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Annual corporate  
governance report**Brief description.**

The appointments remunerations committee regulations, last amended on December 16, 2013, available on the company's website and at the CNMV, prepares its own annual report on activities, which is published as part of the Annual Report.

**Committee name.**

Audits Committee.

**Brief description.**

The audits committee regulations last amended on December 16, 2013, available on the company's website and at the CNMV, prepares its own annual report on activities, which is published as part of the Annual Report.

**C.2.6 Indicate whether the composition of the executive committee reflects the participation of the different categories based on their condition on the board:**

Not applicable.

## D. Connected transactions and intra-group transactions

D.1 Identify the competent organ and explain, as the case may be, the procedure for approving associate and intra-group transactions.

**Competent organ for approving associate transactions**

Audits Committee

**Procedures for approving associate transactions**

The Audit Committee has a prior approval procedure. The consideration is performed based on market prices.

**Explain whether the approval of transactions between associate parties was assigned. If so, state the organ to which or persons to whom it was assigned.**

No.

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D.2 Give details of transactions deemed significant due to the amount or relevant due to the aspect between the company and companies of its group, and the significant shareholders in the company:

Personal or Corporate name of significant shareholder	Name of company or entity in the group	Nature of relationship	Type of transaction	Amount (in thousand of Euros)
Inversión Corporativa, I.C, S.A.	Abengoa, S.A.	Contractual	Financing agreements: loans	670

D.3 Give details of transactions that are significant due to amount or that are relevant due to the nature between the company and companies of its group, and the managers and directors of the company:

Not applicable.

Personal or corporate name of managers or directors	Personal or corporate name of connected party	Connection	Nature of the transaction	Amount (in thousand of Euros)
Felipe Benjumea Llorente	Blanca de Porres Guardiola	Spouse	Technical advice for optimization of restoration service CPA	72

D.4 Report on the significant transactions between the company and other entities in the same group provided they are not eliminated in the process of preparing the consolidated financial statements, and are not part of the normal company transactions with regards to purpose and conditions.

**At any rate, report shall be issued on any intra-group transaction with entities in countries or territories classified as tax havens:**

Not applicable.

D.5 Indicate the amount of the transactions with other connected parties.

Not applicable.

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

D.7 Is more than one company of the group listed in Spain?

No.

**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 companies in the group:**

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

Not applicable.

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

**Mechanisms to resolve possible conflicts of interest**

Not applicable.

## E. Risks Management and Monitoring Systems

E.1 Explain the scope of the company's Risks Management System.

Abengoa's risk management system is designed to mitigate all the risks to which the company may be exposed as a result of its activities. The structure of Abengoa's Risk Management is based on three pillars:

- The Common Management Systems specifically designed to mitigate business risks.
- Internal control procedures aimed at mitigating risks derived from the elaboration of the financial report and at improving the reliability of such report, designed in accordance with the SOX Act (Sarbanes-Oxley Act)
- The universal risks model which is the methodology that Abengoa uses for the identification, compression and evaluation of the risks that affect the company. The purpose is to obtain an integral vision of them, designing an efficient system of response that is in line with the business goals and objectives.

These two elements form an integrated system that allows appropriate management of the risks and their mitigating controls at all the levels of the organization.

Abengoa's risks management system is a global and dynamic system. The scope of action of said system covers the entire organization and its whereabouts on a more permanent basis, and compliance with it is compulsory for all the company's employees, managers and board members.