

Activity Report of the Audit Committee

TABLE OF CONTENTS

1. REGULATIONS.....	3
2. COMPOSITION.....	3
3. DUTIES.	7
4. COMPLIANCE OF THE DUTIES.	11
4.1. MEETINGS HELD AND ATTENDEES AT THEM. IN PARTICULAR, MEETINGS HELD WITH THE INTERNAL AUDITOR AND WITH THE EXTERNAL AUDITOR.	11
4.2. SIGNIFICANT ACTIVITIES PERFORMED DURING THE 2021 PERIOD.	12
a) In relation to financial and non-financial information and the associated mechanisms of internal controls.....	13
b) In relation to risk management and controls.....	13
c) In relation to the Internal Audit.....	14
d) In relation to the External Auditor.....	14
e) In relation to overseeing compliance with the Company’s environmental, social, and governance policies and rules and its internal codes of conduct.	15
g) [sic] In relation to the monitoring of the action plans of the Committee itself.15	
h) In relation to other functions of the Committee.	16
5. EVALUATION OF THE FUNCTIONING AND PERFORMANCE OF THE AUDIT COMMITTEE.	16
6. OPINION OF THE AUDIT COMMITTEE REGARDING THE INDEPENDENCE OF THE STATUTORY AUDITOR.....	17
7. PRACTICAL GUIDES THAT ARE BEING FOLLOWED AS REGARDS GOOD GOVERNANCE.	17
8. CONCLUSIONS.....	18
9. DATE OF FORMULATION BY THE AUDIT COMMITTEE OF THE REPORT AND DATE OF APPROVAL BY THE BOARD OF DIRECTORS.	18

Activity Report of the Audit Committee

1. REGULATIONS.

The revised text of the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*] establishes in its section 529(l) that publicly traded companies must establish an Audit Committee, with section 529(n) Corporate Enterprises Act regulating their 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, powers and privileges are regulated in Article 21 of the Articles of Association, having been elaborated on, through Articles 24 and 25 of the Board Regulations.

This activity report corresponding to the 2021 period of the ACS Audit Committee has been prepared in accordance with Recommendation 6 of the Code of Good Governance [*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 in advance of the holding of the General Meeting by the Company.

2. COMPOSITION.

In accordance with ACS’ Articles of Association and the Board Regulations, 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 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 components 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.

From 1 January 2021 to 6 April 2021, the Audit Committee consisted of the following members:

Name	Position	Category	Seniority	
			Date of first appointment on the Board	Date of first appointment on the Committee
CARMEN FERNÁNDEZ ROZADO	CHAIR	Independent	28/02/2017	28/02/2017
EMILIO GARCÍA GALLEGO	BOARD MEMBER	Independent	13/11/2014	13/11/2014
CATALINA MIÑARRO BRUGAROLAS	BOARD MEMBER	Independent	28/04/2015	28/04/2015
MARÍA SOLEDAD PÉREZ RODRÍGUEZ	BOARD MEMBER	Proprietary	13/11/2014	13/11/2014
PEDRO JOSÉ LÓPEZ JIMÉNEZ	BOARD MEMBER	Other External	28/06/1989	14/05/2020
JOSÉ LUIS DEL VALLE	NON-MEMBER SECRETARY		28/06/1989	13/02/2003

From 6 April 2021, after appointment of José Eladio Seco Domínguez as a member of the Committee, to replace the director Pedro López Jiménez, and his appointment as Chair of the Committee to replace Carmen Fernández Rozado, the membership of the Committee was as follows:

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

JOSÉ LUIS DEL VALLE	NON-MEMBER SECRETARY		28/06/1989	13/02/2003
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CARMEN FERNÁNDEZ ROZADO (Board member). She holds a Degree in Business and Economic Sciences and in Political and Sociology Sciences from the Universidad Complutense de Madrid, and a PhD in Government Taxation from the above university. She has completed the Senior Management Program (PADE) at the IESE Business School (Universidad de Navarra). Government Tax Inspector and Auditor.

She began her career in 1984 at the Ministry of Finance, where she also held various positions in the State Tax Administration Agency. In 1999, she was appointed as a Board member 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 and a member of the Advisory Board at Beragua Capital Advisory. Since April 2015, she has been an advisor and Board member of the Audit Committee of EDP (Energías de Portugal) in Lisbon and a director at Primafrio. She has taught as a professor at various Spanish and foreign universities and business schools, and she is the author of numerous articles and publications on Taxation, Energy and Sustainability.

EMILIO GARCÍA GALLEGO (Board member). Qualified as a civil engineer (Madrid 1971), he holds a Law Degree (Barcelona 1982) and has taken doctorate studies at the Universidad Politécnica de Catalunya. 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 (1974-1982) and professor in charge of the doctorate course entitled “Consolidation of soft and weak ground” at the Barcelona School of Architecture (1979-1980).

He has been an engineer for the River Policing Authority of the Eastern Pyrenees, engineer for Fomento de Obras y Construcciones, representative in the Catalonia region for the company “Grandes Redes Eléctricas, S.A.”, Head of the Ports Service of the Regional Government of Catalonia, Secretary of the Ports Commission of Catalonia and Co-director of the Plan de Puertos de Catalunya, and the Director-General for Infrastructure and Transportation of the Xunta de Galicia. Director-General of Transport of the Government of Catalonia, Deputy Director of the Sanitation Board and Deputy Director of the Water Board of the Regional Government, Director-General of Public Works of the Regional Government of Galicia and Chair of the Water Board of Galicia, Chair of the Entity Managing Railway Infrastructures, under the mandate of the Ministry

of Development and was in charge of executing the entire High Speed railway infrastructure. Chair of the Port Authority of Galicia (Puertos de Galicia). He currently works as a Civil Engineer.

CATALINA MIÑARRO BRUGAROLAS (Board member). 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.

As State Counsel, a body from which she is currently on leave, she served on the Legal Service of the Spanish Government in the National Court [Division of Supreme Court of Spain] and on the Court of Auditors, in the Directorate General of the Treasury and Finance Policy, as Secretary to the Madrid Regional Financial and Administrative Court, for the Legal Service of the Spanish Government before the Ministry of Health and Consumer Affairs, and for the Legal Service of the Spanish Government before the High Court of Madrid. 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.

MARÍA SOLEDAD PÉREZ RODRÍGUEZ (Board member). She holds a Degree in Chemistry and a Degree in Pharmacy from the Universidad Complutense de Madrid.

She has been a professor in colleges in Madrid and a technical advisor for GEBLASA, SA, a chemical products import and export company, and an associate pharmacist in the Pharmacy Office of Madrid (Oficina de Farmacia de Madrid). She is currently a Board member for, in addition to ACS Actividades de Construcción y Servicios, SA, its subsidiaries ACS Servicios Comunicaciones y Energía, SL and DRAGADOS, S.A.

PEDRO LÓPEZ JIMÉNEZ (Board member) Civil Engineer (graduated in 1965). Partial studies in Journalism and Social Sciences at the Instituto Social León XIII (1960-1962). 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 career: 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); Chair of ENDESA (1978/82); Board member of ATLAS COPCO, SEMI, TECMED, CONTINENTAL AUTO, VIAS Y CONSTRUCCIONES, ENAMSA, TRACTEBEL ESPAÑA, HILATURA DE PORTOLIN; Chair of UNION FENOSA; Vice-President of INDRA; Board member of CEPSA; Board member of LINGOTES ESPECIALES; Chair 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 and Deputy Chair of the Association of European Clubs (E.C.A.). He is currently: Board member, Deputy Chair of the Executive Committee and Member of the Appointments Committee

of ACS Actividades de Construcciones y Servicios S.A.; Deputy Chair of Dragados S.A.; Deputy Chair and Acting Chair of ACS Servicios y Concesiones S.A.; Deputy Chair of ACS Servicios, Comunicaciones y Energía; Chair of the Supervisory Board, of the Human Resources Committee, and of the Appointments Committee of HOCHTIEF; Board member, 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 Chair of the Trust of the Spanish Royal National Library; Deputy Chair of Real Madrid Football Club.

JOSÉ ELADIO SECO DOMÍNGUEZ (Chair). Civil Engineering Degree (Roads, Canals, and Ports) from the ICCP Advanced Studies Institute of Madrid, with a specialization in Transport, Ports, and Urban Planning.

He began his professional career in 1972 at the public engineering company INECO, where he held a variety of positions before being promoted to International Director. In 1988 he joined RENFE, Spain's government railway operator, where he held a variety of positions before being appointed as Chair and CEO of INECO (2000-2002). He was later appointed as Chair and CEO of AENA, the Spanish airports operator, until 2004 when he was appointed as Advisor to the Chair of RENFE.

He has served as a Senior Advisor for OCA, S.A., PROINTEC, COLLOSA, INCOSA, NATIONAL EXPRESS-ALSA, and MENZIES AVIATION, and he has acted as Chair of the Spanish Consortium for the concession and operations of the Rio de Janeiro-São Paulo-Campinas high-speed railway line in Brazil.

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 Article 24 of the Board Regulations, which was amended pursuant to the Board resolution at its meeting held on 16 December 2021 with the objective of adapting its content to Spanish Law 5/2021 of 12 April, amending the consolidated text of the Corporate Enterprises Act.

Article 24 above, in force between 1 January 2021 and 16 December 2021, attributes the following duties 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 report to the Board, in advance, on the financial information that the Company must periodically make public.
- d) To ensure that the Annual Financial Statements that the Board submits to the General Shareholders Meeting are drawn up in accordance with accounting regulations and that, in cases where the auditor has indicated a reservation 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 controls and risk management functions carried out by any unit or department of the Company.

- In relation to the external auditor:

k) To make proposals to the Board as regards the selection, appointment, re-selection or replacement of the external auditor, while undertaking the selection process, and the conditions of the respective contracting, for which purpose it must:

1. define the procedure for selecting 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 re-appointment thereof.

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 jeopardize 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 authorize

the services other than those that are prohibited, under the terms provided for in the applicable regulations, in addition to any other notification provided for under Spanish laws regarding financial auditing and technical auditing standards.

In any event, the Audit Committee will obtain from the external auditor, its annual statement of independence in relation to the company and other entities directly or indirectly related to it, and information on any additional services of any kind provided and the fees received by the external auditor or by any persons or entities related with it, in accordance with the prevailing laws governing financial auditing.

- 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 justified 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 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 through the CNMV, and to ensure that it is accompanied by a statement as regards 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 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 providing services unrelated to auditing, the limits on the concentration of the auditor's business and the terms of the 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 to the Board on all matters where so required by Law, the Corporate By-Laws and the Board Regulations, in particular as regards:

1. the financial conditions, accounting impact and, as the case may be, on such transactions concerning transactions involving structural and corporate changes that the Company plans to carry out.
2. the creation or acquisition of investments in special purpose vehicles registered in countries or territories listed as tax havens; and
3. the transactions with related-parties.

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

Article 25 of the Board Regulations 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. It must also monitor how the Company communicates and relates to small and medium shareholders.
- c) Regular evaluation and review of the adequacy of the Company's system of corporate governance and environmental and social policy to ensure that they fulfil its mission of promoting the social interest and take into account in an appropriate manner the legitimate interests of other stakeholders.
- d) Supervision that the Company's environmental and social practices are in accordance with the defined strategy and policy.
- e) Oversight and evaluation of processes affecting different stakeholder groups.

4. COMPLIANCE OF 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 24 of the Board Regulations, the ACS Audit Committee:

- Will meet as often as it may be convened by its Chair, and it will in any event meet at the beginning and end of the audit of the Company's financial statements and the consolidated financial statements of its Group of Undertakings, and before the issuance

of the pertinent audit reports. The Committee will also meet on the occasion of the preparation of the financial reporting the Company is required to make public.

- 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 2021 to 31 December 2021, the Audit Committee held a total of six (6) meetings, with all the Committee members having attended, by either being present or represented, all of the meetings, either in person or remotely.

The **Corporate General Manager of the Company** attended all the meetings of the Committee held during the 2021 period, at the invitation of the Chair, to inform about matters within the scope of the respective competences.

Likewise, the **Head of Internal Audit of ACS** attended, at the invitation of the Chair, a total of 4 meetings during the 2021 period, specifically those held on 25 February, 13 May, 27 July, and 11 November.

For their part, the **external Auditors**, at the invitation of the Chair, attended all the meetings held in 2021 to report on the performance of their activity, and in particular in relation to the financial information submitted to the Committee. In addition, **independent external advisors** attended the meeting of 16 December to report to the Committee about the Sustainability Master Plan.

The **Head of the Tax Department** also attended, at the invitation of the Chair, the meetings held on 31 March and 16 December, to report on the areas under his purview.

The **Compliance Director** attended the meeting of 27 July at the invitation of the Chair.

Lastly, Luis Cellier, Director of Investor Relations and Sustainability, and Elena Hernández, Head of Sustainability, attended the meeting held on 16 December at the invitation of the Chair.

In any event, the above-mentioned persons attended the meetings in order 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 DURING THE 2021 PERIOD.

The Committee's most significant activities during the 2021 period were focused on 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 the periodic financial information, the Audit Committee reviewed all quarterly financial information before its submission to the Spanish Securities and Exchange Commission (“CNMV”), and that published under "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 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 25 February and 31 March 2021, with the active presence of the external auditors and that of the Corporate General Manager, **examined the individual and consolidated financial statements for 2020** 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 2020, in its meeting of 31 March 2021, the Committee examined the non-financial information included in the 2020 Directors Report.

Also, in regards to the **individual and consolidated financial statements for the first quarter and the first half of 2021**, the Audit Committee in its meetings held on 13 May and 27 July, with the presence of the external auditors and the Corporate General Manager, proceeded to examine the statements and reported favourably. In turn, at the meeting of 11 November, the Audit Committee examined and issued a favourable opinion on the **individual and consolidated financial statements for the first three quarters of 2021**.

b) In relation to risk management and controls.

In order to respond to the need for global and homogeneous risk management, the Company has established a risk management model that 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 that is updated regularly based on the different variables involved and the types of activities in which the Group is involved, assessing them based on the respective impact and the probability of occurrence. In particular, at its meeting held on 25 February the Audit Committee produced a favourable report on the Group’s Risk Map produced with assistance from an external advisor.

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, during the 2021 period, **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, the Audit Committee at its meeting on 31 March **approved the Tax Memorandum for the 2020** 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 2020 Tax Expenses and to the tax situation of the ACS Group.

Likewise, at the meeting held on 16 December 2021, the Director of the Tax Department presented the **Tax Transparency Report for the year 2020** to the Committee.

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 organizational structure as a body reporting hierarchically to the Corporate General Management and functionally to the Audit Committee of ACS' Board.

As a result of its work, the internal audit departments of the Group companies issue a written report that summarizes 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 the Corporate Internal Audit Department.

Annually, 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 prepared during the year, and an update on the main significant aspects and recommendations contained in the various reports.

In the meeting of the Audit Committee held on 25 February 2021, the Corporate Internal Audit Department, within the framework of its functions, submitted the **2020 Internal Audit Activities Report and the Internal Audit Plan for the 2021 period** to the Audit Committee.

Likewise, during the 2021 period the Corporate Internal Audit Department presented at the meetings held on 25 February, 13 May, 27 July, and 11 November to the Audit Committee, a **summary of the reports prepared and the status of the internal audits of the respective business areas**. Likewise, the reports submitted to the Committee have included the conclusions of all the internal audits.

d) In relation to the External Auditor.

In compliance with the functions that have been attributed in relation 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. With the external auditor in attendance, there was reporting on the main characteristics of those financial statements at the meetings of 13 May and 27 July.

Moreover, at the meeting of 16 December, the external auditor **presented the 2021 Audit and Strategy Plan.**

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

Within the framework of the duties assigned to it for the oversight of the compliance with corporate governance rules, the Audit Committee at the 31 March 2021 session reviewed and unanimously agreed to report favourably on the **Annual Corporate Governance Report** for the 2020 period.

Likewise, and within the framework of entry into force of Spanish Law 5/2021, the Audit Committee, at its meeting of 16 December 2021, reported favourably on the proposed amendment of the Board Regulations, for purposes of, among other changes, adding a new article on operations and transactions with connected persons; amending the conflict of interest system and the system on waiving the authorities of the Audit Committee, Appointments Committee, and Remuneration Committee or adapting them to the contents of Law 5/2021; amending the Auditor Independence Policy; and approving the Corporate Governance Policy.

Within the framework of the Audit Committee's function of supervising and monitoring the ACS Group's Compliance, the Committee reported favourably at its meeting of 31 March on the Annual Monitoring Report of the Compliance Committee and at its meeting of 27 July 2021, it agreed to take note of the Compliance Committee's Activity Report for the second quarter of 2021.

On the other hand, the Committee, within the framework of its function of supervising compliance with internal codes and sustainability policy, at its meeting of 27 July 2021 approved the updating of the ACS Group's Code of Conduct. At the proposal of the CISO and in execution of the Cybersecurity Plan, the Committee approved the 2021-2023 Information Security Master Plan and amended the Information Security Policy. In addition, the Committee approved the new Operating Policy for the ACS Internal Reporting Channel (*Canal Ético*), and as a result of this, elimination of the Monitoring Committee for the Code of Conduct and its Regulations, and assignment of its authorities to the Compliance Committee.

In line with the actions described above, the Committee approved amendment of all of the organisation's Policies as regards operation of the Internal Reporting Channel, and amendment of the Criminal Compliance and Anti-Bribery Policy.

At its meeting of 16 December 2021, the Sustainability Master Plan, produced with advising from an independent external advisor, was submitted to the Committee.

Finally, at its meeting of 16 December 2021, the Committee also reported favourably on the Compliance Committee's 2021 budget.

g) [sic] In relation to the monitoring of the action plans of the Committee itself.

Article 9 of the Board Regulations 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 31 March the Chair of the Committee submitted the **Report on the Committee's activities during the 2020 period** for consideration.

h) In relation to other functions of the Committee.

At its meeting of 16 December 2021, the Committee agreed to issue a favourable opinion on the proposed delegation in relation to the second implementation of the flexible dividend authorised by the General Meeting held on 7 May 2021.

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 Article 4 of the Board Regulations, which, in turn, elaborates on section 529(h) of Law 31/2014, of December 3, which amends the 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 prepares this report for the purposes of evaluating its functioning during the 2021 period.

Furthermore, as part of the evaluation of the Board and its Committees, and in line with the provisions in 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 appointments committee”*, as regards the evaluation for the 2020 period, ACS was aided by PwC Tax & Legal Services, whose evaluation report concluded in the 2021 period. In this report, with respect to the Audit Committee, PwC Tax & Legal Services has concluded, among other aspects, that the Audit Committee is highly active, and the general impression is that the conduct of its meetings and operations is adequate, highlighting the work performed by the Chair of the Audit Committee, and from 6 April 2021, by the new Chair of that Committee.

With this in mind, and in relation to its functioning, the Committee continues to highlight, among other aspects, the importance of the submissions made by the Committee's Chairs to the Board in order to fully report on the activity and matters within its remit and, in addition, the importance of providing supplementary training and support for external advisors to its members, in accordance with Articles 24.10 and 11 of the Board Regulations, to allow them to perform their duties better.

The Committee also paid special attention to direct communication with the senior management of the Company. A key role was played by the regular and continuous dialogue between the Committee's Chairs and the main executives of the ACS Group, particularly the head of the Internal Audit Department. In accordance with the recommendations of Technical Guide 3/2017, the Committee paid special attention to questions of risk, in view of the results of the internal audit of the entire ACS Group reported by the head of Internal Audit, as a department integrated into the whole of the ACS Group.

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

In the exercise of its functions, during the 2021 period, **the Audit Committee has ensured the independence of the External Auditor in the performance of its duties**, having established the appropriate relations with it in order to ensure that they have not incurred cases 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 such an occurrence.

Under Article 24 of the Board Regulations. at the meeting of the Audit Committee on 31 March 2021, the external auditor of the Company informed the Audit Committee of its statement of independence.

The Audit Committee has not been aware, either through its internal procedures or through the 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 have received the following remunerations during the 2021 period, both for the auditing services and for other permitted services:

In thousands of euros	
Main auditor KPMG	2021
Audit service fees	7,721
Other verification services	639
Fees for tax services	351
Other services	394
Total	9,105

In view of the above and the information received from the external auditor, the ACS Audit Committee considers that there are no objective reasons to question the independence of the External Auditor.

7. PRACTICAL GUIDES THAT ARE BEING FOLLOWED AS REGARDS GOOD GOVERNANCE.

The Audit Committee, in the exercise of its functions, follows both the **Code of Good Governance** of the Listed Companies approved by the CNMV in February 2015, and the guidelines and recommendations of the **Technical Guide 3/2017, of the CNMV**, on Audit Committees of entities of public interest, published on 27 June 2017, while also addressing the best corporate governance practices.

8. CONCLUSIONS.

The ACS Audit Committee comprises five Board 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 set forth in section 529(m) Corporate Enterprises Act are met.

Two Audit Committee members have been 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 knowledge in the business sector to which the ACS Group belongs, for the Committee to fulfil its functions.

Likewise, the Audit Committee has met as often as necessary in accordance with Article 24 of the Board Regulations and whenever necessary, taking into account its respective powers.

Of the six meetings of the Committee, all were attended by all its members by being present or duly represented, either in person or remotely. The exception is the meeting held on 13 May, at which Emilio García Gallego was represented by the Chair, José Eladio Seco Domínguez.

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 the Technical Guide 3/2017, the Committee considers that it has deliberated and adopted agreements on the main matters under its mandate.

In conclusion, the ACS Audit Committee assesses the activities carried out during the 2021 period as being very positive.

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

The present report of the ACS Audit Committee for the 2021 period was formulated by the Committee on 24 March 2022, having been unanimously approved by the Board of Directors of the Company, at its meeting held on 24 March 2022.