

## Audit Committee Internal Regulations

### **Introduction.**

The Audit Committee of the Board of Directors of Abengoa, S.A. (hereinafter, "**Abengoa**" or the "Company") is constituted pursuant to the Capital Companies Act as an obligatory and permanent body.

### **Article 1. Composition. Appointment of Members.**

The Audit Committee shall be made up exclusively of non-executive members appointed by the Board of Directors, at least two of whom shall be independent members and one shall be appointed based on his or her knowledge and experience in accounting, auditing or both.

Notwithstanding the provisions regarding the performance of the position of Chairman of the Committee in article 2 of these Regulations, the appointment as a member of the Committee shall be for a maximum period of four years, renewable for maximum periods of the same duration.

The Directors that form part of the Audit Committee shall hold their post for as long as their appointment as Company Directors remains in effect, except when the Board of Directors agrees otherwise. Renewal, re-election and dismissal of the Directors in the Committee shall be governed by the agreement of the Board of Directors.

### **Article 2. Chairman and Secretary.**

The Chairman of the Audit Committee shall be appointed by the Board of Directors from among the independent members of the Committee, and must be replaced every four years, being eligible for re-election one year after stepping down as Chairman, notwithstanding his or her continuity or re-election as a member of the Committee.

The Secretary of the Board of Directors, or any person appointed by the Company's Board of Directors to that post, shall act as Secretary of the Committee.

### **Article 3. Duties and Responsibilities.**

Notwithstanding any duties that may be assigned at any time by the Board of Directors or its Chairman, the duties and responsibilities of the Audit Committee include:

1. Report the annual financial statements, as well as the twice-yearly and quarterly financial statements, which must be submitted to the market regulator or supervisor, mentioning the internal control systems, their monitoring and compliance through the internal audit function, as well as the accounting criteria applied, as appropriate.
2. Report to the Board about any changes to accounting criteria and the on and off-

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balance sheet risks.

3. Report at the General Shareholders' Meeting on matters raised during the Meeting within its area of competence.
4. Propose the appointment of the external accounts auditors to the Board of Directors for submission to the General Shareholders' Meetings.
5. Supervise the internal audit services. The Committee shall have full access to the internal audit, and shall report during the process to select, appoint, renew and dismiss the internal audit manager and when establishing the manager's remuneration, providing information about this department's budget.
6. Understand the financial reporting process and the Company's internal control systems.
7. Liaise with the external auditors to receive information about matters that could endanger their independence and anything else related to the process of auditing the accounts.
8. Summon the directors that it deems appropriate to meetings of the Committee to provide any information requested by the Audit Committee.
9. Draft an annual report on the activities of the Audit Committee, which must be included in the management report.
10. In relation to the internal reporting and control systems:
  - (a) Supervise the preparation process and the integrity of the financial information related to the Company and, where applicable, the group for which Abengoa is the parent company (hereinafter, the "**Group**"), ensuring compliance with regulatory requirements, the correct definition of the scope of consolidation and proper application of the accounting criteria.
  - (b) Periodically review the internal control and risk management systems so that the primary risks, including fiscal risks, are duly identified, managed and reported, and discuss the significant weaknesses of the internal control system detected during the audit with the accounts auditor.
  - (c) Supervise and ensure the independence and effective operation of the internal audit, with full access to the audit; propose the selection, appointment, re-election and dismissal of the head of the internal audit service; propose the budget for the service and establish the manager's remuneration; receive periodic information about the service's activities and budget; and verify that senior management take into account the conclusions and recommendations of its reports.
  - (d) Establish and supervise a mechanism that enables employees to confidentially report and, if appropriate, anonymously, any significant potential irregularity, especially financial and accounting-related, that they detect within the company.
  - (e) Meet with any Company employee or executive, including summoning them

without the presence of another executive.

- (f) The Audit Committee shall inform the Board about the following matters, prior to the Board adopting the corresponding decisions:
  - (i) The financial information that the Company is required to periodically publish as a listed company. The Committee must ensure that interim financial statements are prepared with the same accounting criteria as the annual statements and, to that end, consider the suitability of a limited review by the external auditor.
  - (ii) The creation or acquisition of equity interests in special-purpose entities or those located in countries or territories that are considered tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could reduce the Group's transparency.
  - (iii) Transactions with related parties.
- (g) Supervise compliance with the Internal Code of Conduct on Matters Relating to the Stock Market and Policy on the Use of Relevant Information and the rules on corporate governance.

2º. In relation to the external auditor:

- (a) Submit to the Board of Directors for submission to the General Shareholders' Meeting all proposals to select, appoint, re-elect and replace the external auditor, as well as the conditions corresponding to its contract.
- (b) Regularly receive information about the audit plan and its results from the external auditor, and verify that senior management takes its recommendations into account.
- (c) Ensure the independence of the external auditor and, to that end:
  - (i) That the Company reports the change of auditors as a Significant Event to the National Securities Market Commission, accompanying the disclosure with a statement on the existence of any disagreement with the outgoing auditor and the content of the disagreement if it exists.
  - (ii) That the Company and the auditor observe the prevailing rules for providing services other than auditing services, the limits on business concentration for the auditor and, in general, any other rules established to ensure the independence of the auditors.

In all cases, the Committee must receive the annual statements on the external auditors' independence with regard to the entity or entities directly or indirectly related to it, as well as information about additional services of any kind provided and the corresponding fees received from these entities by the external auditor or by the people or entities associated with it, in accordance with accounts auditing legislation.

- (iii) In the event that the external auditor resigns, investigate the

circumstances surrounding its resignation.

- (d) Annually, prior to issuing the accounts auditing report, issue a report with an opinion on the independence of the accounts auditor. This report must contain, in all cases, the assessment of the services provided, indicated in section (c).(ii) above, considered individually and jointly, other than the legal audit and in relation to the system of independence or the regulatory auditing legislation.
- (e) Encourage the Group's auditor to take responsibility for the audits of the companies that comprise the Group.

#### **Article 4. Meetings. Notice of meetings.**

In general, Committee meetings shall take place at the Company's headquarters or at the location otherwise indicated in the notice of the meeting.

Committee meetings may also be held at several locations connected by systems that enable identification and permanent communication among those in attendance, as well as participation and voting, all in real time. Committee members attending via any of the connected locations shall be considered to be attending the same meeting for all intents and purposes. The meeting shall be deemed to take place at the site with the greatest number of Committee members and, in the event of a tie, at the Chairman's location or, in the event of his/her absence, in the location of the person that is substituting the Chairman by agreement of the Committee members attending the meeting.

The Audit Committee shall meet as often as necessary to fulfil its duties, and at least once a quarter. The Committee shall also meet whenever it is convened by its Chairman, when he/she deems it appropriate or when requested by any of the members, who in all cases may recommend to the Chairman the inclusion of specific points on the Agenda of the next meeting. Notices of meetings must be given with sufficient notice, no less than three days (except in the case of urgent meetings), in writing, including the Agenda. However, the Audit Committee may also validly hold a meeting when all of its members are present and they agree to hold a meeting.

#### **Article 5. Constitution and Adoption of Resolutions.**

The Audit Committee shall be deemed to be duly constituted when the majority of its members are present. Attendance may be delegated to another member of the Committee. Committee members may not, however, delegate their representation regarding issues that relate to them personally or those that relate to a conflict of interest.

Resolutions shall be validly adopted when the majority of the members present or represented at the meeting vote in favor. In the case of a tie, the Chairman shall have the casting vote.

Resolutions adopted by the Committee shall be recorded in the minutes signed by the Chairman and the Secretary, or by whoever substitutes them in their duties when necessary and by agreement of the members of the Committee attending the meeting.

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The Committee minutes must be made available to all members of the Board of Directors.

## **Article 6. Access to Information and Advice.**

The Committee may access any Company information or documentation related to the matters in its area of competence, whenever it is deemed necessary for the performance of its duties.

Likewise, the Committee may seek, at the Company's expense, the collaboration or advice of external professionals when deemed necessary or advisable to better carry out its duties.

## **Article 7. Information to the Board of Directors.**

The Chairman of the Committee shall periodically inform the Board of Directors of the issues discussed and the resolutions adopted during its sessions, or when appropriate due to the relevance of the issue, at the first meeting of the Board of Directors held following the meeting of the Committee.

## **Article 8. Approval, Modification and Prevalence.**

These Regulations must be approved or modified by resolution of the Board of Directors at its own request or that of its Chairman, the Chairman of the Committee, one-third of the Members of the Board or of the Committee itself.

These Regulations implement and complement the bylaws and the Regulations of the Board of Directors applicable to the Committee, which take precedence in the case of discrepancies with these Regulations.