

D.6. Describe the mechanisms used to detect, determine, and resolve potential conflicts of interest between the company and/or its group, and its directors, officers, or significant shareholders.

In accordance with the provisions of the Board of Directors' Regulations, directors are obliged to inform the board of any situation of potential conflict in advance, and to abstain until the conflict is resolved.

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

No

Identify the other companies listed in Spain and their relationship with the company:

Not applicable

Identity and relation with other listed companies of the group

State whether they have publicly and accurately defined their respective areas of activity and any possible business relationships among them, as well as those between the listed dependent company and the other companies within the group;

Not applicable

Describe the possible business relationships between the parent company and the listed subsidiary, and between the subsidiary and the other companies within the group

Not applicable

Identify the mechanisms established to resolve possible conflicts of interest between the listed subsidiary and the other companies within the group:

Not applicable

Mechanisms for the resolution of possible conflicts of interest

E. Risk control and management systems

E.1. Explain the scope of the company's Control and Risks Management System, including the system for managing tax risks.

Abengoa's Risk Management System is a global and dynamic system. The scope of action of this 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 directors. It works comprehensively and continuously, consolidating this management according to the area, business unit or activity, subsidiaries, geographical areas and support areas at corporate level.

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 risk model which is the methodology that Abengoa uses to identify, compress and assess the risks that affect the Company. Its purpose is to obtain an integral vision of these risks, designing an efficient system of response that is in line with the business objectives.

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

The internal auditing unit is in charge of ensuring compliance with and the proper functioning of these systems.

E.2. Identify the decision-making bodies of the company responsible for preparing and implementing the Control and Risks Management System, including the system for managing tax risks.

The determination of the control and risks management policy, including tax risks and the supervision of internal reporting and control systems, is a faculty of the Board of Directors of Abengoa that cannot be delegated, in compliance with the provisions set out in the Corporate Enterprises Act.

The duty of elaborating and executing the risks management System is basically exercised by the Audit Committee, specifically through the internal auditor and the risks manager.

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

Meanwhile, the internal audit department is in charge of supervising and ensuring the correct functioning of the Risks Management System.

E.3. Point out the principal risks, including tax risks, in the manner of significance, that may derive from corruption (the latter understood under the scope of Royal Decree Law 18/2017), that could affect the achievement of business goals.

In the process of identifying, understanding and assessing the risks affecting the Company, the following risks factors have been considered:

General risks

- › Abengoa operates in a sector of activity especially linked to the economic cycle.
- › Risks derived from depending on regulations in support of activities relating to renewable energy.
- › Risks derived from delays and cost overruns in Engineering and construction activities 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 licence agreements.
- › The variations in the cost of energy may have a negative impact on the Company results.
- › Risks derived from the development, construction and exploitation of new projects.
- › Risks derived from joining forces with third parties for the execution of certain projects.
- › The energy sector products and services are part of a market subject to intensive conditions of competition.

Specific Risks for Abengoa

- › Risks derived from the shareholders' equity situation.
- › Risks related to the ability to comply with the feasibility plan.
- › Risks related to Abengoa's short- and medium-term liquidity needs.
- › Risks related to the impossibility of completing the divestiture plan.
- › Risks related to the sale of the shares in A3T.
- › Abengoa operates with high levels of borrowing.
- › Risks arising from the need to generate positive cash flows.
- › The results of the Company depend significantly on it being able to carry on its engineering and construction activity for third parties.

- › Fluctuations in interest rates and their hedging may affect the results of the company.
- › Fluctuations in currency exchange rates and their hedging may affect the results of the company.
- › Risk of litigation and other legal processes

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.
- › Abengoa's activities may be affected in the event of geopolitical conflicts, including terrorist acts perpetrated at some of its locations.

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E.4. Identify whether the entity has a risk tolerance level, including one for tax risk.

Abengoa has a risk tolerance level established at corporate 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 would have to tackle these types of risks.
- › Critical risks: risks that occur infrequently but bear extremely high economic impact. These risks are linked with a contingency plan because, when they do occur, the impact can be extremely high.

In addition, Abengoa has various insurance programs in place that would allow the adequate transfer of the greater part of such risks to the insurance market.

E.5. State what risks, including tax risks, have materialized during the financial year.

Abengoa endured certain risks during the 2018 financial year, the most significant of which are described below.

Energy and the environment are part of the activities in which Abengoa is engaged. This activity is performed in changing surroundings, with regulations, subsidies or tax incentives that can be changed or even legally challenged. Recent financial years have witnessed various amendments to regulations have taken place in the jurisdictions where Abengoa operates (mainly in the United States and Brazil), mainly in relation to activities concerning renewable energy generation, which have affected the profitability of Abengoa's current and future projects, the conditions in which to compete with non-conventional renewables and other kinds of energy, and its ability to complete some ongoing projects.

Moreover, given the financial difficulties that the Company went through in the second half of 2015 as a result of, inter alia, limited access to capital markets, in September 2015 the Company initiated a process of negotiation with its creditors to reach an agreement that would guarantee its financial feasibility. After said period of negotiations, the Company reached an agreement with its financial debtors that allowed it to complete the financial restructuring in March 2017. Nevertheless, said restructuring agreement, which was supported by 93.97 % of the financial debtors to whom it was addressed, was challenged by a series of financial debtors. On 25 September 2017, the Commercial Court nº2 in Seville ruled on the challenges filed (i) dismissing the challenges relating to the lack of concurrence of the percentages required by the Bankruptcy Law and thus deciding to uphold the endorsement agreed upon and the effects of the restructuring agreement; and (ii) admitting challenges relating to the disparity of the sacrifice caused to the challengers cited in the ruling.

The nominal value of the debt demanded by the challengers, which, as a result of the above, was excluded, amounts to approximately € 76 Million as at the date of the endorsement agreement.

The Company filed writs of clarification and complements against the ruling, but both petitions were dismissed by the Court.

In relation to the above, the Company started negotiations with the challenging entities for the purpose of reaching a satisfactory agreement.

After the culmination of the restructuring process in March 2017, to ensure the feasibility of the company and of the Abengoa Group and be able to competitively and sustainably continue with its activities in the future, if necessary:

- › To have a stable platform that may grant access to new sources of liquidity financing like those of sureties.
- › To access new bonding lines in order to ensure the growth of its Engineering and Construction business.
- › To maintain an adequate financial structure for the business model to be developed in future.

In relation to the above, in the middle of 2018 the Company started negotiations with its main creditors as established in the following milestones:

1. The signing, on 30th September 2018, Abengoa of a term sheet consisting of terms and conditions, subject to the terms and conditions specified hereunder, including the signing of the final document for the purpose of establishing the bases of the aforementioned financial restructuring that includes, among other things, the granting of cash in the maximum amount of 97 million Euros, and new bonding facility in the amount of 140 million Euros, for financing the liquidity and bonding needs of the group (Financing Agreement).

The Financing Agreement implies modifications in the structure of the financial debt of the group, mainly as follows:

- › The issuance of a convertible instrument that is convertible into shares at A3T level for a maximum amount of € 97 M, scheduled to mature in 2023 and with an annual turn out of 9 % ("Convertible A3T").
- › The conditions of New Money 1 and 3 remain currently unaltered, and its payment is expected once a long-term financing deal is closed on A3T.
- › 45 % of the nominal amount of the New Money 2 as well as the € 65 M cash-flow line acquired by the group in November 2017, and increased in May 2018, have become financings that have the sole resource as the A3T asset and improves the economic conditions of the debtor.
- › The creditors who own the remaining 55 % of the New Money 2, which is held in Abenewco1, including the bonding entities, will consent to relinquishing the application for the payment of their debt from the funds obtained through the issuance of the convertible as well as from funds that may be obtained from a divestiture of the assets in a future and modify their economic conditions.
- › Surrender an instrument that is compulsorily convertible into shares representing up to 22.5 % of Abenewco1 to creditors of the New Money 2 in Abenewco 1, to holders of the Convertible A3T and to members of the so-called Ad Hoc Committee.

The Financing Agreement is subject to the performance of certain conditions precedent as well as to the obtaining of the necessary consents by the creditors in accordance with the current financial instruments.

2. The agreement reached in December 2018 with a group of investors who hold significant shares in the Old Money instruments for the restructuring of the Old Money entailed allowing the optimization of the financial structure of the Group, thus facilitating the access of new financing in future. The terms and conditions of said restructuring, the describing of which is summarized below, have also been offered to the challengers.

- › A new company, Abenewco 2 Bis, will be created and the shares held in Abenewco 1 will be invested in the ownership of Abenewco 2, which will assume the Senior Old Money debt.
- › The instruments of the Senior Old Money, which will maintain its actual value while modifying its economic conditions, will be exchanged for convertible instrument issued by Abenewco 2 Bis. Upon maturity, payment shall be made using the Group's free cash-flow available above a minimum and anything not met in cash shall be compulsorily converted into shares of Abenewco 2 Bis representing up to a maximum of 100 % of its share capital.
- › The instruments of the Junior Old Money, which will maintain its actual value while modifying its economic conditions, will be exchanged for two convertible instrument issued by Abenewco 2, the first in shares representing up to a maximum of 99.9 % of the share capital of Abenewco 2 and the second, to be converted only when the first has been converted, into shares representing 49 % of the share capital of Abenewco 2. Upon maturity, payment of the first instrument shall be made using the Group's free cash-flow available above a minimum to be specified and anything not met in cash shall be compulsorily converted into shares of Abenewco 2 Bis.
- › The new instruments shall be respectively due on the date it five years or five years and six months from the date of issue with the possibility of extension for periods of one year up to a maximum of five additional years at the option of the creditors.
- › The order of conversion of these instruments shall be based on the actual precedence of the instruments that may substitute them.

3. In the implementation of the aforementioned agreements, on 31st December 2018 the signing of a Lock up Agreement with a group of financial entities and investors holding the greater part of the New Money 2, the Syndicated Bonding Facilities and the Senior Old Money as well as the insuring entity of the new liquidity, by virtue of which, among other things, said creditors agreed as follows: (i) to leave the exercise of certain rights and actions that may be taken against the relevant companies in the Group in suspense until before the following dates: the date on which the Lock-up Agreement expires in conformity with its own terms and conditions or the so-called Long-stop Date which was initially 31st January 2019 but was later extended to 14th March 2019 and subsequently to 31st March 2019 (The Long-Stop Date); (ii) to take all the actions necessary to support, facilitate, implement, execute or, in any other manner, to render the financial restructuring proposal and, in particular, to initiate negotiations with the aim of agreeing on and signing a restructuring agreement not later than the Long Stop Date, and (iii) to agree not to sell or transfer the debt in any other manner until the Long-Stop Date or the date of the termination of the Lock-up Agreement, except under certain circumstances.

Upon the signing of the Lock-up Agreement, the rest of the creditors of the New Money 2, bonding entities and creditors of the Old Money, as well as the challengers were requested to adhere to the Lock-up Agreement in accordance with the procedures established and reported in the Relevant Event published thereof on 31st December 2018.

On 28th January 2019 the majority necessary for the Lock-up Agreement to be effective was attained. Subsequently, on 31st January 2019, Abengoa reported the extension of the Long Stop Date for the maturity of the Lock-up Agreement to 14th March 2019, which was later extended once again to 31st March 2019.

On 22nd February 2019 the Company asked for the consent of the holders of the bonds of the New Money 2, Senior Old Money and Junior Old Money to modify certain terms and conditions of the bonds and to sign the restructuring agreement.

Subsequently, on 27th February 2019, the Company announced the convening of the Extraordinary General Meeting of Shareholders (hereinafter, EGMS) to be possibly held on 28th March 2019 on second call, for the approval of certain agreements in relation to the restructuring

On 11th March 2019 the Company announced that it had, together with various companies of the group and a group of financial creditors with part in the existing financial debt, signed a restructuring agreement (Amendment and Restructuring Implementation Deed) (the Restructuring Agreement) for the purpose of modifying the terms and conditions of the existing financing and to restructure the group's financial debt (the Restructuring) under terms and conditions set forth above, thus commencing the period of commitment on that very date.

On 28th March 2019 the Extraordinary General Meeting, held on second call approved the proposed agreements relating to the restructuring and, on 29th March 2019, once the period of commitment to the restructuring agreement ended, the Company reported that it had obtained the supports necessary from the financial creditors for the implementation of the restructuring operation. Notwithstanding the above, it requested an extension of the date for rounding up the transaction to the 11th April 2019, a date that was also extended on two occasions until 26th April 2019. The restructuring operation was finally completed on 26th April 2019 with the application for the judicial endorsement of said agreement set to be submitted within the next few days. It is however important to point out that said judicial endorsement is not a condition for the effectiveness of the restructuring agreement which came into effect on the date set forth above.

In addition, on 11th April 2019, A3T, a subsidiary that is wholly owned by Abengoa, entered into a bridge-financing agreement with a group of financial entities for the purpose of refinancing the NM1/3. When the conditions for its reimbursement were met it was done on 25th April and the NM1/3 was fully repaid on 26th April 2019.

E.6. Explain the response and supervision plans for the main risks of the entity, including tax risks, as well as the procedures followed by the company to ensure that the board of directors respond to the new challenges that may surface.

Generally, Abengoa has some Common Management Systems in place that are compulsory for the company. They identify a series of risks in the various scopes of the company, and establish their operational standards and procedures, focusing on the mitigation of the risks, such that, in Abengoa, managing business is practically the same as managing risks.

In addition, in each of the processes and projects, Abengoa performs a risks analysis in which an action plan is established to mitigate the risks identified, passing through the mitigation of the probability and the potential impact that the risk may entail, the transfer to third parties, and self-insurance plans.

F. Internal risk control and management systems in connection with the process of issuing financial information (ICFRS)

Describe the mechanisms making up the risk control and management systems with respect to the process of issuing the entity's financial information (ICFRS).

F.1. Control environment at the entity

Indicate the following, at least specifying the main features:

F.1.1. What bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective internal control over financial reporting system (ICFRS); (ii) the implementation; and (iii) oversight.

The System of Internal Control over Financial Reporting, (hereinafter, ICFRS), is part of Abengoa's general system of internal control and is set up as a system prepared to provide reasonable assurance of the reliability of the published financial report. The body in charge of it, pursuant to the Regulations of Abengoa's Board of Directors, is the Board of Directors and, within it, the duty of supervision is conferred to the Audit Committee in accordance with its own regulations.

Thus, the Board of Directors is in charge of setting up and maintaining a compulsory Audit Committee as inferred from Article 27 of the Board Regulations

According to the foregoing Article, the functions entrusted by the Board of Directors to the Audit Commission, with regard to the ICFRS, entail: *"Monitoring the preparation process and the integrity of the financial report concerning the Company and, where applicable, the group of which Abengoa is parent company (hereinafter, the "Group"), verifying compliance with legal requirements and the correct application of accounting criteria, and appropriately specifying the scope of consolidation"*.

Additionally, and in accordance with the same Article, included among the functions of the Board and, by delegation, the Audit Committee, is that which entails *"Periodically revising the internal control and risk management system so that the main risks, including those of a fiscal nature, are identified, managed, and properly disclosed, as well as discussing significant shortcomings of the internal control system identified in the audit with the financial auditor"*.