

C. Structure of the company's governing body

C.1 Board of directors

C.1.1 Maximum and minimum number of directors stipulated in the company by-laws:

Maximum number of directors	16
Minimum number of directors	3

C.1.2 Complete the following table identifying the members of the board:

Personal or corporate name of director	Representative	Category of the director	Seat on the board	Date of first appointment	Date of last appointment	Election procedure
Gonzalo Urquijo Fernández de Aroz		Executive	Chairman	22/11/2016	22/11/2016	Voting Rights in Meeting of Shareholders
Manuel Castro Aladro		Independent	Coordinating Director and Member	22/11/2016	22/11/2016	Voting Rights in Meeting of Shareholders
José Luis del Valle Doblado		Independent	Director	22/11/2016	22/11/2016	Voting Rights in Meeting of Shareholders
José Wahnnon Levy		Independent	Director	22/11/2016	22/11/2016	Voting Rights in Meeting of Shareholders
Ramón Sotomayor Jáuregui		Independent	Director	22/11/2016	22/11/2016	Voting Rights in Meeting of Shareholders
Josep Piqué Camps		Independent	Director	13/07/2017	13/07/2017	Co-optation
Pilar Cavero Mestre		Independent	Director	22/11/2016	22/11/2016	Voting Rights in Meeting of Shareholders

Total number of directors	7
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State the vacancies on the board of directors during the reporting period:

Personal or corporate name of the director	Category of the director at the time of removal	Leaving date
Javier Targhetta Roza	Independent	26/01/2017
Miguel Antoñanzas Alvear	Independent	19/05/2017

See Section H "Other Information of Interest".

C.1.3 Complete the following tables on the directors and their different categories:

Executive directors

Personal or corporate name of the director	Position within the company structure
Gonzalo Urquijo Fernández de Aroz	Chairman
Total number of executive directors	1
Total % of directors	14.29 %

External proprietary directors

Not applicable

Personal or corporate name of the director	Individual or company name of the significant shareholder represented by the director or that has proposed the director's appointment
0	Not applicable
Total number of proprietary directors	0
Total % of the Board	0 %

Independent external directors

Personal or corporate name of the director	Profile
Manuel Castro Aladro	He has a Business Administration and Management degree from the Universidad Pontificia de Comillas (ICADE), and an International Executive MBA from the University of Chicago. He began his career at Arthur Andersen and later, in 1992, moved to the banking sector. In 1998 he joined BBVA where he held various positions related to business development until 2009, the year he was appointed Group Chief Risk Officer, a position he held until 2015. Since 2015 he has been independently advising banks and investment funds on issues related to risk management and investments.

Personal or corporate name of the director	Profile
José Luis del Valle Doblado	He has a Mining Engineering degree from the Universidad Politécnica de Madrid and a degree in Nuclear Engineering from the Massachusetts Institute of Technology (MIT), as well as an MBA from Harvard University. He has approximately 35 years' experience at Banco Central Hispanoamericano, Santander Central Hispano, where he participated in the merger between the two banks. He has also held various positions at Iberdrola, where he was CEO of Scottish Power, and was appointed Director of Strategy and Development in 2002. In 2014 he was appointed chairman of Lar España, and is an independent director of Ocaso Seguros and Verditek plc.
José Wahnon Levy	He has a Business Administration and Management degree from the Universidad de Barcelona and a Law degree from the Universidad Complutense de Madrid as well as a Doctorate from Harvard Business School. He started his career at Pricewaterhouse Coopers, a firm of which he became a partner in 1987, responsible for the financial institutions division between 1987 and 2003 and for the audit division from 2003 until he left the firm in 2007. He was subsequently a director at several enterprises tied to the Deposit Guarantee Fund.
Ramón Sotomayor Jáuregui	He has an Industrial Engineering degree from the University of Portsmouth and an MBA from Rutgers University. He began his professional career at Ercross Spain and later joined the ThyssenKrupp Group, where he held various positions including CEO for Southern Europe, Africa and the Middle East from 2011-2015. He has also been an independent director of several companies among which are Velatia and Levantina Natural Stone.
Josep Piqué Camps	Holds Bachelor's and Doctorate degrees in Business and Finance from the University of Barcelona and a Law degree from same university. He has served as Professor Economic Theory since 1984 and has been Principal Economist of the Study Service of "la Caixa". In the public sector, he has served as Minister of Industry and Energy, Ministry Spokesperson, Minister of Foreign Affairs and Minister of Science and Technology, as well as representative and Senator at the Spanish Parliament and the Catalan Parliament. In the private sector, he has held various responsibilities in companies like Ercros (director and executive chairman between 1988 and 1996) and Vueling, where he served as chairman between 2007 and 2013. He served as vice-chairman and CEO of OHL between 2013 and 2016 and board member of the Airbus Group (EADS). He is currently vice-chairman of Alantra and BCG, among others and board member of Aena. He has served as chairman of the Círculo de Economía and is presently vice-chairman of the Círculo de Empresarios (Business Society), Chairman of the Ibero-American Business Foundation and of the Forum and the Japanese-Spanish Foundation and of "CITPax", among others.
Pilar Cavero Mestre	She holds a Law degree from the Universidad Complutense de Madrid, as well as a programme of Leadership of Services Companies from Harvard. She began her career at the Asociación de Cajas de Ahorros en España, and then in 1986 she joined the legal practice sector. In 1990 she joined Cuatrecasas where she has developed her professional career since being named partner in 1993. She is currently an honorific partner of the Practice, without executive functions, and is an independent director of Merlin Properties.

Total number of independent external directors	6
Total % of the Board	85.71 %

State whether any director classified as independent receives from the company or its group any amount or benefit for items other than director remuneration, or maintains or has maintained during the last financial year a business relationship with the company or with any company of its group, whether in the director's own name or as a significant shareholder, director, or senior officer of an entity that maintains or has maintained such relationship.

No

If applicable, include a reasoned statement of the director regarding the reasons for which it is believed that such director can carry out the duties thereof as an independent director.

Not Applicable

Personal or corporate name of the director	Description of the relationship	Reasoned statement
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Other external directors

Identify the other external directors and describe the reasons why they cannot be considered proprietary or independent directors as well as their ties, whether with the company, its management, or its shareholders:

Not Applicable

Personal or corporate name of the director	Reasons	Company, executive or shareholder with whom the connection is held
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Total number of other external directors	
Total % of the Board	

State the changes, if any, in the class of each director during the period:

Personal or corporate name of the director	Date of change	Previous category	Current category
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C.1.4 Complete the following table with information regarding the number of female directors for the last 4 financial years, as well as the status of such directors:

	Number of female directors:				% of total of directors of each category			
	Financial year 2017	Financial year 2016	Financial year 2015	Financial year 2014	Financial year 2017	Financial year 2016	Financial year 2015	Financial year 2014
Executive	0	0	0	0	0	0	0	0
Proprietary	0	0	0	1	0	0	0	14.28
Independent	1	1	2	2	14.29	14.29	33.33	40
Other External	0	0	0	0	0	0	0	0
Total:	1	1	2	3	14.29	14.29	15.38	18.75

C.1.5 Explain any measures adopted to include on the board of directors a number of women that allow for a balanced representation of men and women.

Explanation of the measures

The regulations of the Appointments and Remunerations Committee, in its Article 1, establishes as follows:

"Article 1. Composition. Designation of its members. [...] "The Appointments and Remuneration Committee shall establish procedures and ensure that when new vacancies arise:

- a) The selection process for board vacancies has no implicit bias against female candidates;
- b) The company makes a conscious effort to include female candidates that meet the professional profile sought."

It is the responsibility of the Appointments and Remunerations Committee to notify the Board about any issues of gender diversity. It is also obliged to establish a representation target for the less represented sex on the Company's Board of Directors and draft guidelines on how to achieve this target

The Appointments and Remunerations Committee is responsible for verifying compliance with the board member selection policy. It sets out that, when making a selection, this shall be based on analyzing the needs of the Company and of its group of companies, further taking into account (i) that the appointments must favour diversity of expertise, experience and gender on the Board of Directors; and (ii) that by 2020 the number of female directors must represent at least 30% of all members of the Board of Directors.

Moreover, through the Company's Equality Framework Plan, Abengoa has defined a corporate strategy in the field of equal rights between men and women All Abengoa Group of companies and work centres take and use this Plan as a reference for developing and approving their own.

In 2009, to ensure the practice of these values, Abengoa created the Equal Opportunity and Treatment Office (OITO) under the Equality Framework Plan. The mission of this office is to advocate gender equality with the whole organization, promoting, developing and managing the Equality Framework Plan and all plans associated with it.

In addition, the Equal Opportunity and Treatment Committee was created to ensure a worldwide monitoring and subsequent development of issues affecting Equal Opportunities for men and women alike in the Abengoa Group. The Equal Opportunity and Treatment Committee is headed by the Human Resources Director and is integrated, as permanent members, by the heads of Human Resources of the various Business and geographical areas, as well as by the director in charge of Corporate Social Responsibility.

C.1.6 Explain any measures approved by the appointments committee in order for selection procedures to be free of any implied bias that hinders the selection of female directors, and in order for the Company to deliberately search for women who meet the professional profile that is sought and include them among potential candidates:

Explanation of the measures

It is the responsibility of the Appointments and Remunerations committee to assess the competencies, knowledge and experience required on the Board, to define the aptitudes and capabilities required of the candidates to fill each vacancy and assess the time and dedication required for them to properly perform their duties.

The Appointments and Remunerations Committee objectively and transparently assesses the potential candidates based on the criteria of merit and capacity, promoting male and female equality and rejecting all kinds of direct or indirect discrimination based on gender.

In the context of the restructuring of Abengoa and in accordance with the terms of the Restructuring Agreement signed by the Company on 24 September 2016, the Board of Directors of Abengoa was completely modified, both in number as well as composition, at the Extraordinary General Meeting of Shareholders held on 22 November 2016. In the process of selecting new members of the Board of Directors as well as their replacements appointed in the 2017 financial year, all independent except for one, the Appointments and Remuneration Committee, which relied for that purpose on the proposal of Spencer Stuart, ensured the inclusion of women among candidates and at least one woman was among the members finally appointed.

If there are few or no female directors despite any measures adopted, describe the reasons for such result:

Explanation of the reasons

The members of the Board of Directors of Abengoa were appointed by the General Meeting of Shareholders on 22 November 2016 and, in compliance with the undertakings assumed under the restructuring agreement signed on 24 September 2016, were proposed by the Appointments and Remuneration on the basis of selection and proposal carried out by the consulting firm Spencer Stuart.

In this regard, Spencer Stuart and the Appointments and Remuneration Committee assessed the capabilities and merits of the various candidates and proposed those candidates considered most appropriate taking into account the characteristics of Abengoa and its current circumstances.

C.1.6 bis Explain the conclusions of the appointments committee regarding verification of compliance with the director selection policy. Particularly, explain how said policy is promoting the goal that the number of female directors represents at least 30 % of all members of the board of directors by 2020.

The policy for selecting directors sets out that, when making such a selection, this shall be based on analyzing the needs of the Company and of its group of companies, further taking into account (i) that the appointments must favour diversity of expertise, experience and gender on the Board of Directors; and (ii) that by 2020 the number of female directors must represent at least 30% of all members of the Board of Directors. External advisers may be brought in to assist with the selection of directors.

In accordance with the policy of selection of directors, said directors must be people that are respectable, qualified and with recognized expertise, competence, experience, qualifications, training, availability and commitment to their duties, seeking to ensure that the composition of the Board of Directors is diverse and balanced.

The Extraordinary General Meeting of Shareholders held on 22 November 2016, following a positive report from the Appointments and Remuneration Committee in the case of the executive director and at the proposal of this committee in the event of independent directors, renewed the composition of the Board of Directors by appointing the majority of the current directors of Abengoa, among which there directors with financial, industrial and legal profiles.

As described in the mandatory reports of the Board of Directors, the appointment proposals were formulated within the framework of the obligations assumed by the company under the agreement for the restructuring of the financial debt and recapitalization of the group of companies of which Abengoa is the parent company. This involves the undertaking to submit a proposal for approval by an Extraordinary General Meeting of Shareholders with regard to renewal of the composition of the company's Board of Directors, by replacing all directors with people that comply with the conditions to be considered as independent external directors of the Company, based on the candidate proposal put forward by Spencer Stuart, a firm that specializes in providing human resource consulting services, to enable the Company's Board of Directors to comprise a majority of independent external directors.

The selection of directors, made by the Spencer Stuart firm and on which the Nomination Committee bases itself for its reports and proposals, took into account (i) the company's needs at a time of financial difficulties; (ii) the required diversity of profiles, combining people with an industrial profile, required for a greater understanding of the business, as well as financial and legal persons capable of understanding the complex financial situation the Company was in; and (iii) the capability, demonstrated qualifications and experience of the different candidates, thus fulfilling the objectives set out in the policy for selection of directors and with the conditions set out therein when selecting candidates.

In line with the above, the selection of two board members who were appointed in the 2017 financial year (Messrs Antoñanzas and Piqué for the former to occupy the vacancy left by Mr. Targheta and the latter the vacancy necessarily left by Mr. Antoñanzas), was based on the criteria described above and also with the help of Spencer Stuart, the company that identified the candidates.

Based on the considerations above, the Appointments and Remunerations Committee concluded that in 2017 the board member selection policy was applied satisfactorily.

C.1.7 Explain the form of representation on the board of shareholders with significant holdings.

With the exception of the Chairman, who holds an executive position, the Company's Board of Directors is composed of independent board members such that the significant shareholders are not represented on the board by Proprietary members.

Said composition of the board derives from the obligations assumed by the Company under the Agreement for the Restructuring of the Financial Debt and the Re-financing of the group of companies headed by Abengoa. In addition, as a result thereof, a group of financial entities 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. These entities, with regards to the commitments assumed within the restructuring framework, do not hold any representation on the Board.

C.1.8 Explain, where applicable, the reasons why proprietary directors have been appointed at the proposal of shareholders whose shareholding interest is less than 3 % of share capital:

Not Applicable

Personal or corporate name of the shareholder	Justification
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State whether there has been no answer to formal petitions for presence on the board received from shareholders whose shareholding interest is equal to or greater than that of others at whose proposal proprietary directors have been appointed. If so, describe the reasons why such petitions have not been answered:

Not Applicable

Personal or corporate name of the shareholder	Explanation
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C.1.9 State whether any director has withdrawn from the position as such before the expiration of the director's term of office, whether the director has given reasons to the board and by what means, and in the event that the director gave reasons in writing, describe at least the reasons given thereby:

Name of director	Reason for withdrawal
Javier Targhetta Roza	Submitted his resignation to the Board of Directors on 26/01/2017 for personal reasons.
Miguel Antoñanzas Alvear	Submitted his resignation to the Board of Directors on 19/05/2017 for personal reasons.

C.1.10 State, where applicable, any powers delegated by any Chief Executive Officer:

Personal or corporate name of the director	Brief description
Gonzalo Urquijo Fernández de Aroz	General Powers that can be jointly exercised with other attorneys-in-fact of the Company.

C.1.11 Identify, where applicable, any members of the board who are directors or officers of companies within the listed company's group:

Not Applicable

Personal or corporate name of the director	Corporate name of group entity	Post	Does he/she holds executive responsibilities
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C.1.12 Provide details, where applicable, of company directors who also sit on the boards of other entities listed on official stock markets different from those of their group, of which the company is aware:

Personal or corporate name of the director	Corporate name of the listed company	Post
Gonzalo Urquijo Fernández de Aroz	Vocento, S.A.	Director
	Gestamp Automocion, S.A.	Director
	Atlantica Yield, plc	Director
José Luis del Valle Doblado	Lar España Real Estate SOCIMI, S.A.	Chairman
	Verditek PLC	Director
Pilar Cavero Mestre	Merlin Properties	Director
Josep Piqué Camps	Aena, S.A.	Director

C.1.13 State and, if applicable, explain whether the regulations of the board have established rules regarding the maximum number of boards on which its directors may sit:

Yes

Explanation of the rules

Article 14 of the Board Regulations sets out the limit with regards to the number of boards on which company directors may sit.

"[...] Directors are obliged by virtue of their office, in particular, to:

[...]

(n) Participate actively and with dedication in the matters covered by the Board of Directors, and follow them up, gathering the necessary information. For the foregoing purposes, in order to ensure the adequate time allocation of the directors for the correct performance of their functions and without prejudice to the terms of article 16 herein below, which shall, in any event, be applicable, the directors may not simultaneously hold more positions in listed companies than those which are set out in one of the following combinations:

- i. An executive position together with three non-executive positions.
- ii. Five non-executive positions.

The term executive position shall be understood to mean a position for which management duties are performed irrespective of the legal nature of the duties performed.

The foregoing restrictions relate only to positions on the boards of directors of other listed companies, although if a director were to participate on the board of directors of other unlisted companies and such participation were to involve a high degree of dedication, such director must immediately inform his intention and the Appointments and Remuneration Committee shall evaluate the authorization to join such board of directors.

The executive positions or non-executive positions which are held within a single corporate group or in commercial companies in which the Company holds a shareholding of at least 10% of the share capital or of the voting rights shall be considered to constitute a single position".

C.1.14 Section deleted.

C.1.15 State the overall remuneration of the board of directors:

Remuneration of the board of directors (in thousands of Euros)	1,645
Amount of remuneration for the concept of accumulated pension entitlements for current directors (in thousands of Euros)	0
Amount of remuneration for the concept of accumulated pension entitlements for former directors (in thousands of Euros)	0

C.1.16 Identify the members of the company's senior management who are not executive directors and state the total remuneration accruing to them during the financial year:

Name or company name	Post	Body	Communication Date
Joaquín Fernández de Piérola	CEO	Executive Committee	From 22/11/16
Daniel Alaminos Echarri	Secretary General and Secretary of the Board	Executive Committee	From 22/11/16
Víctor Manuel Pastor Fernández	Finance Director	Executive Committee	From 22/11/16
David Jiménez-Blanco Carrillo de Albornoz	Director of Restructuring and Strategy	Executive Committee	From 22/11/16
Álvaro Polo Guerrero	Director of Human Resources	Executive Committee	From 22/11/16
Total remuneration to senior management (in thousands of Euros)			3,240 thousands of Euros

C.1.17 State the identity of the members of the board, if any, who are also members of the board of directors of significant shareholders and/or in entities of their group:

Not Applicable

Personal or corporate name of the director	Corporate name of significant shareholder	Post
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Describe any significant relationships, other than the ones contemplated in the prior item, of the members of the board of directors linking them to significant shareholders and/or companies within their group:

Not Applicable

Name or company name of associated director	Name or company name of associated significant	Description of relationship
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C.1.18 State whether the regulations of the board have been amended during the financial year:

No

Description of amendments

C.1.19 State the procedures for the selection, appointment, re-selection, evaluation, and removal of directors. Describe the competent bodies, the procedures to be followed, and the criteria applied in each of such procedures.

The appointments and remunerations committee is the competent body for drafting, insofar as independent directors are concerned, and reporting on, in the case of all other directors, the proposal to be presented to the board of directors for appointment by co-optation or for subsequent submission before the General Meeting of Shareholders, as well as proposals for their re-election or discharge by the General Meeting of Shareholders, applying criteria of independence and professionalism set out in the board regulations and the commission regulations, and ensuring that they hold the recognized creditworthiness and suitable knowledge, prestige and professional experience to perform their duties pursuant to the provisions set out in the Director Selection Policy.

With regards to the procedures for selecting and appointing independent directors, the Appointments and Remunerations Committee is the body in charge of selecting profiles that best represent the needs of the different stakeholders among professionals from different fields and of renowned national and international prestige. The procedure for their selection is based on the principles of merit and capacity, promoting equality amongst men and women and rejecting all forms of direct or indirect discrimination based on gender.

Thus, the Appointments and Remunerations Committee performs annual inspections to verify the sustenance of the conditions met for the appointment of the director and the nature and typology assigned to such appointee, and then includes the information in the annual report on corporate governance. The appointments committee likewise strives to ensure that the selection procedures for filling vacancies refrain from implicit biases that may hinder the inclusion of females that fit the required profile among the potential candidates. Its functions also include reporting to the board of directors on appointments, re-elections, terminations and remuneration for senior management, as well as proposing to the Board the general remuneration policy and incentives for Directors and senior management, individual remuneration of Directors, the other contractual terms and conditions of each executive director and the basic contractual conditions for senior management, as well as informing the board of directors beforehand on all proposals to be submitted to the general meeting of shareholders for the appointment or dismissal of directors, even in cases of co-optation by the board of directors itself.

The assessment of the performance of the Board of Directors and their Committees are supervised and organized by the same Appointments and Remunerations Committee through reports issued to the Board at year end in question and closing the accounts and issuing the audits report, or at least a summary of it, given its significance as an assessment criterion. Based on the results of the assessment, the Appointments and Remunerations Committee proposes an action plan aimed at correcting the deficiencies detected.

C.1.20 Explain the extent to which the self-assessment of the board has given rise to significant changes in its internal organization and regarding the procedures applicable to its activities:

The yearly assessment of the Board of Directors was assigned to a consultancy not connected to the company (Egon Zehnder) given the fact the existing components of the Board had not had any shares whatsoever in this organ throughout most of 2016. They were all appointed towards the end of November (22) of the year that was supposed to be assessed such that they lacked direct knowledge of the functioning of the Board of Directors until then. The assessment done by the consultant only had two board members who had been in their posts prior to 22 November 2016 and all the board members with existing posts at the time of the consultancy. The result of the assessment identified recommendations to be implemented but which had not been tackled as yet by the incoming board of directors given the short time that had passed since the appointment of the new board members and given the preference they had until then given to

other urgent decisions. There has not been any major change as a consequence of the board's annual assessment for the 2017 financial year.

Description of amendments

Not applicable

C.1.20.bis Describe the process of self-evaluation and the areas assessed by the board of directors, as it may be assisted by an external consultant, regarding diversity in its composition and powers, the operation and composition of its committees, the performance of the chairman of the board and chief executive officer, and the performance and contribution of each director.

The assessment of the Board of Directors is centred, on the one hand, on analyzing the functioning of the board and its committees, which is why information is sought on all who were board members at the close of the 2017 financial year and those who may have at one time or the other acted as such during the year. The request for information was made by issuing them questionnaires to be filled out in relation to matters deemed of special relevance with regards to the functioning of the board; and, on the other, in evaluating the individual participation and performance of each of the board members of the Company, in light of the functions and duties that, based on the varying typologies to which they are assigned, they are attributed by law and by the internal regulations of the Company's corporate governance.

The report from the independent consultant was considered by the Appointments and Remunerations Committee and by the governing body.

C.1.20.ter List any business relationships of the consultant or any company of its group has with the company or any company of its group.

Not Applicable

C.1.21 State the circumstances under which the resignation of directors is mandatory.

In accordance with the provisions in article 13 of the board of directors' regulations, Directors are removed from office when the term for which they were appointed comes to an end, and in all other cases deemed appropriate by Law, the bylaws or the board of directors' regulations.

Directors are obliged to surrender their posts to the Board of Directors and to formalize their resignation, if the board deems it convenient, in the following cases:

- (a) If they fall within any of the grounds for incompatibility or prohibition as prescribed by the law.
- (b) If deemed severely liable by any public authority for infringing upon their obligations as directors.
- (c) If the Board itself requests so due to a director having infringed upon his/her obligations. In the case of Independent Directors, the Board cannot ask them to resign prior to elapse of the statutory period for which they were appointed, unless (i) there has been a public takeover bid, a merger or other kind of similar corporate operation that involves a change to the company's share capital, and as a consequence of this there are changes required to the structure of the Board of Directors to maintain the proportionality between proprietary and non-executive directors; or (ii) that there are just grounds in the opinion of the Board following a report from the Appointments and Remuneration Committee.
- (d) When, in the case of proprietary directors, the shareholder they represent transfers all of their shareholding or reduces it to a level that requires a reduction to the number of proprietary directors, in the latter case by the corresponding proportion.
- (e) In cases in which their actions may harm the credit and reputation of the Company.

C.1.22 Section deleted.

C.1.23 Are qualified majorities, different from the statutory majorities, required to adopt any type of decision?

No

If applicable, describe the differences.

Description of the differences**C.1.24** Explain whether there are specific requirements, other than the requirements relating to directors, to be appointed chairman of the board of directors.

Not Applicable

Description of requirements**C.1.25** State whether the chair has the casting vote:

Yes

Matters in which there is a casting vote

In the event of ties.

C.1.26 State whether the by-laws or the regulations of the board set forth any age limit for directors:

No

Age limit for chairperson Age limit for chief executive Age limit for director **C.1.27** State whether the by-laws or the regulations of the Board establish any limit on the term of office for independent directors that is different than the term provided by regulatory provisions:

No

Maximum number of terms

C.1.28 State whether there are formal rules for proxy-voting at meetings of the board of directors, the manner of doing so, and especially the maximum number of proxies that a director may hold, as well as whether any restriction has been established regarding the categories of directors to whom proxies may be granted beyond the restrictions imposed by law. If so, give brief details.

Article 10 of the Board of Directors' regulations governs the delegation of voting rights in the following way:

"Members of the Board of Directors may only delegate their representation to another member of the Board. Non-executive Directors may only be represented by other non-executive members of the Board of Directors. Representation of absent directors may be granted by means of written communication of any nature addressed to the Chairmanship, which is sufficiently competent to accredit the representation granted and the identity of the represented Director."

C.1.29 State the number of meetings that the board of directors has held during the financial year. Also indicate, where applicable, how many times the Board has met without the Chairman being present: Proxies granted with specific instructions shall be counted as attendance.

Number of meetings of the Board	20
Number of Board meetings without the Chairman attending	0

If the chair is an executive director, state the number of meetings held without the presence in person or by proxy of any executive director and chaired by the lead independent director.

Number of meetings	0
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State the number of meetings held by the different committees of the board of directors during the financial year:

Number of meetings of the executive committee	Not Applicable
Number of meetings of the audit committee	14
Number of meetings of the appointments and remuneration committee	12
Number of meetings of the appointments committee	NA
Number of meetings of the remuneration committee	NA

C.1.30 State the number of meetings that the board of directors has held during the financial year with the attendance of all of its members. Proxies granted with specific instructions shall be counted as attendance.

Number of meetings with the attendance of all directors	20
% of attendances of the total votes cast in the year	100

C.1.31 State whether the annual individual accounts and the annual consolidated accounts that are submitted to the board for approval are previously certified:

No

Identify, if applicable, the person/persons that has/have certified the annual individual and consolidated accounts of the company for preparation by the board:

Name	Post
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C.1.32 Explain the mechanisms, if any, adopted by the board of directors to avoid any qualifications in the audit report on the annual individual and consolidated accounts prepared by the board of directors and submitted to the shareholders at the general shareholders' meeting.

The risk control system, the internal auditing services and the Audits Committee, to which the former reports, are set up as frequent and regular monitoring and supervision mechanisms that prevent and, if appropriate, resolve potential situations which, if not addressed, could lead to incorrect accounting treatment. Thus, the audit committee receives regular information from the external auditor on the Audit Plan and on the results of its execution, and ensures that senior management acts on its recommendations.

The Board Regulations and the internal regulations of the Audit Committee expressly set out in article 27(b) and 3.2, respectively, that the said Committee shall carry out in all cases the duty to "ensure that the Board of Directors presents the annual accounts to the General Meeting of Shareholders without limitations or qualifications in the external audit report, and the chairman of the Audit Committee, together with the external auditor, must clearly explain to the shareholders the nature and scope of said limitations or qualifications, if applicable".

C.1.33 Is the secretary of the board a director?

No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
Daniel Alaminos Echarri	N/A

C.1.34 Section deleted.**C.1.35 State the mechanisms, if any, used by the company to preserve the independence of auditors, financial analysts, investment banks, and rating agencies.**

Article 27 of the Board of Directors' regulations establishes that the role of the Audit Committee is to ensure the independence of the external auditor, which includes, among other matters, ensuring that the Company and the auditor respect the regulations in force with regard to the provision of services other than those concerning auditing, the limits on the focus of the auditor's services, and in general, other regulations in place to ensure independence of auditors

In any case, every year the Audit Committee should receive from external auditors the declaration of their independence from the Company or companies with a direct or indirect connection thereto, as well as information on additional services of any kind provided and the corresponding fees received from these companies by the external auditor or by the individuals or companies with a connection thereto in accordance with the provisions set out in legislation on financial auditing.

The Committee should also issue every year, prior to the issuance of the financial auditing report, a report stating the judgement on the independence of the external auditor.

In addition, the internal regulations of the audit committee sets out in article 3.16 c.(iv) order the Audit Committee "that it strives to ensure that the remuneration of the external auditor for its work does not compromise either its quality or independence."

Insofar as financial analysts and investment banks are concerned, the company has an internal application procedure in place with three tenders for the procurement thereof; in turn the company draws up a mandate letter where the exact terms and conditions of the procured work are outlined.

Regarding the rating agencies, at the 2017 year end the Company had not been rated by any agency.

C.1.36 State whether the Company has changed the external auditor during the financial year. If so, identify the incoming audit firm and the outgoing auditor:

If the change occurred during the 2017 financial year but in light of the accounts auditor for the 2018 financial year.

Outgoing auditor	Incoming auditor
Deloitte	PWC

If there has been any disagreement with the outgoing auditor, provide an explanation thereof:

Not Applicable

Explanation of the disagreements**C.1.37 State whether the audit firm performs other non-audit work for the company and/or its group. If so, state the amount of the fees paid for such work and the percentage they represent of the aggregate fees charged to the company and/or its group:**

Yes

	Company	Group	Total
Fees for non-audit work (in thousands of Euros)	0	91	91
Fees for non-audit work/Total amount invoiced by the audit firm (in %)	0	7.3	3.8

C.1.38 State whether the audit report on the annual accounts for the prior financial year has observations or qualifications. If so, state the reasons given by the chair of the audit committee to explain the content and scope of such observations or qualifications.

No

Explanation of the reasons

Not applicable

C.1.39 State the consecutive number of years for which the current audit firm has been auditing the annual accounts of the company and/or its group. In addition, state the percentage represented by such number of financial years audited by the current audit firm with respect to the total number of financial years in which the annual accounts have been audited:

	Company	Group
Number of consecutive financial years	6	6
Number of years audited by the current audit firm / Number of years in which the company has been audited (%)	22	22

C.1.40 State whether there is any procedure for directors to hire external advisory services, and if so, describe it:

Yes

Describe the procedure

The Secretary of the Board of Directors performs the duties legally attributed. Currently, the position of secretary and legal adviser are one and the same, and this person is responsible for the valid call to meeting and the adoption of resolutions by the board of directors. In particular, the secretary of the board advises board members on the legality of the deliberations and resolutions proposed and on compliance with the internal rules of corporate governance, which makes this person the guarantor of the principle of formal and material legality, which governs the actions of the board.

As the specialized body tasked with guaranteeing the formal and material legality of the board's actions, the Secretary of the Board has the full support of the Board in order to perform his/her duties with complete independence of criterion and stability, and is also charged with safeguarding the internal regulations of corporate governance. Acting in their position or on behalf of the directors, he or she channels the external advice necessary for the proper formation of the Board.

The Board of Directors has access to external, legal or technical consultants, depending on its needs, which may or may not be arbitrated through the Secretary of the Board. The second paragraph of Article 19 of the Regulations of the Board of Directors sets out that:

"Through the Chairperson of the Board of Directors, Board Members shall be empowered to submit a proposal by majority to the Board of Directors to engage the services of a legal, accounting, technical, financial, commercial or any other kind of consultants deemed necessary in the interests of the Company to provide assistance in the exercise of their duties in dealing with specific problems of certain magnitude and complexity linked with the exercise of such duties".

C.1.41 State whether there is any procedure for directors to obtain sufficiently in advance the information required to prepare for meetings of management-level decision-making bodies and, if so, describe it:

Yes

Describe the procedure

Availability of the information before each Board meeting via an online platform that can be accessed by all of the directors. In addition, via this platform directors have access at all times to consult the internal regulations and basic legislation applicable to the role and responsibility of the Director, which offers them sufficient knowledge of the Company and its internal rules, as well as the matters to be submitted for consideration.

C.1.42 State whether the company has established any rules requiring directors to inform the company—and, if applicable, resign from their position—in cases in which the prestige and reputation of the company may be damaged, and if so provide a detailed description:

Yes

Explain the rules

Article 13 of the regulations of the Board of Directors sets forth that "[...]Directors are obliged to surrender their posts to the Board of Directors and to formalize their resignation, if the board deems it convenient, in the following cases: (a) If they fall within any of the grounds for incompatibility or prohibition as prescribed by the law; (b) If deemed severely liable by any public authority for infringing upon their obligations as Directors; (c) If the Board itself requires it as due to infringement on obligations as Board Member. [...] (e) In cases in which their actions may harm the credit and reputation of the Company. For the foregoing purposes, the Directors must inform the Board of Directors of any criminal actions for which they are being investigated as well as of any other legal proceedings in relation thereto. If the Director was to be finally accused of or if a court hearing was set down in relation thereto for any offence set out under commercial legislation, the Board of Directors shall examine the specific case and shall determine whether or not it is appropriate to request the director in question to resign from office".

Section (q) of Article 14 of the same Regulation also establishes the obligation of the directors "to inform the company of all legal and administrative claims and of any other claims that, given their magnitude, may severely affect the reputation of the company. Accordingly, the directors must notify the Board of Directors of any criminal proceedings for which they are being investigated as well as any other legal proceedings in relation thereto"

C.1.43 State whether any member of the board of directors has informed the company that such member has become subject to an order for further criminal prosecution upon indictment or that an order for the commencement of an oral trial has been issued against such member for the commission of any of the crimes contemplated in section 213 of the Companies Act:

No

Name of director	Criminal Case	Comments
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State whether the board of directors has analyzed the case. If so, provide a duly substantiated explanation of the decision adopted regarding whether or not the director should remain in office or, if applicable, describe the actions taken by the board of directors through the date of this report or that it plans to take.

Not Applicable

Decision taken / action taken	Reasoned explanation
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C.1.44 Describe the significant agreements entered into by the company that go into effect, are amended, or terminate in the event of a change in control at the company as a result of a takeover bid, and effects thereof.

The Company has not implemented any significant agreements that enter into force, whether specifically amended or expired as a result of a change of control in the Company deriving from a takeover bid.

While it is true that the company has signed agreements in which change of control clauses are set out, these clauses are not necessarily triggered as a result of a takeover bid. Control is understood as the ability or power (whether it be by share ownership, power of attorney, contract, agency or any other way) to (i) vote for or control the vote of more than 50% of voting rights that may be exercised in the Company's general meeting; (ii) appoint or dismiss more than 50% or all members of the Company's governing body; or (iii) establish guidelines on the

Company's operating and financial policies that must be complied with by administrators or equivalent staff; or ownership of more than 50% of capital in the form of common shares or any other type that, where applicable, hold voting rights. Said agreements may conclude upon the request of creditors in the event of a change of control or takeover.

The financial contracts signed under the restructuring framework also include change of control or takeover clauses in the sense referred to in the paragraph above.

C.1.45 Identify on an aggregate basis and provide a detailed description of the agreements between the company and its management level and decision making positions or employees that provide for indemnities, guarantee or "golden parachute" clauses upon resignation or termination without cause, or if the contractual relationship is terminated as a result of a takeover bid or other type of transaction.

The business contract of the Executive Chairman, Gonzalo Urquijo Fernández de Araoz, entitles him to compensation equivalent to two years' fixed and annual variable salary, in the event of termination of the contract (unless said termination is a consequence of voluntary resignation, death or incapacity, or due to non-performance of his obligations) -it is not considered as such if brought about by the very Executive Chairperson in relation to a change of control of the group- and one of the annual payments is as a non-competition payment.

Elsewhere, senior management contracts for members of the Executive Committee (with the exception of Gonzalo Urquijo Fernández de Araoz, whose compensation is set out in the previous paragraph), Messrs Fernández de Piérola, Pastor, Jiménez-Blanco, Alaminos and Polo are entitled to compensation for an amount equivalent to one year's fixed salary plus variable remuneration in the event of termination, which will be two years in the case of a change of control and succession of the business. There shall be no compensation if the termination is unilateral or due to serious non-performance and culpability of obligations by the senior director. The post-contractual non-competition compensation shall be the payment of a fixed annual salary plus variables understood as included in the aforementioned compensation amount should such be the case. In the event of voluntary termination of the contract by Abengoa it will be necessary to give 6 months' notice and, if this is not fulfilled, the Company will compensate the other party by paying the amount of remuneration for the period not respected.

Number of beneficiaries	6
Type of beneficiary	Description of the agreement
Executive Chairman	
CEO	
General Secretary	See previous paragraph
Finance Director	
Director of Human Resources	
Director of Strategy	

State whether such agreements must be reported to and/or approved by the decision-making bodies of the company or its group:

	Board of directors	General shareholders' meeting
Body that authorizes the clauses	Yes	No
	Yes	No
Is the general meeting informed of the clauses?	X	

C.2 Committees of the board of directors

C.2.1 Describe all of the committees of the board of directors, the members thereof, and the proportion of executive, proprietary, independent, and other external directors therein comprised:

Executive or delegated committee

Name	Post	Current

% of executive directors	
% of proprietary directors	
% of independent directors	
% of other external directors	

Explain the duties assigned to this committee, describe the procedures and rules of organization and operation thereof, and summarize the most significant activities thereof during the year.

Not Applicable

State whether the composition of the executive committee reflects the participation of the different directors within the board based on their class:

Not Applicable

If the answer is No, explain the makeup of your Executive Committee

Audit committee

Name	Post	Current
José Wahnón Levy	Chairman	Independent
José Luis del Valle Doblado	Member	Independent
Manuel Castro Aladro	Member	Independent

% of proprietary directors	0
% of independent directors	100
% of other external directors	0

Explain the duties assigned to this committee, describe the procedures and rules of organization and operation thereof, and summarize the most significant activities thereof during the year.

Pursuant to Articles 44 bis of the bylaw and 27 of the Board of Directors' regulations, the Audit Committees shall exclusively comprise of external board members appointed by the Board of Directors, the majority of whom must be independent members. All likely members of the Committee must be appointed based on their knowledge and experience in accounting, auditing or risks management matters, and one of them, at least, considering their knowledge and experience in accounting, auditing or both areas. The Board of Directors shall appoint the Chairperson of the Committee from among the independent board members forming part of them. The duty of the Audit Committee Chairperson shall be held for a maximum period of four years, at the end of which the candidate may not be re-selected for a period of one year after said end, notwithstanding the candidate's continuity or re-selection as member of the Committee.

The function of the Audit Committee shall be governed by the Company bylaws, the Board of Directors' regulations and the internal regulations of the Committee itself.

They will meet whenever necessary to carry out their duties or once every quarter, at least. The Committee shall also meet whenever convened by the Chairman, on his own initiative or at the request of any of the members, who may also suggest that the Chairman include a certain issue in the agenda of the following meeting,

The agreements established by the Audit Commission will be adopted in a fair fashion when the majority of the members present or represented in the meeting vote in favour thereof. In the event of a tie, the Chairman shall have the casting vote.

The following duties, among others, are assigned to the Audit Committee:

1. To report on the Annual Accounts, as well as on the quarterly and half-yearly financial statements that must be issued to the regulatory or supervisory bodies of the securities markets, with express mention of the internal control systems, verification of compliance and monitoring through the internal audit and, where applicable, on the accounting criteria applied.
2. To ensure that the Board of Directors presents the accounts to the General Meeting of Shareholders without any limitations or qualifications in the external audit report, and the chairman of the Audit Committee, together with the external auditor, must clearly explain to the shareholders the nature and scope of said limitations or qualifications, if applicable.
3. To inform the Board of Directors of any change in the accounting criteria, and any risks either on or off the balance sheet.
4. To inform the Board of Directors on monitoring the budget, the undertakings to increase and reduce financial borrowing, monitoring of the financial deleveraging policy and the dividend distribution policy and any amendments to these.
5. To inform the General Meeting of Shareholders about any matters or questions that arises on issues within its power.
6. To propose the appointment of external accounts auditors to the Board of Directors for subsequent submission before the General Meeting of Shareholders.
7. To supervise the internal audit services, which shall functionally depend on the Committee Chairperson. The Commission will have full access to internal auditing and will report on the selection, dismissal, renewal and removal process of its director, on the setting of his/her salary scale, as well as the budget for this department
8. To supervise the internal control and risks management function.
9. To know the process of the Company's financial reporting and internal monitoring systems.
10. To liaise with the external auditors in order to obtain information on any matters that could jeopardize their independence and on any other matters that may be in relation to the financial auditing process.
11. To summon the Directors it deems appropriate to the meetings of the Committee to report on issues to the extent the Audit Commission deems fit.
12. To prepare an annual report on the activities of the Audit Committee and to include it in the directors' report.
13. To prepare an annual report on the transactions with related parties, which should be published on the Company's web-page before the ordinary Shareholders' Meeting is held.
14. To supervise compliance with the corporate governance regulations, the internal code of conduct regulations on stock market-related issues and the rest of the internal code of conduct and the corporate social responsibility policy

15. With respect to internal control and reporting systems:
- (a) To monitor the preparation process and the integrity of the financial reporting with regard to the Company and, where applicable, the group of which Abengoa is parent company (hereinafter, the "Group"), verifying compliance with legal requirements and the correct application of accounting criteria, and appropriately specifying the scope of consolidation.
 - (b) To periodically review the internal control and risk management systems so that the main risks, including those of a tax nature, are identified, managed and properly disclosed, as well as to discuss significant shortcomings of the internal control system identified in the audit with the financial auditor.
 - (c) To supervise and ensure the independence and effectiveness of the duties of internal audits, with full access thereto; to propose the selection, appointment, re-selection and dismissal of the head of internal audits; to propose the budget for said unit, and set the salary scale of its Director; to obtain the annual work plan together with the events that may have occurred during its execution; to approve the orientation and its work plans, ensuring that its activity is mainly focused on the Company's relevant risks, to obtain regular information on the activities, including a report at the end of each financial year, and the budget of the service; and to ensure that senior management considers the conclusions and recommendations in its reports.
 - (d) To establish and supervise a mechanism by which the staff may confidentially and, if necessary, anonymously report any irregularities, especially those of a financial or accounting nature, detected in the course of their duties, with potentially serious implications for the company.
 - (e) To summon any Company employee or manager, and even order them to appear without the presence of any other senior officer.
 - (f) The Audit Committee shall inform the Board, prior to the latter adopting the corresponding decisions, about the following matters:
 - (i) The financial information that all listed companies must periodically disclose. The Committee must ensure that interim financial statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.
 - (ii) The creation or acquisition of shares in special purpose entities or entities resident in countries or territories considered tax havens, and any other similar transactions or operations which, due to their complexity, might impair the transparency of the Group.
 - (iii) Related-party transactions
 - (g) To supervise compliance with the Internal Code of Conduct in relation to the Securities Market and the Policy on the Use of Relevant Information and the rules of corporate governance
16. With regard to the external auditor
- (a) To propose the selection, appointment, re-selection and replacement of the external auditor, including the conditions of their hiring, to the Board of Directors to submit said proposal to the General Meeting of Shareholders for approval.
 - (b) To be regularly informed by the external auditor on the progress and findings of the audit plan and to ensure that senior management follow up on its recommendations
 - (c) To make sure the external auditor remains independent and, for that purpose:
 - (i) The Company should notify the National Securities Market Commission of any change of auditor as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for these.
 - (ii) The Committee must ensure that both Company and auditor respect the current regulations on providing services other than auditing, the limits on the focus of the auditor's services and, in general, other standards and regulations set out to ensure the independence of auditors.
In any case, every year the Committee should receive from external auditors the declaration of their independence from the Company or companies with a direct or indirect connection thereto, as well as information on additional services of any kind provided and the corresponding fees received from these companies by the external auditor or by the individuals or companies with a connection thereto in accordance with the provisions set out in legislation on financial auditing.
 - (iii) If an external auditor resigns, the Commission must investigate the circumstances leading to the resignation.
 - (iv) To ensure that the remuneration of the external auditor in return for its work does not compromise either its quality or independence.
 - (d) To annually issue a report stating the judgement on the independence of the financial auditor, prior to the issuance of the financial auditing report. This report should always state the value of the additional services provided and referred to in previous section (c). (ii), individually and consolidated, different from the legal audit and with regards to the independent status or to the governing auditing regulations.
 - (e) To ensure that the Group's auditor is entrusted with conducting the audits for the individual group companies.
 - (f) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.

The main interventions of the Audit Committee were as follows:

- › Revision and analysis prior to the preparation of the individual accounts of Abengoa S.A and the consolidated accounts of its group for the 2016 financial year.
- › Revision and analysis prior to the approval of the financial information for the intermediate periods of 2017 remitted to the CNMV.
- › Monitoring of the works carried out in the framework of the restructuring process.
- › Approval of the 2017 and 2018 budget and revision of the cash-flow plans.
- › Examining of tender proposals for auditors, their appointment and remuneration, revision of the scope of work and analysis of the requirements of their independence.
- › Approval of divestitures including, in particular, the sale of 25 % of Atlantica Yield.
- › Identification and monitoring of the Company's financial risks in light of preparing the 2017 financial statement.
- › Approval of verification duties performed by the external auditor.
- › Monitoring of accounting impacts from the restructuring agreement.
- › Internal audit: approval of the work plan and supervision and assessment of the work.
- › Supervision of whistle-blowing channels.

Identify the director of the audit commission who has been appointed in light of his/her knowledge and experience in accounting, auditing or both, and state the number of years that the Chairman of this committee has been carrying out the role.

Name of director with experience	José Wahnón Levy
Number of years in chairman role	1

Appointment and remunerations committee

Name	Post	Current
Pilar Caveró Mestre	Chairwoman	Independent
Josep Piqué Camps	Member	Independent
Ramón Sotomayor Jáuregui	Member	Independent

% of proprietary directors	0
% of independent directors	100
% of other external directors	0

Explain the duties assigned to this committee, describe the procedures and rules of organization and operation thereof, and summarize the most significant activities thereof during the year.

This Committee shall comprise at least three Directors, designated by the Board of Directors, at the Committee's proposal. All members of the Committee shall be non-executive Directors, at least two of whom must be independent directors.

Pursuant to Articles 44 bis of the bylaw and 27 of the Board of Directors' regulations, the Audit Committees shall exclusively comprise of external board members appointed by the Board of Directors, the majority of whom must be independent members, ensuring consideration of the appropriate knowledge, aptitude and experience in the functions to be performed. The Board of Directors shall appoint the Chairperson of the Committee from among the independent board members forming part of them.

The function of the Appointments and Remunerations Committee shall be governed by the Company bylaws, the Board of Directors' regulations and the internal regulations of the Committee itself.

The Appointments and Remuneration Committee shall meet whenever necessary to carry out its duties, and at least once every six months. The Committee shall also meet whenever convened by the Chairman, on his own initiative or at the request of any of the members, who may also suggest that the Chairman include a certain issue in the agenda of the following meeting,

The agreements established by the Committee shall be valid when the majority of members present or represented in the meeting vote in favour thereof. In the event of a tie, the Chairman shall have the casting vote.

Its functions shall include the following:

1. To present proposals before the Board of Directors to appoint independent directors by co-optation or for submission for approval before the General Meeting of Shareholders, as well as proposals for their re-selection or discharge by the General Meeting of Shareholders.
2. To present proposals to appoint all other Directors by co-optation or for submission for approval before the General Meeting of Shareholders, as well as proposals for their re-selection or discharge by the General Meeting of Shareholders.
3. To prepare an annual report on the activities of the Appointments and Remuneration Committee, to be included in the management report.

4. To assess the competencies, knowledge and experience required on the Board, define the aptitudes and capabilities required of the candidates to fill each vacancy and assesses the time and dedication required for them to properly perform their duties.
 5. To examine and organize the succession of the Chairman of the Board of Directors and the Chief Executive of the Company and, where necessary, make proposals to the Board of Directors to ensure the planned and orderly fashion of said succession.
 6. To report on the appointment and discharge proposals of top executives that the chief executive may propose to the Board of Directors and the basic terms and conditions of their contracts.
 7. To report issues of gender diversity to the Board. To establish a representation target for the least represented sex on the Board of Directors of the Company and to draft guidelines on how to achieve this target.
 8. To propose the following to the Board of Directors:
 - (i) The remuneration policy for Directors, general directors or those with executive responsibilities reporting directly to the Board, and for executive committees or Chief Executives, for approval by the Company's General Meeting of Shareholders, as well as regularly revising said policy and guaranteeing that the individual remuneration for each of them is proportional to what is paid to the rest of the board members and the general managers of the Company.
 - (ii) The individual remuneration of board members and the other contractual conditions of each executive director.
 - (iii) The basic conditions of the contracts for senior management.
 9. Ensure the remuneration policy of Directors approved by the Company's General Meeting of shareholders is observed.
 10. Check with the Chairman or CEO of the Company, especially when these are issues associated to executive directors and senior management.
 11. Organize, oversee and report on the annual performance appraisal of the Board of Directors and its committees and propose, based on the result of the appraisal, a plan of action to correct the identified shortcomings.
 12. Analyze requests formulated by any director to take into consideration potential candidates to cover board vacancies.
 13. Monitor and ensure the independence of the external consultant who, every three years, will assist the Board in its annual performance evaluation.
 14. In those cases where this Committee obtains external advice to ensure that any conflicts of interest does not impair its independence.
 15. Verify compliance with the director selection policy and report the findings to the Board of Directors.
 16. Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration report.
 17. Verify that the annual corporate governance report (i) provides an explanation on why proprietary directors appointed at the request of shareholders whose shareholding interest is less than 3 % of the capital, and (ii) sets out the reasons why, if appropriate, formal requests were rejected for a presence on the board from shareholders whose shareholding interest is equal to or higher than those whose request the proprietary directors were designated.
- In 2017, the main interventions of the Appointments and Remunerations Committee were as follows:
- › Recommendations on the handling of possible expectation of receiving annual variable remuneration for the staff for the 2015 and 2016 financial years.
 - › Recommendations on the structure of requirements, on metrics and on quantified objectives for the annual variable remuneration for the 2017 financial year.
 - › To report favourably on the Annual Report on Board Member Remunerations for the 2016 financial year.
 - › To report favourably on the Remunerations Policies for the 2018, 2019 and 2020 financial years as well as the modification of the remunerations policy for 2017.
 - › Approval of and favourable report on the long-term Management Incentives Plan (MIP).
 - › To approve the Annual Report of the Appointments and Remunerations Committee for the 2016 financial year.
 - › Submission of the results, of the annual appraisal of the performance of the Board of Directors and its committees, to the Board of Directors for approval.
 - › Proposal for the appointment of Miguel Antoñanzas Alvear (in replacement of Javier Targhetta, who resigned for personal reasons) and Josep Piqué Camps (in replacement of Miguel Antoñanzas Alvear, who resigned for personal reasons) as new board members.
 - › Proposal on the modification of the Executive Chairman's contract, to the Board of Directors.

C.2.2 Complete the following table with information regarding the number of female directors comprising the committees of the board of directors for the last four financial years:

	Number of female directors			
	Financial year 2017 Number %	Financial year 2016 Number %	Financial year 2015 Number %	Financial year 2014 Number %
Executive committee	Not applicable	Not applicable	Not applicable	Not applicable
Audit committee	0 (0)	0 (0)	2 (50)	2 (66.66)
Appointments and remuneration committee	1 (33.33)	1 (33.33)	2 (50)	2 (66.66)
Appointments committee	Not applicable	Not applicable	Not applicable	Not applicable
Remunerations committee	Not applicable	Not applicable	Not applicable	Not applicable

C.2.3 Section deleted.

C.2.4 Section deleted.

C.2.5 State, if applicable, the existence of regulations of the board committees, where such regulations may be consulted, and the amendments made during the financial year. Also state if any annual report of the activities performed by each committee has been voluntarily prepared.

Both the audit committee and appointments and remunerations committee have their own internal operating regulations available on the Company's website.

Such regulations were not modified during the financial year.

These Committees prepare annual reports on activities. The reports on the activities undertaken in 2016 were made available to shareholders together with the call to convene the Ordinary General Meeting of Shareholders held on 30 June 2017. That of the Audit Committee was also made public, forming part of the annual report for the 2016 financial year.

C.2.6 Section deleted.

D. Related-party transactions and intragroup transactions

D.1 Explain any procedures for approving related-party and intragroup transactions.

Procedure to report the approval of related-party transactions

The procedure for approving transactions with related parties is set forth in Articles 44 and 44 bis of the bylaws, and 4 and 27 of the Board of Directors regulations.

Before the Board of Directors takes the relevant decisions, the audit committee must inform said Board of the transactions with related parties.

Upon prior receipt of the Audit Committee report, the Board of Directors is required to approve the transactions carried out between the Company or companies in its group with Directors, or with shareholders, individually or in partnership with others, involving a share legally considered as significant, including shareholders represented on the Company's Board of Directors or the Board of Directors of other companies belonging to the same group or with related parties.

The affected board members or those representing or connected to affected shareholders should abstain from the deliberation and voting process of the agreement in question. Only transactions that simultaneously meet the following three characteristics shall be exempt from this approval:

- (i) They are governed by standardized agreements that are applied on across-the board bases to a high number of clients;
- (ii) they go through at prices or rates generally set by the person supplying the goods or services; and
- (iii) their amount does not exceed 1 % of the company's annual revenue.

Only in duly justified circumstances of urgency may decisions be adopted on previous matters by the delegated bodies or individuals. In this case, they should be ratified in the first Board meeting that is held following the adoption of the decision.

The Audit Committee shall prepare an annual report on the transactions with related parties, which should be published on the Company's web-page before the Ordinary Shareholders' Meeting is held.