

ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.

REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE

FOR 2014

I.- Introduction

As in the last seven financial years, the Audit Committee of ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. has drafted this report to summarise the activities carried out in 2014.

II.- Composition

The breakdown of the Committee is as follows:

Chairman

Mr. Emilio García Gallego

Committee Members

Mr. Jose Maria Loizaga Viguri

Mr. Manuel Delgado Solís

Mr. Santos Martínez-Conde y Gutiérrez-Barquín

Ms. María Soledad Pérez Rodríguez

Secretary (with the right to speak but without the right to vote)

Mr. José Luis del Valle Pérez.

Worthy of mention in 2014, specifically on 13 November, was the substitution of Mr. José María Loizaga Viguri as Committee Chairman, following the expiry of his appointment. The Independent Director Mr. Emilio García Gallego was appointed in his place as Director and Committee Chairman, and Mr. José María Loizaga Viguri will continue to be a Committee Director. Likewise, on 13 November 2014, the death of the director Mr. Julio Sacristán Fidalgo and the resignation of the director Mr. Álvaro Cuervo García were noted, together with the appointment as Director of the External Proprietary Director Ms. María Soledad Pérez Rodríguez.

III. Functioning and activity

The internal business of the Audit Committee continues to be governed by Article 20 *bis* of the Company Bylaws and by Article 23 of the Rules of the Board of Directors (amended on 13 December 2007, 27 March 2008, 25 February 2010 and on 10 March 2011), which regulate the number of meetings (at least two per annum, corresponding to the start and conclusion of the audit of the individual and consolidated financial statements), calls to meetings, quorums, adoption of resolutions, the Chairman's casting vote and the possible attendance of the Company Auditor, if especially convened for this purpose.

In 2014, the Audit Committee held six meetings in which it carried out the duties entrusted to it, and for which purpose the necessary information and documents were made available to it. Following the close of the financial year, the Committee held another two meetings in February and March 2015, basically to review the 2014 financial statements.

The Audit Committee considers that the Company has the proper organisation to ensure compliance with applicable regulations, including a Corporate General Department (which encompasses the Group's Internal Audit Department) and a General Secretary which, each within their own areas of competence, monitor compliance with current regulations, both internal and external. Likewise, with reference to the Board of Directors of the Company, the Rules of the Board foresee that the Secretary is to be entrusted with the legality of its actions. From a practical point of view, it is worthy of mention that no incident of any importance on this subject was detected throughout 2014.

As regards the financial figures for 2014, the following points are worthy of mention:

a) Review of periodic financial information

Following its adaptation to Act 44/2002, the Audit Committee reviews all quarterly financial information prior to its submission to the Spanish National Securities Market Commission (CNMV), and which is published via the corresponding Significant Events.

This review applies to information contained in the official formats of the Spanish National Securities Market Commission and to the information that the Company reports to said Commission for the publication of its quarterly results, verifying that the information expressed therein is coherent, and analysing the rationality of the criteria applied and the accuracy of its figures.

b) Individual and consolidated financial statements for 2014

At its meetings on 26 February and 24 March 2015, with the active presence of the external auditors and of the Corporate General Director, the Committee examined the individual and consolidated financial statements for 2014 and, in view of the information provided by the external auditors, issued a favourable report on such financial statements as stated by the Committee Chairman at its meeting to approve the accounts for the second semester to be submitted to the CNMV and the Stock Exchanges, held on the same date (26 February 2015), and on the preparation of accounts, held by the Company's Board of Directors on 24 March 2015.

c) Appointment and independence of the external auditor

At its last meeting on 24 March 2015, the Committee deliberated on the renewal of the appointment of the auditor (Deloitte, S.L.), whose appointment was considered to have been guided by the principles of independence and professionalism. It proposed to the Board to submit the extension of the appointment of this auditor to the General Shareholders' Meeting for another year to 2016.

Likewise, in accordance with legal provisions and internal regulations, the Audit Committee has ensured the independence of the external auditor as regards the performance of its duties and any incompatibilities or limitations that could affect its work.

Accordingly, under Article 529 *quaterdecies*, section 4, letter f), in its current wording, the Committee considers the independence of the auditors to perform its duties to have been fully accredited with respect to the individual and consolidated financial statements of the ACS Group, and

fully adjusted to the market conditions regarding the remuneration of the accessory benefits provided by the auditors in 2014, whose amount is as follows:

(Millions of Euros)

<i>Services</i>	<i>ACS Group</i>	<i>ACS individual</i>
Audit and related services	11,543	627
Tax counselling	85	
Other services	2,049	463
<i>TOTAL</i>	<i>13,677</i>	<i>1,090</i>

The auditor has informed the Committee in order to put on record that, in its opinion it has been fully independent when providing its services during the whole of the period covered by the financial statements and until the issuance of the report, and that it has implemented the internal procedures to identify and assess possible threats regarding its independence, including those which may represent causes of incompatibility, and that it has applied adequate safeguarding measures, leaving proof that, during the period covered by its auditors reports and up to the issuance thereof, circumstances have not been identified which, individually or as a whole, may significantly compromise its independence.

d) International Financial Reporting Standards (IFRS)

In 2014, as in the preceding years, the Audit Committee closely monitored the consequences of implementing the International Financial Reporting Standards, and was informed for this purpose both by the Corporate General Department of the Company and by the external auditors.

e) Internal Audits

In 2014, the Committee received specific information regarding the planning, conclusions and recommendations deriving from the work carried out by the Company's internal auditors in the different areas of activity into which its business is structured. This work will continue in a thorough and systematised fashion in future years. At its meeting on 26 February 2015, it received an Activities Report from the Internal Audit Department for 2014 and the Internal Audit Plan for 2015.

Madrid, 24 March 2015