

**(II) Name of Committee**

Audit Committee

**Brief description**

The Regulations of the Audit Committee and the Regulations of the Appointments and Remuneration Committee are both available from the company's website and also from the CNMV (Spanish Securities and Exchange Commission). Most recent amendment: February 25, 2008. Each committee prepares an annual report on activities, which is published as part of the Annual Report.

**B.2.6** Indicate whether the composition of the Executive Committee reflects the participation on the Board of the different categories of directors:

Not applicable – there is no Executive Committee.

**If not, explain the composition of the executive committee**

There is no Executive Committee

**C - Related-party transactions**

**C.1** Indicate whether the Board, sitting in plenary session, has reserved for itself the function of approving, following a favorable report from the Audit Committee or any other body entrusted with this task, transactions that the company performs with directors, with significant shareholders or shareholders represented on the Board, or with related parties:

Yes

**C.2** Give details of any relevant transactions involving a transfer of assets or liabilities between the company or group entities and significant shareholders in the company

Personal or corporate name of the significant shareholder	Name of the group company or entity	Nature of the relation	Type of operation	Amount (thousand euros)
Inversión Corporativa, I.C, S.A.	Solar Processes, S.A.	Surface right for solar plant	Lease	62
Inversión Corporativa, I.C, S.A.	Sanlúcar Solar, S.A.	Surface right for solar plant	Lease	(43)

On April 16, 2009, the company Sanlúcar Solar, S.A. (the owner of the PS10 solar power plant) waived part of its surface right previously executed on January 15, 2003 for an initial term of 30 years. The waiver in question extended to 3.04 hectares of a plot spanning 69 hectares on a property owned by the company Explotaciones Casaquemada, S.A. (subsidiary of the company Inversión Corporativa, I.C., S.A., the latter being the reference shareholder of Abengoa, S.A.) and located within the municipal district of Sanlúcar La Mayor (Sevilla – Spain), with the rest of the surface right remaining unaffected.

By reason of the waiver, Explotaciones Casaquemada, S.A. returned to Sanlúcar Solar, S.A. the sum of €43,384, a proportional amount calculated on the initially paid price, the days remaining of the term of the surface right and the surface area subject to the waiver.

Furthermore, on April 16, 2009, the company Solar Processes, S.A. (owner of the PS20 solar power plant) entered into a surface right agreement over the above-referenced 3.04 hectares owned by Explotaciones Casaquemada, S.A. (subsidiary of the company Inversión Corporativa, I.C., S.A., the latter being the reference shareholder of Abengoa, S.A.).

Pursuant to the terms of the agreement, the duration of the surface right coincides with the remaining term of the surface right that the company Solar Processes, S.A. (owner of the PS20 solar power plant) created on February 7, 2007, such term amounting to 30 years, extendable to 50. The consideration for the right amounted to €61,999.

### **C.3 Provide details of any relevant transactions involving a transfer of assets or liabilities between the company or Group entities and the company's managers or directors:**

<b>Personal or corporate name of the manager or director</b>	<b>Name of the group company or entity</b>	<b>Nature of the operation</b>	<b>Type of operation</b>	<b>Amount (thousand euro)</b>
Barinas Gestión y Asesoría (associate company of Aplicaciones Digitales, S.L.)	Bioetanol Galicia, S.A.	Rendering of economic consultancy services	Consultancy	90

### **C.4 Provide details of relevant transactions carried out by the company with other companies belonging to the same group, provided they are not eliminated during the process of preparing the consolidated financial statements and do not form part of the normal business of the company in terms of their subject and applicable terms and conditions:**

There are currently no intra-group operations other than those stemming from the company's normal course of business.

**C.5 Indicate whether the members of the Board of Directors have, over the course of the financial year, found themselves embroiled in any conflict of interest, in accordance with that set forth in article 127 ter. of the Spanish Public Limited Companies Act (Ley de Sociedades Anónimas).**

No (outside the situations regarding their appointment as Board members or appointments to associated committees).

**C.6 Provide details of any mechanisms in place to detect, determine and resolve possible conflicts of interest between the company and/or its group and its Board members, executives or significant shareholders.**

The Audit Committee is the body responsible for monitoring and resolving conflicts of interest. Directors are obliged, in accordance with the provisions of the Regulations of the Board of Directors, to inform the Board of any situation of potential conflict, in advance, and to abstain until the Committee has reached a decision.

**C.7 Is more than one group company listed in Spain?**

Yes

**Identify any subsidiaries that are listed:**

**Listed Subsidiary**

Befesa Medio Ambiente, S.A.

**Indicate whether the respective business lines and possible business relations among such companies have been publicly and precisely defined, as well as those of the listed subsidiary with the other group companies:**

Yes

**Define any business relations between the parent company and the listed subsidiary company, and between the latter and the other group companies:**

Abengoa, S.A. is the parent company of a corporate group and operates as such. It therefore brings together a raft of complementary activities for a fully-comprehensive product that one or more business groups jointly offer their clients. As a result, the different companies and business groups share customers and join together as and when required, with one or other thereof acting as parent company on a case-by-case basis. This produces cross sales among companies (intra-group).

**Identify the mechanisms envisaged to resolve any conflicts of interest between the listed subsidiary and the other group companies:**

**Mechanisms to resolve possible conflicts of interest**

Intra-group operations that may pose a conflict of interest and the transfer price policy are all analyzed by the Audit Committee.

## D - Control Systems

### D.1 General description of the risk policy of the company and/or its group, detailing and evaluating the risks covered by the system, together with an explanation of why these systems are adequate for each type of risk.

Abengoa manages its risks through a model aimed at identifying the potential risks of a business. This model considers 4 important areas that are subdivided into 20 categories of risks, which contemplate more than 130 potential risks of a business.

Our model contemplates the following areas and categories of risks:

- Strategic Risks: Corporate governance, strategic and R+D+i projects, mergers, acquisitions and divestments, planning and assignment of resources, market dynamics, communication and relation with investors
- Operational risks: Human resources, information technologies, physical assets, sales, supply chain, threats or catastrophes.
- Financial Risks: Cash flow and credit, markets, taxation, capital structure, accounting and reporting.
- Legal Risks: Regulations, laws and codes of ethics and of conduct.

Risk Management at Abengoa is based on two significant bases:

- a) the Common Management Systems, which serve to mitigate business risks
- b) internal control procedures designed following the SOX (Sarbanes-Oxley Act) to mitigate risks linked with the reliability of financial information.

Both elements make up an integrated system that permits an appropriate management of the risks and controls at all levels of the organization.

This is a live system that undergoes continuous modifications to remain in line with the reality of business.

There are also internal auditing services in charge of ensuring the compliance with and the good functioning of both systems.

#### **Business risks**

Procedures geared towards eliminating business risks are instrumented through what is referred to as "Common Management Systems" (CMS).

The Common Management Systems of Abengoa develop the internal rules governing Abengoa and its chosen approach to assessing and controlling risk. They represent a common culture in the business management of Abengoa, in that they permit the sharing of accumulated knowledge and they set the criteria and patterns of action.

The CMSs serve to identify both the risks embedded in the current model as well as the activities of control that mitigate them and they mitigate the risks inherent to the activity of the Company (business risks), at all possible levels.

There are 11 internal policies with 28 subsections that define how to manage each of