

In case technical complexities are found, independent experts are counted on, in order to make sure that there is enough capacity, at all times, to carry out an adequate investigation and to guarantee enough objectivity levels to execute the task.

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

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

No

E.3 List any rights held by shareholders in relation to the general meetings insofar as these 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, subject to no maximum limit; the right of attendance for all shareholders that hold at least 1,500 shares; financial rights (to dividends, 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 at the time 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 through the acquisition of 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 individualized instructions of each client.

Each financial year, presentations are offered to investors, analysts and to the general market, which are previously notified to the Spanish Securities and Exchange Commission and which are published on the Company's web page.

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:

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 Regulations of the General Shareholders' Meeting, as approved at the General Meeting held on June 29, 2003, contain procedures regulating the convening, functioning, exercise of rights and adoption of resolutions at general meetings, 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 fulfillment 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 Regulations of the General Shareholders' Meeting, 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.

No changes occurred.

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	Other	
05/04/2009	52.69	18.94	0	0,000	71.638
27/07/2009	58.36	11.67	0	0,000	70.04
19/10/2009	58.41	13.38	0	0,000	72.20

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.

(1) Abengoa's Ordinary General Shareholders' Meeting of April 5, 2009 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:

Resolution One – Approval of:

1.º The annual accounts (comprising the Balance Sheet, Income Statement and Annual Report) and the Management Report of Abengoa, S.A., all corresponding to the 2008 financial year.

2.º The annual accounts for the consolidated group (comprising the Consolidated Balance Sheet, Profit and Loss Account and Annual Report) and the Consolidated Management Report, all corresponding to the 2008 financial year.

3.º The management of the Board of Directors over 2008 and the remuneration of its members, as reflected in the annual accounts.

Resolution Two:

1° To approve the following appropriation of earnings for financial year 2008, the dividend for which was distributed on July 1, 2009:

	Euros
Balance as per Income Statement.	55,699,919.61
Application:	
To voluntary reserves	39,415,377.21
To dividend	16,284,542.40
Total	55,699,919.61

2° 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 may, indistinctly, deposit both the company's and the consolidated group's annual accounts and management reports at the Companies House, in accordance with the terms envisaged by law, thereby identifying themselves with their signature and indicating the intended purpose.

Resolution Three:

To approve the Special Report on the Remuneration Policy of Directors, which is submitted to the General Shareholders' Meeting for the purpose of consultation. The report was formulated by the Appointments and Remuneration Committee and duly approved by such committee and by the Board of Directors on February 23, 2009.

To report on the scope of the report concerning Article 116 bis of the Spanish Securities Market Act (Ley de Mercado de Valores), relating to certain aspects of corporate governance.

Resolution Four:

To appoint the financial auditors of the company and its business group for the term of one year, or, where applicable, for the 2009-2011 three year period, in accordance with the motion put forward by the Board of Directors upon a proposal received from the Appointment and Remuneration Committee at the meeting held on March 10, 2009.

Resolution Five:

In light of the expiry of the four-year term of office previously conferred by the General Shareholders' Meeting of 2005, and following a proposal from the Appointments and Remuneration Committee at its meeting held on February 23, 2009, to reappoint, as Board members, Mr Felipe Benjumea Llorente, Mr Javier Benjumea Llorente, Mr. José Luis Aya Abaurre, Mr. José Joaquín Abaurre Llorente and Mr. Miguel Ángel Jiménez-Velasco Mazarío, and also Mr. Daniel Villalba Vila and Mr. Carlos Sebastián Gascón, the latter two as independent directors for a four-year term of office pursuant to the Bylaws.

(2) An Extraordinary General Shareholders' Meeting of Abengoa was held on July 27, 2009 with the attendance of 63,361,828 shares, representing 70.037% of total share capital and pertaining to 239 shareholders (24 in attendance and 215 represented by proxy) of a total of 10,795 registered shareholders.

The following resolutions were adopted, all through the affirmative vote of all the capital present or represented by proxy:

One:

A) To agree to novate by amendment the applicable Bond Terms and Conditions for issued convertible bonds, in accordance with the resolution of the General Shareholders' Meeting held on June 27, 2004, and by virtue of the resolutions of the Board of Directors dated June 22 and 24, 2009, authorizing the company to convert such bonds into new-issue shares with a view to meeting its obligations should the bondholders decide to exercise their right to convert their securities. In this manner, and from the time this resolution is duly filed with the pertinent Commercial Registry, the condition stipulated in the Bond Terms and Conditions will be deemed met, enabling the Issuer to honor its obligations by furnishing new-issue common stock in the company.

The aforesaid novation by amendment of the bonds, which will enable them to be converted into new-issue shares in the company, necessarily requires the removal of the pre-emptive subscription right held by company shareholders pursuant to Article 293 of the LSA.

- B) In the event that the Extraordinary General Shareholders' Meeting does not approve the proposed novation by amendment to allow the bonds to be converted, thus enabling the company to meet exchange requests from investors by delivering new-issue shares, the issue of the bonds will nevertheless remain in full effect pursuant to the terms agreed upon at the Board meetings held on June 22 and 24, 2009.
- C) The terms and conditions of the conversion will be those established for the conversion in the resolutions adopted at the Board meetings held on June 22 and 24, 2009, as previously transcribed, and in the Terms and Conditions attached hereto.
- D) In accordance with the terms of Article 292 of the LSA, the General Meeting resolves to increase share capital by [the required amount to cover any conversions of Bonds that bondholders may request pursuant to the Terms and Conditions of the issue] / [a maximum of [•] €, corresponding to the maximum number of shares to be issued by the company, taking into account the Exchange/ Conversion Price, but subject to any possible adjustments stipulated in the Terms and Conditions]. The Board of Directors shall effect this capital increase fully or in part, as often as required in order to ensure the conversion of the Bonds, and by issuing new common shares bearing the same nominal value and associated rights as the common shares in circulation on the date or dates when the corresponding capital increase is carried out. Each time the Board of Directors executes this resolution in the manner described above, it shall amend the corresponding article of the Bylaws governing share capital.

Two

Without prejudice to the powers conferred by the General Shareholders' Meeting under the preceding resolutions, the Board of Directors is hereby conferred powers to the fullest extent required by law in order to define, conclude, execute and modify the resolutions adopted by this General Shareholders' Meeting, thereby acting accordingly before any body or public or private entity, and to comply with any requirements prescribed by law for the purpose of executing such resolutions, including powers to remedy omissions or defects in all the resolutions adopted at the General Shareholders' Meeting, execute any public or private documents as deemed necessary or advisable in order to bring the adopted resolutions in line with the verbal or written qualifications of the Registrar to the Commercial Registry or any other authorities, government officials or relevant institutions, and to act accordingly in order to ensure that the resolutions are fully implemented, particularly the need to register resolutions with the pertinent Commercial Registry, insofar as registration is required.

(3) – An Extraordinary General Shareholders' Meeting of Abengoa was held on October 19, 2009, with the attendance of 65,306,263 shares, representing 72.186% of the share capital and corresponding to 402 shareholders (31 in attendance and 371 represented by proxy) of a total of 10,982 registered shareholders.

The following resolutions were adopted, all with the affirmative vote of all the capital in attendance or represented by proxy:

One – To amend Article 18 "Obligations" of the Bylaws, which will hereinafter read as follows in order to bring it in line with existing legal requirements, eliminating the maximum limit removed by Article 111 bis of the Spanish Securities Market Act (Ley del Mercado de Valores):

"Article 18 – Issue of bonds, including convertible and/or exchangeable bonds and other tradable securities

The company may issue bonds under the terms and subject to the limits prescribed by law.

The convertible and/or exchangeable bonds that the company issues may be issued with a fixed (determined or to be determined) or variable exchange ratio.

The company may issue promissory notes, warrants, preferential shares or other tradable securities other than those provided for in the above sections.

The General Shareholders' Meeting, in the legally established terms, may delegate to the Board of Directors the power to issue simple or convertible and/or exchangeable bonds, warrants or other tradable securities provided for in the above sections, including, as the case may be, the power to exclude the pre-emptive subscription right. The Board of Directors may use said delegation of power on one or a number of occasions and for a maximum period of five (5) years.

Similarly, the General Shareholders' Meeting may authorize the Board of Directors to determine the moment at which the agreed issue may be effected and establish the remaining conditions not provided for in the resolution of the General Shareholders' Meeting.

The Company may also provide a guarantee for those bonds issued by its subsidiaries."

Two – In accordance with Article 319 of the Companies House Regulations (Reglamento del Registro Mercantil) and the general system governing bond issues, to authorize the company's Board of Directors, for the term of five (5) years, and with express entitlement to delegate such powers to any of its members, to issue, on one or more occasions, any fixed income securities or analogous debt instruments (including, but not limited to, debentures, promissory notes or warrants), as well as fixed income or other types of security (including warrants) convertible into company shares and/or exchangeable for shares in the company or other companies belonging to or outside the company's business group, all the foregoing subject to a maximum ceiling of five thousand million euros (5,000 M€). Delegation of powers, with express power to sub-delegate such powers on any of its members, to define the relevant criteria for establishing the terms and conditions of the conversion, exchange or exercise of the power to increase share capital by the amount required to meet the corresponding requests for conversion or exercise, and the power to remove the pre-emptive subscription right held by shareholders, pursuant to the terms of Article 293.3 of the Spanish Public Limited Companies Act (Ley de Sociedades Anónimas, hereinafter LSA) and other applicable law.

The aforementioned delegation of powers upon the company's Board of Directors will be effected in accordance with the following conditions:

- 1) Securities covered by the issue: The securities covered by this delegation of powers may be debentures, bonds or other fixed income securities or analogous debt instruments under any legally admissible form, including, but not limited to, debentures, promissory notes or warrants, or other analogous securities that may directly or indirectly entitle holders thereof to subscribe or acquire new-issue company shares or those already in circulation, with settlement taking the form of physical delivery or by offsetting. This delegation of powers also encompasses fixed income securities and warrants convertible into company shares and/or exchangeable for shares in the company or in other companies belonging to or outside the company's business group.
- 2) Term: The securities may be issued on one or more occasions and at any time, within the maximum term of five (5) years from the date on which this resolution is adopted.

- 3) Maximum ceiling of the delegation: The combined maximum ceiling of the issue or issues of securities agreed upon hereunder stands at five thousand million euros (5,000 €M), or the equivalent value in other currencies.

For the purpose of calculating the above-referenced limit and in the case of warrants, the calculation will include the total premiums and strike prices of the warrants for each issue that is approved under this delegation of powers. In the case of fixed income securities, the outstanding balance of those securities issued under this delegation will be calculated for the purpose of determining the limit.

Pursuant to Article 111 bis of the Spanish Securities Market Act (Ley 24/1988), the company is not subject to the limitation prescribed by Article 282.1 of the LSA, concerning the issue of bonds or other securities that recognize or create debt.

- 4) Scope of the delegation: The delegation referred to herein is granted to the fullest extent required by law for the purpose of defining the various aspects and terms governing each issue. In particular, and purely as way of example, the company's Board of Directors will be responsible for determining, for each issue: the amount thereof, provided these fall within the aforesaid overall quantitative limits; the place of issue (whether in Spain or abroad); the applicable currency and, if foreign, its equivalent value in euros; the name of the issue, whether bonds or debentures or any other legally admissible form (including subordinated instruments); the date or dates of issue; when the securities are not convertible, the possibility that they may be converted fully or in part for pre-existing shares in the company or in other companies belonging to or outside the company's business group, and whether they may be subject to compulsory conversion or exchange, or otherwise voluntarily converted or exchanged and, in this latter case, at the discretion of the holder of the securities or the company; or the existence of an option to purchase or subscribe the shares in question; the applicable interest rate, dates and procedure for coupon payments; whether the instruments are perpetual or redeemable and, in this latter case, the term for redemption and the maturity date; the redemption rate, premiums and installments, the security, including mortgage charges; the form of representation, whether certificates or book entries; the number of securities and their nominal value, which, in the case of convertible and/or exchangeable securities, may not be less than the nominal value of the shares; pre-emptive subscription right, where applicable, and the system for subscription; applicable law, whether domestic or foreign. The Board is likewise authorized to file the pertinent application, as and when necessary, so that the issued securities may be listed and traded on official, over-the-counter, organized or non-organized secondary markets, whether domestic or foreign, and pursuant to the requirements prescribed by law in each case; and, in general, any other condition governing the issue and, where applicable, the power to designate the trustee of the corresponding syndicate of holders of the securities that are issued, and to approve the basic rules regulating legal relations between the company and such syndicate, where applicable.

The delegation to the Board of Directors likewise includes the power to decide on the terms and conditions governing redemption of the securities issued under this authorization, with the Board being entitled for such purposes to employ any such terms as provided for in the LSA. Likewise, the Board of Directors is authorized to modify the terms and conditions of such securities, when it deems appropriate and insofar as any necessary official authorizations have been duly obtained and, where applicable, insofar as the assemblies of the corresponding syndicates of holders of the securities issued under this delegation have granted their consent to the change in question.

- 5) Terms and conditions of the conversion: In the case of issuances of fixed income securities convertible into shares (whether into company shares or into shares in other companies belonging to or outside the company's business group) and for the purposes of determining the terms and conditions of the conversion, the following criteria will apply:

The securities issued under this resolution may be converted into new-issue shares in the company or into shares in companies belonging to our outside the company's business group in accordance with a fixed (determined or to be determined) or variable conversion ratio, with the Board of Directors authorized to decide whether they are to be convertible, to determine whether they are voluntarily convertible or subject to compulsory conversion and, in the case of voluntary conversion, whether this will occur at the discretion of the holders thereof or the company, subject to the timeframes and term set forth in the resolution to issue the instruments, which may not exceed fifteen (15) years from the corresponding date of issue.

For the purposes of the conversion, the fixed income securities will be measured at their nominal value and the shares at the fixed exchange rate stipulated in the resolution of the Board of Directors issued in furtherance of this power, or at the exchange rate to be determined on the date or dates indicated in the resolution of the Board of Directors, which will be pegged to the listed price of company shares on the Spanish stock markets on the date/s or period/s chosen as reference points in the same resolution, either with or without discount.

The Board may also agree to issue fixed income securities convertible through a variable conversion ratio. In such case, the price of the shares for the purposes of the conversion will be the arithmetic mean of the closing prices of the company shares on the continuous market over a period to be determined by the Board of Directors. The premium or discount may be different for the conversion date of each separate issue (or, where applicable, each tranche of a given issue).

The Board of Directors may dictate that if the securities covered by the corresponding issue are convertible, the company reserves the right to opt at any time between converting them into new shares in the company, thereby defining the characteristics of the shares to be delivered at the time the conversion or exchange is effected, or even furnishing a combination of new shares and pre-existing shares in the company.

At the time of the conversion, fractions of shares to be delivered to the holders of the securities will, by default, be rounded down to the next whole number, although each holder may receive, if agreed by the Board of Directors, the cash difference resulting from the rounding down.

Under no circumstances may the value of the share be less than its nominal value when utilizing the conversion ratio to convert the securities into shares. Furthermore, and in accordance with Article 292.3 of the LSA, convertible fixed income securities may not be issued at a price below their nominal value, nor may such securities be converted into shares when the nominal value of the securities is less than that of the shares.

When approving an issue of convertible securities under the authorization hereby conferred by the General Shareholders' Meeting, the Board of Directors shall issue a report detailing, based on the criteria described above, the terms and conditions

of the conversion that are to apply specifically to the issue being approved, such report to be accompanied by the corresponding report of the financial auditors, both reports as stipulated in Article 292.2 of the LSA.

- 6) Rights of holders of convertible and/or exchangeable securities: Insofar as the issued securities can be converted into and/or exchanged for shares, the holders will enjoy all the rights conferred by applicable law.
- 7) Capital increase, removal of the pre-emptive subscription right for convertible securities: The authorization conferred upon the Board of Directors as envisaged herein likewise includes, but is not limited to, the following powers:

The power for the Board of Directors, pursuant to Article 293.3 of the LSA, to remove, fully or in part, the pre-emptive subscription right of shareholders, when such removal is required in order to secure financial resources on the international markets, to employ techniques for prospecting demand, or when corporate interests dictate. In any case, should the Board of Directors resolve to remove the pre-emptive subscription right in relation to a specific bundle of convertible securities issued under this authorization, it shall issue, at the time it approves the issue and in accordance with the provisions of Article 293.3 of the LSA, a report detailing the specific reasons of corporate interest that justify such a move, which must likewise be accompanied by the corresponding audit report as stipulated in the aforementioned article. Such reports will be made available to shareholders and disclosed at the first General Shareholders' Meeting to be held after the corresponding resolution to issue the securities.

The power to increase share capital to the extent necessary to meet the requests for conversion of convertible securities issued under this delegation of powers, pursuant to Article 153.1 b) of the LSA: Such power may only be exercised insofar as the Board of Directors does not exceed via such increases, when combined with any other capital increases it may make by virtue of other delegations conferred upon it to increase share capital, the maximum ceiling of half the share capital prescribed by Article 153.1.b) of the LSA, as counted at the time of this authorization. This authorization to increase share capital includes the power to issue and circulate, on any number of occasions, as many shares representing such capital as may be required for the purpose of effecting the conversion, as well as, pursuant to Article 153.2 of the LSA, the power to redraft the relevant article of the Bylaws governing share capital and, where applicable, to annul the part of the capital increase that eventually proves unnecessary for the purpose of the conversion into shares. In accordance with Article 159.4 of the LSA, company shareholders may not avail themselves of the pre-emptive subscription right during the capital increase effected by the Board of Directors in order to meet the requests for conversion.

The power to define and shape the terms and conditions of the conversion and/or exchange, with due regard to the criteria established in section 5 above and, in general and in the broadest possible sense, the power to determine as many such aspects and conditions of the issue as prove necessary or advisable: The Board of Directors shall, at successive General Shareholders' Meetings of the company, report to the shareholders on any use it may have made up to the date in question of its delegated powers to issue convertible and/or exchangeable fixed income securities.

- 8) Warrants: The rules set forth in sections 5 to 7 above will likewise apply, *mutatis mutandis*, should the Board decide to issue warrants, or any other analogous securities that may directly or indirectly entitle holders to subscribe new-issue shares in the company or pre-existing company shares already in circulation. The power is likewise conferred to the fullest extent required by law, and enjoys the same scope as that described in the preceding sections, with the Board being entitled to resolve as it deems fit in relation to such securities.
- 9) Official listing: The company shall file an application, where applicable, for the securities issued in furtherance of this power to be listed and traded on official or over-the-counter, organized or non-organized secondary markets, whether domestic or foreign, hereby authorizing the Board of Directors to act accordingly for the purpose of listing such securities with the competent bodies of the various domestic or foreign securities markets.
- 10) Security for issues of fixed income securities made by group companies: The company's Board of Directors is likewise authorized to guarantee, on behalf of the company and within the above-referenced limits, any new issues of securities (including convertible or exchangeable securities) that companies belonging to its group may effect over the term of this resolution.
- 11) Powers of delegation and sub-delegation and to confer powers: The Board of Directors is hereby authorized to delegate the powers conferred under this resolution in favor of any of its members and/or its Secretary, insofar as the powers in question may be delegated. It may likewise confer the pertinent powers upon any company employees it deems appropriate for the purpose of exercising such delegated powers.

Three

To authorize the Board of Directors to delegate the powers and to interpret, remedy, complement, execute and adapt the resolutions adopted at the General Shareholders' Meeting.

Without prejudice to the powers conferred by the General Shareholders' Meeting in the preceding resolutions, the Board of Directors is hereby granted the fullest powers required by law to define, complete, expand upon or modify the resolutions adopted at this General Shareholders' Meeting, with express powers to sub-delegate such powers on any of its members and/or its Secretary. The Board shall act accordingly vis-à-vis any body or public or private entity for such purpose and in order to satisfy all applicable legal requirements for execution of such resolutions, with powers to complete and remedy omissions or defects in any of the resolutions adopted by the General Shareholders' Meeting, sign as many public or private documents as deemed necessary or advisable for the purpose of ensuring that the adopted resolutions are compliant with the verbal or written qualification of the Registrar to the Commercial Registry or any other authorities, government officials or competent institutions, thereby acting as deemed necessary or advisable in order to ensure that such resolutions are successfully executed and, in particular, to ensure they are duly filed with the pertinent Commercial Registry, insofar as such filing is required.

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

Number of shares needed to attend the General Shareholders' meeting 1,500, without detriment to all the shareholders' right to delegate, represent or gather shares.

E.10 Indicate and explain the policies followed by the company with regard to the granting of proxies at General Shareholders' Meetings.

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 proxy be granted 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.

Said page contains the agreements approved at the last General Assembly Meeting held on 5th April 2009. The complete texts of the agreements approved at the Assembly as well as those of the last meeting held were also included

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 and proxies will be permitted, subject to subsequent regulatory and technical developments and in strict accordance with the need to maintain the required 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 place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

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

Compliant

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

- a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;
- b) The mechanisms in place to resolve possible conflicts of interest.

See sections: C.4 and C.7

Partially compliant

Intra-group operations that may pose a conflict of interest and the transfer price policy are all analyzed by the Audit Committee. Besides, there is a specific external report on transfer price application. However, a single document does not exist where all the different procedures applied in each case are gathered. Thus, as it has been previously explained, it shall be created and spread during 2010.

3. Even when not expressly required under company commercial law, any decisions involving a fundamental corporate change should be submitted to the general shareholders' meeting for approval or ratification. In particular:

- a) The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating core activities to subsidiaries that were previously carried out by the originating firm, even though the latter retains full control of the former;
- b) Any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;
- c) Operations that effectively add up to the company's liquidation.

Partially compliant

No decisions of the abovementioned kind have been approved by other organisms other than the shareholders' meeting. However, the company has not incorporated this regulation, on a non-mandatory basis, to its internal rules (Social Bylaws), which does not prevent from complying in practice with said Recommendation.