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.

In addition, the internal auditing unit is in charge of ensuring the compliance with and the good functioning of these systems.

E.2 Identify the section of the company in charge of elaborating and executing the Risks Management System.

The duty of elaborating and executing the risks management system is basically exercised by the audits committee specifically through internal auditor and through the risks manager.

The risks manager is in charge of analysing projects and businesses in the efforts and in aspects regarding the identification and quantification of risks of any nature.

On the other hand, the internal audits department is in charge of supervising and ensuring the correct functioning of the risks management system.

The goals and objectives of the audits committee are as follows:

- 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 internal audits and, when applicable, on the criteria applied.
- To inform the board of directors of any change in the accounting criteria, and any risks either on or off the balance sheet.
- To report to the general meeting of shareholders on matters questioned by shareholders, and which fall within its powers.
- To advice the board of directors to propose the appointment of the external financial auditors to the meeting of the general shareholders.
- To monitor the internal audits services. The committee will have full access to the internal audits and will report on the process of selection, appointment, renewal and dismissal of the internal audits director, and on allocating the director’s remunerations.
- To study the financial reporting process and the Company’s internal monitoring systems.
- To liaise with the external auditors in order to obtain information on any matters that could jeopardize their independence and on any other matters in relation to the financial auditing process.
- Prepare annual reports on the activities of the audits committee itself, which must be included in the management report.

E.3 Specify the main risks that could affect the attainment of business objectives.

In the process of identifying, compressing and evaluating the risks affecting the company, the following risks factors outlined in Schedule I of the Securities Registration Document published in the CNMV on July 12, 2012 have been considered:

General Risks

- Abengoa operates in a sector of activity especially linked with the economic cycle.
- Risk derived from depending on the regulations in support of activities relating to renewable energy, bioethanol production and also research- and development-related activities.
- Solar power generation.
- Biofuel consumption.
- Risks derived from the sensitivity entailed in the supply of raw materials for biofuel production and the volatility of the price of the final product.
- Risks derived from the sensitivity entailed in the supply of raw materials for recycling activities and the volatility of the price of the final product.
- Risks derived from delays and cost overruns in activities of Engineering and construction due to the technical difficulties of the projects and the lengthy duration of their execution.
- Risks linked to the activities of concession-type infrastructural projects operating under regulated tariffs or extremely long-term licences agreements.
- Incomes derived from long-term agreements: risks derived from the existence of clauses and/or renewal of licence agreements processed by Abengoa, termination of pending engineering and construction projects and non-renewals of biofuel distribution agreements.
- The variations in the cost of energy may bear negative impact on the company results.
- Risks derived from the development, construction and exploitation of new projects.
- Abengoa's activities may be negatively affected in the event that public support for such activities diminishes.
- Construction projects regarding the engineering and construction activities and the facilities of concession-type infrastructural and industrial production activities are dangerous places of work.
- Risks derived from joining hands with third parties for the execution of certain projects.

Risks that are specific to Abengoa

- Abengoa operates with enormous levels of indebtedness.
- Risks derived from the demand for capital intensive investments in fixed assets (CAPEX), which increase the need for external finance for the execution of pending projects.
- Risk entailed in obtaining reduced net profit derived from assets rotation
- The company has a controlling shareholder.
- The renewable energy sector products and services are part of a market subject to intensive conditions of competition.
- The results of the engineering and construction activity depend significantly on the growth of the company in the concession-type infrastructural and industrial production activities.
- Fluctuations in interest rates and their hedging may affect the results of the company
- Fluctuations in the currency exchange rates and their hedging may affect the results of the company

Risks derived from internationalization and from country risks:

- Abengoa's activities fall under multiple jurisdictions with various degrees of legal demands requiring the company to undertake significant efforts to ensure its compliance with them.
- Insurance coverage underwritten by Abengoa may be insufficient to cover the risks entailed in the projects, and the costs of the insurance premiums may rise.
- The activities of the company may be negatively affected by natural catastrophes, extreme climate conditions, unexpected geological conditions or other physical kinds of conditions, as well as by terrorist acts perpetrated in some of its locations.
- The practices of tax evasion and product alteration on the Brazilian fuel distributions market may distort the market prices.

E.4 Indicate whether the company has a risk tolerance level.

The universal risks model is a tool used for identifying and evaluating all risks affecting Abengoa. All the risks contemplated therein are evaluated considering probability and impact indicators.

Based on such parameters, the risks are classified as follows:

- Minor risks: risks that occur frequently but bear little economic impact. These risks are managed to reduce their frequency only if managing them is economically viable.
- Tolerable risks: risks that occur infrequently and bear little economic impact. These risks are monitored to ensure that they remain tolerable.
- Severe risks: frequent risks that bear extremely high impact. These risks are managed immediately although, due to the risk management processes implemented by Abengoa, it is unlikely that Abengoa needs to tackle these types of risks.
- Critical risks: risks that occur infrequently but bear extremely high economic impact. These risks have a contingency plan since, when they arise, their impact is extremely high. These risks are subject to their own contingency plan, given the severity of their impact when they occur.

E.5 Identify the risks that materialized during the financial year.

Some risks that are likely to affect the Abengoa surfaced during the 2013 financial year. The main one of them is analysed below, establishing the pertinent and necessary multi-annual action plans to enable us put all of them under control.

Energy and the environment are part of the activities in which Abengoa is engaged. This activity is performed in surroundings that continue to undergo changes, with regulations, subsidies or tax incentives that can be amended or even legally challenged.

Some of our businesses depend on local and government regulations of industrial activities, including regulations that, among other things, enforce the reduction of carbon and other greenhouse gases and the content of biofuels in fossil fuels or the use of energy from renewable sources. Any amendments to such regulations will seriously undermine the profitability of our current and future projects, and it could also bear adverse material effects on our business, financial conditions and results.

Some subsidy regimens set up for renewable energy generation have been challenged in the past for constitutional and other types of reasons (including benefit schemes that constitute State subsidies from the European Union) in some jurisdictions.

In the event that all or part of our renewable energy generation subsidy regimens and incentive schemes were to be declared illegal in any jurisdiction in which we are operating, we could find ourselves in a condition of inability to efficiently compete with the non-conventional renewable and other kinds of energy or we could be unable to complete some ongoing projects. We are bound by excessive government regulations existing in a number of different jurisdictions, and our inability to comply with the existing regulations or requests or changes in the applicable regulations or requirements could bear negative impacts on our businesses, results of operations or on the financial and Regulations situation - Spain -Solar Regulatory Framework - Royal Decree Law 9/2013

Renewable energy production at our facilities is the object of various measures of tax reduction or tax incentives in the jurisdictions in which they operate. These tax incentives and reductions play important roles in the profitability of the projects that we execute. It is possible that in future part or all of said incentives may be suspended, reduced, may not be renewed, or may even be completely cancelled. If it comes to that, the profitability of the current plants and our ability to finance future projects may be negatively affected, which could bear adverse material effect on our businesses, financial conditions and results of operations.

E.6 Explain the response and supervision plan for the most threatening risks of the entity.

There is a specific action plan for each of the risks identified, which could encompass various departments of the company.

Executive supervision of the company's main risks is performed through the following committees:

- Risks Management Committees by Business Units.
- Critical Projects Committees.
- Risks Management Committees with the Executive.
- Projects Committee.
- Special Situations Committees.