

Internal Regulations Governing the Audit Committee

These Internal Regulations that govern the Audit Committee have been approved by a resolution passed by the Board of Directors on 24 April 2003; subsequently modified by agreement of the Board of Directors on 28 February 2005; by agreement of the Board of Directors of 18 December 2007; and by agreement of the Board of Directors of 29 July 2010, effective as of 22 December 2010.

Modifying Article 2, by agreement of the Board of Directors of 28 February 2005.

Modifying Article 3, by agreement of the Board of Directors of 18 December 2007.

Modifying Article 3, by agreement of the Board of Directors of 29 July 2010, effective as of 22 December 2010. The complete text incorporates all the modifications as at this date.

Introduction.

The Audit Committee is being established in accordance with Law 44/2003 on Financial System Reform Measures, and shall be obligatory pursuant to this law.

Article 1. Composition. Appointment of Members.

The Audit Committee shall comprise three directors, appointed by the Board of Directors. At least two of these shall be non-executive directors, maintaining a majority of non-executive members, as established in the aforementioned Law 44/2003, of which at least one shall be independent and shall be appointed taking into account his/her knowledge and experience of accountancy and/or audit matters.

The appointment shall be for a maximum period of four years, renewable for maximum periods of the same duration.

Article 2. Chairman and Secretary.

The Audit Committee shall initially elect its Chairman from among the members that are non-executive Directors for a term that must not exceed four years. A minimum period of one year must elapse prior to the re-election of the same director as chairman.

The Secretary of the Board of Directors shall act as Secretary of the Committee.

Article 3. Functions and Competencies.

The functions and competencies of the Audit Committee are:

I. In relation to internal control and the information systems:

- a) Supervise the preparation process and the integrity of the financial information relating to the Company and to the Group, as appropriate, ensuring compliance with regulatory requirements, the appropriate scope of consolidation and the correct application of accounting criteria.
- b) Report on the annual, half-yearly and quarterly financial statements that should be submitted to regulatory or market supervision entities, with reference to the internal control systems, control of their monitoring and compliance through internal audit, as well as the accounting criteria applied, when applicable.
- c) Periodically review the internal control and risk management systems so that the principal risks are appropriately identified, managed and reported.
- d) Supervise the internal audit function, by means of full access to it, and monitor and supervise its independence and effectiveness; propose the selection, appointment, re-election and removal of the manager of the internal audit service; propose the budget for this service and set the remuneration of its manager; receive periodic information on its activities and the budget for the service; and verify that senior management takes into account the conclusions and recommendations of its reports.
- e) Establish and supervise a mechanism that allows employees to confidentially and anonymously, if appropriate, communicate potential irregularities, especially financial and accounting, which they may identify within the Company, proposing the appropriate corrective measures and authorisations to the Board of Directors.
- f) Summon any employee or director of the Company, including for appearances without the presence of another manager.
- g) The Audit Committee shall notify the Board about the following issues, prior to adopting the corresponding decisions:
 - (i) The financial information that the Company must periodically publish, as a listed company. The Committee must ensure that the interim accounts are prepared using the same accounting criteria as the annual accounts, and therefore consider the relevance of a partial review by the external auditor.
 - (ii) The creation or acquisition of shareholdings in special purpose vehicles or entities registered in countries or territories considered as tax havens, as well as any other similar transactions or operations that, due to their complexity, could reduce the transparency of the Group.

- (iii) Related transactions. For transactions within the ordinary course of company business, which are habitual or recurrent in nature, the report need only refer to the generic authorisation of the Board of Directors for the line of operations and its terms and conditions.

All transactions that simultaneously comply with the following three conditions shall be exempt from the need to be authorised by the Board of Directors, as well as from the report by the Audit Committee:

1. That they are carried out under agreements with standardised conditions and that apply in a general way to numerous clients;
2. That they are carried out at established rates or prices, which in general are set by the entity acting as the supplier of the good or service; and
3. That their quantity does not exceed two per cent (2%) of Befesa's consolidated revenues in accordance with the audited annual accounts from the last year to have been finalised prior to the date of the transaction in question.

- (iv) Information regarding related transactions, which must be included in the six-monthly information and in the company's annual corporate governance report.

- (v) The decision to (1) reject business opportunities, and/or (2) accept or reject sales offers of businesses or divisions that are dedicated to environmental activities belonging to companies that Abengoa, S.A. could eventually acquire, which in both cases will be communicated to the Company by Abengoa, S.A. in accordance with the protocol governing related transactions and activities agreed between Abengoa, S.A. and the Company (the "Protocol")

- h) Supervise compliance with the Internal Code of Conduct in relation to the securities market and the policy on the Use of Relevant Information and the rules on corporate governance.
- i) Supervise compliance of the Protocol signed with Abengoa, S.A. and periodically report to the Board about this compliance.
- j) Inform the Board in advance about any proposal to modify this Protocol, as well as about possible proposals of transactions aimed at resolving any disagreements that may arise between Abengoa, S.A. and the Company with regards the Protocol.

- k) Make recommendations and formulate proposals to the Board to improve the Protocol within the framework of its competences.
 - l) Notify the Board of any change in accounting criteria and of the risks on and off the balance sheet.
 - m) Report to the General Shareholders' Meeting on questions raised by shareholders in relation to matters of its competence.
 - n) Summon the directors that it deems appropriate to the meetings of the Committee to report on the issues that the Audit Committee decides on.
 - o) Draft an annual report on the activities of the Audit Committee that must be included in the management report.
- II. In relation to the external auditor:
- a) The proposals to select, appoint, re-elect and substitute the external auditor, as well as the conditions of its contract, shall be presented to the Board of Directors to be submitted to the Shareholders' General Meeting.
 - b) Receive information about the audit plan and its results from the external auditor on a regular basis and verify that senior management takes its recommendations into account.
 - c) Ensure the independence of the external auditor and therefore:
 - (i) That the Company notifies the CNMV of the change of auditor as a significant event and accompanies this disclosure with a statement about the existence of any disputes with the outgoing auditor and the content of such disputes, if they exist;
 - (ii) That it ensures that the Company and the auditor comply with prevailing regulations on the provision of services, other than audit services, the restrictions on the concentration of business with an auditor and, in general, any other regulations established to ensure the auditors' independence;
 - (iii) In the case of the resignation of an external auditor, to examine the circumstances that may have caused it.
 - d) Support the Group auditor in taking responsibility for the audits of the companies that comprise it.
 - e) Maintain contact with the external auditors in order to receive information about any issues that may prejudice their independence, to be examined by the Audit Committee, and any other matters related to the process of auditing the accounts, as well as any other communications required under accounts auditing legislation and in the audit regulations. In all cases, it should receive an annual written confirmation from the external auditors

regarding their independence in relation to the Company or companies that are directly or indirectly related to it, as well as information about additional services of any kind provided to these companies by the aforementioned auditor or by persons or entities related to it in accordance with Law 19/1998 of 12 July on the auditing of accounts.

- f) Annually issue, prior to issuance of the accounts audit report, a report expressing an opinion about the independence of the external auditor. In all cases this report must include the details about the provision of additional services referred to in the above section.

Article 4. Meetings. Notice of Meetings.

The Audit Committee shall meet as often as is required to comply with the functions indicated in Article 3 above, and at least once every quarter. In general, the meetings shall be held in the Company's head offices. However, its members may designate an alternative location for specific meetings.

The Audit Committee shall also meet at any time that it is summoned by the Chairman, under his/her own volition or at the request of any of its members, who in all cases may inform the Chairman of the relevance of including a specific item on the agenda of the following meeting. Meetings must be called with sufficient notice, which must be no less than three days, in writing, and must include the agenda. Nonetheless, the meeting of the Audit Committee shall also be valid when all members are present and agree to hold a meeting.

Article 5. Quorum.

The Audit Committee shall be considered to be validly constituted when the majority of its members are present. Attendance may only be delegated to a non-executive director.

The resolutions shall be validly adopted when the majority of the Committee members present vote in favour. In the event of a tie, the Chairman shall have the casting vote.

(The text of these rules end with the paragraph above).

This version of the Internal Regulations Governing the Audit Committee of Befesa Medio Ambiente has been approved by agreement of the meeting of the Board of Directors of 29 July 2010, which came into effect on 22 December 2010.
