



2020

ANNUAL CORPORATE GOVERNANCE REPORT

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED COMPANIES

A. STRUCTURE OF THE COMPANY

A.1 Complete the following table on the company's share capital:

Date of last change	Share capital (€)	Number of shares	Number of voting rights
22/09/2020	155,332,297.00	310,664,594	310,664,594
Observations			

Indicate whether there are different classes of shares carrying different rights:

Yes	No
	x

A.2 List the direct and indirect holders of significant ownership interests at year-end, excluding directors:

Name or company name of the shareholder	% of voting rights attributed to shares		% of voting rights through financial instruments		Total % of voting rights
	Direct	Indirect	Direct	Indirect	
MR. ALBERTO CORTINA ALCO CER		2.61%			2.61%
MR. ALBERTO ALCO CER TORRA		2.31%			2.31%
BLACKROCK		4.71%	0.28%		4.99%
SOCIETE GENERALE S.A.	6.36%				6.36%

Observations

Details of indirect participation:

Name or company name of the indirect shareholder	Name or company name of the direct shareholder	% of voting rights attributed to shares	% of voting rights through financial instruments	Total % of voting rights
MR. ALBERTO CORTINA ALCOCER	PERCACER, S.L.	1.41%		1.41%
MR. ALBERTO CORTINA ALCOCER	CORPORACIÓN FINANCIERA ALCOR, S.L.	0.15%		0.15%
MR. ALBERTO CORTINA ALCOCER	IMVERNELIN PATRIMONIO, S.L.	1.05%		1.05%
MR. ALBERTO ALCOCER TORRA	COMERCIO Y FINANZAS, S.L.	1.11%		1.11%
MR. ALBERTO ALCOCER TORRA	CORPORACIÓN FINANCIERA ALCOR, S.L.	0.15%		0.15%
MR. ALBERTO ALCOCER TORRA	IMVERNELIN PATRIMONIO, S.L.	1.05%		1.05%
BLACKROCK	BLACKROCK, INC	4.71%		4.71%

Observations

Indicate the most significant changes in the shareholding structure occurring during the year:

Most significant changes

A.3 Complete the following table on the members of the company's Board of Directors who hold voting rights over shares in the company:

Name or company name of the Board Member	% of voting rights attributed to shares		% of voting rights through financial instruments		Total % of voting rights	% of voting rights that can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. FLORENTINO PÉREZ RODRÍGUEZ		12.68%			12.68%		
MR. MARCELINO FERNÁNDEZ VERDES	0.01%	0.26%			0.27%		
MR. ANTONIO GARCÍA FERRER	0.03%				0.03%		
MR. AGUSTÍN BATUECAS TORREGO	0.40%	0.25%			0.65%		
MR. ANTONIO BOTELLA GARCÍA							
MR. JOSÉ LUIS DEL VALLE PÉREZ	0.10%				0.10%		
MR. JAVIER ECHENIQUE LANDIRIBAR	0.01%				0.01%		
MRS. CARMEN FERNÁNDEZ ROZADO							
MR. EMILIO GARCÍA GALLEGO							
MR. JOAN DAVID GRIMÁ TERRÉ							
MR. MARIANO HERNÁNDEZ HERREROS							
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ		0.22%			0.22%		
MRS. CATALINA MIÑARRO BRUGAROLAS							
MRS. MARÍA SOLEDAD PÉREZ RODRÍGUEZ							
MR. MIGUEL ROCA JUNYENT							
MR. JOSÉ ELADIO SECO DOMÍNGUEZ							
Name or company name of the Board Member							

% of total voting rights held by the Board of Directors	13.96%
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Observations

Details of indirect participation:

Name or company name of the Board Member	Name or company name of the direct shareholder	% of voting rights attributed to shares	% of voting rights through financial instruments	Total % of voting rights	% of voting rights that can be transferred through financial instruments
MR. FLORENTINO PÉREZ RODRÍGUEZ	ROSAN INVERSIONES, S.L.	12.68%		12.68%	
MR. MARCELINO FERNÁNDEZ VERDES	GESGUIVER, S.L.	0.26%		0.26%	
MR. AGUSTÍN BATUECAS TORREGO	CARCALODÓN, S.L.	0.22%		0.22%	
MR. AGUSTÍN BATUECAS TORREGO	EL CAMPOSTUERO, S.L.	0.03%		0.03%	
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	FAPIN MOBI, S.L.	0.22%		0.22%	
Observaciones					

A.4 Indicate, as applicable, any relationships of a family, commercial, contractual or corporate nature existing between the holders of significant ownership interests, insofar as they are known to the company, unless they have scant relevance or arise from the ordinary course of business, except those indicated under section A.6:

A.5 Indicate, as applicable, any relationships of a commercial, contractual or corporate nature existing between the holders of significant ownership interests and the company and/or the group, unless they have scant relevance or arise from the ordinary course of business:

A.6 Describe the relationships, unless of little relevance for both parties, which exist between significant shareholders or shareholders represented on the board and the directors or their representatives, in the case of corporate managers.

Explain, as applicable, how significant shareholders are represented. Specifically indicate those directors who have been appointed on behalf of significant shareholders, those whose appointment would have been promoted by significant shareholders, or who are linked to significant shareholders and/or entities of their group, with a specific mention of the nature of said linkages. Indicate in particular, as applicable, the existence, identity and position of members of the Board of Directors or representatives of directors of the listed company, who are, in turn, members of the governing body, or their representatives, of companies with significant shares in the listed company or in group entities of the aforementioned significant shareholders.

Name or company name of the related Board Member or representative	Name or company name of the related significant shareholder	Company name of the company of the significant shareholder's group	Description of relationship/ position
MRS. MARÍA SOLEDAD PÉREZ RODRÍGUEZ	ROSAN INVERSIONES, S.L.		SISTER OF MR. FLORENTINO PÉREZ RODRÍGUEZ, SOLE ADMINISTRATOR OF ROSAN INVERSIONES, S.L.
MR. MARIANO HERNÁNDEZ HERREROS	ROSAN INVERSIONES, S.L.		BROTHER-IN-LAW OF MR. FLORENTINO PÉREZ RODRÍGUEZ, SOLE ADMINISTRATOR OF ROSAN INVERSIONES, S.L.
Observations			

A.7 Indicate whether any shareholders' side agreements affecting the company have been executed between shareholders pursuant to Articles 530 and 531 of the Spanish Companies Law. If so, provide a brief description and list the shareholders that are party to the agreement:

Yes	No
	X

Indicate whether the company is aware of any concerted actions between its shareholders. If so, provide a brief description:

Yes	No
	X

A.8 Indicate if there is any individual or legal entity that exercises or could exercise control over the company under Article 5 of the Securities Market Law. If so, identify them:

Yes	No
	X

A.9 Complete the following tables on the company's treasury shares:

At year-end:

Number of direct shares	Number of indirect shares (*)	% of total share capital
Number of direct shares	Number of indirect shares (*)	% of total share capital
25,604,141	500	8.24%
Observations		

(*) Through: FUNDING STATEMENT, S.A.

Explain any significant variations during the financial year:

Notification of acquisitions:

Notification date	Total direct shares acquired	Percentage of total share capital
03/11/2020	3,153,984	1.015%
25/09/2020	3,848,923	1.223%
01/09/2020	3,635,676	1.155%
08/07/2020	3,149,273	1.001%
24/06/2020	3,164,280	1.006%
03/06/2020	3,330,996	1.059%
19/03/2020	3,297,735	1.048%
10/03/2020	3,959,000	1.258%
13/01/2020	3,269,562	1.039%

Notification of redemptions:

Notification date	Total direct shares redeemed	Percentage of total share capital
29/09/2020	4,000,000	1.271%
20/07/2020	11,377,057	3.616%
12/03/2020	2,899,168	0.921%

A.10 Give details of the conditions and time periods governing any resolutions of the General Shareholders' Meeting authorizing the Board of Directors to issue, acquire or transfer treasury shares.

The following resolution was adopted at the Ordinary General Shareholders' Meeting held on May 8, 2020: "In rendering the authorization granted through the resolutions of the Company's General Shareholders' Meeting held on May 10, 2019, null and void and in accordance with the provisions of Articles 146 and related articles and 509 of the Consolidated Text of the Spanish Companies Law, the Board of Directors of the Company and those of its subsidiaries are authorized, during a period of one year from the date of this meeting, which shall be automatically extended for periods of equal duration up to a maximum of five years, unless stipulated otherwise by the shareholders at the General Meeting, and in accordance with the conditions and requirements envisaged in the legal provisions in force at the time, to acquire, at any given time and as many times as deemed advisable and through any of the means admitted by law, with a charge to profit for the year and/or unrestricted reserves, shares of the Company, the nominal value of which when added to those already owned by the Company or by its subsidiaries does not exceed 10% of the share capital issued or, where applicable, the maximum amount authorized by the legislation applicable at any given time. The minimum price and the maximum price, respectively, will be the nominal value and the weighted average price relating to the last trading day prior to the transactions increased by 20%.

The Board of Directors of the Company and those of its subsidiaries are also authorized, within the period and in accordance with the conditions established above to the extent that it is applicable, to acquire shares of the Company through loans, for a consideration or otherwise, on an arm's-length basis, taking into account market conditions and the characteristics of the transaction.

Express authorization is given for the treasury shares acquired by the Company or its subsidiaries to be earmarked, in full or in part: (i) for sale or retirement, (ii) for delivery to workers, employees or administrators of the Company or its Group, when there is a right recognized either directly through or as a result of exercising the options they hold, for the purposes envisaged in the last paragraph of Article 146.1.a) of the Consolidated Text of the Spanish Companies Law, and (iii) for reinvestment plans for dividends or similar instruments.

In order to retire treasury shares and granting the execution of this task to the Board of Directors in accordance with that indicated below, the Board resolved to reduce share capital, with a charge to profit or unrestricted reserves, for an amount equal to the total nominal value of the treasury shares which the Company directly or indirectly holds at the date of adoption of this resolution by the Board of Directors.

In accordance with Article 7 of the Company By-laws, the Board of Directors is empowered (with express powers of substitution) to execute this resolution to reduce share capital, which may be carried out once or several times within the maximum period of five years from the date of this resolution, performing such formalities, taking such steps and providing such authorizations as might be necessary or required by the Spanish Companies Law and other applicable provisions. In particular, the Board of Directors is authorized to, by the deadline and within the aforementioned limits, (i) set the date or dates for the specific share capital reduction or reductions, taking into account market conditions, the share price, the Company's economic-financial position, its cash, reserves, business performance and any other matter that is reasonable to consider; (ii) specify the amount of each share capital reduction; (iii) use of the amount of the reduction, either to restricted reserves or to unrestricted reserves, providing such guarantees as might be required and complying with the related legal requirements; (iv) amend Article 6 of the Company By-Laws to the new share capital figure; (v) apply for the delisting of the retired shares; and, in general, adopt any resolutions as might be necessary to ensure the full effectiveness of the retirement of these shares and the concomitant capital reduction, designating the persons empowered to implement these resolutions.

The execution of this share capital reduction shall be subordinate to the execution of the capital reduction through the retirement of treasury shares proposed to the shareholders at the Ordinary General Shareholders' Meeting under item 8 on the Agenda, such that under no circumstances may the execution of this resolution be prevented in accordance therewith."

In addition, the Ordinary General Shareholders' Meeting held on May 8, 2020, agreed to delegate to the Board of Directors, in accordance with the provisions of Article 297.1(b) of the Spanish Companies Law, the power to increase, on one or more occasions, the share capital of the Company up to a maximum of 50% of the capital, as of the date of this authorization without the need for a convening or prior agreement by the General Meeting.

The Ordinary General Shareholders' Meeting held on May 10, 2019, approved a motion to delegate to the Board of Directors the power to issue, on one or more occasions, within a maximum term of five years, bonds convertible and/or exchangeable for shares of the Company, as well as warrants or other similar securities that may directly or indirectly provide the right to the subscription or acquisition of shares of the Company, for a total amount of up to three billion euro; as well as the power to increase the capital stock by the necessary amount, along with the power to exclude, where appropriate, the pre-emption subscription rights up to a limit of 20% of the capital stock.

A.11 Estimated percentage free float

	%
Estimated free float	82.41%

A.12 Indicate, as applicable, any restrictions (statutory, legislative or of any other nature) on the transfer of securities and/or any restrictions on voting rights. In particular, indicate the existence of any type of restrictions which may make it difficult to take over the company via the market

acquisition of its shares, as well as those arrangements for authorization or prior communication which, for the acquisition or transfer of the company's financial instruments, are applicable to it due to sector regulations.

Yes	No
	X

A.13 Indicate whether the shareholders at the General Meeting have resolved to take measures to neutralise a takeover bid pursuant to Law 6/2007.

Yes	No
	X

A.14 Indicate whether the company has issued shares that are not traded in a regulated market in the European Union.

Yes	No
	X

B. GENERAL SHAREHOLDERS' MEETING

B.1 Indicate and, if applicable, describe the differences between the minimum required under the Spanish Companies Law (Ley de Sociedades de Capital – LSC) and the quorum required for holding the General Shareholders' Meeting..

Yes	No
	X

B.2 Indicate and, if applicable, describe any differences between the rules established in the Spanish Companies Law (LSC) for adopting resolutions and the company's rules.

Yes	No
	X

B.3 Indicate the rules applying to amending the Company's By-laws. In particular, indicate the majorities anticipated for modifying the by-laws, as well as, where appropriate, the rules anticipated for protecting partners' rights on modifying the by-laws.

Article 32 of the Company By-Laws states that for the General Meeting to validly agree to increase or reduce the capital, and any other modification of the by-laws, to issue debentures, withdrawal or limitation of pre-emption rights for new shares and the transformation, merger, spin-off or global assignment of assets and liabilities, transfer of residence abroad or voluntary dissolution by agreement of the General Meeting, it will be necessary at first call, for the shareholders holding at least fifty percent of the subscribed capital with voting rights to attend in person or by proxy, and in the second call, the attendance of twenty-five percent of that capital. These social agreements shall be adopted by an absolute majority if the capital present or represented exceeds fifty percent in the first call and with the favorable vote of two thirds of the capital present or represented at the meeting when shareholders representing twenty-five percent or more of the subscribed capital with voting rights attend the second call without reaching fifty percent.

In addition, as set out in Articles 286 and 287 of the Spanish Companies Law, the Board of Directors shall draft the full text of the proposed amendment to the By-laws as well as a written report justifying the same. In the call of the General Meeting the points which are to be amended shall be expressed with sufficient clarity with an affirmation of the right of all partners to examine the full text of the proposed amendment and the corresponding report at the registered office and to request delivery or free shipping of said documents.

Article 29 ("Voting on proposed resolutions") of the Rules of Procedure of the General Shareholders' Meeting provides for the following:

"29.3. Separate votes shall be taken at the General Meeting on all matters which are substantially independent. In any event, separate votes shall be taken on the following matters, even if they are included in the same item on the agenda: (i) the appointment, ratification, re-election or dismissal of each director; and (ii) modification of the Company By-Laws and modification of each article or group of articles that stand alone."

B.4 Indicate the data on attendance at the General Meetings held in the year to which this report refers and those from the previous two years:

Attendance information

Date of the General Meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic voting	Others	
05/08/2018	1.59%	59.91%	0.01%	0.00%	61.51%
Of which is floating Capital:	0.40%	41.66%	0.01%	0.00%	42.07%
05/10/2019	1.05%	65.57%	0.01%	0.00%	66.63%
Of which is floating Capital:	0.19%	45.54%	0.01%	0.00%	45.74%
05/08/2020	0.93%	52.80%	0.01%	0.00%	53.74%
Of which is floating Capital:	0.07%	47.11%	0.01%	0.00%	47.19%

B.5 Indicate whether there have been any items on the agenda, that for whatever reason, have not been approved by the shareholders at the general meetings held during the year.

Yes	No
	X

B.6 Indicate whether the by-laws contain any restrictions with respect to a minimum number of shares required to attend General Meetings, or to vote remotely:

Yes	No
X	

Number of shares required to attend the general meeting:	100
Number of shares required to vote remotely	100

Observations

Article 26 of the Company By-Laws, stipulates that: "The General Meeting is composed of all the holders of at least one hundred shares, whether present or represented. The owners or holders of fewer than one hundred shares can be grouped in order to arrive at that number, being represented, either by one of them, or by another shareholder who owns by itself the number of shares necessary to be part of the General Meeting."

B.7 Indicate if it has been established that certain decisions, other than those established by law, involving an acquisition, sale or contribution to another company of essential assets or other similar corporate transactions should be subject to the approval of the general shareholders' meeting.

Yes	No
	X

B.8 Indicate the address and mode of access to the company's website to information on corporate governance and other information on the General Meetings that need to be made available to the shareholders through the Company's website.

The website is: <http://www.grupoacs.com/gobierno-corporativo/>

Once on the ACS Group's website, several tabs appear at the top. The one of interest is called "CORPORATE GOVERNANCE"; if you click on this link you will find the Company By-Laws, the Rules of Procedure of the General Shareholders' Meeting and the Rules of Procedure of the Board of Directors.

The drop-down menu within CORPORATE GOVERNANCE shows two sections:

- Board of Directors. If you click on this link you will find the Rules of Procedure of the Board of Directors and the composition of the Board of Directors with information on each director.
- Annual Corporate Governance Report. If you click on this link, following a brief introduction there is a specific instruction to click on it and download the latest annual reports since 2006 in PDF format.

On the other hand, in the drop-down menu of the COMPLIANCE tab, there is a section "Compliance Policies and Procedures" containing the Code of Conduct, Code of Conduct for Business Partners, General Control and Risk Management Policy, Criminal Compliance and Anti-Bribery Policy, Human Rights Policy, Corporate Fiscal Policy, Diversity Policy, Sustainability Policy, Policy and compliance protocol in competition matters, Communication Policy of economic-financial, non-financial and corporate information, and of contacts and involvement with shareholders and other stakeholders, Information Security Policy, Remuneration Policy, Treasury Stock Policy, Corporate due diligence protocol on human rights, Regulations of Conduct in the Securities Markets, Procedural Regulations of the Monitoring Committee of the Code of Conduct and Environmental Policy.

Finally, the "General Shareholders' Meeting" section of the "Shareholders and Investors" tab contains information concerning the General Shareholders' Meetings since 2013.

C STRUCTURE OF THE COMPANY ADMINISTRATION

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors provided for in the by-laws and the number set by the general meeting:

Maximum number of Board Members	21
Minimum number of Board Members	11
Number of directors determined by the board	16

C.1.2 Complete the following table with the Board Members:

Name or company name of the Board Member	Representative	Class of Board Member	Position on the Board	Date of first appointment	Date of last appointment	Appointment procedure
MR. FLORENTINO PÉREZ RODRÍGUEZ		Executive	Executive Chairman	06/28/1989	05/10/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR. MARCELINO FERNÁNDEZ VERDES		Executive	Chief Executive Officer	05/04/2017	05/04/2017	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR. ANTONIO GARCÍA FERRER		Executive	Vice Chairman	10/14/2003	05/10/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR. AGUSTÍN BATUECAS TORREGO		Executive	Director	06/29/1999	05/10/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR. ANTONIO BOTELLA GARCÍA		Independent	Director	04/28/2015	05/10/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR. JOSÉ LUIS DEL VALLE PÉREZ		Executive	BOARD MEMBER - SECRETARY	06/28/1989	05/10/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR. JAVIER ECHENIQUE LANDIRIBAR		Proprietary	Director	05/20/2004	05/08/2020	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MRS. CARMEN FERNÁNDEZ ROZADO		Independent	Director	02/28/2017	02/28/2017	BOARD OF DIRECTORS' RESOLUTION
MR. EMILIO GARCÍA GALLEGO		Independent	Director	11/13/2014	05/10/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR. JOAN DAVID GRIMÀ TERRÉ		Other external	Director	10/14/2003	05/10/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR. MARIANO HERNÁNDEZ HERREROS		Proprietary	Director	05/05/2016	05/08/2020	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR. PEDRO LÓPEZ JIMÉNEZ		Other External	Director	06/28/1989	05/10/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MRS. CATALINA MIÑARRO BRUGAROLAS		Independent	Director	04/28/2015	05/10/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MRS. MARÍA SOLEDAD PÉREZ RODRÍGUEZ		Proprietary	Director	11/13/2014	05/10/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR. MIGUEL ROCA JUNYENT		Other External	Director	10/14/2003	05/10/2019	GENERAL SHAREHOLDERS' MEETING RESOLUTION
MR. JOSÉ ELADIO SECO DOMÍNGUEZ		Independent	Coordinating Director	12/22/2016	12/22/2016	BOARD OF DIRECTORS' RESOLUTION

Total number of Board Members

16

Please indicate any departures from the Board of Directors that, either due to resignation or by agreement of the General Meeting, have occurred during the reporting period:

Name or company name of the Board Member	Class of board member at the time of removal	Date of last appointment	Removal Date	Specialist committees of which they were a member	Indicate whether the termination came before the end of the term of office
Mr. José María Loizaga Viguri	Other external	05/10/2019	03/22/2020	Executive Committee Audit Committee Appointments Committee	Yes

Cause of departure, when this occurred before the end of their term of office and other observations; information on whether the director has sent a letter to the other members of the board and, in the case of non-executive directors' departures, explanation or opinion of the director who has been removed by the General Meeting.

Death.

C.1.3 Complete the following tables on the Board Members and their positions:

Executive directors

Name or company name of the Board Member Representative	Position per company organisation chart	Profile
MR. FLORENTINO PÉREZ RODRÍGUEZ	Executive Chairman	Born in Madrid in 1947. Graduated as a Civil Engineer from the Universidad Politécnica de Madrid. Professional experience: He began his professional career in 1971 in the private sector, before serving as head of the Spanish Highways Association (AEC) until turning to business activities in the public sector. Between 1976 and 1982 he held various positions in central and local government, first as Director of Sanitation and the Environment for the Madrid City Council, and subsequently as Assistant Director-General at the Ministry of Industry and Energy, Director-General of Transport Infrastructures at the Ministry of Transport, and President of the National Institute for Agricultural Reform and Development (IRYDA) of the Ministry of Agriculture. In 1983 he returned to private enterprise, becoming the Chief Executive Officer of Construcciones Padrós, S.A., and at the same time one of its principal shareholders. Since 1993 he has been President and CEO of ACS, Actividades de Construcción y Servicios, S. A. and he is also the President of the Real Madrid Football Club.
MR. MARCELINO FERNÁNDEZ VERDES	Chief Executive Officer	Born in Oviedo (Asturias) in 1955. Graduated as a Civil Engineer from the Escuela Superior de ICCP de Barcelona (Barcelona School of Engineering). Professional experience: He joined the Group in 1987, and was appointed Managing Director of OCP Construcciones in 1994. In 1998, he was hired as the Chief Executive Officer of ACS Proyectos, Obras y Construcciones S.A., and in 2000 he was appointed the company's Chairman. In 2004, he was appointed the Chairman and CEO of Dragados, as well as the Director of the Construction division. In 2006, he was appointed Chairman and CEO of ACS Servicios y Concesiones, as well as Director of the Group's Concessions and Environment divisions up until March 2012. In April 2012, he was appointed as a member of the Executive Committee at Hochtief AG and Chair of the Committee in November of that same year, a position he holds to this day. He also assumed responsibility for the HOCHTIEF Asia Pacific division. From March 2014 to October 2016, he was the Chief Executive Officer of CIMIC, belonging to the Australian HOCHTIEF group. In May 2017, he was appointed the CEO of ACS Group.

MR. ANTONIO GARCÍA FERRER	Vice Chairman	Born in Madrid in 1945. Graduated as a Civil Engineer from the Universidad Politécnica de Madrid in 1971. Professional experience: He first worked for Dragados as a student in 1970, and subsequently as a site manager at various construction sites all over Spain, until he was appointed Regional Manager for Civil Engineering Projects in Madrid. He subsequently served as Manager of the Central Region at Dragados until 1997. He was later appointed as Director of Construction Projects for Spain until 2001, when he became Managing Director for Industrial Projects and Environmental Services. In 2002 he was appointed as the Chief Executive Officer of the Dragados Group. He held this role until December 2003, when he became the Executive Vice President following the merger with ACS.
MR. AGUSTÍN BATUECAS TORREGO	Director	Born in Madrid in 1949. Civil Engineer. Professional experience: He has served as CEO and then Chairman and CEO of Continental Auto S.A.; Chairman and CEO of Continental Rail S.A. and Director of Construrail, S.A.; and Member of the Board of Directors of ACS Actividades de Construcción y Servicios S.A. Group since 1999.
MR. JOSÉ LUIS DEL VALLE PÉREZ	Director and Secretary General	Born in Madrid in 1950. He has a Law degree from the Universidad Complutense and became a State Counsel in December 1974; he has been a practicing member of the Madrid BAR Association since 1976. Professional experience: He has served as State Counsel in the Revenue Service Office and at the Courts of Burgos and Toledo, and at the Ministries of Health and Social Security and that of Employment and Social Security, as well. He was the Director of the National Legal Counsel of the UCD (Union of the Democratic Center). He was a Member of the Congress of Deputies [Lower House of the Spanish legislature] in the Spanish Parliament from 1979 to 1982, and was Parliamentary Secretary at the Ministry of Territorial Administration. He has been a Director and/or a Secretary to the Board of Directors in numerous companies such as Continental Hispánica, S.A. (a subsidiary of the US company Continental Grain); Continental Industrias del Caucho, S.A.; FSC Servicios de Franquicia, S.A.; and Continental Tyres, S.L., (Spanish subsidiaries of the German Continental AG Group); Ercros; Banesto etc., and is currently a Director and Secretary-General of the ACS Group, and Director and Secretary to the Board of Directors of its main subsidiaries (Dragados, S.A.; ACS Servicios, Comunicaciones y Energía, S.A.; and ACS Servicios y Concesiones S.L.). He is also a Member of the Supervisory Board of Hochtief AG and of the Board of Directors of the CIMIC GROUP LIMITED. He is a practicing Attorney.

Total number of Executive Board Members	5
% of total Board	31.25%
Observations	

External proprietary board members

Name or company name of the Board Member Representative	Name or company name of significant shareholder represented or proposing appointment	Profile
MRS. MARÍA SOLEDAD PÉREZ RODRIGUEZ	ROSAN INVERSIONES, S.L.	Born in Madrid in 1943. She holds a Degree in Chemistry and a Degree in Pharmacy from the Universidad Complutense de Madrid. Professional experience: She has been a professor in colleges in Madrid and a technical advisor for GEBLASA, S.A. (a chemical products import and export company) as well as an associate pharmacist in the Pharmacy Office of Madrid (Oficina de Farmacia de Madrid). She is currently a Board Member for ACS Actividades de Construcción y Servicios, S.A. and its subsidiaries ACS Servicios Comunicaciones y Energía, S.L. and DRAGADOS, S.A.
MR. JAVIER ECHENIQUE LANDIRIBAR	CORPORACIÓN FINANCIERA ALCOR, S.L.	Born in Isaba (Navarre) in 1951. He holds a degree in Economic and Actuarial Science. Professional experience: He has been Director-General Manager of Allianz-Ercos and General Manager of the BBVA Group. He is currently Vice President of Banco Sabadell, a Board Member of Actividades de Construcción y Servicios (ACS) S.A. and Grupo Empresarial ENCE S.A. He is also a member of the Fundación Novia Salcedo and Fundación Altuna Trusts. He is also a Board Member and Vice President of Telefonica, S.A.
MR. MARIANO HERNÁNDEZ HERREROS	ROSAN INVERSIONES, S.L.	Born in Torrelavega (Cantabria) in 1943. He holds a degree in Medicine and Surgery from the Universidad Complutense de Madrid and specialized in Psychiatry at the same university. Professional experience: He has spent his entire career as a psychiatrist at the López-Ibor clinic and is the author of numerous scientific publications and has spoken at international conferences. He has been a Board Member of the Dragados Group, Iberpistas, S.A. and Autopistas AUMAR, S.A. He is currently a Board Member of Dragados, S.A. and ACS, Servicios y Concesiones, S.L.
Total number of Proprietary Board Members		3
% of total Board		18.75%

Observations

External independent board members

Name of Board Member	Profile
MR. ANTONIO BOTELLA GARCÍA	Born in Orihuela in 1947. He holds a degree in Law from the Universidad de Murcia, and he became a State Counsel in 1974. Professional experience: He served as State Counsel at the Supreme Court, in the Revenue Service Delegation and at the Courts of Oviedo, in the Revenue Service Delegation and at the Courts of Albacete, in the Office of the President of the National Government attached to the Department of Parliamentary Relations, in the Legal Office of the Ministry of Transport, Tourism and Communications, and at the National High Court. He has also served as Technical General Secretary to the Ministry of Transport, Tourism and Communications, and to the Ministry of Agriculture, Fisheries and Food, while also having served as the Junior Secretary of the Ministry of Agriculture and Conservation. He has taught Law at the Instituto de Empresa, at the Universidad de Oviedo and at the Universidad a Distancia de Albacete. He has held office as a Director at Caja Postal de Ahorros (subsequently Argentaria and now part of BBVA), AVIACO (subsequently merged with IBERIA LAE) and ALDESASA, as well as Secretary to the Board in numerous companies. He is a practicing Attorney.

MRS. CARMEN FERNÁNDEZ ROZADO	<p>She holds a Degree in Business and Economic Sciences and in Political and Sociology Sciences from the Universidad Complutense de Madrid, as well as a PhD in Public Finance from the same university. She has completed the Senior Management Program (PADE) at the IESE Business School (Universidad de Navarra). Government Tax Inspector and Auditor. Professional experience: She began her career in 1984 at the Ministry of Finance, where she also held various positions at the State Agency for Tax Administration. In 1999, she was appointed as a member of the Board of Directors of the National Energy Commission (Comisión Nacional de la Energía), a position she held until 2011. Since then, she has been an international consultant for the development and execution of Business Plans in Energy and Infrastructure in a variety of countries in Latin America and Asia. During 2012 and 2013 she was a member of the Advisory Board of EY; a member of the Advisory Board of Beragua Capital Advisory; and, since April 2015, a director and Audit Committee member at EDP (Energías de Portugal) in Lisbon. Professor at several universities and business schools in Spain and abroad, as well as an author of numerous articles and publications on Taxation, Energy and Sustainability.</p>
MR. EMILIO GARCÍA GALLEGO	<p>Born in Cabreiroá (Orense) in 1947. Qualified as a civil engineer (Madrid 1971), he holds a Law Degree (Barcelona 1982) and has taken doctorate studies at the Universidad Politècnica de Catalunya. Additionally, he has completed the following official courses: Groundwater Hydrology at the Barcelona School of Industrial Engineering; Executive Development (1984–1985) at the Catalonia School of Public Administration; Coastal Engineering at the Catalonia School of Civil Engineering (ETSICCP); and Port and Oceanographic Engineering at the Catalonia ETSICCP. His teaching activity has included the position of professor in charge of the “Soil Mechanics and Special Foundations” course at the Barcelona School of Architecture (1974-1982) and professor in charge of the doctorate course entitled “Consolidation of soft and weak ground” at the Barcelona School of Architecture (1979-1980). Professional experience: Engineer for the Eastern Pyrenees Water Board. Engineer for Fomento de Obras y Construcciones. Representative in Catalonia of the company Grandes Redes Eléctricas S.A. Director of the Ports Authority of the Government of Catalonia. Secretary of the Ports Commission of Catalonia and Co-Director of the Ports Program for Catalonia. Director-General of Infrastructure and Transport for the Government of Galicia. Director-General of Transport for the Government of Catalonia. Assistant Director of the Sanitation Board and Deputy Director of the Water Board for the Government of Catalonia. Director-General of Public Works for the Government of Galicia and Chairman of the Galician Water Board. Chairman of the Spanish Rail Infrastructure Managing Entity (GIF) under the mandate of the Ministry of Development, responsible for the installation of the entire high-speed rail link infrastructure. Chairman of the Galician Ports Authority. Currently: Free practice of civil engineering.</p>
MRS. CATALINA MIÑARRO BRUGAROLAS	<p>She was born in Spain in 1963. She holds a degree in Law awarded in 1986 by the Universidad Complutense de Madrid, and she passed the examination to become a State Counsel in 1989. Professional experience: Currently on extended leave of absence, she served as State Counsel at the National High Court and at the Court of Auditors, in the Directorate General of the Treasury and Finance Policy, as Secretary to the Madrid Regional Financial and Administrative Tribunal, as State Counsel in the Ministry of Health and Consumer Affairs, and as State Counsel at the Madrid High Court of Justice. She has also served as Technical General Secretary to the Office of the Presidency of the Autonomous Community of Madrid, Chief Legal Officer of the State holding company Sociedad Estatal de Participaciones Estatales, Secretary to the Board of Sociedad Estatal de Transición al Euro, Secretary of the Board of Saeta Yield and a Director of Autoestradas de Galicia, S.A. Currently, she is an independent Board Member of MAPFRE, S.A.</p>
MR. JOSÉ ELADIO SECO DOMÍNGUEZ	<p>Born in Vequellina de Órbigo (León) in 1947. Graduated as a Civil Engineer from the Escuela Superior de ICCP de Madrid [Madrid School of Engineering], specializing in Transportation, Ports and Town Planning. Professional experience: He began his professional career in 1972 in state engineering company INECO, where he held several positions until being appointed International Director. In 1988 he joined RENFE where he held various posts until in 2000 when he was appointed CEO of INECO. In 2002 he was appointed Chairman and CEO of AENA, a post he held until 2004 when he was appointed Advisor to the Office of the Presidency of RENFE. He has worked as a Senior Advisor at OCA, S.A., PROINTEC, COLLOSA, INCOSA, NATIONAL EXPRESS-ALSA and MENZIES AVIATION, and has been Chairman of the Spanish consortium for the concession and operation of the high-speed Rio de Janeiro-Sao Paulo-Campinas railroad (Brazil). He is currently Senior Advisor at INDRA, AT KEARNEY and STADLERRAIL.</p>
Total number of Independent Board Members	5
total % of the Board	31.25%

Observations

Indicate whether any director qualifying as independent receives any sum or benefit, other than remuneration as a director, from the company or its group, or maintains or maintained, during the last financial year, a business relationship with the company or any company in its group, whether in their own name or as a significant shareholder, director or senior executive of an organization which maintains or maintained such a relationship.

Where appropriate, include a justified statement from the Board on the reasons why it considers that said director may perform their duties as an independent director.

Name or company name of the Board Member	Description of the relationship	Reasoned statement
No data		

Other external board members

Identify the other external board members and indicate the reasons why they cannot be considered proprietary or independent and their relations, either to the company, its management or its shareholders:

Name of Board Member	Reasons	Company, executive or shareholder with whom there is a relation:	Profile
MR. JOAN DAVID GRIMÀ TERRÉ	Joan David GRIMÀ TERRÉ went from being an independent board member to an external board member upon completion of the maximum term of office of 12 years.	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A	He was born in Sabadell (Barcelona) in 1953. He has a Doctorate in Economics and Business Administration from the Universidades Autònoma de Barcelona (UAB), and has also studied in the US at Baylor University and Harvard Business School. Professional experience: Between 1982 and 1992 he worked at McKinsey & Co., where he was a partner. From 1992 to 2010 he was the General Manager of Banco Santander. In January 2002 he was appointed as Deputy Chairman and Chief Executive Officer of the AUNA Group, a position which he held, in addition to his duties at Banco Santander, until November 2005. He is a Board Member of ACS, Actividades de Construcción y Servicios, S.A, and of Cory Environmental Holdings Ltd. (UK). He is a Trustee of the Pluralism and Coexistence Foundation (under the mandate of the Ministry of Justice), and a Board Member of Golf La Moraleja.

MR. JOSÉ JIMÉNEZ	PEDRO LÓPEZ	Pedro López Jiménez went from being an independent board member to an external board member upon completion of the maximum term of office of 12 years.	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.	<p>He was born in Málaga in 1942. Civil Engineer (graduated in 1965). Partial studies in Journalism and Social Sciences at the Instituto Social León XIII (1960–1962) (ACNPD GRANT). Program in Senior Business Administration (PADE) at the IESE Business School (1995-1996). Awarded the Grand Cross of the Order of Isabel la Católica. Professional experience: He has been: Director of Construcción Centrales Térmicas. Hidroeléctrica Española (1965/70); Board Member and General Manager of Empresarios Agrupados; Board Member of GHESA; Deputy-Secretary of MOPU, Director General of the Porta Authority; Board Member of UE and ENHER; Board Member of INI (1978/79); Chairman of ENDESA (1978/82); Board Member of ATLAS COPCO, SEMI, TECMED, CONTINENTAL AUTO, VIAS Y CONSTRUCCIONES, ENAMSA, TRACTEBEL ESPAÑA, HILATURA DE PORTOLIN; Chairman of UNION FENOSA; Vice-President of INDRA; Board Member of CEPESA; Board Member of LINGOTES ESPECIALES; Chairman and Board Member of GTCEISU CONSTRUCCIÓN S.A. (TERRATEST Group); Board Member of ENCE; Board Member of KELLER GROUP, plc.; and Member of the Board of the UNIVERSIDAD DE ALCALÁ DE HENARES. He is currently: Board Member, Deputy Chairman of the Executive Committee, Member of the Appointments and Remuneration Committee, Member of the Audit Committee of ACS Actividades de Construcciones y Servicios S.A.; Deputy Chairman of Dragados S.A.; Deputy Chairman and Acting Chairman of ACS Servicios y Concesiones S.A.; Deputy Chairman of ACS Servicios, Comunicaciones y Energía; Chairman of the Supervisory Board, of the Human Resources Committee, and of the Appointments Committee of HOCHTIEF; Member of the Board of Directors, of the Remuneration and Appointments Committee, and of the Ethics, Compliance and Sustainability Committee of CIMIC. Board Member of ABERTIS INFRAESTRUCTURAS, S.A.; Member of the Trust and Executive Board of the Piscasso Museum Málaga; Deputy Chairman of the Trust of the Spanish Royal National Library; Deputy Chairman of Real Madrid Football Club and Deputy Chairman of the European Club Association (ECA).</p>
MR. MIGUEL ROCA JUNYENT	MIGUEL ROCA JUNYENT	Miguel Roca Junyent went from being an independent board member to an external board member upon completion of the maximum term of office of 12 years.	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.	<p>He was born in Cauderan (France) in 1940. Holds a Law degree from the Universidad de Barcelona. Honorary Doctorates from the Universidades de Educación a Distancia, León, Girona and Cádiz, the Universidad Europea de Madrid and the Universidad Pontificia de Comillas. Chairman of Societat Econòmica Barcelonesa d'Amics del País. Lifetime Patron of Fundación Gala-Salvador Dalí. Founding Patron of Fundación Pro Academia de la Real Academia de Jurisprudencia y Legislación. Member of the ACS Group's Board of Directors since 2003. Board Member of Endesa (until June 2021). Board Member of Aguas de Barcelona Secretary (non-director) of the Board of Directors at Abertis Infraestructuras. Secretary (non-director) of the Board of Directors at Banco de Sabadell. Secretary (non-director) at TYPSA. Secretary (non-director) at WERFENLIFE. Customer Ombudsman for Grupo Catalana Occidente.</p>

Total number of external Board Members	3
total % of the Board	18.75%

C.1.4 Complete the following table with information relating to the number of women directors at the end of the last four financial years, as well as the nature of those directors:

	Number of women Board Members				% of total Board Members of each category			
	2020 Financial Year	2019 Financial Year	2018 Financial Year	2017 Financial Year	2020 Financial Year	2019 Financial Year	2018 Financial Year	2017 Financial Year
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	1	1	1	1	33.33%	33.33%	25%	25%
Independent	2	2	2	2	40%	40%	40%	40%
Other External	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total:	3	3	3	3	18.75%	17.65%	16.67%	16.67%

C.1.5 Indicate whether the company has diversity policies in relation to the board of directors of the company with regard to issues such as age, gender, disability, or training and professional experience. Small and medium-sized entities, in accordance with the definition contained in the Accounts Auditing Act, will have to provide information on, at least, the policy they have in place regarding gender diversity.

Yes	No	Partial Policies
X		

If yes, describe these diversity policies, their objectives, the measures and the manner in which they have been applied and their results in the year. The specific measures adopted by the Board of Directors and the Appointments and Remuneration Committee in order to achieve a balanced and diverse presence of directors should also be indicated.

In the event that the company does not apply a diversity policy, explain the reasons for this.

Description of the policies, objectives, measures and manner in which they have been applied, as well as the results obtained

The ACS Group promotes the implementation and development of diversity and inclusion of all kinds of groups and awareness in different areas and levels of the Group, establishing guidelines that govern the actions of the Group on the matter of diversity.

In this regard, ACS' and its Group's Diversity Policy defines the objectives and commitments on the matter of diversity, including, inter alia, the promotion of integrating people with different profiles in all areas of the business and Group levels; the identification of talent in the selection process, promotion and integration within the Group; the selection of professionals with alternative capabilities; generational diversity in the teams to foster collaboration among older and younger professionals; integration and inclusion of vulnerable groups; promoting implementation of systems for measuring progress in diversity; communication and extension of the commitment to diversity to all employees, suppliers, customers, administrations, social partners and other stakeholders; and maintaining a neutral and inclusive language in internal and external communications. All this in line with the ACS' Code of Conduct and the Corporate Social Responsibility and Human Resources policies.

In addition, in accordance with the Diversity Policy of ACS and its Group, the Rules of Procedure of the Board of Directors will ensure that the selection procedures of its members promote diversity on issues such as age, gender, disability, or training and professional experience and does not entail any bias or discrimination and, in particular, facilitates the selection of women directors that allows for a balanced presence of women and men, informing shareholders and markets through the appropriate channels.

In turn, in accordance with the aforementioned Diversity Policy, the Board of Directors of ACS, in its capacity as parent company of the Group, undertakes to promote the dissemination and application of those principles and guidelines in the governing bodies and executives of the Group companies, ensuring the dissemination of objectives, actions and results.

In addition, the ACS Board of Directors, with the support and collaboration of the Appointments Committee, maintains a policy regarding renewals in the Board of Directors based on coordinating the principles of representativeness with those of diversity and independence, taking into account national and international good governance recommendations, and in this regard, ensuring, particularly where ratifications and re-elections are concerned, appropriate stability in the composition of the Board of Directors and its Committees in order to maintain the necessary suitability of the Board of Directors as a whole by preserving the experience and knowledge of those who have been exercising the position of director.

C.1.6 Explain the measures, where appropriate, that the Appointments Committee has decided upon to ensure that the selection processes do not suffer from implicit biases that hinder the selection of women directors, and that the company deliberately seeks and includes women who meet the professional profile sought among the potential candidates and that makes it possible to have a balanced presence of women and men. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of the measures

Article 3.2 of ACS Rules of Procedure of the Board of Directors expressly establishes that the Board should ensure that the selection procedures of its members promote diversity regarding matters such as age, gender, disability or professional experience and knowledge and does not entail any bias or any kind of discrimination and, in particular, facilitates the selection of women directors in sufficient number to allow a balanced representation of women and men, whereby the Appointments Committee has the responsibility of proposing to the Board of Directors "the diversity policy based, among others, on the criteria of age, disability, training, professional experience and gender, establishing objectives in this regard." Article 1.3 of the Code of Conduct of the ACS Group expressly establishes that "any kind of discrimination based on race, nationality, social background, age, sex, marital status, sexual orientation, ideology, political or trade union views, religion or any other personal, physical or social condition will not be tolerated," thus ensuring equal opportunities through its action policies.

In this regard, the Appointments Committee favors the inclusion of women among potential candidates, making sure that appropriate professional profiles are combined with the objective criteria of merit and ability.

The Company will seek to gradually increase the number of women directors and executives.

When, in spite of the measures which have been adopted, where applicable, the number of women directors or senior executives is few or zero, explain the reasons justifying this:

Explanation of the reasons

As noted above, the selection procedures of Board members seek to facilitate the selection of women directors in sufficient number to allow a balanced representation of women and men, and as such, the Appointments Committee takes into account from among the various diversity criteria the inclusion of potential women candidates when vacancies occur on the Board.

However, as gender diversity is a key issue that is taken into account in selection processes, the Appointments Committee must also ensure other criteria for diversity such as training, skills and professional experience are met and that they may be relevant by reason of the sectors of activity and international character of the ACS Group, ensuring that the candidates meet the appropriate professional profile according to the objective criteria of merit and capacity, and by assessing as a relevant criterion the previous knowledge that the candidates have of the Company itself, of its Group and of the sector to which it belongs, seeking to ensure not only the individual suitability of the members of the Board but also the adequacy of the Board of Directors and its Committees as a whole, in accordance with legal requirements and good governance recommendations in this regard, so that the inclusion of women can be progressively

achieved by taking into account the plurality of diversity criteria, the adequacy of the directors as a whole and the necessary stability in the governing bodies.

In this regard, the re-election of two members of the Board of Directors that was submitted to the General Meeting on May 8, 2020, should be included within the overall framework of the above criteria for suitability and diversity.

The General Meeting of May 8, 2020, also set the number of members of the Board of Directors at 16, thus increasing the percentage of women directors over the total membership of the Board of Directors.

As regards female senior executives, the percentage of them over the total number of senior management members is now 10.2%, with the different diversity criteria referred to above being applied in this respect.

C.1.7 Explain the conclusions of the Appointments Committee on the verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

Explanation of findings

ACS is committed to promoting diversity, taking into account, among other aspects or criteria, age, gender, training, capacity and professional experience. In this regard, the Board of Directors relies on the Appointments Committee to achieve an appropriate composition of the Board of Directors, this Committee ensuring compliance with the Diversity Policy. In this regard, it is considered that the current composition of the Board of Directors as a whole is appropriate for the best exercise of its functions, taking into account the different requirements of suitability and diversity.

C.1.8 If applicable, explain the reasons for appointing Proprietary Board Members at the request of shareholders who have a holding of less than 3% of share capital.

Indicate whether any formal requests by a shareholder to have a Board member appointed were denied although the shareholder holds the same or a higher number of shares than another shareholder at whose request proprietary directors were appointed. In this case, explain the grounds for denying this request:

Yes	No
	X

C.1.9 Indicate, if any, the powers and capacities delegated by the Board of Directors to directors or committees of the Board:

Name or company name of the Board Member or committee	Brief description
MR. FLORENTINO PÉREZ RODRÍGUEZ	ALL POWERS CORRESPONDING TO THE BOARD EXCEPT THOSE THAT CANNOT BE TRANSFERRED
MR. MARCELINO FERNÁNDEZ VERDES	ALL POWERS CORRESPONDING TO THE BOARD EXCEPT THOSE THAT CANNOT BE TRANSFERRED

C.1.10 Identify, if applicable, the Board members who hold office as administrators, representatives of administrators, board members or executives at other companies forming part of the listed company's group:

Name or company name of the Board Member	Company name of the group entity	Position	Executive functions?
MR. MARCELINO FERNÁNDEZ VERDES	HOCHTIEF, A.G.	MANAGING DIRECTOR	YES
MR. ANTONIO GARCÍA FERRER	DRAGADOS, S.A.	CHAIRMAN	NO
MR. ANTONIO GARCÍA FERRER	ACS SERVICIOS, COMUNICACIONES Y ENERGÍA, S.L.	CHAIRMAN	NO
MR. ANTONIO GARCÍA FERRER	ACS SERVICIOS Y CONCESIONES, S.L.	CHAIRMAN	NO
MR. JOSÉ LUIS DEL VALLE PÉREZ	HOCHTIEF, A.G.	MEMBER OF THE SUPERVISORY BOARD	NO
MR. JOSÉ LUIS DEL VALLE PÉREZ	DRAGADOS, S.A.	BOARD MEMBER/SECRETARY	NO
MR. JOSÉ LUIS DEL VALLE PÉREZ	CIMIC GROUP LIMITED	CHAIRMAN	NO
MR. JOSÉ LUIS DEL VALLE PÉREZ	ACS SERVICIOS, COMUNICACIONES Y ENERGÍA, S.L.	BOARD MEMBER/SECRETARY	NO
MR. JOSÉ LUIS DEL VALLE PÉREZ	ACS SERVICIOS Y CONCESIONES, S.L.	BOARD MEMBER/SECRETARY	NO
MR. JOSÉ LUIS DEL VALLE PÉREZ	COBRA GESTIÓN DE INFRAESTRUCTURAS, S.L.	BOARD MEMBER/SECRETARY	NO
MR. JAVIER ECHENIQUE LANDIRIBAR	ACS SERVICIOS, COMUNICACIONES Y ENERGIA S.L.	CHAIRMAN	NO
MR. MARIANO HERNÁNDEZ HERREROS	DRAGADOS, S.A.	CHAIRMAN	NO
MR. MARIANO HERNÁNDEZ HERREROS	ACS SERVICIOS Y CONCESIONES, S.L.	CHAIRMAN	NO
MRS. MARÍA SOLEDAD PÉREZ RODRÍGUEZ	DRAGADOS, S.A.	CHAIRMAN	NO
MRS. MARÍA SOLEDAD PÉREZ RODRÍGUEZ	ACS SERVICIOS, COMUNICACIONES Y ENERGIA S.L.	CHAIRMAN	NO
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	HOCHTIEF, A.G.	CHAIRMAN OF THE SUPERVISORY BOARD	NO
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	DRAGADOS, S.A.	DEPUTY CHAIRMAN	NO
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	CIMIC GROUP LIMITED	CHAIRMAN	NO
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	ACS SERVICIOS, COMUNICACIONES Y ENERGIA S.L.	DEPUTY CHAIRMAN	NO
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	ACS SERVICIOS Y CONCESIONES, S.L.	DEPUTY CHAIRMAN AND ACTING CHAIRMAN	NO

C.1.11 List, where appropriate, the directors or representatives of corporate directors of their company, who are members of the Board of Directors or representatives of corporate directors of other entities listed on regulated markets other than their group, which have been communicated to the company:

Name or company name of the Board Member	Company name of the group entity	Position
MRS. CATALINA MIÑARRO BRUGAROLAS	MAPFRE, S.A.	CHAIRMAN
MRS. CARMEN FERNÁNDEZ ROZADO	ENERGÍAS DE PORTUGAL (EDP)	CHAIRMAN
MR. JAVIER ECHENIQUE LANDIRIBAR	BANCO SABADELL. S.A.	DEPUTY CHAIRMAN
MR. JAVIER ECHENIQUE LANDIRIBAR	GRUPO EMPRESARIAL ENCE. S.A.	CHAIRMAN
MR. JAVIER ECHENIQUE LANDIRIBAR	TELEFONICA, S.A.	DEPUTY CHAIRMAN
MR. MIGUEL ROCA JUNYENT	ENDESA, S.A.	CHAIRMAN
MR. MIGUEL ROCA JUNYENT	AIGÜES DE BARCELONA	CHAIRMAN

C.1.12 Indicate, and if applicable, explain whether the company has established any rules about the maximum number of Boards on which its directors may sit and identify, where appropriate, where this is the case:

Yes	No
	X

C.1.13 Indicate the amounts of the following Board of Directors' global remuneration items:

Remuneration paid to the Board of Directors during the financial year (thousands of euros)	18,966
Amount of total remuneration accumulated by current directors corresponding to pension rights (thousands of Euros)	83,272
Amount of total remuneration accumulated by former directors corresponding to pension rights (thousands of Euros)	0

C.1.14 Identify the Senior Executives who are not Executive Board Members and indicate the total remuneration paid to them during the year:

Name or company name	Position
Mr. Ángel Manuel García Altozano	Corporate General Manager of ACS, Actividades de Construcción y Servicios, S.A.
Mr. Ángel Manuel Muriel Bernal	Deputy Managing Director to the CEO of ACS, Actividades de Construcción y Servicios, S.A.
Ms. Cristina Aldámiz-Echevarria Gonzalez de Durana	Finance and Corporate Development Manager of ACS, Actividades de Construcción y Servicios, S.A.
Mr. Alejandro Mata Arbide	Administration Manager of ACS, Actividades de Construcción y Servicios, S.A.
Mr. Alfonso Esteban Moreno García	Chief Legal Officer of ACS, Actividades de Construcción y Servicios, S.A.
Mr. Santiago García Salvador	General Manager of Dragados, S.A.
Mr. Enrique José Pérez Rodríguez	Chief Executive Officer of Cogesa, S.A.
Mr. Luis Nogueira Miguelsanz	Secretary General for Construction, Concessions and Services
Ms. Marta Fernández Verdes	Finance Director of Dragados, S.A.
Mr. Ricardo Cuesta Castiñeyra	Head of the Legal Department at Dragados, S.A.
Mr. Eusebio Arnedo Fernández	Head of Resources of Dragados, S.A.
Mr. Alberto Laveron Simavilla	Head of Management Control
Mr. Ricardo Martín de Bustamante Vega	Head of Civil Works at Dragados, S.A.
Mr. Gonzalo Gómez-Zamalloa Baraibar	Head of Construction at Dragados, S.A.

Mr. Alejandro Emilio Canga Botteghelz	Head of Risk at Dragados, S.A.
Mr. Gustavo Tunell Ayuso	Technical Manager of Dragados, S.A.
Mr. Ricardo García de Jalon Morga	Manager for Spain at Dragados, S.A.
Mr. José Antonio López-Monís Plaza	Manager for North America at Dragados, S.A.
Mr. Ricardo Franco Barberán	Manager of North American Operations at Dragados, S.A.
Mr. Jose Luis Mendez Sanchez	Manager for USA at Dragados, S.A.
Mr. Román Garrido Sanchez	Manager for Canada at Dragados, S.A.
Mr. José María Aguirre Fernández	Chairman and CEO of the Industrial Services Area
Mr. Pablo Fernández Fernández	General Manager of Geotecnia y Cimientos, S.A. (Geocisa).
Mr. Francisco Reinoso Torres	Administration and Finance Manager of ACS, Servicios y Concesiones, S.L.
Ms. Nuria Haltwanger	Chairman of Iridium, Concesiones de Infraestructuras, S.A.
Mr. David Cid Grueso	Administration Manager of Iridium, Concesiones de Infraestructuras, S.A.
Mr. Carlos Royo Ibáñez	Operations Manager of Iridium, Concesiones de Infraestructuras, S.A.
Mr. Cristobal Valderas Alvarado	Natural person representing the Sole Administrator of Clece, S.A.
Mr. Javier Román Hernando	General Manager of Clece, S.A.
Mr. Raúl Gutierrez Rodríguez	Administration and Finance Manager of Clece, S.A.
Ms. Purificación González Pérez	HR Manager of Clece, S.A.
Mr. Eugenio Llorente Gómez	Chairman of the Industrial Services division
Mr. José María Castillo Lacabex	CEO of the Industrial Services division
Mr. José Alfonso Nebrera García	General Manager of ACS Servicios Comunicaciones y Energía, S.L.
Mr. Epifanio Lozano Pueyo	General Corporate Manager of ACS Servicios, Comunicaciones y Energía, S.L.
Mr. Cristóbal González Wiedmaier	Finance Manager of ACS Servicios Comunicaciones y Energía, S.L.
Mr. Andrés Sanz Carro	Manager of ACS Servicios, Comunicaciones y Energía, S.L.
Ms. Aída Pérez Alonso	Head of the Legal Department at ACS Servicios, Comunicaciones y Energía, S.L.
Mr. José Reis Costa	Chairman of Procme LTD
Mr. Maikel García Sánchez	General Manager of Sociedad Española de Montajes Industriales, S.A. (SEMI).
Mr. Carlos Díaz Hidalgo	General Manager of Imesapi, S.A.
Mr. Marco Antonio Rodriguez	Managing Director of CYMI
Mr. José María Pau	Managing Director of MASA
Mr. José Antonio Fernández García	Managing Director of Cobra Energía
Mr. Jesús Manzano del Pozo	Managing Director of ETRA
Mr. Gustavo Fernández Tresgallo	Managing Director of Maessa Telecomunicaciones, S.A. (Maetel)
Mr. Raúl Llamazares de la Puente	CEO of Intecsa, Initec and Makiber
Mr. Pedro Ascorbe Trian	Chairman of Dragados Off Shore, S.A.
Mr. Antonio Pérez Hereza	General Manager of Sice, Tecnología de Sistemas, S.A.

Number of women in senior management positions	5
Percentage of total senior management members	10.2%

Total Senior Executive remuneration (thousand euros)	35,777
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C.1.15 Indicate whether any amendments have been made to the Rules of the Board of Directors during the year:

Yes	No
X	

Description of amendments

On June 26, 2020, the CNMV approved the partial revision of the Code of Good Governance of listed companies, which updated and adapted several recommendations of the Code. On this basis, the Board of Directors at its meeting of December 17, 2020, approved the amendment of its Rules to introduce the amended recommendations of the Code of Good Governance adopted by the Company.

C.1.16 Indicate the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, the formalities to be fulfilled and the criteria to be used in each of the procedures.

Procedures for selection, appointment, re-election and removal of members of the Board of Directors of the Company are governed by the Rules of Procedure of the Board of Directors. The Board of Directors of the Company is composed of a minimum of 11 members and a maximum of 21. In accordance with this guideline, the Board of Directors of the Company (having previously informed the Appointments Committee) is responsible for proposing to the General Shareholders' Meeting both the number of directors and the appointment or re-election of natural or legal persons, except in the case of independent directors, whose nominations correspond to the Appointments Committee. The appointment nominations must include the category of the proposed directors and must in any case be accompanied by a report justifying the competence, experience and merits of the nominee to the Board, in accordance with the diversity criteria as referred to in the Diversity Policy (Articles 3 and 5 of the RCA).

In addition, in the event of any vacancies, the Board of Directors may provisionally appoint directors by co-optation until the next General Shareholders' Meeting, following a report or at the proposal of the Appointments Committee depending on the category of director, applying the aforementioned procedures and criteria. If any vacancy arises after the General Shareholders' Meeting has been called but before it is held, the Board of Directors may appoint a director until the following General Meeting is held. The director so appointed by the Board of Directors need not necessarily be a shareholder of the Company (Article 3 RCA).

In turn, the Board of Directors, with the collaboration and support of the Appointments Committee, must ensure that the selection procedures of its members promote diversity of age, gender, disability, and professional training and experience, and do not entail any bias or any kind of discrimination and, in particular, facilitate the selection of women directors in sufficient number so as to allow a balanced representation of men and women, taking into account the criteria established in the Company's Diversity Policy.

The appointment of the directors shall expire when their term has ended and the next General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether or not to approve the financial statements for the previous year. Nonetheless, proprietary directors shall tender their resignation to the Board of Directors when the shareholder they represent fully disposes of their shares by any other means (Article 13 RCA).

Directors must also report and, where appropriate, resign in the event of situations that affect them, whether or not they are related to their actions in the Company itself, that may damage the credit and reputation of

the Company and, in particular, any criminal case in which they are under investigation, as well as the progress of the proceedings (Article 14 RCA).

C.1.17 Explain to what extent the annual assessment of the Board led to significant changes to its internal organisation and to the procedures applicable to its activities.

Description of amendments

In accordance with Article 9 of the Rules of Procedure of the Board of Directors, the Board of ACS reviews its operation on an annual basis.

The self-assessment process of the Board carried out in 2020 with respect to financial year 2019, which included questionnaires and personal interviews with members of the Board, involved the collaboration of an external consultant.

Following the self-assessment process, it was concluded that the Board of Directors is large in scope, although this does not hamper decision-making insofar as intensive work is done by the Executive Committee as well as by the Audit Committee. In this sense, the directors' view is that the Board of Directors has an appropriate composition in view of the ACS Group's decentralized governance model. In addition, with regard to how the Board and its Committees work, the view of the directors is very positive, with unanimous recognition of the efficient functioning of the Board of Directors promoted by its Chairman with the support of the Secretary of the Board of Directors. In this regard, the CNMV Technical Guides 3/2017 and 1/2019 were incorporated into the Rules of Procedure of the Board of Directors and in the 2020 financial year the Rules of Procedure of the Board of Directors were adapted to the partial revision of the Code of Good Governance. This has boosted the internal organization and activities of the Committees and therefore of the Board itself, considering the procedures applicable to their respective activities, highlighting in the assessment of the 2019 financial year some necessary aspects of development such as digitization in the management of the governing bodies and the formalization of an annual report to the Board of Directors regarding the opinion of institutional investors and proxy advisors.

Moreover, the assessment of the 2020 financial year, including questionnaires and personal interviews with members of the Board, is currently underway. In any case, the result of the assessment will be reported in next year's Annual Corporate Governance Report.

Describe the assessment process and the areas that have been evaluated by the Board of Directors, assisted by an external consultant, where appropriate, with regard to the functioning and composition of the Board and its committees and any other areas or aspects that have been assessed.

Description of the assessment process and evaluated areas

The Board carries out an annual evaluation of its functioning as well as that of its Committees (Executive Committee, Audit Committee, Remuneration and Appointments Committee) consisting of the completion by each director of a comprehensive written questionnaire which is sent by the Secretary of the Board of Directors to all members and to those of the respective Committees. The result of the questionnaire, the evolution of their perception of the Board of Directors and its Committees and the measures to be taken, if necessary, to improve its functioning, are discussed individually with each member of the Board of Directors.

As noted above, the self-assessment process of the Board carried out in 2020 with respect to financial year 2019, which included questionnaires and personal interviews with members of the Board, involved the collaboration of an external consultant. Among other issues, the composition of the Board of Directors and its Committees, its organization and functioning and performance of responsibilities by the Board and its Committees, the Chairman of the Board, the CEO and the General Secretary were evaluated. Following the self-assessment process, a work plan was developed to make progress in the various areas for improvement identified by directors.

In addition, the evaluation process for the 2020 financial year currently underway includes the completion of questionnaires by directors as well as personal interviews. In any case, the process carried out and the result of the assessment will be reported in next year's Annual Corporate Governance Report.

C.1.18 Provide a breakdown for those financial years in which the assessment process involved an external consultant, of the business relationships that the consultant or any company in its group maintains with the company or any company in its group.

The external consultants who have worked on the Company's assessment process do not have personal or familial relationships with the directors of the Company, they are not significant shareholders and there are no conflicts of interest that could undermine its objectivity.

C.1.19 Indicate the cases in which the Board Members must resign.

In accordance with Article 13 of the Rules of Procedure of the Company's Board of Directors, proprietary directors shall resign from the Board of Directors when the shareholder they represent fully disposes of their shares by any means.

Similarly, in accordance with Article 14 of the Rules of Procedure of the Company's Board of Directors, they must report and, where appropriate, resign in the event of situations that affect them, whether or not they are related to their actions in the Company itself, that may damage the credit and reputation of the Company and, in particular, any criminal case in which they are under investigation, as well as the progress of the proceedings. The Board of Directors, having been informed or otherwise made aware of the case, will examine it as soon as possible and, taking into account the specific circumstances, will decide, following a report from the Appointments Committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing their removal.

C.1.20 Are qualified majorities, other than statutory majorities, required for any type of decision?

Yes	No
	X

C.1.21 State whether there are specific requirements, other than those related to Board Members, to be nominated as Chairman.

Yes	No
	X

C.1.22 Indicate whether the By-laws or the Rules of the Board of Directors set any age limit for Board Members::

Yes	No
	X

C.1.23 Indicate whether the By-laws or Rules of the Board establish a limited mandate or other stricter requirements in addition to those legally provided for by independent directors, other than that laid down in the rules:

Yes	No
	X

C.1.24 Indicate whether the Company By-laws or the Rules of Procedure of the Board of Directors establish specific rules for delegating votes on the Board of Directors in favor of other members, the form of doing so and, in particular, the maximum number of delegations that a director can hold, as well as any limitations

established with regard to the classes of Board member to whom votes may be delegated above and beyond the legal restrictions established. Where applicable, give a brief description of these rules.

In accordance with Article 11 of the Rules of Procedure of the Board of Directors, and without prejudice to their obligation to attend Board meetings, directors who are unable to attend a meeting personally may be represented at the meeting and cast their vote by delegation to another director. This delegation must be in writing to the Chairman and must be in the form of a letter, email or any other written means that acknowledges receipt by the addressee. Non-executive directors may only delegate their votes to other non-executive directors.

C.1.25 Indicate the number of meetings that the Board of Directors held during the year. In addition, indicate the number of times the Board has met without the presence of the Chairman, if applicable: In this calculation, Board members who have granted proxies with specific instructions shall be considered to have been present.

Number of Board meetings	9
Number of Board meetings without chairman's attendance	0

Indicate the number of meetings held by the coordinating director with the rest of the directors, without the attendance or representation of any of the executive directors:

Number of meetings	0
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Indicate the number of meetings held during the year by the different Board committees:

Number of Executive Committee meetings	8
Number of Audit Committee meetings	6
Number of Appointments Committee meetings	5
Number of Remuneration Committee meetings	2

C.1.26 Indicate the number of meetings held by the Board of Directors during the year and information about member attendance:

Number of meetings attended by at least 80% of the directors	9
Number of attendances as a % of the total votes during the year	100%
Number of meetings with full director attendance, whether in person or by representation with specific instructions	9
Number of votes cast with attendance in person and representations made with specific instructions as a % of the total votes during the year	100%

C.1.27 Indicate whether the individual and consolidated financial statements are certified before being presented to the Board of Directors for formulation:

Yes	No
X	

Identify, if applicable, the person(s) who certified the company's individual and consolidated financial statements for formulation by the Board:

Name	Position
ÁNGEL MANUEL GARCÍA ALTOZANO	CORPORATE GENERAL MANAGER

C.1.28 Explain, if any, the mechanisms established by the Board of Directors to ensure that the financial statements presented by the Board of Directors to the General Shareholders' Meeting are drawn up in accordance with accounting rules.

As established in the current Article 24 of the Rules of Procedure of the Board of Directors, meetings shall be held with the Audit Committee at the beginning and end of the audit of the Company's and its Group of Companies' individual financial statements, and before the issue of the pertinent audit reports. The Committee shall also meet on the occasion of the preparation of the mandatory financial and related non-financial information that the Company is required to publish.

The meetings of the Audit Committee shall be attended, when expressly summoned, by the Auditor of the Company for the purposes of explaining the more salient aspects of the audits, which allows the Commission to compare, with sufficient notice, any divergences between the accounting policies of the Company and its Group of Companies and the interpretation of the Auditor.

In addition, the functions of the Audit Committee are:

- To oversee and assess the preparation and presentation of the Company's, and where applicable the Group's, financial and non-financial information, reviewing compliance with regulatory requirements and ensuring appropriate definition of the scope of consolidation and proper application of accounting criteria and, in particular, to know, understand and monitor the effectiveness of the Internal Control over Financial Reporting System (ICFR). The Committee may submit recommendations or proposals to the Board of Directors, aimed at safeguarding the integrity of the financial information.
- To report, in advance, to the Board of Directors on the financial information that the Company must periodically make public.
- To ensure that the Financial Statements presented to the General Shareholders' Meeting by the Board of Directors are drawn up in accordance with accounting rules.

C.1.29 Is the Secretary of the Board a Board Member?

Yes	No
X	

C.1.30 Indicate the specific mechanisms established by the company to maintain the independence of external auditors, as well as, if any, the mechanisms to maintain the independence of financial analysts, investment banks and ratings agencies, including how legal forecasts have been implemented in practice.

The mechanisms established by the Company to maintain the independence of external auditors, financial analysts, investment banks and ratings agencies fall within the functions of the Audit Committee set out in Article 24 of the Rules of Procedure of the Board of Directors.

Regarding the auditor, Article 24 of the Rules of Procedure of the Board of Directors expressly provides that the functions of the Audit Committee include that of establishing appropriate relations with the external auditor to receive information, for consideration by the Committee, on any issues that could jeopardize their independence and any other issues related to the accounts auditing process and, where appropriate, the

authorization of services other than those prohibited under the provisions of the applicable regulations, as well as any other communications provided for in the accounts auditing legislation and auditing standards. In any case, a declaration of independence must be received annually from the external auditors in relation to the entity or entities directly or indirectly linked to the company, as well as detailed and personalized information on any additional services of any kind provided and the corresponding fees received from said entities by the external auditor, or by persons or entities related thereto, in accordance with the provisions of the applicable legislation on accounts auditing.

Aside from the above, the accounts auditor regularly reports to the Audit Committee on the work carried out other than the audit of accounts in accordance with the Company's current policy, as the Company has a Corporate Procedure on compliance of the independence of the statutory auditor, whose objective is to establish the framework for the ACS Group within which the legal auditor of the company is authorized to provide non-audit services and establishes the procedure to be followed to allow for the approval of services that may be considered admissible. This policy is applicable to all entities that are part of the ACS Group, regardless of the jurisdiction in which the entity is domiciled.

The Audit Committee is also responsible for raising any proposals for the selection, appointment, reappointment and removal of the external auditor with the Board of Directors. In so doing, it assumes responsibility for the selection process and the conditions of their employment, and to this end shall: (i) define the procedure for selecting the auditor; (ii) issue a reasoned proposal containing at least two alternatives for selecting the auditor, except in the case of re-election of the auditor; (iii) regularly collect from the external auditor information on the audit plan, and its implementation, and any other issues related to the accounts auditing process, in particular discrepancies that may arise between the accounts auditor and the management of the Company, in addition to maintaining its independence in exercising its functions, (iv) ensure that the external auditor's remuneration for their work does not compromise their quality or independence, as well as establish a guideline limit on the fees the auditor may receive annually for non-audit services, (v) ensure that the company and the external auditor respect prevailing regulations governing the provision of services other than auditing, the limits on the concentration of the auditor's business and other regulations governing auditor independence in general and (vi) make a final assessment of the auditor's performance and how they have contributed to the quality of the audit and the integrity of the financial information.

In turn, the Audit Committee, which is responsible for relations with the external auditors of the Company, shall refrain from proposing to the Board of Directors, and this to raise it at the General Meeting, the appointment of any auditing company that is in a situation of legal incompatibility under the audit legislation.

C.1.31 Indicate whether the company changed its external auditors during the year. If so, identify the incoming and outgoing auditors:

Yes	No
	X

C.1.32 Indicate whether the audit firm performs other non-audit work for the company and/or its group and, if so, state the amount of fees received for such work and the percentage that this figure represents of the fees billed to the company and/or its group for audit services:

Yes	No
X	

	Company	Companies of the Group	Total
Amount of other non-audit work (thousands of euros)	440	1,624	2,064
Amount of non-audit work/Amount of audit work (in %)	75.3%	18.8%	22.4%

C.1.33 Indicate whether the Auditors' report on the financial statements for the previous year had any qualifications. If necessary, state the reasons given to shareholders at the General Meeting by the Chairman of the Audit Committee to explain the content and scope of such qualifications.

Yes	No
	X

C.1.34 Indicate the number of uninterrupted years that the current auditing firm has carried out the audit of the individual and/or consolidated financial statements of the Company. Also indicate the percentage that the number of years audited by the current auditing firm represents of the total number of years which the financial statements have been audited:

	Individual	Consolidated
Number of uninterrupted years	2	2

	Individual	Consolidated
Number of years audited by current auditing firm / Number of years that the company or the group has been audited (as a %)	6.45%	6.45%

C.1.35 Indicate whether there is a procedure for the Board Members to be able to receive the necessary information to prepare for meetings of the managing bodies sufficiently in advance and, if so, give details:

Yes	No
X	

Detail of procedure

In the performance of their duties, the director of the Company is under the obligation to request, and has the right to obtain from the Company, adequate and necessary information to help fulfill their obligations. Unless the Board of Directors had been constituted or had been exceptionally convened for urgent reasons, the directors must have the information necessary to deliberate and adopt agreements on the matters to be dealt with sufficiently in advance and in the appropriate format (Articles 17 and 21.2.c) of the Rules of the Board of Directors).

Without prejudice to the said right to information, directors also have the right to seek external advice when they deem it necessary to properly perform their duties, expressly provided for in the Rules of Procedure of the Board of Directors in respect of the members of the Board's Committees (Articles 24, 26 and 27), which shall be understood to apply in a general way to all members of the Board of Directors in connection with how they carry out their duties. Requests from directors not only for information but also for external advice shall be channeled through the Secretary of the Board of Directors.

C.1.36 Indicate and, if necessary, provide details if the company has established rules that oblige the directors to report and, where applicable, to resign in cases that affect them, whether or not related to their activities in the company itself and that may damage the company's credit and reputation:

Yes	No
X	

Explanation of rules

Articles 14 and 15 of the Rules of Procedure of the Board of Directors regulate the general duties of diligence and loyalty of directors in carrying out their duties. Without prejudice to the specific developments of both duties in the aforementioned Articles of the Board Rules, it must be understood that they fall within the scope of general duties, particularly that of loyalty, the obligation of directors to report and, where appropriate, resign in those cases that may affect the credit and reputation of the Company, without prejudice to the fact that this matter can be developed through appropriate policies and controls to prevent possible corrupt practices and other irregular practices. In this sense, Article 14.2 details the duty of loyalty of the directors and requires the necessary measures to be taken to avoid any situations in which their interests may conflict with corporate interest and their duties to the Company.

Likewise, and on the basis of the aforementioned duty of loyalty referred to in Article 14 of the Rules of Procedure of the Board of Directors, the directors shall resign when situations that affect them arise, whether or not related to their activities in the Company itself, that could harm the credit and reputation of the Company. They shall also be obliged to inform the Company on the basis of the above-mentioned general duty of loyalty in respect of any criminal case in which they are being investigated, as well as on its progress.

In any event, and in line with the above, Article 15 of the Rules of Procedure of the Board of Directors specifies the obligation of the directors to communicate to the Board of Directors any situation of conflict, direct or indirect, that they or persons linked to them might have in the interests of the Company.

C.1.37 Indicate, unless special circumstances have been recorded in the minutes, whether the Board has been informed or otherwise become aware of any situation affecting a director, whether or not related to their actions in the company itself, that could damage the Company's credit and reputation:

Yes	No
	X

C.1.38 Detail any significant agreements entered into by the Company that will come into force, be modified or terminate in the event of a change of ownership of the Company resulting from a takeover bid, and the effects thereof.

On June 8, 2020, under the Euro Medium Term Note Program (EMTN Program), which was approved by the Central Bank of Ireland, ACS, Actividades de Construcción y Servicios, S.A. performed a Notes issue in the Euro market for the amount of EUR 750 million. This issue, with a five year term, was disbursed on June 17, 2020, and has an annual coupon of 1.375%. The Notes are expected to be admitted to trading on the Irish Stock Exchange.

C.1.39 Identify in an individual way for directors, and in aggregated form for other cases, and indicate, in detail, the agreements between the Company and its executive and management posts or employees who have severance payments, guarantee or golden parachute clauses, when they resign or are dismissed unfairly or the contractual relationship ends due to a takeover bid or other type of operation.

The General Meeting shall be deemed to have been informed of the clauses to the extent that they may be mentioned in the Annual Remuneration Report submitted for approval at the Ordinary General Meeting on a consultative basis.

The directors, both executive and non-executive, do not have a right to severance payment in the event of termination of their functions as directors.

Indicate whether, beyond the cases stipulated in the regulations, these contracts have to be disclosed to and/or approved by the bodies of the Company or of its Group. If so, specify the procedures and scenarios and the nature of the bodies responsible for their approval or disclosure:

	Board of Directors	General Meeting
Body authorising the clauses	X	

	YES	NO
Is the General Meeting informed about the clauses?	X	

C.2 Committees of the Board of Directors

C.2.1 Detail all the Committees of the Board of Directors, their members and the proportion of executive, proprietary, independent and other external Board Members on them:

Executive Committee

Name	Position	Category
MR. FLORENTINO PÉREZ RODRÍGUEZ	CHAIRPERSON	Executive
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	DEPUTY CHAIRMAN	Other External
MR. MARCELINO FERNÁNDEZ VERDES	BOARD MEMBER	Executive
MR. ANTONIO GARCÍA FERRER	BOARD MEMBER	Executive
MR. JAVIER ECHENIQUE LANDIRIBAR	BOARD MEMBER	Nominee
MRS. CARMEN FERNÁNDEZ ROZADO	BOARD MEMBER	Independent
% Executive Board Members		50%
% Proprietary Board Members		16.66%
% Independent Board Members		16.66%
% Other External Board Members		16.66%

Explain the functions delegated or assigned to this committee which differ from those already described in section C.1.9 and describe the procedures and rules of organization and operation thereof. For each of these functions, indicate the most important actions during the year and how each of the functions assigned, either in the law, by-laws or other corporate agreements has worked in practice.

The Executive Committee exercises all duties delegated thereto by the Board of Directors, except those that cannot be delegated by law or by the Company By-Laws. However, the Board of Directors may compel knowledge and decision on any matter of its competence, and in turn, the Executive Committee may subject any matter to the decision of the Board of Directors for which it is authorized to decide on but that it deems necessary or advisable for the Board to handle.

The Committee shall meet as often as it is convened by its Chairman, on their own initiative or at the request of at least two of its members. It shall be deemed to be in session when the majority of its members attend, present or by proxy, and, unless the legislation in force, the Company By-laws or the Rules of Procedure of the Board of Directors provide otherwise, it shall adopt its agreements by majority vote of those attending in person or by proxy.

The Secretary of the Board of Directors serves as Secretary of the Committee and with voice but not vote.

To the extent that it is necessary and with the natural adaptations, the functioning of the Executive Committee shall be governed by the provisions of the Rules of Procedure of the Board of Directors.

During the 2020 financial year, the Executive Committee met eight times to analyze in depth the financial information of the Company, and took decisions in the various areas of its competence, particularly in relation to the objectives and strategies to be followed when conducting business.

Audit Committee

Name	Position	Category
MRS. CARMEN FERNÁNDEZ ROZADO	CHAIRPERSON	Independent
MR. EMILIO GARCÍA GALLEGO	BOARD MEMBER	Independent
MRS. CATALINA MIÑARRO BRUGAROLAS	BOARD MEMBER	Independent
MRS. MARÍA SOLEDAD PÉREZ RODRÍGUEZ	BOARD MEMBER	Nominee
MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ	BOARD MEMBER	Other External

% Proprietary Board Members	20%
% Independent Board Members	60%
% Other External Board Members	20%

Explain the functions assigned to this committee, including, where appropriate, any additional functions to those provided for in the law, and describe the procedures and rules of organization and operation of the same. For each of these functions, indicate the most important actions during the year and how each of the functions assigned, either in the law, by-laws or other corporate agreements has worked in practice.

The functions of the Audit Committee are as follows:

Regarding the supervision of financial and non-financial information:

- a. To report to the General Shareholders' Meeting on the issues arising in relation to those matters within the competence of the Committee and, in particular, on the outcome of the audit, explaining how this has contributed to the integrity of the financial information and the function that the Committee has played in this process.
- b. To oversee and assess the preparation and presentation of the Company's, and where applicable the Group's, financial and non-financial information, reviewing compliance with regulatory requirements and ensuring appropriate definition of the scope of consolidation and proper application of accounting criteria and, in particular, to know, understand and monitor the effectiveness of the Internal Control over Financial Reporting System (ICFR). The Committee may submit recommendations or proposals to the Board of Directors, aimed at safeguarding the integrity of the financial information.

- c. To report, in advance, to the Board of Directors on the financial information that the Company must periodically make public.
- d. To ensure that the Financial Statements that the Board of Directors presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations and that, in those cases in which the accounts auditor has included a proviso in their audit report, the Chairman of the Audit Committee clearly explains to the General Shareholders' Meeting the opinion of the Audit Committee regarding its content and scope, making a summary of this opinion available to the shareholders at the time of publication of the call to the Meeting, together with the rest of the proposals and reports of the Board.

Regarding the supervision of internal controls and internal audit:

- e. To monitor the effectiveness of the Company's internal controls, ensuring that the policies and systems established regarding internal controls are applied effectively in practice, and in the internal audit, and discuss any significant weaknesses in the internal control system detected during the audit with the accounts auditor, without compromising their independence, with a view to reaching conclusions on the level of trust and reliability of the system. For this purpose, and if applicable, the Committee may submit recommendations or proposals to the Board of Directors and the relevant period for follow up.
- f. To oversee the independence of the internal audit unit; propose the selection, appointment and removal of the head of the internal audit service; propose the budget for the service; approve its orientation and the annual internal audit work plan, ensuring that activities are directed principally toward key risks (including reputational risks); receive regular information on its activities; and ensure that senior management takes into consideration the conclusions and recommendations of internal audit reports; and evaluate on an annual basis the functioning of the internal audit unit and the performance of its duties by their manager.
- g. To establish and oversee a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to communicate confidentially on any potentially significant irregularities, including financial and accounting irregularities, or irregularities of any other nature, related to the Company that they may identify within the Company or its group, by receiving regular information on its operation and being able to propose the appropriate actions for its improvement and future risk reduction.

Regarding the supervision of risk management and control:

- h. To supervise and evaluate the effectiveness of financial and non-financial risk management systems relating to the Company and the Group, including operational, technological, legal, social, environmental, political and reputational or corruption-related risks.
- i. To re-evaluate, at least annually, the list of the most significant risks, both financial and non-financial, to assess their tolerance level, and propose, where appropriate, their adjustment to the Board of Directors. To this end, the Committee shall meet with senior officials of the business units at least annually in which they explain the business trends and associated risks.
- j. To directly oversee the performance of the internal control and risk management functions carried out by any unit or department of the Company.

In relation to the external auditor:

- k. To raise any proposals for the selection, appointment, reappointment and replacement of the external auditor to the Board of Directors. In so doing, assuming responsibility for the selection process and the conditions of their employment, and to this end shall:
 - 1. define the procedure for selecting the auditor; and
 - 2. submit a reasoned proposal containing at least two alternatives for selecting the auditor, except in the case of reelection of the same.
- l. To collect information on a regular basis from the external auditor on the audit plan and its implementation, and any other issues related to the accounts auditing process, particularly regarding any discrepancies that may arise between the accounts auditor and management of the Company, in addition to preserving their independence in the exercise of their functions.

- m. To establish appropriate relations with the external auditor to receive information, for consideration by the Committee, on any issues that could jeopardize their independence and any other issues related to the accounts auditing process and, where appropriate, the authorization of services other than those prohibited under the provisions of the applicable regulations, as well as any other communications provided for in the accounts auditing legislation and auditing standards.

In any case, a declaration of independence must be received annually from the external auditors in relation to the entity or entities directly or indirectly linked to the company, as well as detailed and personalized information on any additional services of any kind provided and the corresponding fees received from said entities by the external auditor, or by persons or entities related thereto, in accordance with the provisions of the applicable legislation on accounts auditing.

- n. To issue an annual report, prior to the issuance of the accounts audit report, expressing an opinion on whether the independence of the accounts auditor has been compromised or not. This report shall in any case address the reasoned assessment of each of the additional non-audit services referred to in the preceding paragraph, considered both individually and as a whole, and the system in place to assure the auditor independence and compliance with prevailing audit regulations.
- ñ. To examine the circumstances and reasons in the event of resignation of the external auditor..
- o. To ensure that the remuneration of the external auditor for their work does not compromise its quality or independence, and establish a guide on the fees that the auditor can receive annually for non-audit services.
- p. To oversee reporting by the company of any change of auditor through the CNMV, and to ensure that it is accompanied by a statement with regard to the possible existence of disagreements with the outgoing auditor, if any, and the content thereof.
- q. To ensure that the external auditor holds an annual meeting with the whole of the Board of Directors to report on the audit work carried out and on the evolution of accounting matters and the risks to which the Company is exposed.
- r. To ensure that the company and the external auditor respect prevailing regulations governing the provision of services other than auditing, the limits on the concentration of the auditor's business and other regulations governing auditor independence in general.
- s. To perform a final assessment of the auditor's actions and how they have contributed to the quality of the audit and the integrity of the financial information.

Other functions:

- t. To report to the Board of Directors on all matters where so required by Law, the Company By-Laws and the Board Rules, in particular with regard to:
1. the economic conditions and the accounting impact and, where appropriate, on the proposed exchange ratio, and the operations and corporate structural changes that the Company plans to carry out.
 2. the creation or acquisition of investments in special purpose entities or registered in countries or territories listed as tax havens; and
 3. related party transactions.

In addition, the Committee, in relation to corporate governance and sustainability in environmental and social matters, has the following functions:

- The supervision of compliance with the rules of corporate governance and the internal codes of conduct of the Company, as well as ensuring that the corporate culture is aligned with its purpose and values.
- The supervision of the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisors and other stakeholders. The way in which the Company communicates and engages with small and medium-sized shareholders will also be monitored.

- The evaluation and periodic review of the company's corporate governance system and its environmental and social policy, in order to ensure that they fulfill its mission of furthering the corporate interest and take into account, as appropriate, the legitimate interests of other stakeholders.
- Ensuring that the Company's environmental and social practices are in line with the defined strategy and policy.
- Supervising and evaluating processes affecting different stakeholder groups.

The Audit Committee shall be deemed duly convened when the majority of its members attend and agreements are adopted by majority vote of those attending, with the Chairman having the casting vote in the event of a tie. The Audit Committee shall meet as often as it may be convened by the Chairman, and it shall in any event meet at the beginning and end of the audit of the Company's and its Group of Companies' individual and consolidated financial statements, and before the issue of the pertinent audit reports. The Committee shall also meet on the occasion of the preparation of the mandatory financial information which the Company is required to publish. The Company's Auditor, as well as the internal auditor, may attend meetings of the Audit Committee where specifically summoned to explain key issues arising from the audit procedures carried out. The Committee may also summon any employee or executive of the Company, and even order that they appear without the presence of any other executive, as well as request the attendance at their meetings of any other persons, although this may only be done at the invitation of the Chairman of the Committee and only to deal with those specific items on the agenda for which they have been cited to the extent that it is justified by the matter in question. In particular, the guests shall not attend the deliberation and voting phases of the Committee.

The Secretary of the Company's Board of Directors shall attend Committee meetings with voice but not vote, and shall take the minutes, copies of which shall be sent upon approval to each of the members of the Board of Directors.

To the extent that it is necessary and with the natural adaptations, the functioning of the Audit Committee shall be governed by the provisions of the Rules relating to the functioning of the Board of Directors.

In 2020, the Audit Committee met six times, and performed, inter alia, the following functions within the scope of its competencies:

- Within the framework of its duty of information to the General Meeting, the report on the performance of the Audit Committee was made available to the shareholders when the meeting was convened.
- With regard to monitoring the effectiveness of the internal controls, internal audit and risk management systems:
 - The Internal Corporate Audit Management presented the 2019 Activities Report and Audit Plan for 2020 to the Audit Committee, in addition to presenting a summary of the reports already made and the situation of the internal audits of the various business areas to the Audit Committee at each of its meetings.
 - Regarding internal audits and, in particular, those relating to the ICFR and internal fiscal control standard, the conclusions are included in the audit reports that the Internal Audit Management periodically presents to the Audit Committee.
 - Likewise, the Audit Committee approved the Tax Memorandum for the 2019 period, which makes reference, in terms of risk management in the Group, to the internal fiscal controls of the ACS Group, containing a general framework of control and standards of detail, adapted to the respective business segments, as approved by the boards of directors of the three Spanish parent companies of the business segments and the Fiscal Transparency Report for the 2019 financial year.
- In relation to monitoring the preparation and presentation process of financial information, particularly with regard to the individual and consolidated financial statements for 2019:
 - At its February and March 2020 meetings, with the presence of the external auditors and CEO, the Audit Committee examined the individual and consolidated financial statements for 2019 and issued a favorable report. The Audit Committee did not identify any significant incidents for which it was necessary to make any recommendations to the Board of Directors to safeguard the integrity of financial information.
 - Also at the March meeting, the Audit Committee unanimously agreed to issue a favorable opinion on the Annual Corporate Governance Report.

- Regarding the independence of the accounts auditor, it has informed the Audit Committee in writing of its independence.
- Regarding the periodic financial information, the Audit Committee reviews, prior to submission, the quarterly financial information sent to the CNMV. The scope of this review covers both information contained in the official formats of the CNMV and the information that the Company submits to the same in the publication of its quarterly results, verifying that the information expressed therein is coherent, and analyzing the rationality of the criteria applied and the accuracy of its figures.
- Both in the corresponding Annual Corporate Governance Report (CGAR) for 2019 (Section D) and in the corresponding section of the consolidated annual financial statements for 2019, which were examined and reported on favorably by the Audit Committee, at its meetings held on February 18 and March 26, 2020, reference is made to the Transactions executed and balances held with related parties.
- As part of the Board's assessment, the external consultant who took part in said assessment interviewed members of the Audit Committee to review the questionnaires and collate areas for improvement identified by directors. The functioning of the Committee received a positive assessment from its members.
- In addition, the Committee, within the framework of the function of monitoring compliance with internal codes and the corporate social responsibility policy, approved the 2019 Activity Report for the Code of Conduct Monitoring Committee and the ACS Group Sustainability Monitoring Report.

Also, at its meeting on March 26, 2020, the Board of Directors approved the proposal to amend its Rules to introduce the basic criteria and principles of Technical Guide 1/2019 in relation to the composition, roles and functioning of the Appointments and Remuneration Committees, which in some specific respect also extend to the Audit Committee, which in turn was updated at its meeting of December 17, 2020, to adapt it to the partial revision of the Code of Good Governance approved by the CNMV in June 2020.

Identify the directors appointed to a seat on the Board of the Audit Committee in view of their knowledge and expertise in accounting and audit matters, and indicate the date on which the Audit Committee's Chairman was appointed to office.

Name of Directors with relevant expertise	MS. CARMEN FERNÁNDEZ ROZADO, MS. CATALINA MIÑARRO BRUGAROLAS AND MR. PEDRO JOSÉ LÓPEZ JIMÉNEZ
Date of the chairman's appointment to the office	28/02/2017

Appointments Committee

Name	Position	Category
MRS. CATALINA MIÑARRO BRUGAROLAS	CHAIRPERSON	Independent
MR. JAVIER ECHENIQUE LANDIRIBAR	BOARD MEMBER	Nominee
MRS. CARMEN FERNÁNDEZ ROZADO	BOARD MEMBER	Independent
MR. JOAN DAVID GRIMÀ TERRÉ	BOARD MEMBER	Other External
MR. MARIANO HERNÁNDEZ HERREROS	BOARD MEMBER	Nominee
MR. PEDRO LÓPEZ JIMÉNEZ	BOARD MEMBER	Other External

% Proprietary Board Members	33.33%
% Independent Board Members	33.33%
% Other External Board Members	33.33%

Observations

Explain the functions assigned to this committee, including, where appropriate, any additional functions to those provided for in the law, and describe the procedures and rules of organization and operation of the same. For each of these functions, indicate the most important actions during the year and how each of the functions assigned, either in the law, by-laws or other corporate agreements has worked in practice.

The functions of the Appointments Committee are as follows:

Regarding the composition of the Board of Directors:

- a. To evaluate the capabilities, expertise and experience required by the Board of Directors. For these purposes, the Appointments and Remuneration Committee shall define the necessary skills and abilities of the candidates to cover any vacancy and shall evaluate the time and dedication required for them to discharge the related duties effectively, ensuring that the non-executive directors have enough time to correctly carry out their functions.

For these purposes, the Committee shall prepare and periodically update a matrix with the necessary competences of the Board that defines the skills and knowledge of the candidates for directors, especially those of executives and independent directors.

- b. To propose the diversity policy to the Board of Directors based on the criteria of age, disability, education, professional experience and gender, among others, establishing the objectives in this regard.
- c. To verify the category of directors on an annual basis.

Regarding the selection of directors and senior executives:

- d. To make proposals to the Board of Directors for the appointment of independent Board Members by co-option or by approval at the shareholders' General Meeting, as well as proposals for the re-election or removal of such Board Members by the General Meeting.
- e. To make proposals for the appointment of other Board Members by co-option or by approval at the shareholders' General Meeting, as well as proposals for the re-election or removal of such Board Members by the General Meeting.
- f. To make proposals for the appointment or removal of Senior Executives, especially those who will form part of the Group's Management Committee, and to make proposals for the basic conditions of their contracts, working alongside the Remuneration Committee when necessary.
- g. To periodically verify the criteria for the selection of directors.

Regarding the positions of the Board:

- h. To report on the proposals for the appointment of the Chairman and, where appropriate, the Vice-Chairmen of the Board.
- i. To report on the proposals for the appointment of the Secretary and, where appropriate, the Vice-Secretaries of the Board of Directors.
- j. To suggest, where appropriate, the appointment of the Coordinating Director.

- k. To examine and organize the succession of the Chairman of the Board of Directors and of the Chief Executive Officer of the Company and, if applicable, to put forward proposals to the Board of Directors for such succession to occur in an orderly and well-planned fashion, drawing up a succession plan for this purpose.

Other functions:

- l. To lead, in coordination with the Chairman of the Board and with the collaboration, where appropriate, of the Coordinating Director, the annual assessment of the Board regarding the operation and composition of the same, its Committees and the directors of the Company.
- m. To periodically design and organize knowledge update programs for directors, in coordination, if necessary, with the Remuneration Committee.
- n. To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the Committee.

To the extent that it is necessary and with the natural adaptations, the functioning of the Appointments Committee shall be governed by the provisions of the Rules relating to the functioning of the Board of Directors.

The Appointments Committee shall meet when convened by the Chairman and at least three times a year. The meeting shall only be deemed to be convened when the majority of its members attend and agreements are adopted by majority vote of those attending, with the Chairman having the casting vote in the event of a tie.

The Secretary of the Company's Board of Directors shall attend Committee meetings with voice but not vote, and shall take the minutes, copies of which shall be sent upon approval to each of the members of the Board of Directors.

During 2020, the Appointments Committee met on five occasions, and took decisions in its various areas of competence. Among other issues, the Committee informed the Board of Directors favorably of the proposals to the ACS General Shareholders' Meeting of the re-election of Mr. Mariano Hernández Herreros and Mr. Javier Echenique Landiribar. Also, the Committee proposed the appointment of Mr. Pedro López Jiménez as a member of the Audit Committee to fill the vacancy resulting from the passing of Mr. José María Loizaga Viguri and the independent director, Ms. Carmen Fernández as a member of the Executive Committee to also fill the vacancy resulting from the passing of Mr. José María Loizaga Viguri and reported favorably on the appointment of several senior executives of the Group.

With regard to the Board's assessment, the external consultant who took part in said assessment interviewed members of the Appointments Committee to review the questionnaires and collate areas for improvement identified by directors. The functioning of the Committee received a positive assessment from its members.

Within the framework of its duty of information to the General Meeting, the report on the performance of the Appointments Committee was made available to the shareholders when the meeting was convened.

Remuneration Committee

Name	Position	Category
MR. ANTONIO BOTELLA GARCÍA	CHAIRPERSON	Independent
MR. EMILIO GARCÍA GALLEGO	BOARD MEMBER	Independent
MRS. MARÍA SOLEDAD PÉREZ RODRÍGUEZ	BOARD MEMBER	Nominee
MR. MIGUEL ROCA JUNYENT	BOARD MEMBER	Other External
MR. JOSÉ ELADIO SECO DOMÍNGUEZ	BOARD MEMBER	Independent

% Proprietary Board Members	20%
% Independent Board Members	60%
% Other External Board Members	20%

Explain the functions assigned to this committee, including, where appropriate, any additional functions to those provided for in the law, and describe the procedures and rules of organization and operation of the same. For each of these functions, indicate the most important actions during the year and how each of the functions assigned, either in the law, by-laws or other corporate agreements has worked in practice.

The functions of the Remuneration Committee are as follows:

- a. To report to the Board of Directors on policy regarding the remuneration of directors and general managers or other persons discharging senior management duties and reporting directly to the Board of Directors, Executive Committees or Chief Executive Officers, and to verify compliance with the policy established.
- b. To make proposals for the distribution among the members of the Board of Directors of the global remuneration agreed upon in the General Meeting.
- c. To propose the individual remuneration and other contractual conditions of the executive directors, as well as to propose the basic conditions of Senior Executive contracts regarding remuneration, in coordination, when necessary, with the Appointments Committee, verifying that they are consistent with current remuneration policies.
- d. To make proposals for long-term plans that may be established in accordance with share value, such as stock option plans.
- e. To periodically review the remuneration policy applied to directors and senior executives, including share-based remuneration systems and their application, and to provide assurance that individual remuneration is proportionate and in line with the compensation paid to other directors and senior executives of the Company.
- f. To verify information on the remuneration of directors and members of the management team contained in the different corporate documents, including the Annual Report on Directors' Remuneration.
- g. To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the Committee.

The Remuneration Committee shall meet when convened by the Chairman and at least twice a year. The meeting shall only be deemed to be convened when the majority of its members attend and agreements are adopted by majority vote of those attending, with the Chairman having the casting vote in the event of a tie.

The Secretary of the Company's Board of Directors shall attend meetings with voice but not vote, and shall take the minutes, copies of which shall be sent upon approval to each of the members of the Board of Directors.

To the extent that it is necessary and with the natural adaptations, the functioning of the Remuneration Committee shall be governed by the provisions of the Rules relating to the functioning of the Board of Directors.

During 2020, the Remuneration Committee met on two occasions, and took decisions in its various areas of competence. Among other issues, the Committee, in carrying out its functions, reported favorably on the Annual Report on Remuneration of the Board of Directors 2019, agreed to approve the variable remuneration corresponding to the members of the Steering Committee and reported favorably on the remuneration of the Chief Executive Officer of ACS, Servicios, Comunicaciones y Energía, S.L.

With regard to the Board's assessment, the external consultant who took part in said assessment interviewed members of the Committee to review the questionnaires and collate areas for improvement identified by directors. The functioning of the Committee received a positive assessment from its members.

Within the framework of its duty of information to the General Meeting, the report on the performance of the Remuneration Committee was made available to the shareholders when the meeting was convened.

C.2.2 Complete the following table with information relating to the number of women directors on the committees of the Board of Directors at the close of the last four financial years.

	Number of women Board Members							
	2020 Financial Year		2019 Financial Year		2018 Financial Year		2017 Financial Year	
	Number	%	Number	%	Number	%	Number	%
Executive Committee	1	16.67%	0	0.00%	0	0.00%	0	0.00%
Audit Committee	3	60.00%	3	60.00%	3	60.00%	3	60.00%
Appointments Committee	2	33.33%	2	28.57%	2	28.57%	2	33.33%
Remuneration Committee	1	20.00%	1	20.00%	1	16.67%	1	14.30%

Observations

C.2.3 Indicate, if applicable, if there are Rules of the Board Committees, where they can be consulted and amendments made during the year. Also indicate whether any annual report on the activities of each committee has been prepared voluntarily.

The Board Committees are governed by Articles 19 to 23 of the Company By-Laws and Articles 22 to 27 of the Board Rules. Both documents are available on the Company website, <http://www.grupoacs.com/gobierno-corporativo>.

The Rules of Procedure of the Board of Directors were amended by the Board of Directors on December 17, 2020, in order essentially to adapt them to the partial revision of the Code of Good Governance of listed companies, which updated and adapted several recommendations of the Code.

During the 2020 financial year, annual reports on the activities of the Audit, Appointments and Remuneration Committees were prepared on a voluntary basis. These have been made available to shareholders on ACS's website at the time of the Ordinary General Shareholders' Meeting.

D. RELATED PARTY TRANSACTIONS AND INTRAGROUP TRANSACTIONS

D.1 Explain the procedure and relevant bodies for approving transactions with related parties and within the group.

As established by Article 5.2.u) of the Rules of Procedure of the Board of Directors, related party transactions require approval by the Board of Directors, subject to a report from the Audit Committee on the transactions carried out by the Company or group companies with directors under the terms established by the prevailing legislation, or with shareholders owning significant shareholdings either individually or in concert, including shareholders represented on the Company's Board of Directors or shareholders of other companies forming part of the same group, or persons related with the same. Directors affected, representing or linked to the shareholders affected shall abstain from participating in deliberations and voting on the resolution in question. The only exception shall be made in the event of approval of transactions simultaneously meeting the following three conditions:

1. they are carried out under contracts entered based on standard terms and conditions applied en masse to large numbers of customers;
2. they are carried out at prices or rates established in general by the provider of the good or service in question; and
3. the sum involved does not exceed one percent of the Company's annual revenues.

D.2 List those transactions, which are significant due to their magnitude or relevant due to their subject, carried out between the company or group companies and the company's significant shareholders:

Not applicable.

D.3 List any material transactions entailing a transfer of funds or obligations between the company or group companies and the company's administrators or executives:

Personal or corporate name of the managers or directors	Name or company name of the company or entity of their group	Link	Nature of the relationship	Amount (thousands of euro)
Pedro López Jiménez	Dragados, S.A.	Board Member of ACS	Operating lease agreements	40
Pedro López Jiménez	Atil Cobra, S.A.	Board Member of ACS	Services Received	17
Pedro López Jiménez	Moncobra, S.A.	Board Member of ACS	Services Received	87
Pedro López Jiménez	ACS, Actividades de Construcción y Servicios, S.A.	Board Member of ACS	Dividends and other profit distributed	1,166
Mr. Agustín Batuecas	Cobra Instalaciones y Servicios, S.A.	Board Member of ACS	Services Received	10
Mr. Agustín Batuecas	Cobra Instalaciones y Servicios, S.A.	Board Member of ACS	Services rendered:	32
Florentino Pérez	Moncobra, S.A.	Chairman of ACS	Services rendered:	59
Florentino Pérez	Clece, S.A.	Chairman of ACS	Services rendered:	177
Florentino Pérez	Rosan Inversiones, S.L.	Chairman of ACS	Services rendered:	2
Javier Echenique	(*) ACS Group companies	Board Member of ACS	Financing agreements: loans	413

(*) These transactions relate to loan agreements with several ACS Group companies.

Observations

D.4 Report any significant transactions by the company with other entities in the same group, where such transactions are not eliminated in the process of preparing the consolidated financial statements and from the standpoint of their subject-matter or terms and conditions are not part of the company's ordinary business.

Not applicable.

D.5 Provide details of any significant operations carried out between the company or group companies and other related parties, which have not been reported under the previous sections.

Not applicable.

D.6 List the mechanisms in place for detecting, identifying and resolving any potential conflicts of interest between the company and/or its group and its Board Members, executives or significant shareholders.

Article 15 of the Rules of Procedure of the Board of Directors indicates the duty to prevent conflicts of interest which obliges administrators to refrain from the following:

- i. Entering into transactions with the Company, except in the case of minor, ordinary transactions carried out under standard terms and conditions applicable to customers, understood as those for which it is not necessary to fairly represent a true image of the equity and financial situation and results of the Company.
- ii. Using the Company's name or invoking the condition of administrator in order to improperly influence the carrying out of private transactions.
- iii. Making use of social assets, including company confidential information, for private purposes.
- iv. Taking advantage of the Company's business opportunities.
- v. Receiving benefits or compensation from third parties outside the Company and its group associated with the discharge of the office of director, unless they constitute gestures of mere courtesy.
- vi. Undertaking any activities either personally or on behalf of any third party which might result in effective competition, whether actual or potential, with the Company, which might otherwise give rise to any permanent conflict with the interests of the Company.

This obligation to refrain also applies where the beneficiary of the prohibited actions or activities is a person related to a director. In this sense, the following persons shall be deemed to be related to the directors:

- i. A director's spouse or persons with a similar relationship.
- ii. The ancestors, descendants and siblings of any director and/or of their spouse.
- iii. The spouses of a director's ancestors, descendants or siblings.
- iv. Companies with respect to which a director is affected by any of the situations mentioned in section one of Article 42 of the Spanish Commercial Code, either personally or via any intermediary.

In the case of corporate directors, the following shall be deemed to be related persons:

- i. Partners affected by any of the situations mentioned in section one of Article 42 of the Commercial Code with respect to the corporate administrator.
- ii. The de jure and de facto directors, liquidators or representatives holding general powers of attorney granted by the corporate director.
- iii. Companies forming part of the same group and their partners.
- iv. Persons that, in the case of the representative of the corporate director, are deemed to be related parties of directors in accordance with the paragraph above.

In any event, directors shall notify the Board of Directors of any situation of conflict of interests, whether direct or indirect, which they or their related parties might have with the Company.

Any situations of conflict affecting administrators shall be disclosed in the Annual Report in accordance with the prevailing legislation.

D.7 State whether the company is controlled by another entity under the meaning of Article 42 of the Spanish Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relationships with that entity or one of its subsidiaries (other than those of the listed company) or undertakes activities related to those of any of them.

Yes	No
	X

E. RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the Company's Risk Control and Management Systems, including those for tax risks.

The ACS Group's geographic and business diversification, together with the high degree of decentralized operations and autonomous management that characterizes Group companies, makes it necessary for it to have a dual system for risk control and supervision. What each business unit or company is capable of developing, is included in the corporate framework for Risk Control and Management, which is consistent with Group guidelines. This dual system implies, therefore, that each management level is ultimately responsible for compliance with the rules and internal procedures applicable to them, both in the parent company and in each of its investee companies.

The structure of the Group's various risk management and control policies is centered on the handling and communication of the financial-economic, non-financial and corporate information. Among other matters, this covers those relating to regulatory compliance, social issues, human rights, the environment, sustainability, diversity, anti-corruption, market abuse, competition defense, cybersecurity and corporate governance.

On June 26, 2020, the CNMV approved a partial revision of the Code of Good Governance of listed companies, updating and adapting several recommendations affecting ACS in all matters relating to the functions of the Audit Committee regarding the supervision of financial and non-financial information and within the scope of the General Risk Control and Management Policy and the Group's General Risk Map. This must include, in addition to financial or economic risks, non-financial risks (fiscal, operational, technological, legal, social, environmental, political, reputational and corruption-related).

Therefore, on December 17, 2020, the ACS Compliance Committee and the Secretary General jointly submitted to the Board of Directors for approval the following changes to internal rules concerning the supervision of financial and non-financial information and risk control and management, among others:

1.- Modification of the General Risk Control and Management Policy in order to comply with the new CBG Recommendation 45 of June 2020. Within the new text, it is worth highlighting Article 5.1, which identifies all the risks covered by the methodology of analysis of both a financial and non-financial nature, as well as Article 6 which states that the structure of the Group's various risk control and management policies is centered around the processing and communication of financial-economic, non-financial and corporate information, covering, among other matters, those related to regulatory and fiscal compliance, social issues, human rights, the environment, sustainability, diversity, anti-corruption, market abuse, competition defense, cybersecurity and corporate governance.

The Board of Directors and those responsible for the respective operating areas or divisions of the Group will adopt the necessary measures for the dissemination, training and compliance with this policy throughout the ACS Group, assigning the necessary resources for this.

2.- Modification of the Rules of Procedure of the Board of Directors in compliance with both Recommendation 45 and Recommendations 42 and 53, establishing Article 24.6.h) in its new wording, when dealing with the functions of the Audit Committee regarding the supervision of risk management and control, that it will be the responsibility of this Committee to monitor and evaluate the effectiveness of financial and non-financial risk management systems relating to the Company and the Group, including operational, technological, legal, social, environmental, political and reputational or corruption-related risks. For its part, the new wording of Article 25 of the Rules of Procedure of the Board of Directors on the competencies of this Committee in the field of corporate governance and sustainability in environmental and social matters, states that the Audit Committee shall monitor compliance with the Company's policies and rules in environmental, social and corporate governance matters, as well as internal codes of conduct, having the following functions:

a) The supervision of compliance with the rules of corporate governance and the internal codes of conduct of the Company, as well as ensuring that the corporate culture is aligned with its purpose and values.

- b) The supervision of the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisors and other stakeholders. The way in which the Company communicates and engages with small and medium-sized shareholders will also be monitored.
- c) The evaluation and periodic review of the company's corporate governance system and its environmental and social policy, in order to ensure that they fulfill its mission of furthering the corporate interest and take into account, as appropriate, the legitimate interests of other stakeholders.
- d) Ensuring that the Company's environmental and social practices are in line with the defined strategy and policy.
- e) Supervising and evaluating processes affecting different stakeholder groups.

3.- Modification of the ACS Group's General Risk Map, coordinated by the Corporate General Management and the Senior Management of the Group's divisions, the final version of which was approved by the Board of Directors of the listed company on February 25, 2021.

Scope

The General Risk Control and Management Policy is applicable to all the companies that make up the ACS Group over which the parent company has effective control, within the limits provided for in the regulations applicable to regulated activities carried out by the Group in the different countries in which it is present. The listed investee companies and their respective subsidiaries, as a result of their special situation, are subject to the regulations of the regulatory bodies that are applicable to them and, consequently, have their own risk policies approved by their competent bodies. In any case, said risk policies must be in accordance with the principles set forth in ACS's General Risk Control and Management Policy.

Within the ACS Group is the Hochtief, A.G. company, listed on the German stock market, which in turn has a majority ownership interest in CIMIC, which itself is publicly traded on the Australian stock market. Both companies have implemented their own risk management systems and internal controls in accordance with the applicable regulations. These companies and the sub-group of which they are dominant companies have their own Audit Committees with similar functions to those of ACS. Therefore, the General Risk Management and Control Policy of the ACS Group affects those activities carried out by Hochtief or CIMIC, only to the extent that they are already covered by their own risk control systems.

The General Risk Management and Control Policy affects, as a regulatory framework, all areas of the ACS Group. The comprehensive Risk Management and Control System covers all types of risk that may threaten the attainment of the objectives of the parent company and of ACS Group companies.

Through this Policy, the parent company and ACS Group companies undertake to develop all their capacities so that risks of all kinds are properly identified, measured, prioritized, managed and controlled.

Guidelines

The ACS Group is subject to various risks inherent to the respective countries, activities and markets in which it operates, and to the activities it carries out, which may impede or even prevent it from achieving its goals and executing its strategies successfully.

The Board of Directors of the Organization, aware of the importance of this issue, is committed to developing all its abilities so that the relevant corporate risks of all the Group's activities and businesses are adequately identified, measured, prioritized, managed and controlled, while establishing, through the General Risk Control and Management Policy, the mechanisms and guidelines for an adequate control and management of them with a level of risk that allows for:

- a. integrating the approach to risk within the management of the parent company through the definition of risk strategy and level;
- b. attaining the strategic objectives established by the Group with controlled volatility;
- c. preserving strict segregation of duties between the areas that manage risk and the areas responsible for its analysis, control and supervision, providing an adequate level of independence;

- d. providing information to the regulators and principal stakeholders on Group risks and those of its operating units in a transparent manner, as well as on the operation of the systems developed for their control and monitoring;
- e. providing the highest possible level of guarantees to shareholders;
- f. protecting the results and reputation of the Group;
- g. defending the interests of shareholders, customers and other stakeholder groups in the progress of the parent company and society in general;
- h. ensuring business stability and financial strength in a sustained manner over time;
- i. ensuring the use of appropriate instruments to mitigate the impact of risks in accordance with the requirements of applicable legislation; and
- j. complying with the applicable legal and regulatory requirements, as well as the values and standards of conduct reflected in the ACS Code of Conduct and the Group's principles and good practices, oriented toward the principle of "zero tolerance" toward the commission of illegal acts and fraud situations.

E.2 Identify the company bodies responsible for preparing and executing the Risk Control and Management System, including tax risks.

The Board of Directors of the Group's parent company is responsible for establishing the General Risk Control and Management Policy as a framework document to identify the guidelines and regulations for the control and management of risks of the parent company and of the other investee companies with autonomous management, and to maintain the appropriate internal control systems, as well as to carry out regular monitoring of these systems.

All executives and teams responsible for ACS Group operations and support processes are responsible for implementing this Policy in their area of management, as well as for coordinating their risk response actions with other affected divisions and businesses, where applicable.

The Board of Directors relies on the collaboration of the Audit Committee, which supervises and reports on the adequacy of the internal evaluation and control system for relevant risks in coordination with the Internal Audit and the Management of the different divisions of the Group. Within this framework, the roles and responsibilities of the areas involved in risk management are as follows:

Board of Directors

The ACS Board of Directors is the body responsible for approving the Group's General Risk Control and Management Policy and setting the level of acceptable risk at all times. The different areas concerned also include the management of financial, non-financial and tax risks.

In addition, it must supervise the Comprehensive Risk Control and Management System, ensuring that the main risks are identified, managed and maintained at planned levels.

Audit Committee

The functions of the Audit Committee include supporting the Board of Directors in relation to the regular monitoring and evaluation of the Group's Comprehensive Risk Control and Management System, for financial and non-financial risks, and specifically:

- a. To supervise and evaluate the effectiveness of financial and non-financial risk management systems relating to the Company and the Group, including operational, technological, legal, social, environmental, political and reputational or corruption-related risks.
- b. To re-evaluate, at least annually, the list of the most significant risks, both financial and non-financial, to assess their tolerance level, and propose, where appropriate, their adjustment to the Board of Directors. To this end, the Committee shall meet with senior officials of the business units at least annually in which they explain the business trends and associated risks.
- c. To directly oversee the performance of the internal control and risk management functions carried out by managers of the internal audit.

In addition, the Audit Committee has the role of ensuring the independence of the unit that assumes the internal audit function.

Steering Committee

The ACS Group Steering Committee, made up of the Chairman of the Board and CEO, the Chief Executive Officer, the Vice-Chairman of the Board, the Corporate General Manager, the General Secretary and the Chief Executive Officer of Industrial Services, defines the basic guidelines, the framework of action and establishes the management, monitoring and reporting mechanisms that ensure that risks are kept within the levels approved by the ACS Board of Directors.

In addition, the Steering Committee is the highest level of operational decision-making for implementing corrective measures for each of the risks.

Compliance Committee

The Compliance Committee, which reports to the Audit Committee of the Board of Directors, develops, implements and oversees the functioning and operational effectiveness of the ACS Group's Global Compliance Management System, covering the areas of criminal compliance and anti-bribery, market abuse, human rights, competition defense, privacy and data protection, taxation, cybersecurity, as well as all matters covered by the ACS Group's Consolidated Non-Financial Information Reporting Statement and those relating to compliance with the Company's internal codes of conduct, monitoring of the implementation of the general policy on the communication of economic-financial, non-financial and corporate information and the evaluation and regular review of the environmental and social policy.

In turn, all ACS Group subsidiaries have a Compliance Committee responsible for operating their own global Compliance management system under the guidelines and standards provided by the ACS Compliance Committee as the Group's parent company. The ACS Compliance Committee regularly monitors, through a medium control model, the application of these guidelines and standards in the Group's subsidiaries through a global compliance reporting model that includes the following sections:

- I. Obligations in criminal compliance and anti-bribery
- II. Compliance personnel and responsibilities
- III. Business partners. External due diligence and risk assessment
- IV. Training and communication
- V. Controls, objectives and resources
- VI. Audit and monitoring
- VII. Ethics channel
- VIII. Breaches, analysis and corrective actions
- IX. Competition defense
- X. Cybersecurity
- XI. Human rights

This continuous monitoring allows the ACS Compliance Committee to report to the Board of Directors through the Audit Committee on a quarterly basis, on both the degree of implementation and effectiveness of the Global Compliance Management System in the Group, and the detection of risks of a non-financial nature, compliance impacts and breaches and possible corrective actions.

Through the Global Compliance Management System, the ACS Group guarantees to the organization's members, business partners and stakeholders that financial and non-financial and corporate information is managed transparently, which allows for the generation of shared value in the Group and the strengthening of stable and trusting relationships with all stakeholders. The Group also ensures the promotion and control of ethics and integrity issues through measures to prevent, detect and eradicate corruption and other illegal activities.

Corporate Internal Audit

The Corporate Internal Audit Directorate supports the Board of Directors, through the Audit Committee, in fulfilling its responsibilities in relation to the supervision and evaluation of the Group's Comprehensive Risk Management and Control System. It is also responsible for communicating warnings, recommendations and

conclusions to the Audit Committee issued by Group Management, those responsible for the business areas and the companies evaluated.

Corporate General Management

The Corporate General Management is responsible for preparing the ACS Group's framework for action in order to standardize the identification, classification, evaluation, management and tracking of the risks of the different divisions and businesses, specifically:

- To take on the management of corporate risks.
- To ensure the proper functioning of the Comprehensive Risk Management and Control System and, in particular, to ensure that all significant risks to the Group are adequately identified, managed and quantified.
- To participate actively in the preparation of the risk strategy and relevant decisions with regard to risk management.
- To ensure that the Comprehensive Risk Management and Control System adequately mitigates risks within the framework of the General Risk Management and Control Policy.

ACS Group companies and their support functions regarding risks

The ACS Group, as a result of the diversity of its businesses and its high level of operational decentralization, has assigned to the heads of each division and business, the development of the risk control and management systems appropriate to them and the necessary internal regulations to ensure their implementation and operation. In that sense:

- They develop internal rules based on the specificities of their activities and implement appropriate internal controls.
- They manage the information systems that enable risk mapping, monitoring and assessment of risk exposures for each business area.
- They produce management reports for decision-making by monitoring the appropriate indicators.

E.3 Indicate the main risks, including fiscal risks and, if significant, those arising from corruption (understood within the scope of Royal Decree Law 18/2017), which may affect the achievement of business objectives.

Comprehensive Risk Control and Management System

The General Risk Control and Management Policy and its basic principles are put into practice through a Comprehensive Risk Control and Management System supported by all parts of the governance model described above and based on an appropriate definition and assignment of roles and responsibilities at different levels, and on procedures, methodologies and support tools appropriate to the different stages and activities of the system.

Identifying risks

The ACS Group's risk methodology provides for identifying the significant risks to which the Group may be exposed.

At least annually, the risk taxonomy is updated to confirm those risks that remain significant, remove those that no longer apply and include new emerging ones. This update is carried out following the categories of financial and non-financial risks that the Group faces (including contingent liabilities and other off-balance-sheet risks), considering the following taxonomy:

- Strategic: Risks associated with the key long-term objectives of the Businesses and of the ACS Group may arise from the Group's own actions, from other key market players (customers, competitors, regulators, investors and others), from changes in the competitive environment or from the business model itself.

- **Operational:** Risks associated with the activities carried out by the Group, including all risks related to processes and operations.
- **Technological:** Risks associated with the technologies and systems used by the Businesses and by the ACS Group, as long as it cannot efficiently and effectively support current and future needs or possible cyberattacks.
- **Legal, criminal and anti-bribery:** Risks arising from non-compliance or lack of supervision and monitoring of the regulations that apply to the Group in the different legal systems of the countries in which it operates, or arising from non-compliance with criminal and anti-bribery regulations that imply the responsibility of the ACS Group and which may lead to legal action, sanctions, fines or the partial or total stoppage of its activities.
- **Social:** Risks linked to the social rights of employees and persons related to the Businesses or to the ACS Group, as well as the socio-economic environment in which it operates.
- **Environmental:** Risks linked to potential environmental impacts, including climate change, which could cause harm to society, the environment and the Group, loss of competitiveness, damages and compensation or the stoppage of ongoing works, services or projects.
- **Political:** Risks associated with political changes that may affect legal security and the legal framework applicable to the Group's businesses.
- **Reputational:** Risks linked to the deterioration of the image and perception of the ACS Group that may result from behavior by companies below the expectations of different interest groups, from the actions of third parties linked to the Group or from other areas outside it.
- **Corruption-related:** Risks linked to the direct or indirect acquisition by the parent company of an undue advantage of any kind (which may be of a financial or non-financial nature), in breach of the applicable regulations.
- **Financial:** Risks related to the economic and financial management of the Businesses and the ACS Group, the variability of financial parameters to which it is exposed, as well as the processes for generating financial information.

Risk identification and review is done from two points of view:

Top-down focus: Senior Corporate Management identifies risks from the perspective of the Group as a whole.

Bottom-up focus: Business Managers identify the risks that affect their respective units.

Therefore, the risk control and management systems adopt the characteristic decentralized model of the Group, which allows each business unit to exercise its risk control and evaluation policies under a few basic principles. These basic principles are as follows:

- Definition of the risk appetite or levels and the maximum risk thresholds that are acceptable for each business according to its expected characteristics and profitability, which are considered from the origin of the operations.
- Establishment of identification, approval, analysis, control and information procedures for the respective risks of each business area.
- Coordination and communication so that the policies and procedures for the risks of the areas of business activity are consistent with the Group's global risk policy.

Corporate General Management is responsible for adding all identified risks, as well as those identified by the Business Managers, in order to standardize the identification, classification, valuation, management and monitoring of the risks for all divisions.

Risk assessment criteria

The method used to determine the assessment of identified risks is categorized into different groups depending on whether their impact and probability is low, medium or high:

- **Impact** is the economic damage, in operations and reputational terms on the activity of the Group, taking into account the control measures implemented in the Group: low, medium or high.
- **Probability** that the risk will materialize in a specific event, taking into account the control measures implemented in the Group: low, medium or high.

Once the risks have been identified, and the impact and probability have been assessed taking into account the controls implemented and the level of management of the Group, as well as defining the indicators to measure them, the Group Risk Map is prepared.

This Map is made up of nine quadrants in which risks are classified according to the following nine groups:

Group	Impact	Probability
1	High	High
2	High	Medium
3	High	Low
4	Medium	High
5	Medium	Medium
6	Medium	Low
7	Low	High
8	Low	Medium
9	Low	Low

E.4 Identify whether the entity has levels of risk tolerance, including tax risks.

The Board of Directors of ACS is aware of the importance of adequate control and management of the risks that affect the achievement of its objectives, and for this reason it is adverse to risk.

The General Risk Control and Management Policy of the ACS Group is aimed at achieving a moderate risk profile, through prudent management; a Group business model dedicated to various activities with a universal vocation, diversified by geographical areas, asset types, portfolios and customers, with a high international presence, both in emerging as well as developed countries, while maintaining a medium/low risk profile in each of them and seeking sustainable growth over time.

E.5 Indicate what risks, including tax risks, have arisen during the financial year.

The risks inherent in the business model and the different activities engaged in by the ACS Group may occur to some extent throughout any annual reporting period. These risks are mitigated due to the follow-up and monitoring performed by the various management bodies of the Group, depending on their importance.

In relation to the 2020 financial year, the most relevant risks that arose for the ACS Group were, on the one hand, the effects of the coronavirus pandemic (COVID-19), and, on the other hand, the arbitration resolution related to the Gorgon project.

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 outbreak a pandemic, due to its rapid spread around the world, affecting more than 150 countries. Most governments are taking restrictive measures to control its propagation, including: isolation, confinement, quarantining and

restrictions on the free movement of people, the closure of public and private premises except for essential services and healthcare facilities, the closure of borders and a drastic reduction of air, sea, rail and road transportation.

This situation is having a substantial impact on the global economy due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty, reflected in increased volatility of asset prices and exchange rates and a reduction of long-term interest rates.

The main impacts caused by the pandemic on ACS Group results during the 2020 fiscal year were the following:

- The lockdown and mobility restriction measures enacted in most countries in which Abertis operates resulted in drastic declines in average daily traffic since March, with severe setbacks in the second quarter of the year. Consequently, Abertis's contribution to the Group's EBITDA and to its net profit in 2020 decreased by EUR 349 million and EUR 280 million respectively compared to the previous year.
- In Services (Clece), the cleaning and maintenance activities of those social infrastructures that ceased their activity in Spain during the state of emergency, such as school or leisure centers, non-essential facilities and air transport, were significantly reduced. However, the increase in activity in hospital centers and public offices and a gradual recovery in normal activity in the last quarter of the year balanced out the sales volume. On the other hand, temporary reinforcement in occupational health and safety has led to an increase in operating costs. As a result, the negative impact on EBITDA and net profit was EUR 33 and EUR 21 million, respectively.
- In the remainder of Construction and Industrial Services activities the impact was less profound, with reductions in production and operating results of around 10%.

Finally, it is appropriate to emphasize that the Group's Administrators and Management are constantly monitoring developments in both financial and non-financial aspects.

Regarding the LNG Jetty and Marine Structure (Gorgon Jetty) project for Chevron Australia (Chevron) carried out by CPB Contractors, a 100% subsidiary of CIMIC, along with its consortium partners, Saipem SA and Saipem Portugal Comercio Maritimo LDA, the Arbitration Tribunal has issued an award of AUD 78 million for the Consortium (CPB and Saipem) and a reconvention of AUD 35 million to Chevron. The CIMIC share of the net award, along with certain CIMIC legal expenses and other legal costs attributable to the arbitration process, resulted in a single reversal of recognized revenue over the period of AUD 1.15 billion (equivalent to EUR 694 million on December 31, 2020).

ACS Group companies are parties in litigation, tax claims, competition and other judicial proceedings, in the ordinary course of their business, the result of which is unpredictable. Details of this can be found in the Consolidated Financial Statements Report.

Notwithstanding the foregoing, the Compliance Committee, in relation to preventive detection and management of risks of a non-financial and corporate nature, has, during the 2020 financial year, carried out various corrective actions in fields related, among others, to the areas of criminal prevention and anti-bribery, information security, competition defense and operational management of the global Compliance system.

E.6 Explain the response and monitoring plans for the entity's major risks, including tax risks, as well as the procedures followed by the company to ensure that the Board of Directors responds to the new challenges that arise

After assessing the significant risks, the best response to these risks is defined, according to the activity and characteristics of each of them. Responses to the risks can be:

- **To mitigate:** Actions are designed and implemented to reduce the impact or likelihood of risks occurring to a level that is acceptable to the organization.
- The decision is made not to take any action regarding the risk in question, accepting its consequences and the likelihood of it occurring.

- **To share/transfer:** Actions are taken to share/transfer part of the risk with third parties, e.g. by taking out insurance policies, looking for partners, process outsourcing, etc.
- **To avoid:** A decision is made to suspend the activity that causes the risk so that the risk associated with it disappears.

In general, all those risks identified within group 1 (high-high), 2 (high-medium) and 4 (medium-high) are examined by the Group's Steering Committee at its various meetings. In addition, both the Executive Committee as well as the Board of Directors examine the information reported, on a monthly or quarterly basis as the case may be, with the different quantitative indicators in order to analyze the situation of the risks faced by the Group.

To this end, a series of relevant measurements are established, which are in principal related to solvency, liquidity and the recurrence of results that, depending on the circumstances that occur in each case, determine the Group's risk management and allow for the achievement of the desired objective. The analysis of these elements is performed both in a timely and prospective manner by drafting budgets to identify potential risks and therefore developing corrective actions as far in advance as possible.

Information and internal control systems

The Board of Directors considers that an adequate control and management of risks is essential to maintain the maximum level of transparency in the information provided, both inside and outside the organization.

In this regard, all personnel should take into account that the information provided regarding risk control and management must meet the following requirements:

- Complete, ensuring that all relevant information is transmitted for proper risk control and management.
- Correct and truthful, ensuring that the information transmitted does not contain errors.
- Create value, by encouraging the development of a culture of risk control and management.
- Be transmitted in an equitable and symmetric manner, that is, that all the recipients of the respective information receive the same information in the same time horizon.
- Be transmitted in a timely manner, that is, once it is known and is relevant for proper risk control and management.

For these purposes, the Board of Directors is responsible for identifying and supervising the management of the main risks, as well as the implementation and monitoring of an internal control system and the appropriate information that allows for the adequate management of the said risks.

F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS REGARDING THE PROCESS OF ISSUING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms which make up the risk control and management systems regarding the process of issuing financial information (ICFR) for the entity.

F.1 Company's control environment

Indicate the main characteristics of the following as a minimum:

F.1.1 Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

The Internal Control over Financial Reporting System, hereinafter ICFR, is part of the ACS Group's overall internal control system and is set up to provide reasonable assurance regarding the reliability of the financial information published. The bodies responsible for it, according to the Rules of Procedure of the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. in its latest version of December 17, 2020, are the Board of Directors and, within it, the monitoring function is delegated to the Audit Committee.

In accordance with Article 5 of its Rules, the Board of Directors is empowered, among other functions, to approve "the financial information to be periodically made public by the Company given that it is listed on the stock exchange." In this way, Article 7 of the Rules establish that "The Board of Directors shall prepare the individual and consolidated Financial Statements and Management Reports in view of the report issued by the Audit Committee, in order to comply with the prevailing legislation and to facilitate understanding by shareholders and the general public."

Also in accordance with Article 5, among the non-delegable functions of the Board are "preparing the financial statements and submitting them for approval at the General Shareholders' Meeting" and "the determination of risk management and control policy, including tax risk, and oversight of the internal reporting and control systems" and "supervising the process to draw up and present financial information and the management report, which includes mandatory non-financial information."

The ACS Group's Corporate General Management is globally responsible for the Group's ICFR. This entails defining, updating and monitoring the system to ensure that it operates correctly.

The head of each business area is responsible for designing, reviewing and updating the system in accordance with its own needs and characteristics. Corporate General Management validates these designs and their operation to guarantee compliance with the objectives set to assure the reliability of the financial information reported.

In relation to the above, in accordance with Article 24.6 of the Rules of Procedure of the Board of Directors, the Audit Committee is responsible, inter alia, for the following:

Regarding the supervision of financial and non-financial information:

- a. To report to the General Shareholders' Meeting on the issues arising in relation to those matters within the competence of the Committee and, in particular, on the outcome of the audit, explaining how this has contributed to the integrity of the financial information and the function that the Committee has played in this process.
- b. To oversee and assess the preparation and presentation of the Company's, and where applicable the Group's, financial and non-financial information, reviewing compliance with regulatory requirements and ensuring appropriate definition of the scope of consolidation and proper application of accounting criteria and, in particular, to know, understand and monitor the effectiveness of the Internal Control over Financial Reporting System (ICFR). The Committee may

submit recommendations or proposals to the Board of Directors, aimed at safeguarding the integrity of the financial information.

- c. To report, in advance, to the Board of Directors on the financial information that the Company must periodically make public.
- d. To ensure that the Financial Statements that the Board of Directors presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations and that, in those cases in which the accounts auditor has included a proviso in their audit report, the Chairman of the Audit Committee clearly explains to the General Shareholders' Meeting the opinion of the Audit Committee regarding its content and scope, making a summary of this opinion available to the shareholders at the time of publication of the call to the Meeting, together with the rest of the proposals and reports of the Board.

Regarding the supervision of internal controls and internal audit:

- a. To monitor the effectiveness of the Company's internal controls, ensuring that the policies and systems established regarding internal controls are applied effectively in practice, and in the internal audit, and discuss any significant weaknesses in the internal control system detected during the audit with the accounts auditor, without compromising their independence, with a view to reaching conclusions on the level of trust and reliability of the system. For this purpose, and if applicable, the Committee may submit recommendations or proposals to the Board of Directors and the relevant period for follow up.
- b. To oversee the independence of the internal audit unit; propose the selection, appointment and removal of the head of the internal audit service; propose the budget for the service; approve its orientation and the annual internal audit work plan, ensuring that activities are directed principally toward key risks (including reputational risks); receive regular information on its activities; and ensure that senior management takes into consideration the conclusions and recommendations of internal audit reports; and evaluate on an annual basis the functioning of the internal audit unit and the performance of its duties by their manager.
- c. To establish and oversee a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to communicate confidentially on any potentially significant irregularities, including financial and accounting irregularities, or irregularities of any other nature, related to the Company that they may identify within the Company or its group, by receiving regular information on its operation and being able to propose the appropriate actions for its improvement and future risk reduction.

Regarding the supervision of risk management and control:

- a. To supervise and evaluate the effectiveness of financial and non-financial risk management systems relating to the Company and the group, including operational, technological, legal, social, environmental, political and reputational or corruption-related risks.
- b. To re-evaluate, at least annually, the list of the most significant risks, both financial and non-financial, to assess their tolerance level, and propose, where appropriate, their adjustment to the Board of Directors. To this end, the Committee shall meet with senior officials of the business units at least annually in which they explain the business trends and associated risks.
- c. To directly oversee the performance of the internal control and risk management functions carried out by any unit or department of the Company.

In this regard, and in relation to the above-mentioned functions of supervision of risk management and control, the Audit Committee shall take into account the criteria of the supervisory bodies in the prevention of corruption and other irregular practices as well as in the identification, management and control of the potential associated impacts, acting under a principle of maximum rigor.

On the other hand, Hochtief, A.G., which forms part of the ACS Group as an investee, is listed on the German stock market and, in turn, has a majority ownership interest in CIMIC Group Limited, which in turn is listed on the Australian stock market. Both companies have implemented their own risk management and internal control over financial reporting systems in accordance with the applicable legislation. Additional information on these systems can be found in their 2020 annual reports, which are available on www.hochtief.com and www.cimic.com.au respectively.

F1.2 The existence or otherwise of the following elements, especially in connection with the financial reporting process:

Departments and/or mechanisms responsible for: (i) the design and review of the organizational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) implementing procedures so that this structure is communicated effectively throughout the company.

In accordance with the Rules of Procedure of the Board of Directors, the Appointments Committee, as a delegate committee of the Board, is responsible, inter alia, for nominating and dismissing Senior Executives, particularly those who are to be members of the Group's Management Committee, and for proposing the basic conditions of their contract.

Organizational structure is defined by the Corporate General Management, in the case of ACS, Actividades de Construcción y Servicios, S.A., and the CEO or Chairman, in the case of the various business areas, in their area of activity and communicating this to the interested parties through the channels provided in each case.

Code of conduct, approving body, degree of dissemination and instruction, including principles and values (stating whether specific reference is made to the recording of operations and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary actions.

The ACS Group has a Code of Conduct, whose latest update was approved by the Board of Directors on November 12, 2015. This Code has been disseminated and is accessible to all employees via the Group's website.

Both Hochtief A.G., and the parent company of its CIMIC subgroup, CIMIC Group Limited, are companies listed on the German and Sydney stock exchanges, respectively, and they are therefore subject to their own regulatory bodies' rules and both have their own Codes of Conduct and their own internal complaints and control channels, under similar terms as those of the ACS Group. For this reason, the ACS Group's General Code of Conduct does not apply directly to investee companies belonging to the Hochtief Group and the CIMIC Group.

Section 1.2 of the Code of Conduct emphasizes the principle of transparency. The Code stipulates that "all employees shall provide truthful, necessary, complete and prompt information regarding the progress of activities related to their work and areas of competence."

To ensure compliance with the Code of Conduct, resolve incidents or concerns about its interpretation and take the measures required to ensure the best compliance, the above Code provides for the creation of a Code of Conduct Monitoring Committee to be composed of three members appointed by the ACS Group's Board of Directors following the proposal of the Appointments Committee. The Company has a set of Rules of Procedure for the Code of Conduct Monitoring Committee, as amended by the Board of Directors on December 13, 2018.

In accordance with these Rules, this Monitoring Committee has been assigned the following functions:

- To collaborate with the Compliance Committee in promoting the dissemination, knowledge of and compliance with the Code in each and every company of the Group.

- To establish the appropriate channels of communication to ensure that any employee can seek or provide information regarding compliance with this Code, ensuring the confidentiality of complaints processed at all times.
- To interpret the rules deriving from the Code and supervise their implementation.
- To ensure the accuracy and fairness of any initiated proceedings, as well as the rights of persons allegedly involved in possible breaches.
- To maintain a bi-directional communication with the Compliance Committee, especially with regard to the queries or complaints received through the Ethical Channel. In particular, any complaint received on the matter of crime prevention by the Compliance Committee, which translates into the existence of evidence of actions that might infringe the basic principles of the Code of Conduct of the ACS Group, shall be directed to the Code of Conduct Monitoring Committee, so that they can assess the need to open an investigation.
- Preparing an annual report on its actions, making the recommendations it deems appropriate to the Board of Directors through the Audit Committee.

The Annual Report on Actions and Recommendations of the Code of Conduct Monitoring Committee for 2020 will be submitted to the Audit Committee for approval at their meeting on March 31, 2021. A complaints channel, allowing communication of any irregularities of a financial or accounting nature to the Audit Committee, as well as breaches of the Code of Conduct and irregular activities within the organization, stating whether reports made through this channel are confidential.

A complaints channel, allowing communication of any irregularities of a financial or accounting nature to the Audit Committee, as well as breaches of the Code of Conduct and irregular activities within the organization, stating whether reports made through this channel are confidential and whether it allows for anonymous communications respecting the rights of the complainant and the subject of the complaint.

Complaints or comments can be made through the ACS Ethics Channel, managed by the Code of Conduct Monitoring Committee.

The ACS Ethics Channel can be reached at the following address:

Ethics Channel

ACS Group

Avenida Pío XII 102, 28036 Madrid, Spain.

canaletico@grupoacs.com

During 2020, the ACS, Actividades de Construcción y Servicios, S.A. Ethics Channel did not open any complaint files. However, many queries and complaints were received via the ethics channels from each of the Group's divisions. In terms of all the ethics channels of the Group, with the exception of Hochtief, A.G. and CIMIC Group Limited, more than 180 communications were received in 2020, resulting in the opening of the corresponding cases, of which 26 are still open at the end of the financial year. Complaints and queries from different countries of the world have mainly been communicated via digital channels, in general, being complaints submitted by employees or third parties outside the organization, and on many occasions made anonymously.

Regular training and refresher courses for personnel involved in preparing and reviewing financial information, as well as evaluating the ICFR, which address, at least, accounting rules, auditing, internal control and risk management.

In regard to training and refresher courses, the ACS Group believes that continuous training for its employees and executives both at the corporate level and in the companies of the Group is important. Relevant and up-to-date training on regulations that affect financial reporting and internal control is considered to be necessary to ensure that the information reported to the markets is reliable and in accordance with the regulations in force.

Therefore, in 2020 throughout the entire ACS Group approximately 18,000 hours of training courses in finance, accounting rules, consolidation, auditing, internal control and risk management were given, attended by over 2,700 employees. As a result of the COVID-19 pandemic, during 2020 greater use was made of remote media and the webinar format for personnel training.

F.2 Risk assessment of financial information,

Report at least:

F.2.1 Which are the main characteristics of the risk identification process, including error or fraud risks, stating whether:

If the process exists and is documented.

The ACS Group has established a risk management model that supports a range of actions in order to comply with the objectives established by the Board of Directors. The Board of Directors on December 17, 2020, approved an update to the General Risk Control and Management Policy to adapt to the new wording of Recommendation 45 of the Code of Good Governance of listed companies as amended by the CNMV on June 26, 2020.

The Risk Map, updated in accordance with the approved General Risk Control and Management Policy, includes the identification, evaluation and classification of risks at the Group and operational divisions level. The process of categorizing the complete risk inventory applicable to the Businesses and the Group has involved reviewing risk events in a range of categories or taxonomies, following the guidelines of Recommendation 45 of the Code of Good Governance of listed companies as amended by the CNMV on June 26, which are as follows:

- **Strategic:** Risks associated with the key long-term objectives of the Businesses and of the ACS Group may arise from the Group's own actions, from other key market players (customers, competitors, regulators, investors and others), from changes in the competitive environment or from the business model itself.
- **Operational:** Risks associated with the activities carried out by the Group, including all risks related to processes and operations.
- **Technological:** Risks associated with the technologies and systems used by the Businesses and by the ACS Group, as long as it cannot efficiently and effectively support current and future needs or possible cyberattacks.
- **Legal, criminal and anti-bribery:** Risks arising from non-compliance or lack of supervision and monitoring of the regulations applicable to the Group in the different jurisdictions in which it operates, or arising from non-compliance with criminal and anti-bribery regulations that imply the responsibility of the ACS Group and which may lead to legal action, sanctions, fines or the partial or total stoppage of their activities.
- **Social:** Risks linked to the social rights of employees and persons related to the Businesses or to the ACS Group, as well as the socio-economic environment in which it operates.

- Environmental: Risks linked to potential environmental impacts, including climate change, which could cause harm to society, the environment and the Group, loss of competitiveness, damages and compensation or the stoppage of ongoing works, services or projects.
- Reputational: Risks linked to the deterioration of the image and perception of the ACS Group that may result from behavior by companies below the expectations of different interest groups, from the actions of third parties linked to the Group or from other areas outside it.
- Financial: Risks related to the economic and financial management of the Businesses and the ACS Group, the variability of financial parameters to which it is exposed, as well as the processes for generating financial information.

The differentiation between inherent risks and residual risks has been taken into account in the risk assessment, taking into account the control and management mechanisms currently in place in the Group to deal with risk. Taking into account the control mechanisms, the impact (economic, operational and reputational depending on whether at local, national or international level in the short, medium or long term) and the residual probability (that the risk becomes a specific event) are assessed as high, medium and low for them in a basically qualitative way.

In describing the ACS Group's general risk policy, Section E of the CGAR describes the risks, as does the corresponding section of the Non-Financial Reporting Statement.

Whether the process covers all financial reporting objectives, (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how often.

In addition to financial risks (liquidity, exchange rate, interest rate, credit and equities), the Group's risks also include those risks relating to the reliability of the financial information, including tax risks.

As part of ICFR management, the ACS Group has a procedure that allows its scope to be identified and maintained by identifying all relevant subgroups and divisions, as well as the significant operating and support processes of each of the subgroups or divisions. This identification is carried out based on the materiality and risks factors that are inherent to each business.

The materiality criteria are established, on one hand, from the quantitative point of view in accordance with the most recent consolidated financial statements based on the various parameters, such as revenue, volume of assets or profit before tax and, on the other hand, from the qualitative point of view in accordance with various criteria, such as the complexity of the information systems, the risk of fraud or accounting based on estimates or criteria that may have a more subjective component. In practice, this means being able to determine which of the accounting epigraphs of the financial statements are material, as well as other relevant financial information. In addition, the processes or business cycles in which this information is generated are identified.

The ACS Group's Corporate General Management is responsible for updating the scope of the Internal Control over Financial Reporting System and informing the various business areas and the auditor of any changes that occur.

For each process or business cycle included within the scope, the Group has identified the risks that can specifically affect the financial information, taking into account all of the financial reporting objectives (existence and occurrence; integrity; valuation; rights and obligations; and presentation and comparability), and taking into consideration the different risk categories described in section E of the CGAR to the extent that they could significantly affect the financial information. During 2020, the ACS Group reviewed the appropriateness of the procedures with current operations to cover all of the objectives mentioned above.

A specific process is in place for identifying the scope of consolidation, taking into account, among other aspects, the possible existence of complex corporate structures, special purpose vehicles, holding companies, etc.

This assessment is performed at least on an annual basis and whenever companies are included in or excluded from the Group's scope of consolidation, which is reviewed on a quarterly basis.

The process takes into account the effects of other types of risks (operational, technological, financial, legal, fiscal, reputational, environmental, etc.) to the extent that they affect the financial statements.

The ACS Group's Risk Management System considers strategic, operational, technological, legal, criminal or anti-bribery, social, environmental, reputational, financial risks or any other type which, if they arise, could have a significant impact on the Group's financial statements.

Which of the entity's governing bodies monitors the process?

The Board of Directors is responsible for approving the risk control and management policy and for the regular monitoring of the information and control systems, while the Audit Committee has among its competences to monitor and evaluate the effectiveness of the financial and non-financial risk management systems related to the Company and the Group, including operational, technological, legal, social, environmental, political and reputational or corruption-related risks as well as internal control.

F.3 Control activities

Indicating their main characteristics, detail at least the following:

F.3.1 Procedures for reviewing and authorizing the financial information and description of the ICFR to be disclosed to the stock markets, indicating who is responsible in each case, as well as documentation and flow charts for activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the specific review of the relevant judgments, estimates, evaluations and projections.

Prior to their approval by the Board of Directors and to their publication, the Corporate General Management must submit both the annual and half-yearly condensed consolidated financial statements as well as any other periodic public information supplied to the stock markets to the Audit Committee, taking into consideration the most relevant impacts and those matters whose contents or components are based on accounting opinions or assumptions for the purpose of calculating estimates and provisions.

Prior to the publication of the financial statements, those responsible for each line of business are required to review the information reported for the purposes of consolidation in their respective areas of responsibility.

This report with the description of the ICFR is prepared by the Corporate General Management based on the information supplied by all affected departments and business areas and is submitted for review and approval by the Audit Committee.

All business areas which are relevant for the purpose of financial reporting have different controls to ensure the reliability of the financial information. These controls are identified for the significant business cycles at a consolidated level, based on the internal procedures used, as well as the reporting systems which are used as the basis for preparing the financial information of each business area.

The Group documents the significant processes, risks and control activities implemented in the business areas in a systematic and homogeneous manner, with the exceptions described for the listed investee companies which follow their own procedures. This documentation is based on the following:

- Identification of the companies and processes or business cycles that may significantly affect the financial information. Each significant process has a flow chart and a description of key activities.
- Identification of the risks and controls established to mitigate the financial reporting risks and those responsible for this control, under a common methodology.

The processes considered within the scope include the operating business cycles and the accounting close, communication of information and consolidation. The possible risks of fraud and the specific review of relevant judgments, estimates, evaluations and projections are taken into account in each of the business cycles. Those companies that are included within the scope of ICFR but have not completed the relevant implementation are obliged to prepare a plan to proceed with implementation and report on its execution to the Corporate General Management.

F.3.2 Internal control policies and procedures for information systems (including secure access, control of changes, system operation, operating continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

Following a policy of decentralization and independence of each of its business areas, the ACS Group does not centrally manage its information systems, but rather each business area manages these resources based on the particular features of each business. This is not an obstacle hindering each of the business areas from defining its policies, standards and procedures for internal control over the information systems and security management.

Access to the information systems is managed in accordance with tasks assigned to each job position, and each company defines its users' profiles for accessing, modifying, validating or consulting information following a criterion of segregation of duties defined by each area. Management of access, changes in the applications and the flows of approval are defined in the procedures of each business area, as are the responsibilities of those responsible for monitoring and control.

The control mechanisms for the recovery of information and information systems are defined in the corresponding continuity plans. Each of the business areas has storage and backup processes at different locations that provide for contingencies if necessary. Each Group company also establishes the required security measures against leakage or loss of physical and logical information, depending on the level of confidentiality.

The main information systems have protection against viruses and Trojans and have elements that are periodically updated to prevent intrusions to the information systems.

F.3.3 Internal control policies and procedures for overseeing the management of outsourced activities and of the appraisal, calculation or valuation of services commissioned from independent experts, when these may materially affect the financial statements.

The ACS Group does not usually subcontract work to third parties that could materially affect the financial statements. In any case, when the ACS Group outsources work to third parties, it ensures the technical training, independence and skills of the subcontractor. In the case independent experts are used, the person responsible for contracting these experts must validate the work and conclusions reached from their work.

In the specific case of valuations made by independent experts, the criteria and results thereof are revised by Group management or by management of the business areas affected, requesting comparison valuations when necessary.

F.4 Information and communication

Indicating their main characteristics, detail at least the following:

F.4.1 A specific function in charge of defining accounting policies, keeping them up to date (accounting policies area or department) and resolving any doubts or disputes that may arise over their interpretation, maintaining frequent communication with the team in charge of operations in the organization, as well as a manual of accounting policies regularly updated and communicated to all the entity's operating units.

Corporate General Management, through the Corporate Administration Department, is responsible for defining and updating the accounting policies and responding to queries and doubts arising from the implementation of the applicable accounting regulations. This can be done in writing and replies to queries are made as quickly as possible depending on their complexity.

The Group has an Accounting Policies Manual that is in line with the International Financial Reporting Standards (IFRS) approved by the European Union (IFRS-EU). This manual, updated in January 2020, applies to all companies included in the Group's scope of consolidation and to its joint ventures and associates.

In cases where the ACS Group does not have control but does have a significant influence, the required adjustments and reclassifications are made to the associate's financial statements in order to ensure that the accounting criteria are uniform with those of the Group.

Group companies may have their own manual as long as it does not contradict that indicated in the Group's manual, so as to be able to ensure the uniformity of the accounting policies of ACS.

F.4.2 Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning the ICFR.

Reporting to the ACS Group's Corporate General Management is carried out in accordance with the following guidelines:

1. Frequency of information reporting.

Once the meeting schedule of the Executive Committee and the Board of Directors has been set, the reporting dates and type of information to be reported are sent to the various heads of the divisions or Group companies on an annual basis.

2. Typology of information.

The information to be reported will vary and is detailed based on the reporting period (monthly/quarterly/half-yearly/annually).

3. Financial reporting format

The information sent to the Administration Department (Corporate General Management) by the various business areas was reported using the SAP BPC consolidation program that gathers both accounting information (mainly for the statement of financial position, the income statement, the comprehensive statement of recognized income and expenses and the cash flow statement) and off-balance sheet information. This information is complemented with various Excel templates parameterized and automated for the aggregation and elaboration of various items of information, usually in relation to off-balance sheet and management.

For the preparation of the consolidated statements, all business areas must report any changes in the scope of consolidation for their business area prior to the end of the month. Before making the openings for the corresponding month, the consolidation program includes all the parameterization of the consolidation system, which specifically includes the scope of consolidation affecting the entire ACS Group.

4. Internal control information model

The ACS Group has defined a reporting system for the most significant controls included within the framework of the Internal Control over Financial Reporting System, in which each person responsible for its implementation and monitoring must send the Group's Corporate General Management a report detailing its operations during the period.

This reporting took place in 2020 on a half-yearly basis, at the same time as the publication of the ACS Group's interim half-yearly financial statements.

F.5 Supervision of system operation

Indicating their main characteristics, detail at least the following:

F.5.1 The ICFR supervision activities carried out by the Audit Committee, as well as whether the company has an internal audit function which includes support to the Committee in its work on supervising the internal control system, including the ICFR, among its duties. Furthermore, indicate the scope of the assessment of the ICFR carried out in the financial year and of the procedure by which the person in charge of the assessment communicates the results thereof, whether the entity has an action plan that details possible corrective actions and whether its impact on the financial information has been considered.

The ACS Group's Internal Audit Department is set up as an independent service, the function of which is to provide support to the Group's Board of Directors and senior management in the examination, evaluation and supervision of the internal control and risk management systems both of the parent company and the other companies comprising the Group.

The ACS Group's internal audit functions are carried out by the Corporate Internal Audit Department, which coordinates internal auditing of the Group's various business areas.

The Corporate Internal Audit Department is included in the organizational structure as a body reporting hierarchically to the Corporate General Management and functionally to the Audit Committee of the Board of Directors. It has no hierarchical or functional link to the business areas. Therefore, the appointment/dismissal of the person responsible is at the suggestion of the Audit Committee. In this regard, Hochtief, A.G. and CIMIC Group Limited, as noted in point F.1, have their own control systems, and the internal audits for these companies report to their Audit Committees, as indicated in the Hochtief, A.G. "Opportunities and Risks Report" included in the 2020 Annual Report. (available at www.hochtief.com) and in the "2020 Corporate Governance Statement" of CIMIC Group Limited (available at www.cimic.com.au).

In turn, the internal audit departments of the parent companies of the Group's non-listed business areas report hierarchically to the Chairman and/or CEO of the same and functionally to the Corporate Internal Audit Department. The functions assigned to the Internal Audit Department are as follows:

- a. Review the implementation of policies, procedures and standards established in the Group's business areas, as well as the operations and transactions they perform.
- b. Identify faults or errors in the systems and procedures, indicating their causes, issuing suggestions for improvement in the internal controls established and monitor the approved recommendations by the Management of the various business areas.

- c. Review and assess in the performance of their work, the internal controls established, including those which make up the risks associated with the financial information for the audited units.
- d. Report any anomalies or irregularities identified, recommending the best corrective actions and following up on the measures taken by the management of the different business areas.

The Corporate Internal Audit Department submits the Annual Audit Plan each year for approval by the Audit Committee. This Audit Plan consolidates the internal audits of ACS Group companies, except for Hochtief, A.G. and CIMIC Group Limited.

The Corporate Internal Audit Department periodically submits to the Audit Committee a summary of the reports already drafted and the status of the internal audits of the various business areas.

The Corporate Internal Audit Department submitted the 2020 Activities Report and the 2021 Audit Plan to the Audit Committee in March 2021, which include among other aspects an increase in the review of the operation of the control procedures and activities included in the internal control system for financial information. The audits carried out in 2020, as in previous years, respond to the following typology:

- Audits of specific projects.
- Audits of delegations or geographic areas within a company.
- Audits of processes or specific areas.
- Audits of companies or groups of companies.

A total of 117 audits were carried out in all business areas of the Group in 2020, representing 27% of the ACS Group's total revenues, excluding Hochtief, A.G. and CIMIC Group Limited.

During the 2020 fiscal year, the internal audits completed specifically carried out a review process for the Internal Control over Financial Reporting System of the company, project or delegation audited, and identified a set of key controls to verify its functionality. Coverage of the scope of the work was adapted to the companies and processes that are actually significant and in which the ICFR has been implemented.

The purpose of this review consisted in obtaining evidence of financial information controls at company and delegation level as well as the risk and control matrices, indicating in the corresponding audit report the weaknesses identified in internal control and proposing plans of action through respective recommendations to be adopted by the company to mitigate such risks and weaknesses, should any be detected.

Furthermore, all processes were reviewed in which the Internal Control over Financial Reporting System of the company and the Central Services of each business area has been implemented, issuing in each case a report on the weaknesses identified in internal control.

The methodology employed consisted of reviewing the supporting documentation of the evidence with regard to each control and questioning the personnel responsible for executing each of the controls to determine if the control procedures described have been implemented and are in operation.

It was concluded that there was no evidence of significant noteworthy incidents, and in general the controls reviewed satisfactorily cover the risks for which they were assigned, and the evidence provided adequately supports the application of such controls.

F.5.2 If there is in place a discussion procedure whereby the accounts auditor (pursuant to that established in TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or their other assignments, to the company's senior management and its Audit Committee or entity administrators. Also report whether there is any action plan in place to correct or mitigate the weaknesses observed.

In accordance with the Rules of Procedure of the Board of Directors, the Audit Committee has the following functions:

- To monitor the effectiveness of the Company's internal controls, ensuring that the policies and systems established regarding internal controls are applied effectively in practice, and in the internal audit, and discuss any significant weaknesses in the internal control system detected during the audit with the accounts auditor, without compromising their independence, with a view to reaching conclusions on the level of trust and reliability of the system. For this purpose, and if applicable, the Committee may submit recommendations or proposals to the Board of Directors and the relevant period for follow up.
- To establish appropriate relations with the external auditor to receive information, for consideration by the Committee, on any issues that could jeopardize their independence and any other issues related to the accounts auditing process and, where appropriate, the authorization of services other than those prohibited under the provisions of the applicable regulations, as well as any other communications provided for in the accounts auditing legislation and auditing standards.

As a result of this work, the internal audit departments of the companies of the Group issue a written report which summarizes the work carried out, the situations identified, the action plan including, where applicable, the timetable and persons responsible for correcting the situations identified, and opportunities for improvement. These reports are sent to the head of the business area and to the Corporate Internal Audit Department.

Committee which contains a summary of the activities carried out and the reports drawn up during the year, as well as the monitoring of the main significant aspects and recommendations contained in the various reports.

The Audit Committee holds meetings with the external auditor on a regular basis and, in any case, whenever there is a review of the interim consolidated financial statements for the first and second half of the year prior to their approval, and prior to the meeting held by the Board of Directors to prepare the complete annual individual financial statements of the parent company, as well as the consolidated statements of the ACS Group. Additionally, it holds formal meetings to plan the external auditors' work for the current year, as well as to report the results that have been obtained in the preliminary review prior to the end of the financial year.

During the 2020 financial year, the Internal Auditor attended five meetings of the Audit Committee and the External Auditor attended five meetings of the Audit Committee, at the invitation of the Chairman and in relation to the items on the agenda for which their presence was required.

F.6 Other relevant information

F.7 External auditor's report

Indicate:

F.7.1. Whether the ICFR information supplied to the markets has been reviewed by the external auditor, in which case the corresponding report should be included as an appendix. Otherwise, explain the reasons for the absence of this review.

The information relating to the ICFR issued to the markets for 2020 was reviewed by the external auditor.



ACS, Actividades de Construcción y Servicios, S.A

Auditor's Report on the "Information concerning the System of Internal Control over Financial Reporting (ICFR)" of ACS, Actividades de Construcción y Servicios, S.A. for 2020

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)



KPMG Auditores, S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Auditor's Report on the "Information concerning the System of Internal Control over Financial Reporting (ICFR)" of ACS, Actividades de Construcción y Servicios, S.A. for 2020

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the directors of ACS, Actividades de Construcción y Servicios, S.A.

As requested by the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. (the "Company") and in accordance with our proposal letter dated 11 February 2021, we have applied certain procedures to the "Information concerning the ICFR" attached in section F of the Annual Corporate Governance Report of ACS, Actividades de Construcción y Servicios, S.A. for 2020, which summarises the Company's internal control procedures for annual financial reporting.

The Board of Directors is responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the information concerning the ICFR attached.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Company in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Company's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Company's annual accounts. Consequently, the scope of our evaluation of the internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the efficiency of this internal control over regulated annual financial reporting.



For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information on the system of internal control over financial reporting of listed entities, published on the website of the Spanish National Securities Market Commission (CNMV), which defines the work to be performed, the minimum scope of the work and the content of this report.

As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on its effectiveness or design or operational efficiency, with respect to the Company's annual financial reporting for 2020 described in the attached Information concerning the ICFR. Consequently, had additional procedures other than those defined in the aforementioned Guidelines been applied, or an audit or review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.

Moreover, as this special engagement does not constitute an audit of accounts nor is it subject to prevailing legislation regulating the audit of accounts in Spain, we do not express an audit opinion in the terms envisaged in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the Company in relation to the ICFR – disclosures included in the directors' report – and evaluation of whether it covers all the information required, taking into account the minimum content described in Section F, concerning the description of the ICFR, the Annual Corporate Governance Report model set out in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013, subsequently amended by CNMV Circular 7/2015 of 22 December 2015 and CNMV Circular 2/2018 of 12 June 2018 and Circular 1/2020 of 6 October 2020 (hereinafter, the CNMV Circulars).
2. Inquiries of personnel responsible for preparing the information detailed in point 1 above in order to: (i) gain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the Company.
3. Review of explanatory documentation supporting the information detailed in point 1 above, and which will mainly include that made directly available to those responsible for preparing the descriptive information on the ICFR. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit committee.
4. Comparison of the information detailed in point 1 above with the understanding of the Company's ICFR gained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes of the meetings of the Board of Directors, audit committee and other committees of the Company for the purposes of assessing the consistency of the matters discussed at these meetings in relation to the ICFR with the information detailed in point 1 above.



6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and drawing up the information detailed in point 1 above.

As a result of the procedures applied to the Information concerning the ICFR, no inconsistencies or incidents have come to light that could affect it.

This report has been prepared exclusively in the context of the requirements established in article 540 of the Revised Spanish Companies Act and the CNMV Circulars for the purposes of the description of the ICFR in Annual Corporate Governance Reports.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Manuel Martín

31 March 2021

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the company's degree of compliance with the recommendations of the Code of Good Governance of listed companies.

If any recommendations are not followed or are only partially followed, a detailed explanation of the reasons for this must be included so that the shareholders, investors and the market in general have sufficient information to assess the company's conduct. Explanations of a general nature will not be acceptable.

1. The by-laws of listed companies may not limit the number of votes held by a single shareholder or impose other restrictions on the company's takeover via the market acquisition of its shares.

Complies	Explain
X	

2. That, where the listed company is controlled, within the meaning of Article 42 of the Spanish Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries, business relationships with that entity or one of its subsidiaries (other than those of the listed company) or carries out activities related to any of them, publicly report accurately on:
 - a) The respective areas of activity and possible business relationships between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries.
 - b) The mechanisms in place to resolve possible conflicts of interest.

Cumple	Cumple parcialmente	Explicue	No aplicable
			X

3. During the Ordinary General Meeting, the Chairman of the Board of Directors should supplement the published annual corporate governance report with a sufficiently detailed verbal report to shareholders on key corporate governance issues in the company, including in particular the following:
 - a) Changes since the last Ordinary General Meeting.
 - b) The specific reasons why the company does not follow any of the Corporate Good Governance recommendations, and whether any alternative rules are applied to the matters in question.

Complies	Partially complies	Explain
X		

4. The company should define and promote a policy regarding communication and contact with shareholders and institutional investors in the context of their involvement in the company, as well as proxy advisors which fully respects insider trading rules and accords equal treatment to all shareholders who are in the same position.

The company should publish this policy on its website, including information regarding the ways in which it is put into practice and identifying interlocutors and the officers responsible for its implementation.

And, without prejudice to the legal obligations to share privileged information and other regulated information, the company also has a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it considers appropriate (media, social media or other means) that help maximize the dissemination and quality of information available to the market, investors and other stakeholders.

Complies	Partially complies	Explain
X		

5. The Board of Directors should not seek from General Meetings the delegation of powers to issue shares or convertible bonds where such issues exclude preferential subscription rights and exceed 20% of share capital at the time of delegation.

Where the Board of Directors approves any issue of shares or convertible bonds involving the exclusion of preferential subscription rights, the company should immediately publish the reports on such exclusion required in accordance with prevailing commercial legislation on its website.

Complies	Partially complies	Explain
X		

6. Listed companies preparing the reports mentioned below, whether on a mandatory or voluntary basis, should publish the same on their corporate website sufficiently in advance of the date of the Ordinary General Meeting, even when publication is not mandatory:

- a. Report on auditor independence.
- b. Reports on the functioning of the Audit and Appointments and Remuneration Committees.
- c. Audit Committee report on related party transactions.

Complies	Partially complies	Explain
	X	

The performance reports of the Audit, Appointments and Remuneration Committees are published. In particular, the Audit Committee's performance report includes the auditor's independence report.

However, the Audit Committee report on related party transactions will not be published because it is not considered that it provides any relevant information in addition to that already published in other documents. Specifically, the related party transactions are published in great profusion and detail, both in the notes to the financial statements and in the corporate governance annual report itself, in both section D of related party operations and in section H for anything not expressly covered by the said section D.

7. The company should broadcast general shareholders' meetings live on its website.

And the company should have mechanisms that allow for the delegation and exercise of voting by remote means and even, in the case of high-capitalization companies and to the extent that it is proportionate, active participation in and attendance of the General Meeting.

Complies	Partially complies	Explain
X		

8. The Audit Commission should ensure that the financial statements presented by the Board of Directors to the General Shareholders' Meeting are drawn up in accordance with the accounting rules. And that, in those cases in which the accounts auditor has included a proviso in their audit report, the Chairman

of the Audit Committee clearly explains to the General Shareholders' Meeting the opinion of the Audit Committee regarding its content and scope, making a summary of this opinion available to shareholders at the time of publication of the call to the Meeting, together with the rest of the proposals and reports of the Board.

Complies	Partially complies	Explain
X		

9. The company should publish the requirements and procedures required to accredit ownership of shares, the right of attendance at general shareholders' meetings, and the delegation and exercise of voting rights on its website on a permanent basis.

Such requirements and procedures should be designed to foster attendance and the exercise of voting rights by shareholders, and they should be applied on a non-discriminatory basis.

Complies	Partially complies	Explain
X		

10. Where any shareholder may legitimately have exercised the right to make any addition to the agenda or presented new proposals for resolutions before the date of the general shareholders' meeting, the company should:

- a. Immediately publish such additional agenda items and new proposals for resolutions.
- b. Publish the form of the attendance card, proxy voting form or remote voting form containing the necessary changes to allow voting on the new points on the agenda and alternative proposals, in accordance with the same terms proposed by the Board of Directors.
- c. Submit all such agenda items or alternative proposals to a vote applying the same voting rules as in the case of matters or proposals made by the Board of Directors, including in particular any assumptions or deductions with regard to the nature of votes.
- d. After the general shareholders' meeting, the company should provide a breakdown of votes cast on any such additional agenda items or alternative proposals.

Complies	Partially complies	Explain	Not applicable
			X

11. If the company intends to pay any premiums for attendance at the General Shareholders' Meeting, it should establish a general policy regarding such premiums in advance and apply said policy on a stable basis.

Complies	Partially complies	Explain	Not applicable
			X

12. The Board of Directors should perform its duties with unity of purpose and independent judgment, according all shareholders who are in the same position the same treatment. It shall be guided at all times by the company's best interests, to be understood as establishing a profitable business that is sustainable in the long run, promoting business continuity and maximizing the company's economic value.

In pursuit of the corporate interest, the company should not only abide by applicable laws and regulations and act in good faith, ethically and with due respect for custom and generally accepted best practices, but also seek to reconcile said corporate interest with the legitimate interests of its employees, suppliers, customers and other stakeholders potentially affected by the conduct of affairs, and with the impact of the company's activities on the community as a whole and on the environment.

Complies	Partially complies	Explain
X		

13. In the interests of the effectiveness and participatory nature of its functioning, the Board of Directors should comprise between 5 and 15 members.

Complies	Explain
	X

Following the reduction in the number of members of the Board of Directors agreed at the last General Shareholders' Meeting, there are currently 16 Board members, which is a number comprised within the 11 to 21 member limit provided in Article 13 of the Company By-Laws in accordance with the regulations concerning capital companies. To date, this was considered to be the most appropriate number in accordance with the company's needs and characteristics with regard to shareholder structure.

14. The Board of Directors should approve a policy aimed at favoring an appropriate composition of the Board of Directors and that:

- a) it is concrete and verifiable;
- b) it ensures that proposals for appointment or re-election of members are based on a prior analysis of the skills required by the Board of Directors; and
- c) it favors diversity of expertise, experience, age and gender. To this end, measures that encourage the company to have a significant number of female senior executives are considered to favor gender diversity.

The result of the prior analysis of the skills required by the Board of Directors should be set forth in a report from the Appointments Committee, which shall be published on the occasion of the call to the General Shareholders' Meeting at which the ratification, appointment or re-election of each director is to be sought.

The Appointments Committee should verify compliance with this policy on an annual basis and explain its findings in the annual corporate governance report.

Complies	Partially complies	Explain
	X	

Even though ACS has a diversity policy that includes the projection of ACS's governing bodies and its Group, objectives and commitments in terms of diversity, and mechanisms to monitor, evaluate and supervise the Policy, this has not been adapted to the partial revision of the CBG of June 2020, without prejudice to the fact that the criteria set out in this Recommendation are taken into account.

15. A broad majority on the Board of Directors should be proprietary and independent directors and the number of executive directors should be the minimum necessary, taking into account the complexity of the group of companies as well as each executive director's holding in the share capital of the company.

And that the number of women directors represents at least 40% of the members of the Board of Directors before the end of 2022 and beyond, not being less than 30%.

Complies	Partially complies	Explain
	X	

Compliance with this Recommendation is considered to be partial since, although the selection procedures for Board members seek to facilitate the selection of female directors in a number that would achieve a balanced presence of women and men by December 31, 2020, the number of women directors represents 18.75% of the total number of Board members. In any event, the Appointments Committee, in compliance with the provisions of the Board Rules and the Diversity Policy, shall promote gender diversity in relation to potential candidates, on the basis that they meet the appropriate professional profile and objective criteria of merit and ability.

16. The percentage of proprietary directors over the total number of non-executive directors should not be greater than the proportion existing between the company's capital represented by such directors and the remainder of the capital.

This proportional criterion may be relaxed:

- a) In large cap companies where few ownership interests attain the legal threshold for significant shareholdings.
- b) In companies where multiple, otherwise unrelated shareholders are represented on the Board of Directors.

Complies	Explain
	X

17. The number of independent directors should represent at least half of all directors.

Nevertheless, in companies which are not large cap concerns, or even if they are, where a single shareholder or several acts in concert to control more than 30% of share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies	Explain
	X

The Company understands that the composition of the Board of Directors is adequate to represent the interests of shareholders, both majority and minority. To this end, the Board of Directors, with the support of the Appointments Committee, ensures the necessary diversity of the Board as a whole so that its members bring together the requisite knowledge, training, work experience and other aspects that may be relevant due to the sectors and international character of the ACS Group, with the current directors' knowledge of the Company and its Group being valued very highly. In turn, it is also important to note that the Company believes that in the case of three of the other external directors, while legally they cannot be qualified as independent directors as they have been directors for more than 12 years, in view of their personal and professional qualities, they can perform their duties without being conditioned by their relationships with the Company or its Group, its significant shareholders or executives.

18. Companies shall post the following information regarding the directors on their websites, and keep them permanently updated:

- a. Professional experience and background.
- b. Board memberships held at other companies, listed or otherwise, and any other remunerated activities of any kind in which the board member may engage.
- c. An indication of the director's classification, in the case of proprietary directors stating the shareholder they represent or have links with.

- d. The date of their first and subsequent appointments or re-elections as a company director.
- e. Shares held by them in the company and any options thereon.

Complies	Partially complies	Explain
X		

19. Subject to verification by the Appointments Committee, the annual corporate governance report should explain the reasons for the appointment of proprietary directors at the request of shareholders holding equity interests of less than 3% of share capital. Likewise, the reasons for the refusal, where applicable, of any formal requests for seats on the board made by shareholders holding interests of equal size or greater than the interests owned by other shareholders at whose request proprietary directors were appointed.

Complies	Partially complies	Explain	Not applicable
			X

20. That proprietary directors resign when the shareholder they represent transmits their share in full. And that they also do so, in the appropriate number, when such shareholder reduces their shareholding to a level that requires a reduction in the number of its proprietary directors.

Complies	Partially complies	Explain	Not applicable
			X

21. The Board of Directors may not propose the removal of any independent director before the expiration of the statutory term for which they were appointed, except where just cause is found by the Board of Directors based on a report from the Appointments Committee. In particular, just cause will be presumed when a director takes up any new posts or contracts new obligations such as might prevent them from dedicating the necessary time to the discharge of the duties proper to the office of director, is found to be in breach of the duties inherent in their position or comes under one of the grounds leading to disqualification as independent, in accordance with the provisions of the applicable legislation.

The removal of independent directors may also be proposed when a takeover bid, merger or similar corporate operation produces changes in the company's capital structure and such changes in the structure of the Board of Directors are a consequence of the proportionality criterion set out in Recommendation 16.

Complies	Explain
X	

22. The companies shall establish rules that ensure that directors report and, where appropriate, resign in the event of situations that affect them, whether or not they are related to their actions in the Company itself, that may damage the credit and reputation of the Company and, in particular, that ensure that they inform the Board of Directors of any criminal case in which they are under investigation, as well as the progress of the proceedings.

And the Board of Directors, having been informed or otherwise made aware of any of the situations mentioned in the paragraph above, will examine the case as soon as possible and, taking into account the specific circumstances, will decide, following a report from the Appointments and Remuneration Committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing their removal. And that this is reported in the annual corporate governance report, unless special circumstances warrant it, which must be recorded in the minutes. This is without prejudice to the information that the Company is required to share, if appropriate, at the time of adopting the appropriate measures.

Complies	Partially complies	Explain
X		

23. All directors should express clear opposition when they feel a proposal submitted for approval by the Board of Directors might harm the corporate interest. In particular, independents and other directors unaffected by potential conflicts of interest should challenge any decision that could be detrimental to the interests of shareholders lacking board representation.

When the Board of Directors makes any material or recurring decisions on any matter about which a director has expressed serious reservations, then they should draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next recommendation.

The terms of this recommendation also apply to the Secretary of the Board of Directors, whether or not they are also a director.

Complies	Partially complies	Explain	Not applicable
X			

24. That when, either by resignation or by agreement of the General Meeting, a director ceases to serve before the end of their term of office, adequately explain the reasons for their resignation or, in the case of non-executive directors, their views on the reasons for the dismissal by the Board, in a letter which they will forward to all members of the Board of Directors.

And that, without prejudice to the fact that all this is reported in the annual corporate governance report, to the extent that it is relevant to investors, the company publishes as soon as possible the termination including sufficient reference to the reasons or circumstances provided by the director.

Complies	Partially complies	Explain	Not applicable
X			

25. The Appointments Committee should ensure that non-executive directors have sufficient time available for the appropriate discharge of their duties.

The Board rules should establish a maximum number of other companies' boards on which the directors may hold seats.

Complies	Partially complies	Explain
	X	

The Appointments Committee should ensure that non-executive directors have sufficient time available for the appropriate discharge of their duties. However, this is considered to partially comply because the Rules of the Board do not establish a maximum number of company Boards to which its directors may form part. However, it is understood that this is not the only variable that can affect the dedication of the Company's directors, and that the performance of their professional activities should also be taken into account in general, outside the scope of the Company Board, to the extent that this can be a relevant variable to assess their availability in the exercise of their functions. The Company considers that with the aim of maintaining a balance between dedication to the Company and the benefits and experience they contribute to the same from their own activity and presence on other boards, their presence on such boards cannot be restricted, as this is a matter for which the director must make an appropriate judgment of whether they consider that a presence on other boards may affect their dedication and appropriate performance. At no time has the existence been detected of any lack of time or dedication by directors for the adequate performance of the duties with which they have been charged.

26. The Board of Directors should meet as often as necessary to perform its functions effectively and at least eight times per year, following a schedule of dates and matters established at the start of the year.

However, each director may also individually propose other initially unscheduled items for inclusion in the agenda.

Complies	Partially complies	Explain
X		

27. Failure on the part of directors to attend meetings should be confined to unavoidable cases and non-attendance should be quantified in the annual corporate governance report. Proxies should be arranged with instructions in the event of inability to attend.

Complies	Partially complies	Explain
	X	

As stated in section C.1.26, the Company has had 100% attendance at the meetings of the Board of Directors. Also, in many cases, delegation with voting instructions is not considered advisable, given that one of the features of Board meetings is their deliberative character, at which the directors express their different positions and opinions and thus are able to reach conclusions other than the initial ones.

28. Where the directors or the Secretary express any concerns over a proposal, or in the case of directors, over the conduct of the company's affairs, and such concerns are not resolved at a meeting of the Board of Directors, the concerns raised shall be recorded in the minutes at the request of the party expressing the same.

Complies	Partially complies	Explain	Not applicable
X			

29. The company should establish appropriate channels to allow the directors to obtain the necessary advice to discharge their duties, including external advisory services payable by the company where circumstances so require.

Complies	Partially complies	Explain
X		

30. Irrespective of the expertise required of directors for the discharge of their duties, companies should offer directors training programs to refresh their knowledge and skills, where circumstances so require.

Complies	Partially complies	Explain
X		

31. The agenda for board meetings should indicate clearly the points on which the Board of Directors is required to adopt a decision or resolution, so that the directors can examine or obtain the necessary information in advance.

Where the Chairman may wish in exceptional circumstances and for reasons of urgency to propose decisions or resolutions which are not included in the agenda for approval by the Board of Directors, the express prior consent of the majority of the directors present shall be required and shall be recorded in the minutes.

Complies	Partially complies	Explain
X		

32. Directors shall be periodically informed of changes in the shareholder structure and of the opinions of the company and its group held by significant shareholders, investors and rating agencies.

Complies	Partially complies	Explain
X		

33. As the officer responsible for the effective functioning of the Board of Directors, the Chairman shall exercise the functions attributed by law and the by-laws, and shall prepare and submit to the Board of Directors a schedule of dates and an agenda, organize and coordinate periodic assessments of the Board, and where appropriate, of the company's chief executive officer. The Chairman shall likewise be responsible for directing the work and effective functioning of the Board, ensuring that sufficient time is given to the discussion of strategic issues, and agreeing and reviewing the programs established to refresh the knowledge of each director when circumstances so require.

Complies	Partially complies	Explain
X		

34. Where there is a coordinating director, the by-laws or rules of the Board of Directors shall attribute the following functions to said officer in addition to the powers legally assigned to the same: to chair the Board of Directors in the absence of the Chairman and Deputy Chairmen, where applicable; to take note of the concerns voiced by non-executive directors; to maintain contact with investors and shareholders in order to learn their points of view and form an opinion of their concerns, in particular with regard to corporate governance of the company; and to coordinate the plan for succession of the Chairman.

Complies	Partially complies	Explain	Not applicable
	X		

Article 18.4 of the Rules of Procedure of the Board of Directors of the Company regulates the role of the Coordinating Director, although it does not include the function of maintaining contact with investors and shareholders, even if it does so de facto in practice.

35. The Secretary to the Board of Directors shall in particular oversee the actions and decisions of the Board of Directors, ensuring that they are based on the good governance recommendations applicable to the company as set forth in the Code of Good Governance.

Complies	Explain
X	

36. The Board of Directors shall meet once per year in full session to evaluate and, where appropriate, adopt an action plan to correct any weaknesses identified with respect to:
- The quality and effectiveness of the Board of Director's functioning.
 - The functioning and composition of its committees.
 - The diversity of the Board of Director's membership and powers.
 - The performance of the Chairman of the Board of Directors and the company's chief executive.
 - The performance and contribution of each director, focusing in particular upon the directors responsible for each of the board committees.

Assessments of the different committees shall be based upon the reports submitted by the same to the Board of Directors, while the evaluation of the board itself shall be based on the report submitted by the Appointments Committee.

Every three years, the Board of Directors shall be assisted in its evaluation by an external consultant, whose independence shall be verified by the Appointments Committee.

Business relationships maintained by the company or any group company with the consultant or any company forming part of the consultant's group shall be duly disclosed in the annual corporate governance report.

The processes and areas evaluated shall be described in the annual corporate governance report.

Complies	Partially complies	Explain
X		

37. That when there is an Executive Committee there should be at least two non-executive directors present, at least one of them independent; and that its secretary should be that of the Board of Directors.

Complies	Partially complies	Explain	Not applicable
X			

38. The Board of Directors shall at all times be apprised of the matters debated and decisions taken by the Executive Committee, and all members of the Board of Directors shall receive copies of the minutes to meetings of the Executive Committee.

Complies	Partially complies	Explain	Not applicable
X			

39. The members of the Audit Committee as a whole, and in particular its Chairman, shall be appointed in view of their knowledge and expertise in accounting, audit and risk management matters, both financial and non-financial.

Complies	Partially complies	Explain
X		

40. A unit shall be set up under the supervision of the Audit Committee to perform the internal audit function and oversee the proper functioning of information and internal control systems. The internal audit unit shall report functionally to the Non-Executive Chairman of the Board or to that of the Audit Committee.

Complies	Partially complies	Explain
X		

41. The head of this unit that assumes the internal audit function shall submit their annual work plan to the Audit Committee for approval by them or the Board, and shall report directly to them on its implementation, including any incidents and limitations on the scope that arise during its development, the results and follow-up of their recommendations, and shall submit an activity report at the end of each financial year.

Complies	Partially complies	Explain	Not applicable
X			

42. In addition to those established by law, the Audit Committee should perform the following functions:

1. In relation to information systems and internal control:

- a) To monitor and evaluate the process of drawing up and the integrity of financial and non-financial information, as well as the systems of control and management of financial and non-financial risks related to the company and, where appropriate, the group — including operational, technological, legal, social, environmental, political and reputational or corruption-related — reviewing compliance with regulatory requirements, proper delimitation of the scope of consolidation, and proper application of accounting criteria.
- b) To oversee the independence of the internal audit unit; propose the selection, appointment and removal of the head of the internal audit service; propose the budget for the service; approve or put forward for approval the orientation and annual work plan of the internal audit to the Board, ensuring that activities are directed principally toward relevant risks (including reputational); to receive regular information on its activities; and ensure that senior management takes the conclusions and recommendations of its audit reports into consideration.
- c) To establish and oversee a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to communicate any potentially significant irregularities, including financial and accounting irregularities, or those of any other nature, related to the Company that they may identify within the Company or its group. This mechanism must ensure confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the complainant and the subject of the complaint.
- d) To ensure in general that established internal control policies and systems are effectively implemented in practice.

2. In relation to the external auditor:

- a) To examine the circumstances and reasons in the event of resignation of the external auditor.
- b) To ensure that the remuneration of the external auditor's work does not compromise their quality or independence.
- c) To oversee reporting by the company of any change of auditor through the CNMV, and to ensure that it is accompanied by a statement with regard to the possible existence of disagreements with the outgoing auditor, if any, and the content thereof.
- d) To ensure that the external auditor holds an annual meeting with the whole of the Board of Directors to report on the audit work carried out and on the evolution of accounting matters and the risks to which the company is exposed.
- e) To ensure that the company and the external auditor respect prevailing regulations governing the provision of services other than auditing, the limits on the concentration of the auditor's business and other regulations governing auditor independence in general.

Complies	Partially complies	Explain
X		

43. The Audit Committee may call any employee or executive of the company, and may even require their attendance without the presence of any other executive.

Complies	Partially complies	Explain
X		

44. The Audit Committee shall be apprised of all information concerning transactions involving structural or corporate changes which the company plans to carry out for its prior analysis and report to the Board of Directors on the economic conditions and accounting impact and, in particular, where appropriate, on the proposed exchange ratio.

Complies	Partially complies	Explain	Not applicable
X			

45. The control and risk management policy should identify or determine at least:

- a) The different types of financial and non-financial risks (operational, technological, legal, social, environmental, political and reputational, including corruption-related) to which the company is exposed, including contingent liabilities and other off-balance sheet risks among the financial and economic risks identified.
- b) A risk control and management model based on different levels, of which a specialized risk committee will form part when sectoral rules provide for it or the company deems it appropriate.
- c) The level of risk which the company considers acceptable.
- d) The measures established to mitigate the impact of the risks identified, in the event any should materialize.
- e) The information and internal control systems used to control and manage such risks, including contingent liabilities and off-balance sheet risks.

Complies	Partially complies	Explain
X		

46. An internal control and risk management function headed up by an internal unit or department of the company should be set up under the direct supervision of the Audit Committee or, where appropriate, under a specialized board committee to take charge of the following functions:

- a) To ensure the proper functioning of internal control and risk management systems and, in particular, to ensure that the same adequately identify, manage and quantify all significant risks to which the company may be exposed.
- b) To participate actively in the preparation of the risk strategy and significant decisions with regard to risk management.
- c) To ensure that risk control and management systems adequately mitigate risks within the framework of the policy defined by the Board of Directors.

Complies	Partially complies	Explain
X		

47. The members of the Appointments and Remuneration Committee, or of the Appointments Committee and Remuneration Committee where separate, should be appointed in view of their appropriate knowledge, skills and experience of the functions they will be required to discharge, and the majority of such members should be independent directors.

Complies	Partially complies	Explain
	X	

In accordance with applicable legislation, the internal regulations and the policies approved by the Board of Directors, particularly on diversity, the Company promotes selection procedures for directors that take into account appropriate knowledge, skills and experience for the functions that they are expected to perform, and diversity in its various aspects constitutes an essential requirement in the selection process. To this end, the majority of the members of the Remuneration Committee are independent directors, and the Appointments Committee has two independent directors as established by the Spanish Companies Law. In addition, the Chairpersons of both Committees are independent and have a casting vote.

48. Large cap companies should establish a separate Appointments Committee and Remuneration Committee.

Complies	Partially complies	Explain
X		

49. The Appointments Committee shall consult with the Chairman of the Board of Directors and the company's chief executive officer, in particular on matters relating to executive directors.

Any director may request that the Appointments Committee take potential candidates to cover director vacancies into consideration, where they understand the same to be suitable.

Complies	Partially complies	Explain
X		

50. The Remuneration Committee shall exercise its functions independently. In addition to those attributed by law, said functions shall comprise the following:

- a) To propose the basic terms and conditions of senior executive contracts to the Board of Directors.
- b) To verify compliance with the remuneration policy established by the Company.
- c) To periodically review the remuneration policy applied to directors and senior executives, including share-based remuneration systems and their application, and to provide assurance that individual remuneration is proportionate and in line with the compensation paid to other directors and senior executives of the Company.
- d) To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the Committee.
- e) To verify information on the remuneration of directors and senior executives contained in the various corporate documents, including the annual report on directors' remuneration.

Complies	Partially complies	Explain
X		

51. The Remuneration Committee shall consult with the company Chairman or chief executive officer, especially on issues involving executive directors and senior executives.

Complies	Partially complies	Explain
X		

52. The rules governing the composition and functioning of supervisory and control committees should be set forth in the Rules of Procedure of the Board of Directors and should be consistent with those applied by law to mandatory committees in accordance with the foregoing recommendations, including:

- a) Membership should be composed exclusively of non-executive directors, with a majority of independent directors.
- b) Committee chairpersons should be independent directors.
- c) The Board of Directors should appoint the members of these committees in view of the knowledge, skills and experience of directors and the duties entrusted to each committee, debating their relevant proposals and reports. Each committee should likewise be held to account for its activity and the work carried out at the first full session of the Board of Directors held after each of its meetings.

- d) The committees may seek external advice where considered necessary for the due discharge of their functions.
- e) Minutes shall be kept of each meeting and shall be provided to all of the directors.

Complies	Partially complies	Explain	Not applicable
			X

53. The supervision of compliance with company policies and rules in the environmental, social and corporate governance fields, as well as internal codes of conduct, is attributed to one or distributed among several committees of the Board of Directors. This could be the Audit Committee, the Appointments Committee, a committee specialized in sustainability or corporate social responsibility or another specialized committee that the Board of Directors, exercising its powers of self-organization, has decided to create. And such a committee should be composed only of non-executive directors, the majority being independent and specifically assigned the minimum functions set out in the following recommendation.

Complies	Partially complies	Explain
		X

54. The minimum functions referred to in this recommendation are as follows:

- a) The supervision of compliance with the company's rules of corporate governance and its internal codes of conduct, as well as ensuring that the corporate culture is aligned with its purpose and values.
- b) The supervision of the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisors and other stakeholders. How the company communicates and engages with small and medium-sized shareholders will also be monitored.
- c) The evaluation and periodic review of the company's corporate governance system and its environmental and social policy, in order to ensure that they fulfill its mission of furthering the corporate interest and take into account, as appropriate, the legitimate interests of other stakeholders.
- d) Ensuring that the company's environmental and social practices are in line with the defined strategy and policy.
- e) Supervising and evaluating processes affecting different stakeholder groups.

Complies	Partially complies	Explain
		X

55. Environmental and social sustainability policies should identify and include at least:

- a) The principles, commitments, objectives and strategy regarding shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights, and the prevention of corruption and other illegal behavior.
- b) The methods or systems for monitoring policy compliance, associated risks and risk management.
- c) The mechanisms for monitoring non-financial risks, including those related to ethical matters and business conduct.
- d) The channels of communication, participation and dialog with stakeholders.

- e) Responsible communication practices to prevent the manipulation of information and safeguard personal integrity and honor.

Complies	Partially complies	Explain
X		

56. Directors' remuneration should be set at the necessary levels to attract and retain directors with the desired profile, and to reward the dedication, qualifications and responsibility required by their office, but it should not be set so high as to compromise the independence of non-executive directors.

Complies	Explain
X	

57. Variable remuneration linked to the company's results and personal performance should be confined to the executive directors, as should remuneration systems based on the allocation of shares, options or rights over shares or other instruments linked to the share price, and long-term savings systems such as pension plans or retirement and other prudential schemes.

Share-based remuneration may be considered for non-executive directors subject to the condition that any securities delivered are held until the director concerned leaves office. This condition shall not apply to any securities which the director concerned may need to dispose of, where applicable, to settle acquisition costs.

Complies	Partially complies	Explain
X		

58. In the case of variable pay, remuneration policies should establish the necessary limits and technical precautions to ensure that such rewards relate to the professional performance of beneficiaries and do not accrue merely as a result of the general evolution of the markets, the industry in which the company operates or other similar circumstances.

In particular, variable pay components should:

- Be linked to predetermined, measurable performance criteria, and such criteria should take into account the risks assumed to obtain results.
- Promote the sustainability of the company and should include non-financial, suitable criteria related to long-term value creation, as well as compliance with the company's internal rules and procedures, and with its risk control and management policies.
- Be structured on the basis of balance between the attainment of objectives in the short, medium and long term, so as to remunerate ongoing success and performance over a sufficient period of time to appreciate the contribution made to the sustainable creation of value and ensure that the performance variables measured do not refer only to one-off, occasional or extraordinary events.

Complies	Partially complies	Explain	Not applicable
X			

59. Payment of the variable components of remuneration is subject to sufficient verification that the performance or other conditions previously established have been effectively met. Entities shall include in the directors' annual remuneration report the criteria as to the time required and the methods for such verification according to the nature and characteristics of each variable component.

In addition, entities should value the establishment of a reduction clause ('malus') based on the deferral for a sufficient period of payment of a part of the variable components that implies their total or partial loss should any event occur prior to the time of payment that makes it advisable.

Complies	Partially complies	Explain	Not applicable
X			

60. Compensation that is tied to the company's results shall take into account the qualifications, if any, contained in the external auditor's report where such results are reduced.

Complies	Partially complies	Explain	Not applicable
X			

61. A relevant percentage of the variable remuneration paid to executive directors should be linked to delivery of shares or financial instruments indexed to the share price.

Complies	Partially complies	Explain	Not applicable
X			

62. Once the shares, options or financial instruments corresponding to the remuneration systems have been attributed, the executive directors may not transfer their ownership or exercise them until at least three years have passed.

Except where the director maintains, at the time of transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equal to at least twice their annual fixed remuneration through ownership of shares, options or other financial instruments.

This does not apply to shares that the director needs to transfer to meet the costs related to their acquisition or, after favorable assessment by the Appointments and Remuneration Committee, to deal with extraordinary situations that require it.

Complies	Partially complies	Explain	Not applicable
X			

63. Contractual agreements with directors should include a clause allowing the company to claim reimbursement of variable remuneration items where payment was not in line with the performance conditions established, or where payment was made in view of data later found to be inaccurate.

Complies	Partially complies	Explain	Not applicable
X			

64. Severance payments made on the termination or cessation of contracts should not exceed an amount equal to two years' total annual remuneration, and they should not be made until the company has been able to verify that the director concerned fulfills the criteria or conditions established for this.

For the purposes of this recommendation, payments for contractual cessation or termination shall be considered as any credits whose accrual or obligation of payment arises as a consequence of or on the occasion of the termination of the contractual relationship linking the director with the company, including the amounts not previously consolidated of long-term savings systems and the amounts that are paid by virtue of post-contractual non-competition agreements.

Complies	Partially complies	Explain	Not applicable
X			

H. OTHER INFORMATION OF INTEREST

1. *If there are any relevant aspects relating to corporate governance in the company or group entities which have not been reflected in the other sections of this report, but which need to be included to give more complete and reasoned information on the structure and governance practices in the company or its group, detail them briefly.*
2. *This section can also include any other information, clarification or qualification relating to the previous sections of the report, provided that it is material and not repetitive.*
3. *In particular, indicate whether the company is subject to any legislation other than the Spanish legislation on corporate governance and, if so, include the information that it is required to furnish, where such information differs from that required in this report.*
4. *The company may also indicate whether it has adhered voluntarily to other codes on ethical principles or good practices, whether international or applying to the sector or other scope. Where applicable, identify the code in question and the date of adherence. In particular, mention whether it has adhered to the Code of Good Tax Practices of July 20, 2010.*

The Company at the meeting of its Board of Directors on November 19, 2010, took a decision to adhere to the Code of Best Tax Practices drawn up by the Spanish Revenue Service and Large Business Forum and notified the Agency of the fact on December 1, 2010. The objective of this Code is to underpin transparency and cooperation in the Company's tax practices, and to enhance legal certainty with regard to the interpretation of tax regulations.

This Annual Corporate Governance Report was approved by the Board of Directors of the Company at its meeting held on .

Indicate whether any directors have voted against or abstained with respect to the approval of this Report.

Yes	No	
Name or company name of the Board Member who has not voted in favor of approving this report.	Reasons (against, abstained, absent)	Explain the reasons
Observations		