

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
Number of directors set up by the Meeting	

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

Personal or corporate name of the director	Representative	Category of director	Post held on the Board	Date of first appointment	Date of latest appointment	Selection procedure
Gonzalo Urquijo Fernández de Araoz	Not Applicable	Executive Director	Chairman	22/11/2016	22/11/2016	Voting Rights in Meeting of Shareholders
Manuel Castro Aladro	Not Applicable	Independent	Coordinating Director and Member	22/11/2016	22/11/2016	Voting Rights in Meeting of Shareholders
José Luis del Valle Doblado	Not Applicable	Independent	Director	22/11/2016	22/11/2016	Voting Rights in Meeting of Shareholders
José Wahnnon Levy	Not Applicable	Independent	Director	22/11/2016	22/11/2016	Voting Rights in Meeting of Shareholders
Ramón Sotomayor Jáuregui	Not Applicable	Independent	Director	22/11/2016	22/11/2016	Voting Rights in Meeting of Shareholders
Josep Piqué Camps	Not Applicable	Independent	Director	13/07/2017	25/06/2018	Co-optation and subsequent ratification and appointment in Shareholders' Meeting
Dña. Pilar Cavero Mestre	Not Applicable	Independent	Director	22/11/2016	22/11/2016	Voting Rights in Meeting of Shareholders

Total number of directors	7
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Give detail of vacancies that, due to resignation, dismissal or because of any other reason, may have arisen on the board of directors during the financial year being reported:

Not applicable

Personal or corporate name of the director	Category of the director at the time of termination	Date of latest appointment	Date of vacancy	Specialized committees on which director served	State whether the vacancy occurred before the end of the mandate
Reason for vacancy and other observations					

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

Executive director

Personal or corporate name of the director	Post held in the company	Profile
Gonzalo Urquijo Fernández de Araoz	Chairman	Degree in Economics from Yale and he started his professional career in the banking sector, first with Citigroup and then with Credit Agricole. In 1992 he joined Aristrain (now Arcelor), a company in the metalwork sector, as financial director and in 2005 he was appointed member of the executive committee and as such he took part in the takeover bid lunched by Mittal Steel in 2006. In 2010 he was appointed Chairman of ArcelorMittal España and in 2015 advisor of the Chairman of the Arcelor Group worldwide In 2016 he was appointed Executive Chairman of Abengoa, after joining the company in August 2016 as independent Advisor of the Board, without executive duties, on issues relating to the Viability Plan and the fulfilment of the conditions set forth in the restructuring agreement that the Company signed in September 2016.

Total number of executive directors	1
% over the total of directors	14.29 %

Observations

External proprietary directors

Not applicable

Personal or corporate name of director	Personal or corporate name of significant shareholder he represents or who proposed his appointment	Profile
0	Not applicable	

Total number of proprietary directors	0
Total % of the board	0 %

Observations

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 served in various posts relating to business development until 2009, the year he was appointed Risks Management Director of the Group, a post he held until 2015. From 2015 onwards he has been independently advising banks and investment funds on issues relating to risks and investment management.

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 started his professional career in the banking sector where he has accumulated more than 35 years of experience. Likewise, he has held various posts in the energy sector, where he has performed diverse relevant jobs in companies like Iberdrola or Gamesa Corporación Tecnológica. He is presently the non-Executive Chairman of Wizink Bank and Chairman of Lar España, as well as an independent board member of Ocaso Seguros.
José Wahnnon 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 Masters in PMD89 (Program for Management Development). He started his career at Pricewaterhouse Coopers, a firm of which he became a partner in 1987, responsible for the financial institutions division between 1975 and 2003 and for the auditing division from 2003 until he left in 2007. He has also served as director of various entities tied to the Deposit Guarantee Fund.
Ramón Sotomayor Jáuregui	He has an in Industrial Engineering degree from the University of Portsmouth and an MBA from Rutgers University. He started his professional career at Ercross España and subsequently joined the Thyssenkrupp Group where he served in various posts, including that of CEO for the south of Europe, Africa and the Middle East, from 2011 to 2015. He also served as independent director of various companies including Velatia and Levantina Natural Stone.
Josep Piqué Camps	<p>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 Catalanian Parliament. In the private sector, he has held various responsibilities in companies like Ercross (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 director of the Airbus Group (EADS).</p> <p>He is currently vice-chairman of Alantra and BCG, among others. 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.</p>

Personal or corporate name of the director	Profile
Pilar Caveró Mestre	She holds a Law degree from the Universidad Complutense de Madrid, as well as a programme of Leadership of Services Companies from Harvard. He started his professional career at the Asociación de Cajas de Ahorros en España and later, in 1986, he joined the sector of the Law Chambers. In 1990 he joined Cuatrecasas where he has since been developing his professional career before becoming partner in 1993. He is currently honorary member of the Chamber, without executive duties, and is independent director of Merlin Properties.
Total number of external directors	6
Total % of the board	85.71 %

Observations

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 perform 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, director or shareholder with which or with whom the tie exists	Profile
Total number of external directors			
Total % of the board			
Observations			

State the changes, if any, that may have occurred in the category of each director during the financial year:

Personal or corporate name of the director	Date of change	Previous category	Category Current
Observations			

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 directors				% over the total of directors in each category			
	Financial year 2018	Financial year 2017	Financial year 2016	Financial year 2015	Financial year 2018	Financial year 2017	Financial year 2016	Financial year 2015
Executive Director	0	0	0	0	0	0	0	0
Proprietary	0	0	0	0	0	0	0	0
Independent	1	1	1	2	14.29	14.29	14.29	33.33
Other External	0	0	0	0	0	0	0	0
Total:	1	1	1	2	14.29	14.29	14.29	15.38

C.1.5. Indicate whether the company has any diversity policy in place regarding the company's board of directors to ensure compliance with issues of, for example, age, gender, disability or professional training and experience. Small and medium companies, pursuant to the definition set forth in the Accounts Auditing Act, are bound to report, as minimum, on the policy in place regarding aspects of gender diversity.

Yes

In the affirmative, give a description of such diversity policies, their objectives, measures and how they were applied and the results thereof during the financial year. Also explain the specific measures put in place by the board of directors and the appointments and remunerations committee to ensure a balanced and diverse presence of directors. If the company does not apply a diversity policy, explain the reasons why not.

Describe the policies, objectives, measures and how they are applied, including the results obtained

The company implements a series of measures to include a number of women on the Board of Directors to ensure a balanced presence between men and women.

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

"The Appointments and Remuneration Committee shall establish procedures and ensure compliance with the following conditions when new vacancies arise:

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

Describe the policies, objectives, measures and how they are applied, including the results obtained

It is therefore 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 currently presided over by a female director.

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: that the appointments must favour diversity of expertise, experience and gender on the Board of Directors; and that by 2020 the number of female directors must represent at least 30 % of all members of the Board of Directors.

External consultants may be engaged to assist in the selection of board members.

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, regardless of gender, seeking to ensure that the composition of the Board of Directors is diverse and balanced.

On the other hand, in November 2018 the company signed a Diversity Charter, a voluntary code composed of companies and institutions within the same country, regardless of its size, to encourage their commitment to:

- › The Fundamental Principles of Equality
- › The commitment with regards to the right of inclusion of all persons regardless of their profiles, in the work and company environment
- › The recognition of the benefits entailed in the inclusion of the cultural, demographic and social diversity in your organization
- › The implementation of specific policies that encourages a work environment void of prejudices in matters of employment, training and promotion
- › The promotion of programs of non-discrimination towards disadvantaged groups

To work along these lines and to promote the visibility of diversity, Abengoa joined this initiative through the OTP Group Foundation by virtue of The Diversity Charter of Spain (El Charter de la Diversidad de España), a project fostered by the European Commission and the Equality Ministry (Ministerio de Igualdad), thus entering a commitment with the promotion of a socially respectful, economically sustainable and legally rigorous environment.

In addition, the main goal of the RSC Strategic Plan for the 2018-2020 financial years is to promote gender diversity and equal opportunities in the organization, promoting, among others, measures that contribute to the increase in females in leadership positions and as directors, including measures that guarantee non-discrimination and the inclusion of disabled persons into the workforce.

Describe the policies, objectives, measures and how they are applied, including the results obtained

We highlight the following amongst the actions to be taken in the plan:

- › Define, develop and introduce a specific plan for diversity
- › Reintroduce the annual and bi-annual employee satisfaction surveys that may include questions in relation to diversity
- › Attain the goal of 30 % females on the board by 2020
- › One of the Board Committees be presided over by a female in 2022
- › Attain the goal of 15 % females on the COEJ by 2022
- › Attain the goal of 25 % females on the Business Committee
- › Attain the goal of 25 % females on the CODIR by 2022
- › Attain the goal of 30 % females as intermediate managers/managers with regards to the total of such in employed by 2022
- › Attain the goal of 35 % females employed with regards to the total of employed by 2022
- › Introduce work conciliation measures that may allow for attaining the goals outlined in the PERSC of diversity and equal opportunities

Abengoa has an explicit commitment with equal opportunities and non-discrimination based on sex, race, colour, religion, opinion, nationality, financial position or any other circumstances.

Those principles shall be specifically reflected in the various policies of the organization (hiring, selecting, training, performance measurement, promotion, remuneration, work conditions, conciliation, and harassment prevention, among others).

With the aim of ensuring those values, in 2008 Abengoa created its Equality Framework Plan and the Equal Treatment and Opportunities Office, which is entrusted with advocating for gender equality in the entire organization, boosting, developing and managing said plan and other associated plans.

Within the framework of this plan, the organization has a protocol for reporting harassment at work for the purpose of examining any situation susceptible to be deemed discriminatory. In addition, an Equality Committee is set up with the duty of undertaking a worldwide follow-up on issues relating to gender equality.

Given the organization's situations over the last years, Abengoa was forced to suspend its Equality of Treatment and Opportunities Committees (CITO). Thus, the company expects to reintroduce its CITO in 2019, in order for the committees to be able to meet bi-annually.

Finally, the insertion of disabled personnel into the workforce, and therefore, equal opportunities for that group, is a firm commitment by Abengoa. The company works to ensure that the disabled may join the social and work life, promoting employment, integration and accessibility. Therefore, it promotes initiatives aimed at the integration into the labour framework of the disabled who for various reasons suffer exclusion and prioritizing persons above their limitations.

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, thus ensuring a balanced male and female presence.

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, 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.

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 appointment in 2017, 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 in spite of the measures implemented, where possible, there are still few or no females directors, explain the reasons that may justify the situation:

Explanation of reasons

The members of the Board of Directors of Abengoa were appointed by the General Meeting on 22nd November 2016 except for one who was appointed by co-optation on 13th July 2017 and re-selected by the General Meeting of Shareholders on 25th June 2018 and, in compliance with the commitments undertaken within the framework of the restructuring agreement signed on 24th September 2016, were proposed by the Appointments and Remunerations Committee based on the selection and proposal made by the Spencer Stuart Consultancy.

In this regard, Spencer Stuart and the Appointments and Remunerations 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.1.7. Explain the conclusions of the appointments committee regarding the 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 consultants may be engaged to assist in the selection of board members.

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 the director whose appointment occurred during the 2018 financial year (Mr. Piqué, to cover the vacancy of Mr. Antoñanzas) was made taking into account the same criteria described above and also with the assistance of the Spencer Stuart consultancy, identifying the candidates.

Based on the considerations above, the Appointments and Remunerations Committee concludes that in 2018 the board member selection policy was applied satisfactorily.

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

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, explain the reasons why not yet answered:

Not applicable

Personal or corporate name of the shareholder	Explanation

C.1.9. Indicate, if there are, the powers and faculties conferred by the Board of Directors on directors or on board committees:

Personal or corporate name of the director	Brief description
Gonzalo Urquijo Fernández de Araoz	General powers jointly and severally exercised with other empowereds of the Company

C.1.10. Identify, where applicable, any members of the board who have administrative duties, represent administrators or directors in other companies within the listed company's group:

Personal or corporate name of the director	Corporate name of entity within group	Post	Does it entail executive functions?
Gonzalo Urquijo Fernández de Araoz	Abengoa Abenewco 1, S.A.U.	Chairman	Yes
Manuel Castro Aladro	Abengoa Abenewco 1, S.A.U.	Director	No
José Luis del Valle Doblado	Abengoa Abenewco 1, S.A.U.	Director	No
José Wahnnon Levy	Abengoa Abenewco 1, S.A.U.	Director	No
Ramón Sotomayor Jáuregui	Abengoa Abenewco 1, S.A.U.	Director	No
Josep Piqué Camps	Abengoa Abenewco 1, S.A.U.	Director	No
Pilar Caveró Mestre	Abengoa Abenewco 1, S.A.U.	Director	No

C.1.11. Provide details, where applicable, of company directors or legal entity representatives who also sit or represent legal entities on the boards of other entities listed on official stock markets other than those of their group, of which the company is aware:

Personal or corporate name of the director	Corporate name of listed entity	Post
Gonzalo Urquijo Fernández de Araoz	Vocento, S.A.	Director
	Gestamp Automocion, S.A.	Director
José Luis del Valle Doblado	Lar España Real Estate SOCIMI, S.A.	Chairman
Pilar Caveró Mestre	Merlin Properties	Director
Josep Piqué Camps	Aena, S.A., SME, S.A.U.	Director

Observations

Mr. Piqué ceased to a Board member of Aena in 2019

C.1.12. State and, if applicable, explain whether the company has established rules regarding the maximum number of boards on which its directors may sit, identifying, if applicable, where it is regulated:

Yes

Explain the regulations and identify the document in which it is regulated

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 posts.

Executive posts shall be understood as that in which management duties may be executed whatever the legal ties that may attribute those duties.

The limitations above refer solely and exclusively to posts on boards of other listed companies even though, if a Board member were to participate on the board 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.1.13. State the amounts of the items relating to the overall remunerations of the board of directors as follows:

Remuneration accrued during the financial year for the board of directors (thousands of Euros)	2,055
Amounts of rights accumulated by the current directors with regards to pensions (thousands of Euros)	0
Amounts of rights accumulated by the previous directors with regards to pensions (thousands of Euros)	0

C.1.14. 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:

Personal or corporate name	Post
Joaquín Fernández de Piérola	CEO
Daniel Alaminos Echarri	General and Board Secretary
Víctor Manuel Pastor Fernández	Financial Director
David Jiménez-Blanco Carrillo de Albornoz	Director of Restructuring and Strategy
Álvaro Polo Guerrero	Director of Human Resources
Total remuneration to senior management (thousands of Euros)	2,718 thousands of Euros

C.1.15. State whether the regulations of the board have been amended during the financial year:

Yes

In the meeting held on 16th April 2018, the Abengoa Board of Directors unanimously agreed to modify Articles 4 and 28 of the Board of Directors Regulations for the purpose of adding regulatory compliance to the duties of the Appointments and Remunerations Committee. Specifically, point (a)(xi) was added to Article 4 and sections (r), (s) and (t) to Article 28:

Article 4. Functions and Faculties of the Board of Directors

"[...]

For that purpose, the Company's Board of Directors shall be authorised to enter agreements on all kinds of issues not attributed by law or by the Bylaws to the General Meeting of Shareholders. Particularly, the Company's Board of Directors shall be fully authorised to exercise the faculties of decision over matters that, not limited thereof, are indicated below:

(a) The Company's general policies and strategies and, in particular:

[...]

(xi) The Regulatory Compliance Policy

[...]"

Article 28. Appointments and Remuneration Committee

"[...]

Notwithstanding any other duties that may be entrusted to it at all times by the Board of Directors or its Chairman, and by virtue of the valid regulations, the Appointments and Remunerations Committee shall, at any rate, execute the following functions:

[...]

(r) Supervise the duty of compliance performed by the Director in charge of said department. The Committee shall have full access to the Compliance Director, who, shall regularly attend the meetings of the Committee to be abreast of the latest in matters of regulatory compliance.

(s) To review the policies, internal procedures and compliance programs of the Company, in the execution of the compliance functions, so as to prevent 31 inappropriate conducts and to identify possible policies or procedures that may be more effective in the promotion of the highest sustainable company standards.

(t) To review and validate the plan of activities for the function of compliance, ensuring that said function has the resources necessary for the performance of its duties.

[...]"

C.1.16. State the procedures for the selection, appointment, re-selection, evaluation, and removal of directors. Give detail of the competent organs, the steps to follow and the criteria to employ in each of the 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 said member, and then includes the information in the annual report on corporate governance. The Appointments Committee also ensures that, when covering new vacancies, the selection procedures do not undergo implicit bias that may impede the selection of female candidates and that the potential candidature includes females who meet the profile criteria sought. 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.1.17. 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:

There were no significant modifications as a result of the annual assessment of the board of directors for the 2018 financial year.

Description of modifications

Not applicable

Describe the process of self-assessment and the areas assessed by the board of directors, as the case may be, assisted by an external consultant, regarding the functioning and composition of the board and of its committees, and any other area or aspect that was assessed.

Description of the assessment process and the areas assessed

On the one hand, the assessment of the board of directors focused on analyzing the functions of the board and its committees. Information is requested from all who are directors at the closing of the 2018 financial year and from those who may have performed tasks sometime during the year. The information was sought 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 was studied by the Appointments and Remunerations Committee and by the Board of Directors.

C.1.18. For financial years in which external consultants were involved in the assessment, list any business relationships that exist between the consultant or any company of its group and the company or any company of its group.

Not applicable

C.1.19. 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 has no power to ask them to resign before the end of the statutory period of the appointment except (i) if a bid is tendered for the company takeover, a merger or other similar kind of corporate transaction that may mean a change in the Company's capital structure, and which may consequently require changes in the structure of the Board of Directors to ensure the proportionality between proprietary and non-executive board members; or (ii) if there is just cause appreciated by the Board of Directors following a report by the Appointments and Remunerations Committee.

(d) If, in the case of proprietary directors, the represented shareholder fully transfers its shares or reduces the shares down to a level that requires a reduction in the number of its proprietary directors, in that situation, in the required proportion.

(e) In cases in which their actions may harm the credit and reputation of the Company.

C.1.20. Are qualified majorities, other than statutory majorities, required to adopt any type of decision?

No

In that case, explain the differences.

Description of the differences

C.1.21. Explain whether there are specific requirements, other than the requirements relating to directors, for being appointed board of directors chairman.

No

Description of the requirements

C.1.22. State whether the by-laws or the board regulations stipulate any age limit for directors:

No

Age limit

Chairman

Chief Executive

Director

Observations

C.1.23. State whether the by-laws or the regulations of the Board establish any term limit or other stricter requirements for independent directors other than those established by regulatory provisions:

No

Additional requirements and/or maximum number of terms of mandate

C.1.24. State whether there are formal rules for proxy-voting for other directors 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, briefly explain such regulations.

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.1.25. 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	18
Number of board meetings without the chairman attending	0

Observations

State the number of meetings held by the coordinating director without the physical or proxy presence of any executive director:

Number of meetings	0
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Observations

State the number of meetings held by the various 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	10
Number of meetings of the appointments and remuneration committee	8
Number of meetings of the appointments committee	Not applicable
Number of meetings of the remunerations committee	Not applicable
Number of meetings of the committee	Not applicable

Observations

C.1.26. State the number of meetings that the board of directors held during the financial year and give the attendance information on all its members:

Number of meetings with the attendance of at least 80 % of all directors	18
% of attendances of the total votes cast in the financial year	100 %
Number of meetings with the physical attendance, or proxy attendance with specific instructions given by all board members	17
% of votes cast during physical presence, and during proxy presence with specific instructions given, over the total of votes cast during the financial year	94.4 %

Observations

C.1.27. State whether the annual individual accounts and the annual consolidated accounts that are submitted to the board for approval are first certified:

No

If so, identify the person/s who issue the certification of the company's annual individual accounts and the annual consolidated accounts, for endorsement by the board:

Name	Post
Observations	

C.1.28. 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 External Auditor regularly provides information to the Audits Committee on the Audit Plan and the results of its execution and ensures that the senior management takes their recommendations into account.

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.1.29. Is the secretary of the board a director?

No

If the board secretary is not a director complete the following chart:

Personal or corporate name of the board secretary	Representative
Daniel Alaminos Echarri	Not applicable

Observations

C.1.30. Outline the specific mechanisms set up by the company to preserve the independence of external auditors, and, where possible, the mechanisms in place to preserve the independence of financial analysts, investment banks and rating agencies, including how the legal provisions have been implemented.

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) orders the Audit Committee "to strive 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 2018 year end the Company had not been rated by any agency.

C.1.31. State whether the Company has changed the external auditor during the financial year. If so, identify the incoming and the outgoing auditor:

If the change of accounts auditor was approved during the 2017 financial year for the 2018, 2019 and 2020 financial years.

Outgoing auditor	Incoming auditor
Deloitte	PWC

Observations

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

Not applicable

Explanation of the disagreements

C.1.32. 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	82	82
Fees for non-audit work/Total amount invoiced by the audit firm (in %)	0	8.3	4.8

Observations

C.1.33. 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

Explain the reasons

Not applicable

C.1.34. State the consecutive number of years for which the current audit firm has been auditing the individual and/or consolidated annual accounts of the company. 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:

	Individual	Consolidated
Number of consecutive financial years	1	1

	Individual	Consolidated
Number of years audited by the current audit firm / Number of years in which the company has been audited (%)	78.60 %	78.60 %

Observations

C.1.35. 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

Give detail of 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.1.36. 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 submit their resignation, if the board deems it convenient, in the following cases: (a)

(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 that purpose, 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”. 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.1.37. 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 Enterprises Act:

No

Name of director**Criminal Proceedings****Observations**

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

Not applicable

Decision taken / action taken**Reasonable explanation**

C.1.38. 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 ordinary shares or any other type that, where applicable, hold voting rights. Said agreements may be concluded upon the request of creditors in the event of a change of control or takeover.

In addition, the financial instruments subscribed and/or issued or to be subscribed and/or to be issued within the framework of the restructuring transaction envisaged in the restructuring agreement signed on 11th March 2019 contains takeover clauses in the sense referred to in the paragraph above, including the possible voluntary conversion of bonds into shares in the events of both takeover as well as the acquisition on significant shares (35 % or more of the share capital of Abengoa Abenewco 1, S.A.) by a third party.

C.1.39. Identify on singular basis, in the case of directors, and on aggregate basis, in all order cases, and provide 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 Aroz, 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 -not considered as such that which may be brought about by the very Chairman in response to a change of control of the group- death or incapacity, or due to non-performance of his obligations), 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 Aroz, 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 agreement
Executive Chairman	See previous paragraph
CEO	
Secretary General	
Financial Director	
Director of Human Resources	
Director of Strategy	

State whether beyond the situations envisaged by law such agreements must be reported to and/or approved by the decision-making bodies of the company or its group. If so, specify the procedures, envisaged situations and the nature of the organs responsible for their approval or for reporting them:

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

Observations

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

Observations

Explain the duties of or assigned to this committee other than as described in section C.1.10, and describe the procedures and rules of organization and operation thereof. For each of these duties, point out the most important actions during the financial year and how each of the duties assigned to it were actually performed, be it in the law, in the bylaws or in other company agreements.

Not applicable

Audit committee

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

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

Observations

Explain the duties, including, if possible, the addition legally envisaged, that may be assigned to this committee, and describe the procedures and rules of organization and operation thereof. For each of these duties, point out the most important actions during the financial year and how each of the duties assigned to it were actually performed, be it in the law, in the bylaws or in other company agreements.

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 cast the deciding 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 any.
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 commitments to increase and reduce financial borrowing, monitoring of the financial deleveraging policy and the dividend distribution policy and the policy for distributing dividends and any amendments to these.
5. To inform the General Meeting of Shareholders about any matters or questions that arise 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 process of selection, dismissal, renewal, removal and remuneration of its director and on determining of its remuneration, and must also report on 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 revise the internal control and risk management system so that the main risks, including those of a fiscal nature, are identified, managed, and properly disclosed, as well as discussing 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 taking the relevant 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 regards 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 audit plan and the results of its execution, and to ensure that senior management follows 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, accompanying such notice with a statement on possible disagreements, if any, arising with the outgoing auditor and the reasons for these.
 - (ii) Ensure that the company and the auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and, in general, other requirements set forth to ensure auditor independence.

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) Investigate the issues giving rise to the resignation of the external auditor, should this come about.
 - (iv) Ensure that the remuneration of the external auditor does not compromise 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 companies therein.
- (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 during the 2018 financial year:

- › Revision and analysis prior to the preparation of the individual accounts of Abengoa S.A and the consolidated accounts of its group for the 2017 financial year.
- › Revision and analysis prior to the approval of the financial information for the intermediate periods of 2018 remitted to the CNMV.
- › Revision and analysis prior to the financial restructuring proposal.
- › Approval of the 2019 budget and revision of the cash-flow plans.
- › Approval of divestitures including, in particular, the sale of 16.47 % of Atlantica Yield.
- › Identification and monitoring of the Company's financial risks in light of preparing the 2018 financial statement.
- › Approval of verification duties performed by the external auditor.
- › Internal audit: approval of the work plan and supervision and assessment of the work.
- › Supervision of whistle-blowing channels.
- › Approval of external auditing tasks other than those of the auditor.

Identify the director of the audit committee who has been appointed in light of his/her knowledge and experience in accounting, auditing or both, and report on the date of the appointment and duration of the Chairman of this committee.

Name of director with experience	José Wahnón Levy
Date appointed as Chairman	22/11/2016

Appointments and remunerations committee

Name	Post	Category
Pilar Cavero Mestre	Chairlady	Independent
Josep Piqué Camps	Member	Independent
Ramón Sotomayor Jáuregui	Member	Independent

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

Observations

Explain the duties, including, if possible, the addition legally envisaged, that may be assigned to this committee, and describe the procedures and rules of organization and operation thereof. For each of these duties, point out the most important actions during the financial year and how each of the duties assigned to it were actually performed, be it in the law, in the bylaws or in other company agreements.

This Committee shall comprise at least three Directors, designated by the Board of Directors, at the Committee's proposal. The Committees shall exclusively comprise of non-executive board members, two of whom, at least, shall be independent members.

Pursuant to Articles 44 bis of the bylaw and 27 of the Board of Directors' regulations, the Remunerations 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 cast the deciding 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. The Committee shall specifically establish a representation goal for the gender least represented on the Company's Board of Directors and prepare orientations on how to reach such goal.
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.
18. Supervise the duty of compliance performed by the Director in charge of said department. The Committee shall have full access to the Compliance Director, who, shall regularly attend the meetings of the Committee to be abreast of the latest in matters of regulatory compliance.
19. To review the policies, internal procedures and compliance programs of the Company, in the execution of the compliance functions, so as to prevent inappropriate conducts and to identify possible policies or procedures that may be more effective in the promotion of the highest sustainable company standards.
20. To review and validate the plan of activities for the function of compliance, ensuring that said function has the resources necessary for the performance of its duties.

In 2018, the main interventions of the Appointments and Remunerations Committee were as follows:

- › Evaluation of the functions of the Board in 2017
- › Determination of the (non-) accrual of the variable remuneration in 2017
- › Definition of the variable remuneration for 2018 with two components
- › Annual report on the remunerations and annual report to the General Meeting on functions of the Committee
- › Revision of the succession plan for senior management
- › Assuming of the responsibility to supervise the Regulatory Compliance and Risks Management
- › Proposal on the ratification of Mr. Piqué as director
- › Preliminary assessment of the accrual and payment of the variable remuneration for 2018 and other variable remunerations (2019, MIP 2019-2021 and the second restructuring of the group's financial debts)

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 directors			
	Financial year 2018	Financial year 2017	Financial year 2016	Financial year 2015
	% Number	% Number	% Number	% 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. 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 indicate whether a report was voluntarily prepared on the activities of each committee.

Both the Audit Committee as well as the Appointments and Remunerations Committee have their own internal operations rules and regulations available on the company's webpage.

During the financial year, Article 3 of the Appointments and Remunerations Committee was modified to include the functions relating to regulatory compliance. The following functions were specifically added:

“(xviii) Supervise the duty of compliance performed by the Director in charge of said department. The Committee shall have full access to the Compliance Director, who, shall regularly attend the meetings of the Committee to be abreast of the latest in matters of regulatory compliance.

(xix) To review the policies, internal procedures and compliance programs of the Company, in the execution of the compliance functions, so as to prevent inappropriate conducts and to identify possible policies or procedures that may be more effective in the promotion of the highest sustainable company standards.

(xx) To review and validate the plan of activities for the function of compliance, ensuring that said function has the resources necessary for the performance of its duties.”

These Committees prepare annual reports on activities. The reports on the activities undertaken in 2017 was made available to shareholders together with the call to convene the Ordinary General Meeting of Shareholders held on 25th June 2018. That of the Audit Committee was also made public, forming part of the annual report for the 2017 financial year.

D. Related-party transactions and intragroup transactions

D.1. Explain, if any, the procedures and competent organs for approving related-party and intragroup transactions.

Procedure for reporting 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 in question; and
- (iii) their amount does not exceed 1% of the company's annual revenue.

Only in duly justified circumstances of urgency may decisions be taken 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 taking of the decision.