other body entrusted with this task, the operations that the company performs with directors, with significant shareholders or shareholders represented on the Board, or with people connected to them:

Yes

C.2 Give details of any relevant operations involving a transfer of assets or liabilities between the company or Group entities and significant shareholders in the company:

| Personal or corporate name of the significant shareholder | Name of the group company or entity | Nature of the relation | Type of operation | Amount (thousand euros) |
|---|--------------------------------------|-------------------------------|-------------------|-------------------------|
| Inversión Corporativa, I.C., S.A. | Abengoa Solar New Technologies, S.A. | Surface right for solar plant | Lease | 345 |
| Inversión Corporativa, I.C., S.A. | Egeria Densam, S.L. | Surface right for solar plant | Lease | 462 |
| Inversión Corporativa, I.C., S.A. | Solnova Electricidad 1 | Surface right for solar plant | Lease | 11 |
| Inversión Corporativa, I.C., S.A. | Solnova Electricidad Cuatro, S.A. | Surface right for solar plant | Lease | 766 |

C.3 Give details of any relevant operations involving a transfer of assets or liabilities between the company or Group entities and the company's administrators or directors:

| Personal or corporate name of the administrators or directors | Name of the group company or entity | Nature of the operation | Type of operation | Amount (thousand euros) |
|---|-------------------------------------|-------------------------|--|-------------------------|
| Aplicaciones Digitales, S.L. | Bioetanol Galicia, S.A. | Forestry operation | Sale of assets (finished or in progress) | 100 |

C.4 Give details of relevant operations carried out by the company with other companies belonging to the same group, provided they are not eliminated during the process of preparing the consolidated financial statements and do not form part of the normal business of the company in terms of their subject and applicable terms and conditions:

C.5 Indicate whether the members of the Board of Directors have, over the course of the financial year, found themselves embroiled in any conflict of interest, in accordance with that set forth in article 127 ter. of the Spanish Public Limited Companies Act (Ley de Sociedades Anónimas).

No

C.6 Give details of the mechanisms in place to detect, determine and resolve possible conflicts of interest between the company and/or its group and its Board members, executives or significant shareholders.

The Audit Committee is the body responsible for monitoring and resolving conflicts of interest. Directors are obliged, in accordance with the provisions of the Board Regulations, to inform the Board of any situation of potential conflict, in advance, and to abstain until the Committee has reached a decision.

C.7 Is more than one Group company listed in Spain?

Yes

Identify any subsidiaries which are listed:

Listed Subsidiary

Befesa Medio Ambiente, S.A.

Indicate whether the respective business lines and possible business relations among such companies have been publicly and precisely defined, as well as those of the listed subsidiary with the other companies of the group:

Yes

Define any business relations between the parent company and the listed subsidiary company, and between the latter and the other Group companies

Abengoa, S.A. is the parent company of a corporate group and operates as such. It therefore brings together a raft of complementary activities for a fully-comprehensive product that one or more business groups jointly offer their clients. As a result, the different companies and business groups share customers and join together as required, with one or other thereof acting as parent company on a case-by-case basis. This produces cross sales among companies (intra-group).

Identify the mechanisms envisaged to resolve any conflicts of interest between the listed subsidiary and the other companies of the group:

Mechanisms to resolve possible conflicts of interest

Intra-group operations that may pose a conflict of interest and the transfer price policy are duly analysed by the Audit Committee.

D - Risk Control Systems

D.1 General description of the risk policy of the company and/or its group, detailing and evaluating the risks covered by the system, together with an explanation of why these systems are adequate for each type of risk. .

Abengoa's risk control structure is based on two pillars: the Common Management Systems and the internal audit services, the definitions, objectives, characteristics and functions of which are outlined below.

i) Common Management Systems

Definition

Abengoa's Common Management Systems develop the internal regulations of the company and its method for evaluating and controlling risk. They represent a common and shared culture in the management of Abengoa's business, as they enable us to share our accumulated knowledge and establish criteria and guidelines for action.

Aims

- To identify possible risks. Although these are associated with all businesses, we must nevertheless seek to reduce them and raise our awareness of them.
- To optimise day-to-day management by applying procedures geared towards financial efficiency, cost reductions, and the uniformity and compatibility of information and management systems.
- To foster synergies and value creation throughout Abengoa's different business groups by working in a collaborative environment.
- To reinforce corporate identity, upholding the values shared by all Abengoa companies.
- To achieve growth through strategic development that seeks innovation and new options in the medium and long term.

The systems are applied to the entire organisation:

- to all the business groups and areas of activity;
- to all levels of responsibility;
- to all types of operations.

In a group like Abengoa, boasting 480 companies, operations in over 70 countries and more than 20,000 employees, it is vital to set up a common business management system allowing us to work in an efficient, coordinated and coherent manner.

In 2004, Abengoa began a project to align its risk management model with the conceptual framework established by the Sarbanes-Oxley (SOX) Act, with the aim of continuously improving its control procedures.

Despite the fact that only one of the business groups – Information Technology – is obliged to comply with the SOX Act, it was decided that the entire group should take part in this project.

Thus, 2007 witnessed the culmination of the process of adapting the internal control structure governing the preparation of financial information to the requirements established by the SOX Act.

During 2008, the company drew up a Corporate Social Responsibility master plan involving all divisions and which is to be implemented into its five business groups, adapting our CSR strategy to the social reality of the different communities in which Abengoa operates. Corporate Social Responsibility, understood as the integration of stakeholders' expectations into corporate policy, respect for the law and consistency with international regulations

into the company's strategy, is one of the cornerstones of Abengoa's culture. The company informs its stakeholders of its performance in the different CSR areas through a report which follows the GRI standard regulating the preparation of sustainability reports. This report will be verified externally as part of the company's commitment to transparency and rigour.

In 2002, Abengoa signed the United Nations' Global Compact, an international initiative whose aim is to ensure that companies voluntarily commit themselves to social responsibility by implementing ten principles based on human, labour, environmental and anti-corruption rights. In 2008, the company signed Caring for Climate, a further UN initiative. As a result, Abengoa has implemented a system for reporting greenhouse gas emissions, which enables the company to quantify its greenhouse gas emissions, trace all its supplies and certify the products and services it offers.

In 2009, Abengoa will develop a system of environmental sustainability indicators, which will help to enhance the management of the company's business, allowing it to measure and compare the sustainability of its activities and establish targets for future improvements. The combination of both initiatives puts Abengoa in a position of world leadership in the management of sustainability.

D.2 Indicate whether any of the different types of risk affecting the company and/or its group (operating, technological, financial, legal, image-related, tax, etc.) materialised during the financial year.

No

If so, indicate the circumstances that led to them and whether the established control system worked.

D.3 Indicate whether there is a committee or other governing body responsible for establishing and supervising these control devices.

Yes

En caso afirmativo detalle cuales son sus funciones.

If so, give details of its functions.

Audit Committee

Description of functions

To inform the Board of any change in accountancy criteria and risks either on or off the balance sheet.

D.4 Identification and description of the processes for complying with the different regulations that affect the company and/or its group.

Abengoa's internal audit function is structured around the Joint Audit Services. These bring together the audit teams of the companies, business groups and corporate services, which act in a coordinated manner and report to the Audit Committee of the Board of Directors.

General Objectives

- To prevent the audit risks of the group's companies, projects and activities, such as fraud, capital losses, operating inefficiencies and, in general, any risks that could affect the healthy running of the businesses.
- To control the application and promote the development of adequate and efficient management regulations and procedures, in accordance with the corporate Common Management Systems.
- To create value for Abengoa, promoting the generation of synergies and the use of optimal management practices.
- To coordinate working criteria and approaches with external auditors to achieve optimum efficiency and returns from both services.

Specific objectives

- To evaluate the audit risk of Abengoa's companies and projects, in accordance with an objective procedure.
- To define standard types of internal control and audit work with the aim of developing the corresponding work plans, with the appropriate scope for each situation. This typology ties in with the evaluation of audit risks, determines the work plans and involves appropriate standards of recommendations and reports. It must, therefore, be used explicitly in such documents.
- To guide and coordinate the process of planning the internal control and audit work of the companies and business groups; to create a procedure for notifying and communicating such work to the affected parties, and to establish a coding system for the work to ensure adequate control and monitoring thereof.
- To define the process for communicating the results of each audit work, the affected parties and the format of the documents in which the results are published.
- To review the application of the plans, the adequate performance and supervision of the work, the prompt distribution of the results and observance of the recommendations and their corresponding implementation.
- Abengoa's internal audit function is structured around the Joint Audit Services. These bring together the audit teams of the companies, business groups and corporate services, which act in a coordinated manner and report to the Audit Committee of the Board of Directors.

General Objectives

- To prevent the audit risks of the companies, projects and activities of the group, such as fraud, capital losses, operating inefficiencies and, in general, any risks that could affect the healthy running of the businesses.
- To control the application and promote the development of adequate management regulations and procedures, in accordance with the corporate Common Management Systems.
- To create value for Abengoa, fostering the creation of synergies and the use of optimal management practices.
- To coordinate working criteria and approaches with external auditors to achieve optimum efficiency and returns from both services.

Specific objectives

- To evaluate the audit risk of Abengoa's companies and projects, in accordance with an objective procedure.
- To define standard types of internal control and audit work with the aim of developing the corresponding work plans, with the appropriate scope for each situation. This typology ties in with the evaluation of audit risks, determines the work plans and involves appropriate standard recommendations and reports. It must, therefore, be used explicitly in such documents.

- To guide and coordinate the process of planning the internal control and audit work of the companies and business groups; to define a procedure for notifying and communicating such work with the affected parties, and to establish a coding system for the work to ensure adequate control and monitoring thereof.
- To define the process of communicating the results of each audit work, the affected parties and the format of the documents in which the results are published.
- To review the application of the plans, the adequate performance and supervision of the work, the prompt distribution of the results and observance of the recommendations and their corresponding implementation.

E - General Shareholders’ Meeting

E.1 Indicate and, where applicable, provide details of whether there are any differences between the required quorum for the General Shareholders’ Meeting and the quorum system set forth in the Spanish Public Limited Companies Act (Ley de Sociedades Anónimas, hereinafter LSA).

No

| | % of quorum different from that established in art. 102 of the LSA for general concerns | % of quorum different from that established in art. 103 of the LSA for special concerns |
|--------------------------------|---|---|
| Quorum required on first call | 0 | 0 |
| Quorum required on second call | 0 | 0 |

E.2 Indicate and, where applicable, give details of any differences with the system contemplated in the LSA for the adoption of corporate resolutions.

No

Describe how it is different from the system contemplated in the LSA.

E.3 List any rights of shareholders in relation to the general meetings which are different to those established in the LSA.

The right to information, in accordance with applicable regulations; the right to receive, free of charge, the documents related to the General Shareholders’ Meeting; voting rights in proportion to their shareholding, without a maximum limit; the right of attendance for all shareholders with at least 1,500 shares; financial rights (to the dividend, where applicable, and to the distribution of corporate assets); the right to be represented, to delegate votes, to pool shares and to pursue any legal causes of action to which the shareholder may be entitled.

E.4 Indicate, if applicable, any measures adopted to encourage participation by shareholders at general meetings.

The documents related to the meeting are sent to shareholders free of charge and are also published on the website when the meeting is convened. Votes may be delegated or cast remotely by filling out attendance cards in due time and form.

The Bylaws do not limit the maximum number of votes of a single shareholder and do not contain restrictions that make it difficult to assume control by acquiring company shares.

Proposed resolutions to be presented at the general meeting are published when the meeting is convened and are likewise included on the company's website and on that of the CNMV.

Items on the agenda deemed substantially independent are voted on separately at the General Shareholders' Meeting, such that shareholders can exercise their voting preferences separately, particularly in cases of appointments or ratifications of directors and amendments to the Bylaws.

The company allows for the splitting of votes so that financial intermediaries authorized to act as shareholders but who act on behalf of different clients can cast their votes in accordance with the individualised instructions of each client.

E.5 Indicate whether the Chairman of the General Shareholders' Meeting coincides with the position of Chairman of the Board of Directors. Give details, where applicable, of any measures that may have been adopted in order to guarantee the independence and correct functioning of the General Meeting:

Yes

Outline of the measures

The Bylaws stipulate that the office of Chairman of the General Meeting must be held by the Chairman or Vice-Chairman of the Board of Directors, as decided by the Board itself. In accordance with this, General Shareholders' Meetings are presided over by the Chairman of the Board of Directors.

The Operational Regulations of the General Shareholders' Meeting, as approved at the General Meeting held on June 29th, 2003, contain procedures regulating the convening, functioning, exercise of rights and adoption of resolutions at the Meeting, thereby establishing an accurate and binding framework for the staging of such meetings.

The General Shareholders' Meeting is generally attended by a notary public, who verifies fulfilment of the requirements necessary for its valid constitution and the adoption of resolutions, and who issues the corresponding minutes.

It is the responsibility of the Secretary to the Board (who, in accordance with the Bylaws and the General Shareholders' Meeting Regulations, acts as the secretary at the general meeting) to ensure compliance with legal requirements and those stipulated in the Bylaws concerning the convening and staging of the meeting and the adoption of resolutions at the meeting.

E.6 Indicate, if applicable, any changes made during the financial year to the regulations of the General Shareholders' Meeting.

E.7 Give details of attendance at general meetings held during the financial year to which this report refers:

| Attendance Details | | | | | |
|-------------------------|------------------------|------------|-----------------|--------|--------|
| Date of General Meeting | % attendance in person | % as proxy | % remote voting | | Total |
| | | | Electronic vote | Others | |
| 06/04/2008 | 60.240 | 8.994 | 0 | 0.000 | 69.234 |

E.8 Briefly indicate the resolutions adopted at the General Shareholders' Meetings held in the financial year to which this report refers and the percentage of votes with which each resolution was adopted.

Abengoa's Extraordinary General Shareholders' Meeting of April 6th, 2008 was attended by the holders of a total of 62,638,115 shares, representing 69.23% of total share capital and corresponding to 329 shareholders (69 present and 260 represented) out of a total of 10,720 registered shareholders.

The resolutions adopted, all with the affirmative vote of all the capital in attendance or represented, were as follows:

1. To approve the Annual Accounts (comprising the Balance Sheet, Income Statement and Annual Report) and the Directors' Report of Abengoa, S.A., all corresponding to the 2007 financial year.
2. To approve the Annual Accounts of the Consolidated Group (comprising the Consolidated Balance Sheet, Income Statement and Annual Report) and the Consolidated Directors' Report, all corresponding to the 2007 financial year.
3. To approve the management of the Board of Directors during 2007 and the remuneration of its members, and likewise of the members of the Advisory Committee during said financial year payable up to the date of extinction of said body by resolution of the General Shareholders' Meeting held on April 15th, 2007, as described in the Annual Accounts.
4. To approve the following appropriation of earnings for financial year 2007, the dividend for which was distributed on July 3rd, 2008:

Euros
 Balance as per Income Statement: 53,338,327.69
 Application:
 To Voluntary Reserves: 37,958,482.09
 To Dividend: 15,379,845.60
 Total 53,338,327.69

5. To authorize Mr. Felipe Benjumea Llorente, Mr. José B. Terceiro and the Secretary to the Board of Directors, Mr. Miguel Ángel Jiménez-Velasco Mazarío, so that any of them, without distinction, may formally deposit both the Company's and the Consolidated Group's Annual Accounts and Directors' Reports at the Commercial Registry, in accordance with the terms envisaged by Law, identifying themselves by their signatures and indicating the intended purpose.

6. To extend the appointment of the entity "Pricewaterhouse Coopers Auditores, S.L." as the Financial Auditor of the company and its consolidated group for the further term of one year to cover financial year 2008, in accordance with the provisions of article 204 of the Consolidated Text of the LSA. Said auditing firm has Tax Identification Code number B-79031290, registered office in Madrid, at Paseo de la Castellana, 43, and is duly registered at the Commercial Registry of Madrid in volume 9267, book 8054 of section 3, under number 87250, and likewise with the Official Registry of Financial Auditors under number S0242.

7. To approve the Special report on the Remuneration Policy of Directors, which is submitted to the General Shareholders' Meeting for consultation purposes. The report was formulated by the Appointments and Remuneration Committee and duly approved by this Committee and the Board of Directors on February 25th, 2008.

8. To agree to ratify Ms. Alicia Velarde Valiente's appointment as board member for a four-year term as stipulated in the Bylaws. Ms. Velarde Valiente had previously been appointed via the co-optation procedure by the Board of Directors during its meeting held on February 25th, 2008 in response to the proposal put forward by the Appointments and Remunerations Committee, acting independently.

9. To ratify the delegated power of the Board of Directors, in accordance with article 153.1.b) of the Consolidated Text of the LSA, to increase share capital any number of times, up to the maximum figure of eleven million three hundred and eight thousand seven hundred and ten euros (11,308,710 euros), equivalent to fifty percent (50%) of the share capital at the time of said authorisation, by means of monetary contributions, with or without an issue premium. The resolution was previously adopted at the Ordinary General Shareholders' Meeting held on Apr 9th, 2006. The Board may increase capital at any time and for any amount it decides and without the need to previously consult the General Meeting. Furthermore, in accordance with the provisions of article 159, section 2 of the Consolidated Text of the LSA, to ratify the delegation to the Board of Directors of the power, where applicable, to decide whether or not to withdraw the pre-emptive subscription right over any capital increases it may agree to carry out in accordance with this resolution pursuant to the circumstances envisaged in section 1 of the aforementioned article regarding the company's best interests and provided, in the event of withdrawal, the nominal value of the shares to be issued plus, if appropriate, the amount of any issue premium, corresponds to their real value as determined in the report drawn up by the company's financial auditors at the request of the Board of Directors for such purpose. The Board of Directors is likewise authorized to redraft article 6 of the Bylaws governing Share Capital, once the increase has been completed, depending on the amounts actually subscribed and paid up. Furthermore, to authorize the Board of Directors so that, with regard to any shares issued in accordance with the previously adopted resolutions and at any time the Board of Directors considers appropriate, it may request the CNMV (Spanish Securities and Exchange Commission) and the Stock Exchange Governing Body, with the mediation of any trading company or agency, to accept the shares for trading on any stock exchanges subject to applicable legal requirements.

10. To ratify and extend in full and for the legal term of five years, the resolution previously adopted at the Ordinary General Shareholders' Meeting dated June 27th, 2004, authorising the Board of Directors so that, in accordance with the provisions of articles 282 et seq. of the LSA and within the term of five years established therein, it may issue debt instruments, bonds and any other securities with any denomination representing debt, which may be convertible or exchangeable for company shares or not convertible, up to the maximum amount envisaged by Law, which is equivalent to paid up share capital plus the reserves listed on the balance sheet dated December 31st, 2003 (the last duly authorised balance sheet approved at the General Meeting, which serves as the basis for this resolution) and the balance regularisation and revaluation accounts, once these have been accepted by the Ministry of Finance, for the total sum of two hundred and sixty one thousand five hundred and eighty five million euros (€261,585 M), in accordance with the terms and conditions included in the Report by the Board of Directors dated April 26th, 2004.

11. To authorize the Board of Directors to buy back the Company's own shares either directly or through subsidiary companies or companies in which stakes are held, up to the maximum legal limit and at a price ranging from three euro cents (0.03 euros) as a bare minimum to a maximum of one hundred and twenty euros and twenty cents (120.20 euros) per share. The Board of Directors may exercise this power during the term of eighteen (18) months from this date, in accordance with the provisions of the Chapter IV, Section Four of the Consolidated Text of the LSA.

For such purposes, the authorisation previously granted to the Board of Directors by virtue of the resolution adopted at the Ordinary General Shareholders' Meeting held on April 9th, 2006 is hereby expressly revoked.

E.9 Indicate whether there are any restrictions in the Bylaws establishing a minimum number of shares needed to attend the General Shareholders’ Meeting.

Yes



E.10 Indicate and explain the policies followed by the company with regard to the delegation of votes at the General Shareholders’ Meeting.

There are no specific policies, to the extent that there is no restriction on the exercise of the right to vote. The only requirement is that the delegation be to another shareholder.

E.11 Indicate whether the company is aware of the policy of institutional investors regarding their participation in the decision-making process of the company:

No

E.12 Indicate the address and means of accessing corporate governance content on the company’s website.

The company keeps its website permanently updated, in Spanish and English, at the following address: www.abengoa.com.

The website contains the resolutions adopted at the most recent General Shareholders’ Meeting, held on April 6th, 2008, along with the full text of the announcement, the agenda and the resolutions put forward for approval at the Meeting.

When future meetings are convened, the company will keep the information updated to allow shareholders to exercise their right to information and, therefore, to vote with equal status.

Finally, electronic voting rights or delegation will be permitted, subject to regulatory and technical development and in strict accordance with the need to maintain the necessary legal security.

F - Degree to which corporate governance recommendations are followed

Indicate the degree to which the company follows the recommendations of the Unified Good Governance Code. If any of them are not complied with, explain the recommendations, regulations, practices or criteria that the company applies.

1. The Bylaws of listed companies should not limit the maximum number of votes a single shareholder can cast, nor contain other restrictions that make it difficult to take control of the company by means of the acquisition of

its shares on the market.

See sections A.9, B.1.22, B.1.23, E.1 and E.2

Compliant

2. When the parent company and a subsidiary company are both listed, the following should be precisely and publicly defined:

- a) Their respective areas of activity and possible business relations between them, as well as those of the subsidiary listed company with other companies belonging to the same group;
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

See sections C.4 and C.7

Compliant

3. Even when not expressly required by applicable company law, any operations that involve structural modifications to the company should be presented for the approval of the General Shareholders' Meeting, including, in particular the following:

- a) The conversion of listed companies into holding companies by means of subsidiarization, or the incorporation into subsidiary entities of core activities carried out by the company itself up to such time, even if the latter retains full ownership of such activities;
- b) The acquisition or transfer of core operating assets, when this involves an effective modification of the corporate purpose;
- c) Operations the effect of which is equivalent to winding-up the company.

Compliant

4. Detailed proposals of resolutions to be adopted at General Shareholders' Meetings, including the information referred to in recommendation 28, should be made public at the time the notification of the General Meeting is published

Compliant

5. At the General Shareholders' Meeting, those matters deemed substantially independent should be voted on separately, such that shareholders can exercise their voting preferences separately. This rule should apply, in particular, to:

The appointment or ratification of directors, who must be voted on individually;

- a) The appointment or ratification of directors, who must be voted on individually;
- b) In the case of amendments to the Bylaws (for each article or group of articles deemed substantially independent).

See section E.8

Compliant

6. Companies should allow votes to be split so that financial intermediaries authorized to act as shareholders but who act on behalf of different clients are able to cast their votes in accordance with the instructions of the latter.

See section E.4

Compliant

7. The Board should perform its functions with unity of purpose and independence of judgement, provide equal treatment to all shareholders and be guided by the company's interests, understood as maximising the economic value of the company in a sustainable manner.

It should likewise ensure that in its relations with stakeholders the company respects applicable laws and regulations, fulfils its obligations and contracts in good faith, respects the good practices and uses of the sectors and territories in which it operates, and observes any additional principles governing social responsibility it may have voluntarily accepted.

Compliant

8. As the core of its mission, the Board should be responsible for approving the company's strategy and the precise organisation for putting it into practice. It should likewise oversee and control the Management as it fulfils the objectives set and ensure that the latter respects the company's corporate purpose and interests. For such purposes, the plenary session of the Board should reserve the power to approve:

- a) The general policies and strategies of the company, and in particular:
 - i) The strategic or business plan, as well as the annual management objectives and budget;
 - ii) The investments and financing policy;
 - iii) The definition of the structure of the business group;
 - iv) The corporate governance policy;
 - v) The corporate social responsibility policy;
 - vi) The policy on the remuneration and assessment of the performance of senior executives;
 - vii) The risk control and management policy, as well as the periodic monitoring of the internal information and control systems.
 - viii) The dividends and treasury stock policy and, in particular, limits thereto.

See sections, B.1.10, B.1.13, B.1.14 and D.3

- b) The following decisions:
 - i) Upon the proposal of the company's chief executive, the appointment and eventual cessation of senior executives, as well as their compensation clauses.

See section: B.1.14

- ii) The remuneration of Board members, plus, in the case of executive members, the additional remuneration for their executive functions and other conditions set forth in their contracts of employment.

See section: B.1.14

- iii) The financial information the company must periodically make public due to its status as a listed company.
- iv) Any kinds of investments or operations deemed strategic due to their special characteristics or the high sums of money involved, unless the approval thereof falls upon the General Shareholders' Meeting;
- vi) The creation or acquisition of equity holdings in entities with special purposes or those established in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, could negatively affect the transparency of the group.

- c) The transactions that the company carries out with directors, significant shareholders or shareholders represented on the Board, or with people related to them ("related transactions").

This Board authorisation will not, however, be necessary in those related transactions that simultaneously meet the following three conditions:

- 1^a. The transactions must be carried out under contracts whose terms and conditions are standardized and applied en masse to many clients;
- 2^a. They must be carried out at the generally applicable prices or rates of the supplier of the goods or services in question;
- 3^a. The amount thereof may not exceed 1% of the company's annual revenue.

It is recommended that the Board should approve related transactions following a favourable report from the Audit Committee or, where applicable, any other committee entrusted with that function; and that the directors they affect, in addition to not exercising or delegating their voting rights, leave the meeting room while the Board deliberates and votes on it.

It is recommended that the powers attributed here to the Board be non-delegable, save those mentioned in letters b) and c), which may be adopted for reasons of urgency by the Delegate Committee, with subsequent ratification by the plenary session of the Board.

See sections: C.1 and C.6

Compliant

The Board should be the right size to ensure efficient functioning and participation, which makes it advisable that it should not be composed of less than five nor more than fifteen members.

See section: B.1.1

Compliant

External independent directors and those representing significant shareholders should constitute the broad majority of Board members, with the number of executive directors being kept to the required minimum, taking into account the complexity of the group and the percentage of the company's share capital held by executive Board members.

See sections: A.2, A.3, B.1.3 and B.1.14

Compliant

If there is any Board member who cannot be considered either independent or representing significant shareholders, the company should explain this circumstance and his/her connections with either the company or its executives or with its shareholders.

See section: B.1.3

Compliant

12. Among external Board members, the relation between the number of independent Board members and those representing significant shareholders should mirror the existing weighting between the company capital represented by directors representing significant shareholders and the rest of the capital.

This criterion of strict proportionality may be attenuated in the following cases such that the weighting of directors representing significant shareholders is greater than that which corresponds to the total percentage of capital they represent:

1. In companies with high capitalization in which there are none, or very few, shareholding stakes which are legally considered significant, but there are shareholders with shareholding stakes of high absolute value.
2. In the case of companies in which there is a plurality of shareholders represented on the Board, and they are not related to each other.

See sections: B.1.3, A.2 and A.3

Compliant

13. The number of independent Board members should represent at least one third of the total number of Board members.

See section: B.1.3

Compliant

14. The Board should explain the nature of each director to the General Shareholders' Meeting, which must execute or ratify the appointment. The nature of the post should likewise be confirmed or, where applicable, reviewed each year in the Annual Corporate Governance Report, following prior verification by the Appointments Committee. The report should also explain the reasons why directors representing significant shareholders have been appointed at the request of shareholders whose shareholding stake amounts to less than 5% of the share capital. Reasons should also be provided for any rejections of formal requests for presence on the Board made by shareholders whose shareholding stake is equal to or greater than that of others upon whose request Board members representing significant shareholders have been appointed.

See sections: B.1.3 and B.1.4

Compliant

15. If there are no or very few female directors, the Board should explain the reasons and the initiatives adopted in order to correct this situation. In particular, and when new vacancies arise, the Appointments Committee must ensure that: The selection processes do not suffer from implicit biases which hamper the selection of female directors; The company deliberately seeks and includes among the potential candidates women who meet the required professional profile.

See sections: B.1.2, B.1.27 and B.2.3

Compliant

16. The Chairman, as the person responsible for the efficient functioning of the Board, should ensure that Board members receive sufficient information in advance, stimulate debate and the active participation of members during the sessions of the Board and uphold their right to take any stance and express any opinion they deem fit. He or she must likewise organise and coordinate the periodic evaluation of the Board with the Chairs of the relevant committees, as well as, where applicable, that of the managing director or chief executive.

See section: B.1.42

Compliant

17. When the Chairman of the Board also acts as the company's chief executive, one of the independent directors should be authorized to request that a meeting of the Board be convened or that new items be included on the agenda, the aim being to coordinate and echo the concerns of external directors, and also to head the evaluation of the Chairman by the Board.

See section B.1.21

Compliant

18. The Secretary of the Board should take special care to ensure that the actions of the Board:
Are in keeping with the letter and the spirit of applicable laws and regulations, including those approved by regulatory bodies;
Are in accordance with the company's Bylaws, and with the Regulations of the Shareholders' Meeting, those of the Board and any others the company may have;
Take into account the recommendations on good governance contained in this Unified code, which the company has accepted.
In order to safeguard the independence, impartiality and professionalism of the Secretary, his/her appointment and cessation must be recommended by the Appointments Committee and approved by plenary session of the Board. Moreover, this appointment and cessation procedure must figure in the Board Regulations.

See section B.1.34

Compliant

19. The Board should meet as often as required to perform its functions efficiently, following the schedule of dates and matters established at the start of the financial year. Each Director must be able to propose other items on the agenda not initially envisaged.

See section B.1.29

Compliant

20. Non-attendances by Board members should only occur in exceptional cases and be listed in the Annual Corporate Governance Report. If representation proves essential, it should be conferred with specific instructions.

See sections B.1.28 and B.1.30

Compliant

21. When the Board members or Secretary express concerns regarding a proposal or, in the case of the Board members, concerning the functioning of the company and these concerns are not resolved at the Board meeting, they should be recorded in the minutes upon the request of the person that raised them.

Compliant

22. Once a year, the plenary session of the Board should evaluate:

- a) The quality and efficiency of the functioning of the Board;
- b) The degree to which the Chairman of the Board and the company's Chief Executive have performed their duties, based on the report presented to the Board by the Appointments Committee;
- c) The functioning of its Committees, based on the reports submitted by the latter.

See section B.1.19

Compliant

23. All Board members should be able to exercise their right to obtain any additional information they judge necessary on any matters within the Board's sphere of competence. Unless the Bylaws or the Board Regulations establish otherwise, this request should be made to the Chairman or the Secretary of the Board.

See section B.1.42

Compliant

24. All Board members should be entitled to obtain from the company any consultancy required for the performance of their functions. The company should likewise establish adequate channels to enable members to exercise this right, which in special circumstances may include external consultancy paid for by the company.

See section B.1.41

Compliant

25. The companies should establish an orientation programme to provide new Board members with rapid and sufficient overview of the company, including its rules on corporate governance. They should also offer Board members refresher programmes when circumstances make this advisable.

Compliant

26. The companies should require Board members to dedicate the necessary time and effort to their functions as such, thereby ensuring that they are carried out effectively, and consequently:

- a) Board members should inform the Appointments Committee of their other professional obligations, in case these could interfere with the required dedication;
- b) The companies should establish rules on the number of Boards their directors can form part of.

See sections B.1.8, B.1.9 and B.1.17

Partially Compliant

Section (a) of this recommendation is complied with, in that the Appointments and Remuneration Committee is kept duly informed of the professional duties of Board members, as well as their potential needs with regard to any information they may need to exercise them. In relation to section (b), there are no limits on participation on other Boards, and this aspect is left to the responsible judgement of each director.

27. Proposals concerning appointments or reappointments of Board members that the Board submits to the General Shareholders' Meeting, including interim appointments via co-optation, should be approved by the Board:

- a) At the proposal of the Appointments Committee in the case of independent directors.
- b) Following a report from the Appointments Committee in the case of all other directors.

See section B.1.2

Compliant

28. The companies should publish the following information on their Board members through their websites and keep it updated:

- a) Professional profile and biography;
- b) Other Boards of Directors to which they belong, whether or not they are listed companies;
- c) Indication of the category of director in question, indicating, in the case of directors representing significant shareholders, the shareholder they represent or have connections with;
- d) Date of first appointment as company Board member, as well as subsequent ones, and;
- e) Company shares and share options they own.

Compliant

29. Independent directors should not remain as such for an uninterrupted period of more than 12 years.

See section B.1.2

Compliant

30. Directors representing significant shareholders should tender their resignations when the shareholders they represent sell their entire shareholding. The corresponding number of members should likewise do so when their shareholder reduces its shareholding to a level that requires the reduction in the number of its members on the Board.

See sections A.2, A.3 and B.1.2

Compliant

31. The Board of Directors should not propose the cessation of any independent director prior to expiry of the term of office for which he/she has been appointed pursuant to the Bylaws, except for just cause upheld by the Board following a report from the Appointments Committee. In particular, just cause will be understood to exist when the Board member fails to fulfil the duties attached to the post, or falls within any of the circumstances described in section III, point 5 (Definitions) of this Code.

The cessation of independent directors may also be proposed as a result of takeover bids, mergers or other similar operations that entail a change in the company's capital structure, providing the changes in the structure of the Board arise from the proportionality criterion indicated in Recommendation 12.

See sections B.1.2, B.1.5 and B.1.26

Compliant

32. The companies should establish rules obliging Board members to report and, where appropriate, resign, in cases that could harm the good image and reputation of the company and, in particular, obliging them to inform the Board of any criminal lawsuits brought against them, as well as subsequent trial proceedings.

If a Board member is brought to trial, or served with formal notice of an impending trial against him or her, for any of the offences indicated in article 124 of the Spanish Public Limited Companies Act (Ley de Sociedades Anónimas), the Board should examine the case as soon as possible and, in view of the specific circumstances, decide whether or not the director should remain in office. The Board should likewise provide a duly grounded description of the foregoing in the Annual Corporate Governance Report.

See sections B.1.43 and B.1.44

Compliant

33. All Board members should clearly express their opposition when they consider that any proposal presented to the Board may run contrary to corporate interests. In particular, independent members and other members not affected by any potential conflict of interests should do the same in the case of decisions that could prejudice the shareholders not represented on the Board.

When the Board makes significant or reiterated decisions concerning which a Board member has already raised serious reservations, he/she should draw the appropriate conclusions and, should he or she opt to resign, explain the reasons in the letter referred to in the following recommendation.

This Recommendation also applies to the Secretary to the Board, even if he or she is not a Board member.

Compliant

34. When, due to resignation or any other reason, a Board member leaves the post before the end of the mandate, they must explain their reasons in a letter to be sent to all Board members. Without prejudice to the fact that the departure must be reported as a relevant event, the reason for the departure should also be explained in the Annual Corporate Governance Report.

See section B.1.5

Compliant

35. The remuneration policy approved by the Board should address at least the following matters:

- a) The amount of the fixed remuneration items, with a breakdown, where applicable, of allowances for participation on the Board and its Committees and an estimate of the annual fixed remuneration to which they give rise;
- b) Variable forms of remuneration, including, in particular:
 - i) Categories of Board members to which they apply, as well as an explanation of the relative importance of the variable remuneration compared to fixed remuneration;
 - ii) Criteria for evaluating the results on which any right to remuneration is based, either in the form of shares, share options or any other variable item;
 - iii) Fundamental parameters and grounds for any system of annual bonuses or other benefits not paid in cash; and
 - iv) An estimate of the absolute amount of the variable remuneration which the proposed remuneration plan will give rise to, depending on the degree to which the underlying hypotheses or objectives are met.
- c) Main characteristics of the benefit systems (for example, complementary pensions, life insurance and similar concepts), with an estimate of their annual amounts or equivalent cost.
- d) Conditions that must be contained within the contracts of those exercising senior management functions as executive Board members, which will include:
 - i) Duration;
 - ii) Terms for advance notice; and

iii) Any other clauses related to bonuses, as well as compensation or golden parachute clauses in the event of early termination of the contractual relationship between the company and the executive director.

See section B.1.15

Compliant

36. Only executive Board members should receive remuneration in the form of shares in the company or Group companies, share options or other instruments pegged to the value of shares, variable remunerations pegged to the performance of the company or benefit plans.

This recommendation will not apply to shares delivered on the condition that Board members retain them until they leave office.

See sections A.3 and B.1.3

Compliant

37. The remuneration of external Board members should adequately reflect the dedication, qualification and responsibility the position requires, but should not be so high as to compromise their independence.

Compliant

38. The remuneration related to the company's results should take into account any possible qualifications in the report of the external auditor that may lower these results.

Compliant

39. In the case of variable remuneration, the remuneration policies should incorporate the necessary technical precautionary clauses to ensure that such remuneration is in keeping with the professional performance of the beneficiaries, and does not simply derive from the general evolution of the markets, the company's sector of activity or other similar circumstances.

Compliant

40. The Board should submit for voting at the General Shareholders' Meeting, as a separate item on the agenda and by way of consultation, a report on the remuneration policy for Board members. This report should likewise be made available to the shareholders, either separately or in any other way the company considers convenient. This report will focus especially on the remuneration policy approved by the Board for the current year, as well as, where appropriate, that envisaged for future years. It will deal with all the matters referred to in Recommendation 35, save those that may imply the disclosure of sensitive commercial information. It will highlight the most significant changes in these policies compared to that applied during the year immediately preceding the General Shareholders' Meeting in question. It will also include an overall summary of how the remuneration policy was applied in the previous financial year.

Likewise, the Board should report on the role played by the Remuneration Committee in preparing the remuneration policy and, if external consultancy was used, state the identity of the external consultants that provided it.

See section B.1.16

Compliant

41. The Report should detail the individual remuneration of Board members during the financial year and include:
a) An individualised breakdown of the remuneration of each member, including, where applicable:

- i) Attendance allowances or other fixed remuneration payable to Board members;
 - ii) Additional remuneration payable to the Chairman or members of any Board committees;
 - iii) Any remuneration from profit sharing schemes or premiums, and the reason why it was given;
 - iv) Contributions paid into defined-contribution pension plans in favour of the Board member, or any increase in the member's vested rights, when these relate to contributions made to defined benefit plans;
 - v) Any compensation agreed upon or paid in case of resignation or removal from office;
 - vi) Remuneration received as a Board member in other Group companies;
 - vii) Remuneration for the performance of senior management functions of executive Board members;
 - viii) Any form of remuneration different from the above, regardless of the Group company that pays it, especially when it is considered a related transaction or when omitting it would distort the true image of the total remuneration paid to the Board member.
- b) An individualised breakdown of any shares, share options or any other instrument pegged to the value of shares granted to Board members, giving details of:
- i) Number of shares or options granted in the year, and conditions for their exercise;
 - ii) Number of options exercised during the year, with indication of the number of shares affected and the exercise price;
 - iii) Number of options remaining unexercised at the end of the year, with indication of their price, date and other requirements for exercise;
 - iv) Any amendment during the year to the terms and conditions for exercising already-granted options.
- c) Information on the relationship, over the preceding financial year, between the remuneration obtained by the executive Board members and the company's results or other measurements of performance.

Compliant

42. When there is a Delegated or Executive Committee (hereinafter, "Executive Committee"), the structure of participation of the different categories of members should be similar to that of the Board itself, and the Secretary to the Board should also serve as Secretary to the committee in question.

See sections B.2.1 and B.2.6

Not Applicable

43. The Board should always be aware of the matters dealt with and the decisions taken by the Executive Committee, and all Board members should receive a copy of the minutes of the Executive Committee's sessions.

Not Applicable

44. The Board of Directors should create – in addition to the Audit Committee required by the Spanish Securities Market Act (Ley del Mercado de Valores) – a committee, or two separate committees, for Appointments and Remuneration.

The rules governing the composition and functioning of the Audit Committee and the Appointments and Remuneration Committee or Committees should figure in the Board Regulations and include the following:

- a) The Board will be responsible for appointing the members of these Committees, taking into account the knowledge, skills and experience of the members and the tasks of each Committee, and shall likewise deliberate on their proposals and reports. The Committees must report to the Board on their activities and the work performed at the first plenary Board meeting following their respective Committee meetings;
- b) These Committees must be composed exclusively of external directors, with a minimum of three. The foregoing is without prejudice to the right of executive directors or senior executives to attend when this is expressly agreed by the members of the Committee.
- c) The Chairs must be occupied by independent directors.
- d) They will be entitled to seek external consultancy when they consider it necessary for the performance of their functions.
- e) Minutes of their meetings must be drawn up and a copy given to each Board member.

See sections B.2.1 and B.2.3

Compliant

45. The task of overseeing compliance with the internal codes of conduct and with the rules on corporate governance should rest with the Audit Committee, the Appointments Committee, or to the Compliance or Corporate Governance Committee should the latter exist as a separate committee.

Compliant

46. Members of the Audit Committee, and in particular its chairman, should be appointed taking into account their knowledge and experience in relation to accountancy, auditing and risk management.

Compliant

47. Listed companies should have an internal audit function which, under the supervision of the Audit Committee, ensures the correct functioning of the internal control and information systems.

Compliant

48. The head of the internal audit department should present its annual work plan to the Audit Committee, inform of any incidents that may have occurred in its development, and present an activities report at the end of each financial year.

Compliant

49. The risk management and control policy should identify at least:
- a) The different types of risk (operating, technological, financial, legal, image-related, etc.) facing the company, including, among financial or economic risks, contingent liabilities and other risks off the balance sheet;
 - b) The level of risk that the company considers acceptable;
 - c) The measures envisaged to mitigate the impact of the risks identified, if they materialise;
 - d) The internal control and information systems that will be used to control and manage the aforementioned risks, including contingent liabilities or risks off the balance sheet.

See section D

Compliant

50. The Audit Committee should be entrusted with the following:

1º In relation to the internal control and information systems:

a) Supervising the preparation process and the integrity of the financial information on the company and -where applicable- the group, verifying compliance with the regulatory requirements, the adequate delimitation of the scope of consolidation and the correct application of the accountancy criteria. b) Periodically revising the internal control and risk management systems, so that the main risks are adequately identified, managed and made known.

c) Ensuring the independence and efficacy of the internal audit function; proposing the selection, appointment, reappointment and cessation of the head of the internal audit service; proposing the budget of this service; receiving periodic information on its activities; and checking that senior management takes the conclusions and recommendations of its reports into account.

d) Establishing and overseeing a mechanism that enables employees to communicate – confidentially and, if considered appropriate, anonymously – any potential irregularities, especially financial ones, they may observe within the company.

2º In relation to the external auditor:

a) Referring to the Board any proposals for the selection, appointment, reappointment or replacement of the external auditor, as well as the terms and conditions of its contract.

b) Regularly receiving from the external auditor information on the audit plan and the results of its implementation, and verifying that senior management takes its recommendations into account.

c) Ensuring the independence of the external auditor and, to this end:

i) Ensuring that the company communicates the change of auditor to the Spanish Securities and Exchange

i) Commission (CNMV) as a relevant event, attaching a statement on any disagreements with the outgoing auditor, if any, and details thereof.

ii) Ensuring that the company and the auditor respect the applicable rules and regulations regarding the provision of services other than those of auditing, the limits on the concentration of the auditor's business and, in general, any other regulations in place to ensure the independence of auditors.

iii) In the event the external auditor is rejected, it must examine the underlying grounds for the decision.

d) In the case of groups, attempting to ensure that the group auditor is likewise entrusted with the task of auditing the component group companies.

See sections B.1.35, B.2.2, B.2.3 and D.3

Compliant

51. The Audit Committee should be able to summon any company employee or executive, and even have them attend without the presence of any other executive.

Compliant

52. The Audit Committee should inform the Board, prior to the adoption by the latter of the corresponding decisions, of the following matters indicated in Recommendation 8:

a) The financial information that the company must periodically publish due to its status as a listed company. The Committee must ensure that the interim accounts are prepared with the same accountancy criteria as the annual accounts and, to such end, decide upon the desirability of a limited audit by the external auditor.

b) The creation or acquisition of equity holdings in entities with special purposes or those established in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, could negatively affect the transparency of the group.

c) Related transactions, unless this prior reporting function has been attributed to another supervisory and control committee.

See sections B.2.2 and B.2.3

Compliant

53. The Board of Directors should seek to present the accounts to the General Shareholders' Meeting without reservations or provisos in the audit report. In exceptional cases when these do exist, both the Chairman of the Audit Committee and the auditors must clearly explain to shareholders the content and scope of such reservations or provisos.

See section B.1.38

Compliant

54. The majority of the members of the Appointments Committee – or the Appointments and Remuneration Committee if both functions are combined – should be independent directors.

See section B.2.1

Compliant

55. In addition to the functions indicated in the above Recommendations, the following duties should also correspond to the Appointments Committee:

- a) Evaluating the skills, knowledge and experience necessary on the Board, and consequently defining the required functions and aptitudes of candidates to fill each vacancy, and evaluating the time and dedication necessary to perform their work properly.
- b) Examining or organizing, in the manner it considers appropriate, the succession of the Chairman and the chief executive and, where appropriate, making proposals to the Board, so that this succession takes place in an orderly, well-planned manner.
- c) Giving its opinion on the appointments and cessations of senior executives that the chief executive proposes to the Board.
- d) Informing the Board about the matters of gender diversity indicated in Recommendation 14 of this Code.

See section B.2.3

Compliant

56. The Appointments Committee should consult the company's Chairman and chief executive, especially on matters related to executive directors.

Any director should be able to request the Appointments Committee to consider any potential candidates that may be considered ideal for the purpose of filling vacant positions as Board member.

Compliant

57. In addition to the functions outlined in the above Recommendations, the following should also correspond to the Remunerations Committee:

- a) Proposing the following to the Board of Directors:
 The policy of remuneration of directors and senior executives.
 The individual remuneration of executive directors and other conditions of their contracts.
 The basic conditions of senior executives' contracts.
- b) Ensuring observance of the remunerations policy established by the company.

See sections B.1.14 and B.2.3

Compliant

58. The Remunerations Committee should consult the company's Chairman and chief executive, especially on matters related to executive directors and senior executives.

Compliant

G - Other Information of interest

If you think that there is any relevant principle or aspect in relation to the corporate governance practices applied by your company which has not been dealt with in this report, mention it and give an explanation below.

A table detailing the individual remuneration of directors is attached hereto as complementary information to section B.1.11 and following.

Remuneration of Directors – 2008 (in thousand euros)

| Concept | Allowances for Attendance and other Remunerations as Director |
|------------------------------------|---|
| Felipe Benjumea Llorente: | 93 |
| Javier Benjumea Llorente: | 78 |
| Miguel A. Jiménez-Velasco Mazario: | 0 |
| José Luis Aya Abaurre: | 110 |
| José Joaquín Abaurre Llorente: | 110 |
| José B. Terceiro Lomba: | 0 |
| Aplidig, S.L. (1): | 200 |
| Carlos Sebastián Gascón: | 166 |
| Daniel Villalba Vilá: | 166 |
| Mercedes Gracia Díez: | 110 |
| Miguel Martín Fernández: | 99 |
| Alicia Valiente Velarde: | 92 |
| Maria Teresa Benjumea Llorente: | 78 |
| Ignacio Solís Guardiola: | 78 |
| Fernando Solís Martínez-Campos: | 78 |
| Carlos Sundhein Losada: | 78 |
| Total: | 1,536 |

Concept Remuneration for membership of Board Committees

| | |
|------------------------------------|------------|
| Felipe Benjumea Lorente: | 0 |
| Javier Benjumea Lorente: | 0 |
| Miguel A. Jiménez-Velasco Mazario: | 0 |
| José Luis Aya Abaurre: | 55 |
| José Joaquín Abaurre Lorente: | 55 |
| José B. Terceiro Lomba: | 0 |
| Aplidig, S.L. (1): | 0 |
| Carlos Sebastián Gascón: | 83 |
| Daniel Villalba Vilá: | 138 |
| Mercedes Gracia Díez: | 55 |
| Miguel Martín Fernández: | 55 |
| Alicia Valiente Velarde: | 33 |
| Maria Teresa Benjumea Lorente: | 0 |
| Ignacio Solís Guardiola: | 0 |
| Fernando Solís Martínez-Campos: | 0 |
| Carlos Sundhein Losada: | 0 |
| Total: | 474 |

Concept Remuneration as a Director in other Group Companies

| | |
|------------------------------------|-----------|
| Felipe Benjumea Lorente: | 0 |
| Javier Benjumea Lorente: | 0 |
| Miguel A. Jiménez-Velasco Mazario: | 0 |
| José Luis Aya Abaurre: | 0 |
| José Joaquín Abaurre Lorente: | 0 |
| José B. Terceiro Lomba: | 21 |
| Aplidig, S.L. (1): | 0 |
| Carlos Sebastián Gascón: | 26 |
| Daniel Villalba Vilá: | 26 |
| Mercedes Gracia Díez: | 0 |
| Miguel Martín Fernández: | 0 |
| Alicia Valiente Velarde: | 0 |
| Maria Teresa Benjumea Lorente: | 24 |
| Ignacio Solís Guardiola: | 0 |
| Fernando Solís Martínez-Campos: | 0 |
| Carlos Sundhein Losada: | 0 |
| Total: | 97 |

Concept Remuneration for Senior Management functions – Executive Directors

| | |
|------------------------------------|--------------|
| Felipe Benjumea Lorente: | 3,407 |
| Javier Benjumea Lorente: | 672 |
| Miguel A. Jiménez-Velasco Mazario: | 204 |
| José Luis Aya Abaurre: | 0 |
| José Joaquín Abaurre Lorente: | 0 |
| José B. Terceiro Lomba: | 0 |
| Aplidig, S.L. (1): | 2,756 |
| Carlos Sebastián Gascón: | 0 |
| Daniel Villalba Vilá: | 0 |
| Mercedes Gracia Díez: | 0 |
| Miguel Martín Fernández: | 0 |
| Alicia Valiente Velarde: | 0 |
| Maria Teresa Benjumea Lorente: | 0 |
| Ignacio Solís Guardiola: | 0 |
| Fernando Solís Martínez-Campos: | 0 |
| Carlos Sundhein Losada: | 0 |
| Total: | 7,039 |

| Concept | Total |
|------------------------------------|--------------|
| Felipe Benjumea Lorente: | 3,500 |
| Javier Benjumea Lorente: | 750 |
| Miguel A. Jiménez-Velasco Mazario: | 204 |
| José Luis Aya Abaurre: | 165 |
| José Joaquín Abaurre Lorente: | 165 |
| José B. Terceiro Lomba: | 21 |
| Aplidig, S.L. (1): | 2,956 |
| Carlos Sebastián Gascón: | 275 |
| Daniel Villalba Vilá: | 330 |
| Mercedes Gracia Díez: | 165 |
| Miguel Martín Fernández: | 154 |
| Alicia Valiente Velarde: | 125 |
| Maria Teresa Benjumea Lorente: | 102 |
| Ignacio Solís Guardiola: | 78 |
| Fernando Solís Martínez-Campos: | 78 |
| Carlos Sundhein Losada: | 78 |
| Total: | 9,146 |

The Board of Directors is currently composed of fifteen members. The Board Regulations govern the composition, functions and internal organisation of the governing body. In addition, there is an Internal Code of Conduct with regard to the Securities Market, whose scope of application covers members of the Board of Directors, senior management and all those employees who, due to their positions or responsibilities, may be affected by its content. The Operational Regulations of the General Shareholders' Meeting regulate the formal and internal aspects of shareholders' meetings. Finally, the Board of Directors is assisted by the Audit Committee and the Appointments and Remuneration Committee, which have their own Internal Regulations. All these regulations, brought together in a revised text of the Internal Corporate Governance Regulations, are available at the company website, [HYPERLINK "http://www.abengoa.com" www.abengoa.com](http://www.abengoa.com). Since its inception, the Appointments and Remuneration Committee has been analysing the structure of the company's governing bodies and has been working to adapt the structure to incorporate corporate governance recommendations, paying particular attention to the historic and special configuration of

these bodies within Abengoa. In accordance with this analysis, in February 2007 the Committee recommended the creation of the post of coordinating director, coupled with the elimination of the Advisory Committee to the Board of Directors. The first measure was in order to incorporate the most recent corporate governance recommendations, as created in Spain in 2006; the second measure was proposed because the Committee considered that the Advisory Committee had already fulfilled the function for which it was originally created and that its coexistence with the corporate bodies could lead to conflicts of powers. Both proposals were approved at a meeting of the Board of Directors in February 2007 and by the General Shareholders' Meeting of April 15th of that same year.

Finally, in October 2007, the Committee proposed to the Board that it should accept the resignation of Mr. Javier Benjumea Llorente from his position as Vice-Chairman, with the consequent revocation of his delegated powers and the appointment of a new natural person to represent Abengoa or the Focus-Abengoa Foundation in those entities or companies in which it has an appointed position.

The Committee then considered it advisable to recommence its study on the number and the condition of the Vice-Chairman of the Board of Directors within the current structure of the governing bodies.

As a result of this, the Committee thought it necessary for the Vice-Chairman of Abengoa to have the powers conferred by the Spanish Public Limited Companies Act (*Ley de Sociedades Anónimas*) with regard to the organic representation of the company, on the one hand, and, on the other, as a counterweight to the functions of the Chairman within the Board of Directors. On this basis, it considered that the coordinating director – with the functions assigned to said position by the resolutions of the Board of Directors (February 2007) and the General Shareholders' Meeting (April 2007) – was the ideal figure, given the corporate governance recommendations and the structure of the company, as well as the composition and diversity of its administrators. The coordinating director has already been entrusted with the task of coordinating the concerns and motivations of the other Board members, and therefore has the power to request that a Board meeting be convened and that new items be included on the agenda. In its role as the visible head of Board members' interests, it has, more *de facto* than *de jure*, a certain representative nature within the Board, and it therefore seemed appropriate to confirm and expand this representation by making the post both institutional and organic.

For the reasons outlined above, the Committee proposed Aplicaciones Digitales, S. L. (Aplidig, represented by Mr. José B. Terceiro Lomba), the current coordinating director, as the new Vice-Chairman to the Board of Directors. In addition, and within its functions of organic representation, the current Vice-Chairman, jointly with the Chairman of the Board, was put forward as the physical representative of Abengoa in its capacity as the Chair of the Focus-Abengoa Foundation, as well as in any other foundations and institutions in which the company is or has to be represented.

In view of the above, on December 10th, 2007, the Board of Directors agreed to appoint Aplicaciones Digitales, S. L. (represented by Mr. José B. Terceiro Lomba), the current coordinating director, as the executive Vice-Chairman of the Board of Directors, with the express consent of the independent directors for the company to continue acting as coordinating director in spite of its new appointment as executive Vice-Chairman.

In addition, and within its functions of organic representation (conferred by means of a power of attorney granted by the Board of Directors on July 23rd, 2007), the Vice-Chairman, jointly with the Chairman of the Board of Directors, has been put forward as the natural person representative of Abengoa, in its capacity as the Chair of the Board of the Focus-Abengoa Foundation, as well as in any other foundations and institutions in which the company is or has to be represented.

Within this section, you may include any other information, clarification or detail related to the above sections of the report, to the extent that they are relevant and not reiterative.

Specifically, indicate whether the company is subject to non-Spanish legislation with regard to corporate governance and, if so, include the information it is obliged to provide and which is different from that required in this report.

Binding definition of independent director:

Indicate whether any of the independent directors have or have had any relation with the company, its significant shareholders or its executives which, had it been sufficiently significant or important, would have meant that the director could not be considered independent in accordance with the definition given in section 5 of the Unified Good Governance Code:

No

Date and signature:

This annual corporate governance report was approved by the Board of Directors of the company at its meeting held on

23/02/2009

Indicate whether there were any directors who voted against or abstained in relation to the approval of this report.

No