



**2023 Activity Report of the Audit Committee of ACS,
Actividades de Construcción y Servicios, S.A.**

Madrid, 21 March 2024

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2023 ACTIVITY REPORT OF THE AUDIT COMMITTEE OF ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.

1. STATUTE.

Section 529 terdecies of the revised text of the Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010 of 2 July (the "**Corporate Enterprises Act**") establishes that listed companies must set up an Audit Committee, and section 529 quaterdecies Corporate Enterprises Act regulates its composition, operation and powers.

ACS, Actividades de Construcción y Servicios, S.A. ("**ACS**" or the "**Company**") has an Audit Committee for which the standards of operation, composition and powers are regulated in Article 21 of the Company By-laws, having been elaborated on, through Articles 25 and 26 of the Board Rules.

This 2023 ACS Audit Committee Activity Report has been prepared in accordance with Recommendation 6 of the Good Governance Code [Código de Buen Gobierno], and in accordance with the recommendations of the Spanish Security and Exchange Commission's (CNMV's) Technical Guide 3/2017 ("**Technical Guide 3/2017**") on Audit Committees of Public Interest Entities, while also taking into account the best corporate governance practices. The report will be published on the corporate website before the Company's Annual General Meeting is held.

2. COMPOSITION.

In accordance with ACS' By-laws and the Board Rules, the Audit Committee will be made up exclusively of non-executive Board members, with a minimum of three and a maximum of five members. The majority of the Audit Committee members will be independent Board members, and one of them will be appointed taking into account their knowledge and expertise in accounting or audit matters, or both, ensuring that all of the Audit Committee members as a group and its Chair in particular are appointed taking into account their financial and non-financial experience and expertise in accounting, auditing and risk management, and in any other areas that may be suitable for the Committee to fulfil all of its duties.

In any case, the number of members of the Committee will be determined by the Board directly by express agreement or indirectly upon filling the vacant positions or the appointment of new members within the established maximum.

In 2023, the composition of the Audit Committee underwent a series of changes, and as of 31 December 2023, it was as follows:

Name	Position	Category	Seniority	
			Date of first appointment to the Board	Date of first appointment to the Committee
MR JOSÉ ELADIO SECO DOMÍNGUEZ	CHAIR	Independent	22/12/2016	06/04/2021
MS CARMEN FERNÁNDEZ ROZADO	BOARD MEMBER	Independent	28/02/2017	28/02/2017
MR EMILIO GARCÍA GALLEGO	BOARD MEMBER	Independent	13/11/2014	13/11/2014
MS CATALINA MIÑARRO BRUGAROLAS	BOARD MEMBER	Independent	28/04/2015	28/04/2015
MS MARÍA SOLEDAD PÉREZ RODRÍGUEZ	BOARD MEMBER	Proprietary	13/11/2014	13/11/2014
MR JOSÉ LUIS DEL VALLE PÉREZ	NON-MEMBER SECRETARY			

- **JOSÉ ELADIO SECO DOMÍNGUEZ (Chair)**. Born in Veguellina de Órbigo, León in 1947. He graduated as a Civil Engineer from the Escuela Superior de ICCP de Madrid [Madrid School of Engineering], specialising in Transportation, Ports and Town Planning.

He began his professional career in 1972 in the public engineering company INECO, where he worked in various posts until he became International Director, joining RENFE in 1988, where he also held several positions. In 2000 he was appointed Executive Chair of INECO until 2002, when he was appointed Chair and General Manager of AENA, a position he held until 2004, when he was appointed Advisor to the Chair of RENFE.

He has also acted as an advisor to OCA, S.A., Prointec, Collosa, Incosa, National Express-Alsa and Menzies Aviation, and has been Chair of the Spanish consortium for the concession and operation of the Río de Janeiro-São Paulo-Campinas (Brazil) high-speed railroad. He is currently a Senior Advisor at Kearney.

- **CARMEN FERNÁNDEZ ROZADO (Board member)**. She holds a Bachelor degree in Business and Economic Sciences and in Political and Sociology Sciences from the Complutense University of Madrid, and a PhD in Government Taxation from the same university. She has completed the Senior Management Program (PADE) at the IESE Business School (University of Navarre). Government Tax Inspector and Auditor.

She began her career in 1984 at the Ministry of Treasury, where she also held several positions at the State Tax Administration Agency. In 1999, she was appointed as a member of the Board 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 of Latin America and Asia. During 2012 and 2013 she was a member of the Advisory Board of EY. She is a member of the Advisory Board of Beragua Capital Advisory. Between 2021 and 2022 she was a director of Primafrío and, since April 2015, she has been a director and member of the Audit Committee and the Corporate Governance and Sustainability Committee of EDP (Energías de Portugal) in Lisbon.

She is a professor at various Spanish and foreign universities and business schools, and the author of numerous Articles and publications on Taxation, Energy and Sustainability.

- **EMILIO GARCÍA GALLEGO (Board member)**. 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 Polytechnic University of Catalonia. He has also completed the following official courses: Groundwater Hydrology at the School of Industrial Engineers of Barcelona; Management Improvement (1984-85) at the School of Public Administration of Catalonia; Coastal Engineering at the School of Civil Engineering of Catalonia (ETSICCP); and Port Engineering and Oceanographic Engineering at the School of Civil Engineering of Catalonia.

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 (1974-82) and professor in charge of the doctorate course entitled 'Consolidation of soft and weak ground' at the Barcelona School of Architecture (1979-80).

He has also been an engineer for the River Policing Authority of the eastern Pyrenees, engineer for Fomento de Obras y Construcciones, representative for the Catalonia area of the company "Grandes Redes Eléctricas, S.A.", Head of the Ports Service of the Regional Government of Catalonia and co-director of the Ports Plan of Catalonia, general manager for Infrastructure and Transportation of the Regional Government of Galicia, general manager for Transportation of the Regional Government of Catalonia, and deputy manager of the Water Treatment Council and deputy manager of the Water Board of the Regional Government, general manager of Public Works of the Regional Government of Galicia and chairman of the Water Board of Galicia, chairman of the Entity Managing Railway Infrastructures, adhered to the Ministry of Development and responsible for executing the entire High Speed railway infrastructure, and Chairman of Puertos de Galicia. He currently works as a freelance civil engineer.

- **CATALINA MIÑARRO BRUGAROLAS (Board member)**. Born in Madrid in 1963. She holds a degree in Law awarded in 1986 by the Complutense University of Madrid, and she passed the examination to become a State Counsel in 1989.

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., in addition to sitting on the boards of two of its subsidiaries, Mapfre Spain and Mapfre International.

- **MARÍA SOLEDAD PÉREZ RODRÍGUEZ (Board member)**. Born in Madrid in 1943. She holds a Degree in Chemistry and a Degree in Pharmacy from the Complutense University of Madrid.

She has been a professor in colleges in Madrid and a technical advisor for Geblasa, S.A., a chemical products import and export company, and an associate pharmacist in the Pharmacy Office of Madrid (Oficina de Farmacia de Madrid). She was director of several Group subsidiaries (ACS Servicios Comunicaciones y Energía, S.L., and Dragados, S.A.) and is also currently director of ACS and its subsidiary ACS Servicios y Concesiones, S.L.

The Audit Committee members, as a whole, bring together the relevant technical knowledge in relation to the respective business sector in which the Company operates, both in terms of their academic training and their professional experience. Their abilities and knowledge in the three main business areas (construction, industrial services and services), and in the areas of management, economics, finance, business, accounting, financial auditing, internal controls and risk and business management, are sufficient overall to meet the Committee's needs for the full performance of its duties. On the corporate website of the Company, detailed information on the Committee members and their professional career is available to shareholders, investors and other interested parties.

3. DUTIES.

The duties of the Audit Committee are set out in articles 25 and 26 of the Board Rules.

Article 25 bestows the following powers to the Committee:

- In relation to the oversight of financial and non-financial information:

- a) To report to the General Meeting on all matters arising within the mandate of the Committee and, in particular, on the result of the audit, explaining how the audit contributed to the integrity of the financial information and the role that the Committee played in that process.
 - b) To oversee and evaluate the preparation and presentation of the financial and non-financial information of the Company and where applicable, that of the group, while reviewing the compliance with regulatory requirements and ensuring the adequacy of the consolidation scope defined and the appropriate application of accounting criteria, and in particular knowing, understanding and overseeing the efficiency of the internal financial information control system (IFICS). The Committee may present recommendations or proposals to the Board to safeguard the integrity of the financial information.
 - c) To first report to the Board on the financial information and directors' report, which will include, where appropriate, the mandatory non-financial information that the Company must periodically publish.
 - d) To ensure that the Annual Financial Statements that the Board submits to the General Meeting are drawn up in accordance with accounting regulations and that, in cases where the auditor has indicated a qualification in its report, the Chair of the Audit Committee explains its content and scope with clarity in the General Meeting in the opinion of the Audit Committee, placing a summary of their opinion at the shareholders' disposal when the meeting call is published, together with the other proposals and reports.
- In relation to the oversight of internal controls and internal audits:
- e) To oversee the effectiveness of the Company's internal controls, ensuring that the internal control policies and procedures in place are applied effectively in practice, and that of the internal audit, while discussing any significant weaknesses in the internal control system identified during the performance of the audit with the statutory auditor, all of which must be done without compromising its independence, while providing its conclusion on the level of its trust in and reliability of the system. To this end, as the case may be, it may make recommendations or proposals to the Board and define the corresponding time-frame allowed for follow-up.
 - f) To oversee the independence of the department that undertakes the internal audit; propose the selection, appointment and removal of the head of the internal audit department; propose the budget for the service; approve its guidance and the annual audit work plan, while ensuring that its activities are directed principally towards key risks (including reputational risks); receive regular information on internal activities; ensure that senior management takes the conclusions and recommendations of internal audit reports into consideration; and annually assess the performance of the internal audit

department, and the performance of the duties by the respective individual in charge of it.

- g) To establish and oversee a whistle-blowing mechanism that lets employees and others related to the Company, such as Board members, suppliers, contractors and subcontractors, confidentially report any potentially significant violations, including those of a financial or accounting nature, or of any other nature, in relation to the Company that they may observe in the Company and its group, by receiving periodic reports on its performance, while having the power to suggest timely actions for improvement and to reduce the risk in the future.

- In relation to overseeing risk management and controls:

- h) To supervise and evaluate the effectiveness of the financial and non-financial risk management systems related to the Company and its group, including operational, technological, legal, social, environmental, political and reputational risks and those related to corruption.
- i) To re-assess, at least annually, the list of the most significant financial and non-financial risks and assess the respective level of risk tolerance, while proposing, where appropriate, the corresponding adjustment to the Board. For these purposes, the Committee will hold, at least annually, a meeting with the heads of the business units in which they will 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 submit proposals to the Board for the selection, appointment, re-election and replacement of the external auditor, being responsible for the selection process, and the terms and conditions of its engagement, and to this end it must:
 - 1. define the process for selection of the auditor; and
 - 2. issue a justified proposal that will contain at least two alternatives for the selection of the auditor, except in the case of the auditor's re-appointment.
- l) To obtain regular information from the external auditor on the audit plan and its execution, and any other issues related to the financial auditing process, in particular any discrepancies that may arise between the statutory auditor and the Company's management, in addition to preserving its independence while performing its functions.

- m) To establish the appropriate relationships with the external auditor for the purpose of receiving information on any matter that may jeopardise the respective independence, for the examination of the Committee, and any other matter relating to the development process of the financial auditing, and when applicable authorise the services other than those which are prohibited, under the terms provided for in the applicable legislation, in addition to any other notification provided for under Spanish laws regarding financial auditing and technical auditing standards.

In any case, it must receive a statement from the external auditors each year attesting to their independence in relation to the entity or entities directly or indirectly related to it, and detailed and individualised information on the additional services of any kind rendered and the corresponding fees received from these entities by the external auditor or by the persons or entities related to it in accordance with auditing legislation.

- n) To issue a report on an annual basis, in advance of the issuance of the audit report, expressing an opinion on whether the independence of the statutory auditor has been maintained. This report will in any case address the reasoned assessment of each and all of the services referred to in the preceding paragraph, considered both individually and as a whole, and the system in place to assure 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's work does not compromise its quality or independence, in addition to establishing a guideline cap on the fees that the auditor may receive annually for services other than auditing.
- p) To oversee reporting by the company of any change of auditor to the CNMV, and to ensure that it is accompanied by a statement with regard to the possible existence of any disagreements with the outgoing auditor and their content.
- q) To ensure that the external auditor holds an annual meeting with the whole of the board 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 audit, the limits on the concentration of the auditor's business and the terms of regulations governing auditor independence in general.

- s) To perform a final assessment of the auditor's actions and to what extent contributions were made to the quality of the audit and the integrity of the financial information.
- Other duties:
 - t) To report on Related-party Transactions to be approved by the General Meeting or the Board, and to oversee the internal procedures established by the Company for which approval has been delegated by the Board in accordance with the legislation in force.
 - u) To report to the Board on all matters where so required by Law, the By-laws and the Rules of the Board of Directors, in particular with regard to:
 - 1. the financial conditions, accounting impact and, as the case may be, exchange equation concerning transactions involving structural and corporate changes that the Company plans to carry out; and
 - 2. the creation or acquisition of investments in special purpose vehicles registered in countries or territories listed as tax havens.

The contents of (k), (l), (m), and (n) above must be understood as without prejudice to the legislation governing statutory auditing.

Article 26 of the Board Rules attributes the following duties to the Committee in terms of corporate governance and sustainability in environmental and social matters:

- a) Supervision of compliance with the rules of corporate governance and the Company's internal codes of conduct, while also ensuring that the corporate culture is in line with its purpose and values.
- b) Supervision of the application of the general policy on communicating financial/economic and non-financial corporate information and on communications with shareholders and investors, vote advisers and other stakeholders. The way in which the Company communicates and relates to small and medium-sized shareholders will also be monitored.
- c) Regular evaluation of the suitability of the company's system of corporate governance to ensure that it fulfils its mission of promoting the corporate interest and takes the legitimate interests of the remaining stakeholders into account in an appropriate manner.
- d) Supervision to ensure that the Company's environmental and social practices comply with the defined strategy and policy.
- e) Supervision and evaluation of relations processes with the different stakeholders.

4. COMPLIANCE WITH THE DUTIES.

4.1. MEETINGS HELD AND ATTENDEES AT THEM. IN PARTICULAR, MEETINGS HELD WITH THE INTERNAL AUDITOR AND WITH THE EXTERNAL AUDITOR.

In accordance with Article 25 of the Board Rules, the ACS Audit Committee:

- Must meet as often as it may be convened by the Chair, and in any event it meets at the beginning and end of the audit of the Company's and the Group's individual and consolidated financial statements, and before the issue of the pertinent audit reports. The Committee also must meet on the occasion of the preparation of the mandatory financial information that the Company is required to publish.
- Will be deemed duly convened when the majority of its members are present, and it will adopt resolutions by majority vote of the attendees, with the Chair having the deciding vote in the event of a tie.
- The Company's Auditor and the internal auditor may attend meetings of the Audit Committee where specifically invited to explain key issues arising from the audit procedures carried out. Likewise, when this is expressly agreed upon by the Committee members and at the invitation of the Chair, any employees and managers of the Company may attend.

From 1 January 2023 to 31 December 2023, the Audit Committee held a total of 7 meetings, with the members of the Committee attending all meetings in person or by proxy, either physically or electronically, and, except on one occasion when they were unable to attend, the members of the Committee delegated their vote to the Chair of the Committee.

All the Committee meetings in 2023 were attended, upon invitation from the Chair, by:

- the **Corporate General Manager of the Company**, to report in relation to matters within the scope of his competencies;
- the **Head of Internal Audit** of ACS attended a total of 5 meetings in 2023, specifically those held on 27 February, 23 March, 12 May, 27 July and 13 November;
- for their part, the **External Auditors** attended a total of 6 meetings, in particular those held on 27 February, 23 March, 12 May, 27 July and 13 November and 14 December, to report on the performance of their activity, and in particular in relation to the financial information submitted to the Committee;
- the **Head of the Tax Department** attended the meetings held on 23 March and 14 December, to report on the areas under his purview;
- the **Compliance Director** attended the meetings held on 27 February, 23 March, 27 July and 14 December;

- the **Sustainability Officer** attended the meetings held on 27 February, 23 March, 12 May, 27 July, 13 November and 14 December; and
- the **Chief Risk Officer** attended the meeting held on 14 December to report within the scope of his responsibilities.

In any event, the above-mentioned persons attended the meetings to provide support for the information necessary for the Committee to perform its duties, in relation to the aspects required by the Committee, but were not present during the Committee's internal deliberation and voting phases.

4.2. SIGNIFICANT ACTIVITIES PERFORMED IN 2023.

The Committee's most significant activities in 2023 revolved around the following issues related to the scope of its duties:

a) In relation to financial and non-financial information and the associated mechanisms of internal controls.

In relation to periodic financial reporting, although Law 5/2021 repealed section 120 of the Securities Market Act and, therefore, the obligation of securities issuers to send the CNMV and publish quarterly financial reports, the Company continues to prepare them, and in this regard, before it was submitted, the Audit Committee supervised the financial information sent quarterly to the CNMV and made public as 'Other Relevant Information'.

This review applies to information contained in the official formats of the CNMV and to the information that the Company reports to the CNMV for the publication of its quarterly results, which serves to verify that the information stated therein is coherent, while analysing the rationality of the criteria applied and the accuracy of its figures.

In particular, in the framework of this function, the Audit Committee, at its meetings on 27 February and 23 March 2023, with the active presence of the external auditors and that of the Corporate General Manager, **examined the individual and consolidated financial statements for 2022** and, considering the information provided by the external auditors, issued a favourable report on the financial statements.

In relation to the non-financial information for 2022, in its meeting of 23 March 2023, the Committee examined the non-financial information included in the 2022 Directors Report.

Also, in regards to the **individual and consolidated financial statements for the first quarter and the first half of 2023**, the Audit Committee in its meetings held on 12 May and 27 July, with the presence of the external auditors and the Corporate General Manager, proceeded to examine the statements and reported favourably on them. In turn, at the meeting of 13 November, the Audit Committee examined and issued a favourable opinion on the **individual and consolidated financial statements for the period ended 30 September 2023**.

b) In relation to risk management and controls.

To respond to the need for global and homogeneous risk management, the Company has established a risk management model which includes the identification, assessment, classification, evaluation, processing and monitoring of risks at the Group level and that of the operational Divisions. When these risks have been identified, a risk schedule is prepared which is updated regularly based on the different variables involved and the types of activities in which the Group is involved, assessing them on the basis of the respective impact and the probability of occurrence.

To this end, the effectiveness of the risk control systems are assessed and verified periodically by the internal audits of the production units and by the Corporate Internal Audit of ACS, which contributes to the management of the general risks the Group faces in achieving its objectives. The alerts, recommendations and conclusions generated are reported both to Group Management and to the heads of the business segments and companies assessed.

Based on the above, in 2023 **the Audit Committee oversaw the effectiveness of the internal controls of the Company, of the Internal Audit and the risk management systems**, identifying and analysing the risks and monitoring the financial and non-financial indicators of the main companies of each of the business areas. In particular, at its meeting of 14 December, with the presence of the Chief Risk Officer, the Audit Committee reported favourably on the updating of the ACS Group's Risk Map and the Risk Map of the parent company; and the Compliance Director informed the Committee of the conclusions of the Risk Report by Compliance areas in all ACS divisions at the meetings of 27 February 2023 (data as at 31 December 2022) and 27 July 2023 (data as at 30 June 2023).

Likewise, the Audit Committee at its meeting on 14 March **approved the Tax Memorandum for the 2022** period presented by the Director of the Company's Tax Department and produced in accordance with the Code of Best Tax Practices, which makes reference to the 2022 Tax Expenses and to the tax situation of the ACS Group. At the meeting held on 14 December 2023, the Director of the Tax Department also presented the **2022 Fiscal Transparency Report** to the Committee, and the Committee reported favourably for its submission to the Board.

c) In relation to the Internal Audit.

The ACS Group's Internal Corporate Audit functions are carried out by the Company's Internal Audit Department, which coordinates the internal auditing of the Group's various business segments. The Corporate Internal Audit Department is included in the organisational structure as a body reporting hierarchically to the Corporate General Management and functionally to the Audit Committee of ACS's Board.

As a result of its work, the internal audit departments of the Group companies issue a written report that summarises the work carried out, the situations identified, and the action plan including, where applicable, the timetable and persons responsible for

correcting the situations identified, along with opportunities for improvement. These reports are sent to the head of the business area and to Corporate General Management.

Each year, the Corporate Internal Audit Department submits an Activities Report to the Audit Committee that contains a summary of the activities carried out and the reports drawn up during the year, and monitoring the main significant aspects and recommendations contained in the various reports.

In the meetings of the Audit Committee held on 27 February and 23 March 2023, the Corporate Internal Audit Department, within the framework of its functions, submitted the **2022 Internal Audit Activities Report and the Internal Audit Plan for 2023** to the Audit Committee.

Likewise, the Corporate Internal Audit Department presented to the Audit Committee in its meetings of 27 February, 12 May, 27 July and 13 November 2023 a **summary of the reports prepared and the status of the internal audits of the respective business areas**, also including the conclusions of all the internal audits.

d) In relation to the External Auditor.

Within the framework of its duty to submit proposals to the Board on selecting, appointing, re-electing and replacing the external auditor, at its meeting of 14 March 2023, the Audit Committee resolved to **propose the appointment of Deloitte, S.L., as auditor of the Company and of the Group** of companies of which ACS is the parent company, for a three years starting 1 January 2023.

In compliance with its duties in regard to the external auditor, **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 financial statements for the first and second half of the year before their approval, and before Board meeting to prepare both the full annual individual financial statements of the Company and those of its consolidated Group. In this regard, with the presence of the external auditor at the meetings held on 27 February, 23 March, 12 May, 27 July, 13 November and 14 December, the main features of the accounts were reported on, and at the meeting of 14 December 2023, the auditor reported on the preliminary conclusions of the audit of 2023.

Likewise, in the meeting of 14 December, the external auditor presented the list of audit work carried out in 2023 and approved by the Committee.

In addition, at the meeting on 12 May, the external auditor presented the audit plan for 2023 and on 13 November it presented the **scope and focus of the audit work and the schedule of work for 2023**.

e) **In relation to supervising compliance with the Company's corporate environmental, social and governance policies and rules, and internal codes of conduct.**

In 2023 the Committee supervised the **ACS Group's Governance System**, namely the Global Compliance Management System, reported in section 4.4 ("Regulatory compliance") of the Consolidated Non-Financial Statement included in the Consolidated Directors' Report.

Likewise, in the context of this duty to oversee compliance with corporate governance rules and of the Company's internal codes of conduct, at its meeting of 23 March 2023, the Audit Committee reviewed and unanimously agreed to report favourably on the **2022 Annual Corporate Governance Report**.

Moreover, in its meeting of 14 December 2023, the Committee issued a **Report on the regular review and evaluation of the corporate governance system**, which concluded that in 2023 the Company complied with the principles, obligations and procedures set out in its internal corporate governance regulations and codes of conduct, with no relevant issues highlighted. This was reported in section 6 ("Good Corporate Governance") of the Consolidated Non-Financial Statement included in the Consolidated Directors' Report.

In addition, within the framework of the Audit Committee's duty of supervising and monitoring the ACS Group's Compliance System, the Committee approved the Compliance Committee's proposals for the Community Investment, Sponsorship, Patronage and Philanthropic Donations Policy, and the Policy on Compliance with International Sanctions Against Third Parties, and reported favourably at its meeting of 23 March on the Compliance Committee's 2022 Annual Monitoring Report.

Likewise, at the meeting held on 27 July 2023, the Compliance Director presented the half-yearly Compliance Report to the Committee and the proposed resolutions adopted by the Compliance Committee for submission to the Board were submitted for approval by the Audit Committee, including (i) the updating of the Policy on Operating ACS's Whistleblowing Channel; (ii) the updating of the ACS Whistleblower and Non-compliance Investigation Procedure; (iii) the approval of a new Policy on the use of technological media; and (iv) the appointment for ratification by the Board of the Compliance Committee as *Head of the ACS Whistleblowing System*. In addition, the Chief Compliance Officer presented to the Committee the analysis of the responses submitted by the Divisions to the **Global Compliance Report for the first half of 2023** and the compliance risk reports submitted by the various compliance advisors consulted in each of the compliance disciplines reported. Lastly, in its meeting of 14 December 2023, the Committee reported favourably on the Compliance Committee's 2024 budget.

In relation to **sustainability**, at the meeting of 27 February 2023, the Head of Sustainability presented the Analysis of risks and opportunities related to climate change; at the meetings of 12 May, 27 July, 13 November and 14 December 2023, the respective Sustainability Monitoring Reports of the ACS Group were presented to the Committee,

and at the meeting of 27 July, a new Policy for engagement with and monitoring of sector associations was approved.

Finally, at the proposal of the Data Protection Officer, the Audit Committee approved, at its meeting on 27 July, a new Data Protection Policy; and at its meeting on 14 December, the Committee resolved to propose the **renewal of the Annual Statement of Compliance with Criminal and Anti-Corruption Legislation of the Board of Directors of ACS.**

f) In relation to other functions of the Committee.

Within the framework of its duty to report on **Related-Party Transactions** that have to be approved by the General Meeting or the Board and to supervise the internal procedure established by the Company for transactions delegated by the Board in accordance with applicable legislation, this power is, on the basis of Article 25.6(t) of the Board Rules, the responsibility of the Audit Committee. In this regard, at its meeting on 27 February, the Audit Committee received information from the Related-Transactions Operating Committee regarding related-party transactions in 2022; at its meeting on 23 March, it approved the Related-Party Transactions Report; and at its meeting on 14 December 2023, the Committee approved the annual report of the Related-Party Transactions Operating Committee.

Furthermore, Article 9 of the Rules of the Board of Directors establishes that the Board must perform an annual evaluation of the functioning of its Committees based on the reports they submit to the Board. To this end in the session on 23 March the Committee reported positively on the **Committee's 2022 Activities Report.**

At its meeting of 14 December 2023, the Committee resolved to issue a favourable opinion on the proposed delegation in relation to the second payment of the flexible dividend authorised by the General Meeting held on 5 May 2023.

5. EVALUATION OF THE FUNCTIONING AND PERFORMANCE OF THE AUDIT COMMITTEE.

In compliance with the obligation to evaluate the functioning of the Board and its Committees, under Articles 9 and 27(4)(l) of the Board Rules, which, in turn, elaborates on section 529(h) Corporate Enterprises Act for the improvement of corporate governance, and in the Recommendation 36 of the CNMV's Code of Good Governance for Listed Companies, the Audit Committee has drawn up this report to evaluate its performance in 2023.

Furthermore, as part of the evaluation of the Board and its Committees, and in line with Recommendation 36 of the Code of Good Governance, which states that: *“every three years, the board of directors will be assisted in its evaluation by an external consultant, the independence of which will be verified by the Nominations Committee”*, with regard to the evaluation for 2023, ACS was aided by PwC Tax & Legal Services, whose

evaluation report concluded in 2024. In this report, PwC Tax & Legal Services concluded that, among other aspects, the Audit Committee is highly active, and the general impression is that the conduct of its meetings and operations is very positive, with the Committee carrying out its responsibilities appropriately.

In this regard and in relation to the functioning of the Committee, as stated in the 2023 evaluation report, the positive aspects highlighted by the Committee members continue to be the proper conduct of Committee meetings, the importance of the Chair's presentations to the Board to fully report on the activities and matters dealt with by the Committee, and the importance of external advisors providing additional training and support to its members to improve the performance of their duties, the improvement in the treatment and analysis of risks, with the systematisation of risk analysis and the reinforcement of the areas of compliance, internal audit and internal control, among other issues, being highly valued.

A key role was played by the regular and continuous engagement between the Committee and the Company's senior managers, with the Committee's habitual and constant dialogue with the main executives of the ACS Group playing a special role in this regard.

6. OPINION OF THE AUDIT COMMITTEE REGARDING THE INDEPENDENCE OF THE STATUTORY AUDITOR.

In the exercise of its functions in 2023 **the Audit Committee ensured the independence of the External Auditor in the performance of its duties**, having established the appropriate relations with it to ensure that it is not subject to grounds of incompatibility or abstention and prohibitions, and that any threat to its independence was adequately identified and evaluated, applying, where appropriate, the adequate measures to safeguard against this occurring.

Within the framework of Article 25 of the Rules of the Board of Directors, at the meeting of the Audit Committee on 23 March 2023, the external auditor of the Company informed the Audit Committee of its statement of independence.

In this respect, the Audit Committee has not become aware, either through its internal procedures or through communications from its auditor, of any aspect that has posed a significant threat to the auditor's independence.

On the other hand, the auditors of ACS and the companies of its Group were paid the following remuneration in 2023, both for the auditing services and for other permitted services:

Main auditor	2023 (thousands of euros)		
	ACS	ACS Group	Total
Audit service fees	1,027	10,200	11,227
Non-audit services	84	1,807	1,891
Services required by the applicable legislation	70	120	190
Other attestation services	14	790	804
Fees for tax services	-	871	871
Other services	-	26	26
Total	1,111	12,007	13,118

In view of the above and the information received from the external auditor, including its 2023 statement of independence, which it communicated to this Committee on 21 March 2024, the ACS Audit Committee considers that there are no objective reasons to question the independence of the external auditor.

7. GOOD GOVERNANCE PRACTICAL GUIDES BEING FOLLOWED.

The Audit Committee, in the exercise of its functions, follows both the **Code of Good Governance** and the guidelines and recommendations of **Technical Guide 3/2017**, while also following the best corporate governance practices.

8. CONCLUSIONS.

On the basis of the above, the Audit Committee is of the opinion that:

- It comprises five members, all of whom are non-executive Board members, with four of them being Independent Board members, including its Chair, by which the composition requirements under section 529(m) Corporate Enterprises Act are met.
- Three of the Audit Committee members were appointed taking into account their knowledge and experience in accounting matters, and the Committee members have the necessary abilities and experience, and the relevant technical expertise in the business sector to which the ACS Group belongs, for the Committee to fulfil its functions.
- Likewise, the Audit Committee met as often as necessary in accordance with Article 25 of the Board Rules and whenever necessary, taking into account its respective powers.
- The Committee members had at their disposal, before the meetings, the necessary information in relation to the respective items on the Agenda, with its meetings attended in this regard by the different persons and managers related to the performance of its duties, in order to ensure that the Committee has all the necessary information at its disposal.

- Regarding the duties and powers assigned to the Committee, which, in addition to those legally provided for, also include those included in the Code of Good Governance and Technical Guide 3/2017, the Committee considers that it has deliberated and adopted resolutions on the main matters under its mandate.

In conclusion, the ACS Audit Committee assesses the activities carried out in 2023 as being very positive.

9. DATE OF FORMULATION OF THE REPORT BY THE AUDIT COMMITTEE AND DATE OF APPROVAL BY THE BOARD.

This 2023 ACS Audit Committee report was formulated by the Committee on 21 March 2024, and was unanimously approved by the Company's Board at its meeting held on 21 March 2024.