

**Report prepared by the Board of Directors of Abengoa, SA, concerning item seven on the agenda of the Annual General Meeting to be held in March 2015, relating to the remuneration of the Board of Directors**

Section 529 *septdecies* of the Spanish Companies Act, as amended by Spanish Act 31/2014, of December 3, provides at paragraph 3 that the remuneration policy for directors shall fix the remuneration of directors as such, within the framework of the remuneration system provided in the by-laws, and shall necessarily include the aggregate annual figure payable to all directors as such. Additionally Section 217.3 provides that this aggregate annual figure for all directors as such shall be approved by the General Meeting and shall remain in force unless and until amended.

On the other hand, Section 529 *novodecies* provides that the remuneration policy for directors shall be adjusted as appropriate to the remuneration policy established in the by-laws and shall be required to be approved by the General Meeting at least every three years as a separate item in the agenda. Furthermore, the transitory provision in Spanish Act 31/2014, dated December 3, provides that any remuneration policy for directors set out in the report on that matter to be submitted –on a consultative basis– to the general meeting shall qualify as the directors’ remuneration policy for the purposes of Section 529 *novodecies*.

The Board of Directors, acting upon a proposal by the Appointments and Remuneration Committee, has resolved to submit to the General Meeting two resolutions under item seven in the agenda concerning the remuneration of directors.

Firstly, a resolution in respect of the remuneration of the whole of the board of directors as such, rather than on the basis of the executive functions of its members, which must necessarily be approved by the General Meeting. On this matter, the Board of Directors has considered the proposal prepared by the Appointments and Remuneration Committee, to the effect that the amount of remuneration paid in 2014 be retained for 2015, and has resolved to submit such proposal to the General Meeting.

Thus the proposal to be submitted –unanimously– for approval by the General Meeting as item 7.1 of the agenda is as follows:

*"7.1 Pursuant to articles 529 septedecies, 529 octodecies and 529 novedecies of the Companies Act (as amended by Law 31/2014, of December 3) and in the second point of the transitory disposition of Law 31/2014, of December 3, it is hereby proposed that the General Shareholders’ Meeting approve the Remuneration Policy for Directors for the 2015, 2016 and 2017 financial years, which is included in the Annual Report on the Remuneration of Abengoa’s*

**[ENGLISH TRANSLATION FOR INFORMATION PURPOSES. SPANISH VERSION SHOULD PREVAIL]**

*Directors, and submitted for voting, on consultation basis, to this same General Shareholders' Meeting in accordance with resolution above and which includes, among others, the maximum annual amount of the remuneration of directors in their condition as such."*

On the other hand, and while it is not for the General Meeting to approve in advance the remuneration to be paid to the Company's executive directors as such, the Board of Directors has considered appropriate to submit, on a voluntary basis, such remuneration for 2015 to the express approval of the General Meeting. Thus the proposal to be submitted –unanimously– for approval by the General Meeting as item 7.2 of the agenda is as follows:

*" 7.2 Likewise, it is hereby proposed that the General Shareholders' Meeting approves the remuneration of executive directors for the 2015 financial year within the framework included in the Annual Report on the Remuneration of Abengoa's Directors which was submitted for voting, on consultation basis, to this same General Shareholders' Meeting in accordance with resolution above and, in particular, that the remuneration of the executive directors, both in their condition as such and for the development of executive activities, does not exceed, during 2015 financial year, the following amount (without prejudice of those accrued in previous years or with pluri-annual variable character and of the other concepts which conform with the remuneration policy):*

<i>Mr. Felipe Benjumea Llorente</i>	<i>4,484,000</i>
<i>Mr. Manuel Sánchez Ortega</i>	<i>4,484,000</i>
<i>Mr. Javier Benjumea Llorente</i>	<i>3,102,000"</i>