



01. Annual report on corporate
governance of 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 (€)	Number of shares	Number of voting rights
30-10-2017	36,088,747.70	18,836,119,300	180,443,738,506

State whether there are different classes of shares with different associated rights:

Yes

Class	Number of shares	Nominal unit	Number of voting rights	Different rights
A	1,632,400,194	0.02	100	Without different rights
B	17,203,719,106	0.0002	1	See section H "Other Information of Interest" at the end of the report

A.2 Breakdown of direct and indirect holders of significant shareholdings in the company as of the end of the financial year, excluding directors:

Personal or corporate name of the shareholder	Number of direct voting rights	Indirect voting rights		% of total voting rights
		Direct owner of shares	Number of voting rights	
Banco Santander, S.A.	473,180,497	Banco Popular Español, S.A.	6,544,959,736	3.97 %
		Banco Santander Brasil, S.A.	139,890,132	
Banco Popular Español, S.A.	6,544,959,736	-	-	3.63 %

State the most significant changes in the shareholding structure that have occurred during the financial year:

On 28 March 2017 and within the financial restructuring framework undertaken by the Company, the share capital increase that was approved at the general meeting of Shareholders held on 22 November 2016 was executed, thus increasing the Company's share capital by a total nominal amount of thirty-four million eight hundred and twenty-two thousand one hundred and fifty Euros and four hundred and two thousandths (34,822,150.402) of a Euro, by issuing and circulating one thousand five hundred seventy-seven million nine hundred forty three thousand eight hundred twenty-five (1,577,943,825) new Class A Shares and sixteen thousand three hundred sixteen million three hundred sixty-nine thousand five hundred and ten (16,316,369,510) new Class B Shares.

As a consequence of said share capital increase, the previous holders of the significant shares, Inversión Corporativa IC, S.A. and Finarpisa, S.A., saw their shares shrink by 95% from holding 50.71% of the voting rights to a mere 2.54%. In addition, as a result of said capital increase, a group of financial entities, which included the entities referred to in Section A.2 above, became part of the Company's shareholders although, on the year end date, the only entities holding significant shares are those listed in Section A.2. See Section H "Other Information of Interest".

Personal or corporate name of the shareholder	Date of the transaction	Description of the transaction
Inversión Corporativa IC, S.A.	28-03-2017	Dissolution of its shares as a consequence of capital increase
Finarpisa, S.A.	28-03-2017	Dissolution of its shares as a consequence of capital increase
Banco Santander, S.A.	28-03-2017	Acquisition of significant shares as a consequence of capital increase through capital offsetting
Banco Popular Español, S.A.	28-03-2017	Acquisition of significant shares as a consequence of capital increase through capital offsetting

A.3 Complete the following tables about members of the board of directors of the company who have voting rights over company shares:

Personal or corporate name of the director	Number of direct voting rights	Indirect voting rights		% of total voting rights
		Direct owner of shares	Number of voting rights	
Gonzalo Urquijo Fernández de Araoz	0	0	0	0
Manuel Castro Aladro	0	0	0	0
José Luis del Valle Doblado	0	0	0	0
José Wahnnon Levy	0	0	0	0
Ramón Sotomayor Jáuregui	0	0	0	0
Josep Piqué Camps	0	0	0	0
Pilar Cavero Mestre	0	0	0	0
% total de derechos de voto en poder del consejo de administración				0,000

Complete the following tables about members of the company's board of directors with rights over company shares:

Personal or corporate name of the director	Number of direct rights	Indirect rights		Number of equivalent shares	% of total voting rights
		Direct owner	Number of voting rights		
Gonzalo Urquijo Fernández de Araoz	0	0	0	0	0
Manuel Castro Aladro	0	0	0	0	0
José Luis del Valle Doblado	0	0	0	0	0
José Wahnnon Levy	0	0	0	0	0
Ramón Sotomayor Jáuregui	0	0	0	0	0
Josep Piqué Camps	0	0	0	0	0
Pilar Cavero Mestre	0	0	0	0	0

A.4 State, if applicable, any family, contractual or corporate relations between owners of significant shareholdings, insofar as these are known to the company, unless they bear little relevance or arise from ordinary trading or course of business:

Name or related corporate name	Relationship type	Brief description
Banco Santander, S.A.	Business	Banco Santander, S.A owns 100 % of the shares in Banco Popular Español, S.A.
Banco Popular Español, S.A.		

A.5 State, if applicable, the commercial, contractual, or corporate relationships between significant shareholders and the company and/or its group, unless they are immaterial or result from the ordinary course of business:

Name or related corporate name	Relationship type	Brief description
Banco Santander, S.A./Abengoa, S.A.	Contractual	The bank is the usual financier of Abengoa, S.A. and its group of companies
Banco Popular Español, S.A./Abengoa, S.A.	Contractual	The bank is the usual financier of Abengoa, S.A. and its group of companies

A.6 State whether any private (paracorporate) shareholders' agreements affecting the company pursuant to the provisions of sections 530 and 531 of the Corporate Enterprise Act (Ley de Sociedades de Capital) have been reported to the company. If so, briefly describe them and list the shareholders bound by the agreement:

No

Participants of the agreement	% of share capital affected	Brief outline of the agreement

State whether the company is aware of the existence of concerted actions among its shareholders. If so, briefly describe them:

No

Participants of concerted action	% of share capital affected	Brief description of the concerted action

Expressly state whether any of such agreements, arrangements, or concerted actions have been modified or terminated during the financial year:

On 23rd December 2016 the Company informed the National Stock Exchange Committee, through significant event with record number 246416, the termination of the agreement of the investment agreement signed with First Reserve Corporation (FRC) on 3rd October 2011, given that, on that date, FRC did not hold any class B shares of the Company or other securities that could be exchanged or converted into class B shares and, therefore, had no stake in the Company's share capital. As a result of said termination, the partnership agreements between FRC and other shareholders, to which reference has been made, which led to the investment agreement with FRC, are rendered null and void.

Equally so, as was reported to the CNMV on 5th March, on 30th March 2017, Inversión Corporativa IC, S.A., Finarpisa, S.A. and First Reserve Fund XII L.P. terminated the shareholders agreement signed on 10th October 2011, just as it had been modified on 27th August 2012, since First Reserve no longer owned any shares in Abengoa's share capital.

A.7 State whether there is any individual or legal entity that exercises or may exercise control over the company pursuant to section 5 of the Spanish Securities Market Act (Ley del Mercado de Valores). If so, please identify:

No

Name or company name

Comments

A.8 Complete the following tables on the company's treasury stock:

At year end:

Number of direct shares	Number of indirect shares (*)	% Total on share capital
5,519,106 (Class A Shares)	0	0.31%
0 (Class B Shares)	0	0%
5,519,106 (Total Shares)	0	0.31%

(*) Held through:

Name or corporate name of the direct holder of shares	Number of direct shares
Total:	

Explain any significant changes, pursuant to the provisions of Royal Decree 1362/2007, which have occurred during the financial year:

Not Applicable

Explain any significant changes

Date Informed	Total of direct shares acquired	Total of indirect shares acquired	% Total on share capital
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A.9 Describe the terms and conditions and current time-frames that shareholders confer upon the board of directors to issue, repurchase, or transfer treasury stock:

The ordinary general meeting of shareholders held on 29 March 2015 authorized the board of directors to buy back the Company's shares, of any of the classes of shares stipulated in the company bylaws, either directly or through its subsidiary or investee companies up to the maximum permitted by current laws at a rate set between one hundredth part of a euro (€0.01) as a minimum and twenty Euros (€20) as maximum, with the specific power of substitution in any of its members. Said power shall remain in force for five (5) years from this very date, subject to article 144 et seq of the Corporate Enterprises Act. The authorization expressly includes the acquisition of shares that must be delivered directly to the company's employees or company officers, or as a consequence of the option rights to which they are entitled. Thus, the authorization conferred upon the board of directors for the same purposes, by virtue of the decision taken at the Ordinary General Meeting of Shareholders held on 29 March 2015, was specifically revoked.

During the 2017 financial year there were no transactions in relation to treasury stock. At year end there were no contracts of liquidity in vigour.

A.9 bis Estimated free-float:

	%
Estimated free-float	96.03

A.10 State whether there are any restrictions on the transferability of shares and/or any restrictions on voting rights. In particular, disclose the existence of any restrictions that might hinder a takeover of the company through the acquisition of its shares on the market.

There are no bylaw restrictions on the transferability of securities or on voting rights. However, in the context of the financial restructuring of the Company, its significant shareholders made a commitment not to transfer their shareholding in the Company until the restructuring operation had been completed, a milestone achieved on 31 March 2017.

Description of restrictions

A.11 State whether the general meeting of shareholders has agreed to implement any neutralization measures to prevent public takeovers pursuant to the provisions of Law 6/2007.

No

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

A.12 State whether the company has issued securities that are not traded on a regulated market within the European Community.

No

If applicable, specify the different classes of shares, if any, and the rights and obligations attached to each class of shares.

B. General meeting

B.1 State and, if applicable, describe whether there are differences with the minimum requirements set out in the Corporate Enterprises Agreement (LSC) in connection with the quorum needed for the general meeting of shareholders.

No

	% of quorum different from that set out in article 193 of the Corporate Enterprises Act for general cases	% of quorum different from that set out in article 194 of the Corporate Enterprises Act for special cases
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Quorum required in 1st call

Quorum required in 2nd call

Description of the differences

B.2 State and, if applicable, describe any differences with regard to the system contemplated in the Corporate Enterprises Act (LSC) for the adoption of corporate resolutions:

No

Describe how they differ from the rules set out in the Corporate Enterprises Act.

	Qualified majority other than that established in article 201.2 of the Corporate Enterprises Act for the cases set out in section 194.1 of the Corporate Enterprises Act	Other instances in which a qualified majority is required
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% established by the entity for the adoption of resolutions

Describe the differences
