RISK CONTROL POLICY

Translation of originally issued in Spanish and prepared in accordance with the regulatory applicable to the Group. In the event of a discrepancy, the Spanish-language version prevails.

CONTENTS

The Board of Directors of ACS ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, S.A. (hereinafter the "Company") is responsible for setting the general risk control and management policy that will make it possible to identify the main risks of the Company and the other companies in the ACS Group, and for maintaining appropriate internal controls, in addition to periodically tracking these systems.

1. PURPOSE

The purpose of this document is to define the general risk control and management policy for ACS and its affiliated companies (hereinafter, the "Organisation"). It will also define the position of risk control and management in the corporate governance structure, and it includes the definition of the competencies, functions and responsibilities of the various members of the Organisation who participate in risk control and management.

2. SCOPE

The general risk control and management policy applies to all of the companies in the ACS Group in which the Company has effective control.

Not included in its scope of application are the listed affiliates and their respective subsidiaries that, due to their special situation, are subject to the rules of regulatory bodies that apply to them and which, therefore, are subject to their own risk policies approved by their competent bodies. In any event, these risk policies must be in accordance with the principles specified in this general risk control and management policy.

For its affiliated companies that do not belong to the group, the Company will try to ensure that the risk limits, principles and guidelines are coherent with those set forth in this general risk control and management policy.

As for the case of Hochtief, A.G., it is listed on the German Stock Exchange and in turn, holds a controlling ownership interest in CIMIC, which is listed on the Australian stock exchange. Both companies have implemented their own risk and internal control management system in accordance with the laws regulating these companies. These groups have, in turn, their own Auditing Committees with functions similar to those of the ACS Group. Therefore, the general risk control and management policy of the ACS Group affects any activities performed by Hochtief or Cimic, insofar as they are already covered by their own risk control systems, to which this document refers.

The general risk control and management policy affects every area of the Organisation. The general risk control and management system shall cover any types of risks that may endanger complying with the objectives of the Organisation.

With this policy, the Organisation hereby undertakes to develop all of its capabilities so that all risks, regardless of their nature, are duly identified, measured, managed, prioritised and controlled.

3. BASIC PRINCIPLES

The Group is subject to various risks inherent to the different countries, activities and markets in which it operates, and to the activities it performs, which may diminish or even prevent it from achieving its goals and successfully executing its strategies.

Since it is aware of how important this issue is, the Company's Board of Directors is committed to developing all of its abilities so that the relevant corporate risks from all of the Group's activities and businesses are duly identified, assessed, managed and controlled, and to use the general risk control and management policy to establish the mechanisms and basic principles for properly managing them with a level of risk that makes it possible to:

a) achieve the strategic objectives determined by the Group with controlled volatility;
b) provide the highest level of guarantees to the shareholders;
c) protect the Group's results and reputation;
d) defend the interests of the shareholders, clients, and other groups interested in the Company's progress and those of society in general; and
e) ensure corporate stability and financial soundness in a sustained manner in time.

In order to implement this commitment, the Board of Directors has the assistance of the Auditing Committee, which supervises and reports on the appropriateness of the internal system for evaluating and controlling relevant risks in coordination with Internal Auditing and the management of the heads of the various divisions of the Group which are responsible for organising the application of the specific risk policies for the various business areas of the Group, taking into account the specific characteristics and aspects of both the business area itself and the country in which it works, and based on the principles indicated in this document.

Any actions geared toward controlling and mitigating risks must adhere to the following basic principles:

f) Integrating the vision of risk into the management of the Organisation by defining its strategy and appetite for risk.
g) Properly keeping functions segregated amongst the areas that assume the risk and the areas responsible for analysing, controlling and supervising it, providing an appropriate level of independence.
h) Ensuring the use of the correct instruments for mitigating the impact of risks as stipulated in the applicable regulations.
i) Transparently reporting to regulators and the main external agents on the risks of the Group and its operating units, and on how well the systems are functioning that have been developed for controlling them.
j) Ensuring proper compliance with the corporate governance rules the Group has defined, and updating and constantly improving said rules.
k) Acting at all times in accordance with the law and the behavioural values and standards indicated in the Code of Conduct and the principles and best practises indicated in the corporate tax policy, under the principle of "zero tolerance" for the commission of unlawful actions and fraud situations.

4. POLICY

The Board of Directors is aware of how important it is to properly manage the risks that may affect whether it achieves its objectives. It is therefore not adverse to risk. It firmly believes that risks must be managed properly, not eliminated. It therefore believes that proper and effective risk management will make it possible to:

- ✓ Achieve its goals and objectives
- ✓ Create value for shareholders
- ✓ Generate trust amongst investors, suppliers and clients
- ✓ Protect the reputation of the ACS brand and of all of the various brands used by its affiliated companies.
- ✓ Ensure compliance with the laws and recommendations on corporate governance.

The Board of Directors also believes that for proper risk management and control it is crucial to maintain the highest level of transparency in the information that is provided, both within and without the Organisation.

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

- ✓ Being complete, ensuring that all of the relevant information is transmitted for proper risk management and control.

- ✓ Being correct and accurate, ensuring that the information that is transmitted contains no errors.
- ✓ Creating value, by helping develop a risk control and management culture.
- ✓ Being transmitted equitably and symmetrically, meaning that all of the recipients of the information receive the same information within the same timeframe.
- ✓ Being transmitted on time, meaning when it becomes known and is relevant for properly managing and controlling the risks in question.

To this end, the Board of Directors is the body that is responsible for identifying and supervising management of the primary risks, and for implementing and tracking an appropriate internal control and reporting system that will allow these risks to be properly managed.

The ACS Group's risk policy is focused on achieving a moderate risk profile using prudent management; a business model for a group dedicated to infrastructure and services with a universal mission; diversified by geographical region, asset, portfolio and client types; with an elevated international presence, in both emerging and developed countries, maintaining a medium/low risk profile in each of them; and working toward growth that is sustainable over time.

A series of relevant measurements have been established that are basically related to solvency, liquidity and recurrence of results that, depending on the circumstances arising in each case, determine how the Group's risks are managed and make it possible to reach the proposed objective. These elements shall be analysed both specifically and prospectively by preparing estimates that will make it possible to identify possible risks and therefore implement corrective actions as far in advance as possible:

- Solvency: In terms of solvency, the ACS group is managed in such a way to ensure that it always has sufficient capital for correctly performing its various businesses, even in difficult economic and financial situations.
- Profitability and Recurrence: The Group's goal is to generate recurrent results, even in deteriorated economic situations, in order to ensure a reasonable return for its shareholders.
- Liquidity: The ACS Group as a whole and all of its subsidiaries have the objective of maintaining a solid position with a stable, diversified financing base, even in complicated times for financial markets.

The ACS Group’s Management Committee defines and determines the Group’s risk management procedures and, if appropriate, sets up the appropriate management mechanisms to ensure that the risks are kept within the levels approved by the Board of Directors.

The Board of Directors entrusts the Audit Committee with the task of monitoring compliance with the established procedures and effective general supervision of compliance with the risk levels established for each business activity.

The Board of Directors approves the global risk policy and the system for control and management. These different scopes of responsibility also include management of tax risks.

The ACS Group's geographic and business diversification, together with the high level of operating decentralisation that characterises the organisation, makes it necessary for it to have a dual system for risk control and supervision. Added to the corporate risk management system is the system belonging to each business unit or listed company, in which each management level is responsible for complying with the standards and the applicable internal procedures. All of this is coordinated by corporate general management.

Their effectiveness is evaluated and verified periodically by the internal auditing departments of the various business units and divisions and by corporate internal auditing, which also contributes to the supervision 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 areas and companies assessed.

To carry out their duties, the business and corporate internal auditing departments must have qualified, expert personnel who are independent of the lines of production.

5. RISK MAP

The purpose of this tool is to visually illustrate the diagnostics of the risk assessment process on a given date. It is determined by the interaction of the probability and the impact of the risks on the various processes, activities or functions of a business unit. At the same time, it also helps review or diagnose the internal control that is in place for mitigating the risks.

The Auditing Committee must review the Group's risk map as often as necessary for properly tracking its risks. Periodic updating of the Risk Map, both at corporate level and in each of the businesses, is carried out by each of the Heads of the different divisions by tracking the indicators measuring exposure to risk.

Due to the diversity of its business activities and its high level of operational decentralisation, The ACS Group has entrusted the heads of each division and subgroup with the responsibility of developing risk control systems that are appropriate for them and the internal regulations necessary for ensuring they are implemented and that they work properly. This implementation is performed in a "cascade" down to the last rung or legal company in the Group.

Corporate general management is in charge of preparing the ACS Group's framework for action in order to homogenise the identification, classification, evaluation, management and tracking of the risks of the different divisions. In addition to this, it is also responsible for managing risks that are referred to as being corporate due to their affecting the Group as a whole.

Once the risks have been identified and their magnitude and probability have been evaluated, as well as the indicators for measuring them, the Risk Map is prepared, in which all the heads of each of the divisions or business units are involved.

When tracking the various indicators or risks, each manager evaluates the situation and proposes the implementation of corrective or preventive measures that may, depending on their importance or field of action, be implemented at their own level of responsibility, or proposing them as actions to the level above them. In this case, the maximum operational decision-making level for implementing such measures is the Management Committee of the ACS Group. After this, the effectiveness of the measurements that have been implemented is examined by tracking the risk indicators.

In general, any risks that are identified as high risk are examined by the Group's Management Committee in its various meetings. In addition to this, both the Executive Committee and the Board of Directors examine the reported information on a monthly or quarterly basis as the case may be, with the different quantitative indicators, in order to assess the situation and the risks faced by the Group.

The risks are classified into two areas:

- ✓ Corporate Risks.- Affecting the Group as a whole and, in particular, the listed Company.
- ✓ Business Risks.- Specifically affecting each of the business areas and varying based on the unique characteristics of each business.

These risks are basically measured qualitatively in order to establish both their importance (in terms of impact) and probability of occurrence. However an objective (quantitative) risk indicator is established where possible:

- ✓ Low level risks may be accepted and no additional plan of action may be necessary.
- ✓ Moderate risks must be analysed carefully in order to determine whether they are acceptable.
- ✓ High level risks will need to be administered and managed properly, and a formal plan of action will need to be prepared.

In the case of Hochtief, A.G., and that of its affiliate CIMIC, since they are listed companies they have implemented their own risk management and internal control systems in accordance with the regulations applicable to them. These groups have, in turn, their own Auditing Committees with functions similar to those of the ACS Group. Therefore, the Risk Map of the ACS Group does not directly evaluate any activities performed by Hochtief or Cimic, insofar as they are already covered by their own risk control systems, to which this map itself refers.

6. STRUCTURE OF THE GROUP'S RISK POLICIES

The structure of the Group's risk policies is summarised in the following documents:

- Risk control and management policy
- Corporate tax policy
- Internal Financial Reporting Control System (SCIIF)
- Risk Map
- Corporate Social Responsibility Policy
- Policy on communications and contacts with shareholders, institutional investors and voting advisers.
- Code of Conduct
- Regulations of the General Code of Conduct Monitoring Committee
- Rules of Conduct in the Stock Exchange
- Treasury share policy
- Human Rights Policy

7. APPROVAL AND DISSEMINATION

The Board of Directors and the heads of the various operational areas or divisions in the Group shall adopt the necessary measures for disseminating, training and complying with this policy in the ACS Group, allocating the necessary resources.

This General Risk Management and Control Policy was approved by the Board of Directors on 29 July 2016, and came into force as of said date.

APPENDIX I

RISK FACTORS AND DEFINITIONS

Potential occurrence: Circumstance or event that may occur. Any potential occurrence that may have consequences that are negative, positive or both.

Risk: Any potential occurrence that may negatively affect successfully achieving the Organisation's strategic objectives.

Opportunity: Any potential event that may positively affect achieving the Organisation's strategic objectives.

Risk Management and Control: Process determined by the Board of Directors and designed to identify any risks that may threaten achieving the Organisation's objectives, setting the acceptable level of risk and the measures for keeping risks within levels that are considered to be acceptable.

Appetite for risk: The risk level that the Board of Directors deems to be acceptable or which may be assumed.

Risk rating scale: The assessment method used for determining the magnitude of identified risks, based on which it is determined whether they may be deemed High, Moderate or Low. The scales shall be based on 2 variables:

- ✓ The probability of the identified risk occurring.
- ✓ The significance of the impact if the risk occurs.

Risk category: The criteria used for categorising risks based on their nature.

Risk map: Visual representation of risks in order of the assessment assigned to them in terms of their likelihood of occurring and the significance of their impact.

Control: Any action and/or device that is implemented in order to prevent or detect a risk, and therefore increase the probability that the established objectives and targets will be achieved. A control may be classified as:

- ✓ *Good:* it provides a high degree of certainty that the established objectives will be achieved.
- ✓ *Sufficient:* it provides a reasonable degree of certainty that the established objectives will be achieved.

✓ *Insufficient*: It does not provide a reasonable degree of certainty that the established objectives will be achieved.

The risk factors to which the Group is subject are, in general, those indicated below, categorised into: corporate risks and business risks.

1) **Corporate risks**: Those which affect the Group as a whole and the listed Company in particular and which can be summarised as:

a) **Strategic risks:** These are risks that may arise due to opting for a certain strategy, that may directly or indirectly influence in a significant way whether the long term objectives of the ACS Group are achieved.

b) **Risk of Compliance with Rules or Regulations**, which include risks derived from Corporate Governance (which includes, *inter alias*, risks deriving from the reliability of the published Financial Information), the Company's disputes, Stock Market regulatory rules, the data protection law, possible changes in national and international financial regulations and civil liability on equity integrity. These risks include tax risks (a Corporate Tax Policy has been approved), and there may be two types of them:

(1) On one hand, the risk that changes may be made to tax legislation that may not have been envisaged at the time when investment decisions were made, where the tax factor represents a relevant aspect, which would affect the objectives being achieved, or affect whether previously generated tax credits are effectively used, which would also affect the tax payment forecasts that are made.

(2) On the other hand there is the fact that since tax law is frequently subject to different interpretations, the tax administrations may make regularisations, although ACS' corporate tax policy stipulates following a prudent tax practise.

c) **Financial Risks**, which are those that include the level of indebtedness, liquidity risk, credit risk, risks resulting from fluctuations in exchange rates, risks from the use of derivative financial instruments, market risks from investments and exposure to risk from variable yields from investments made in listed companies.

d) **Reputation Risks**, which are those risks with a negative impact that may affect the Group's image, such as transparency and its relation with analysts, investors and various interest groups with expectations on how the Company and the Group will perform.

2) **Business risks** are those specifically affecting each of the businesses. These vary according to the characteristics of each activity and are grouped in turn into:

a) **Operational Risks**, which correspond to key business processes, including risks relating to contracting and tendering for works and projects, to planning and control of execution of the various works and projects, to client relations and their credit risks, to product quality, environmental, purchasing and subcontracting risks.

b) **Non-Operational Risks**, which correspond to business support process risks, including risks relating to risk prevention and health and safety at work, with Human Resources, compliance with the specific legislation and tax regulations applicable to the business, the reliability of accounting and financial information and the management of financial resources and indebtedness.

The risk control systems adopt the Group’s decentralised nature, enabling each business unit to exercise its own risk control and evaluation policies under certain basic principles. These basic principles are the following:

- ✓ Definition of the appetite for risk and the maximum risk limits that may be assumed by each business in accordance with the characteristics and expected return of the same, and which are taken into account from the origin of the operations.
- ✓ Establishment of procedures to identify, approve, analyse, control and report the different risks for each business area.
- ✓ Coordination and communication to ensure that the risk policies of each business area are consistent with the Group's overall risk strategy.