

**ANNUAL REPORT OF CORPORATE GOVERNANCE
FOR LISTED CORPORATIONS**

ISSUER IDENTIFICATION DATA

END DATE OF THE REFERENCED BUSINESS YEAR 31/12/2020

C.I.F. A-28013811

Corporate Name: SACYR, S.A.

Corporate address: Calle Condesa de Venadito, 7, 28027 Madrid

A OWNERSHIP STRUCTURE**A.1 Complete the following chart regarding the capital stock of the company:**

Date of the last modification	Capital stock (€)	Number of shares	Number of voting rights
30/11/2020	604,572,039.00	604,572,039	604,572,039

Observations:

The date recorded in public deed is provided as the closing of the 2020 business year last modification, remaining recorded in the Commercial Registry on December 01, 2020 and published in the CNMV website on December 02, 2020.

State if there are different types of shares with different associated rights:Yes No **X****A.2 Detail the direct and indirect holders of the significant shares, their company at the closing of the business year, excluding the board members**

Name or corporate name of the shareholder	% of voting rights attributed to the shares		% of voting rights through financial instruments		% total of voting rights
	Direct	Indirect	Direct	Indirect	
GRUPO EMPRESARIAL FUERTES, S.L.	0.000%	6.330%	0.000%	0.000%	6.330%
BETA ASOCIADOS, S.L.	5.160%	0.000%	0.000%	0.000%	5.160%
PRILOMI, S.L.	4.700%	0.000%	0.000%	0.000%	4.700%

Observations:

The data contained in the above are the ones resulting on December 31, 2020 from the records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. "Iberclear" according to article 6.2 of the Company By-laws;

Detail of the indirect participation:

Name or corporate name of the indirect holder	Name or corporate name of the direct holder	% of voting rights attributed to the shares	% of voting rights through financial instruments	% total of voting rights
GRUPO EMPRESARIAL FUERTES, S.L.	GRUPO CORPORATIVO FUERTES, S.A.	6.33	0.00	6.33

Observations:

Indicate the most significant movements in the shareholder structure that have taken place during the business year:

Most significant movements:

Name or corporate name of the shareholder	Operation date	Operation description

A.3 Complete the following charts regarding the members of the company board of directors who have voting rights over shares of the company:

Name or corporate name of the director	% of voting rights attributed to the shares		% of voting rights through financial instruments		% total of voting rights	% of voting rights which can be transferred through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MANUEL MANRIQUE CECILIA	0.00%	1.38%	0.00%	0.00%	1.38%	0.00%	0.00%
DEMETRIO CARCELLER ARCE	0.00%	0.13%	0.00%	0.00%	0.13%	0.00%	0.00%
AUGUSTO DELKÁDER TEIG	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FRANCISCO JAVIER ADROHER BIOSCA	0.01%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%
GRUPO CORPORATIVO FUERTES, S.L.	6.33%	0.00%	0.00%	0.00%	6.33%	0.00%	0.00%
GRUPO SATOCÁN DESAROLLOS, S.L.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ISABEL MARTÍN CASTELLÁ	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
JUAN MARÍA AGUIRRE	0.02%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%

GONZALO							
LUIS JAVIER CORTÉS DOMÍNGUEZ	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PRILOU, S.L.	3.58%	4.70%	0.00%	0.00%	8.28%	0.00%	0.00%
JOSÉ JOAQUÍN GÜELL AMPUERO	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MARIA JESÚS DE JAÉN BELTRÁ	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ELENA JIMENEZ DE ANDRADE ASTORQUI	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Total % of voting rights in the power of the Board of Directors: 16.14%

Observations:

The data contained in the above section are the ones resulting on December 31, 2020 from the records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. "Iberclear".

Detail of the indirect participation:

Name or corporate name of the director	Name or corporate name of the direct holder	% of voting rights attributed to the shares	% of voting rights through financial instruments	% total of voting rights	% of voting rights which can be transferred through financial instruments.
MR. MANUEL MANRIQUE CECILIA	CYMOFAG, S.L.	1.38%	0.00%	1.38%	0.00%
MR. DEMETRIO CARCELLER ARCE	INVERSIONES LAS PARRAS DE CASTELLOTE, S.L.	0.13%	0.00%	0.13%	0.00%
MR. DEMETRIO CARCELLER ARCE	RELATED PEOPLE	0.00%	0.00%	0.00%	0.00%
PRILOU, S.L.	PRILOMI, S.L.	4.70%	0.00%	4.70%	0.00%

Observations:

- i) Mr. Manuel Manrique controls 100% of the capital stock of Telbasa Construcciones e Inversiones, S.L. which is the owner of 100% of the capital stock of Cymofag, S.L.
- ii) Mr. Demetrio Carceller Arce controls the company Inversiones las Parras de Castellote, S.L.

- iii) Mr. José Manuel Loureda Mantiñán, natural person representative of Prilou, S.L., owns 49% of the capital stock of Prilou, S.L. which in turn holds 86% of the capital stock of Prilomi, S.L.

A.4 State, when applicable, the family, commercial contractual or company type relation that exists between the holders of significant shares, as they are known to the company, except when they are not really relevant or derive from ordinary commercial operations or traffic, except those reported under section A.6:

Related name or corporate name: Prilou, S.L. y Prilomi, S.L.

Type of relation: Corporate

Brief description: Prilou, S.L holds 86% of the capital stock of Prilomi, S.L.

Related name or corporate name: Prilou, S.L. y Prilomi, S.L.

Type of relation: Family.

Brief description: The joint administrators in both companies are brothers. In Prilou, S.L. the joint administrators are Daniel Loureda López and Jaime Loureda López and in Prilomi, S.L., the joint administrators are Jaime Loureda López and José Manuel Loureda López.

A.5 State, when applicable, the contractual or company type relation that exists between the holders of significant shares, and the company and/or its group, except when they are not really relevant or derive from the ordinary commercial operations or traffic: Prilou, S.L. is Consultant of Sacyr, S.A. There is no relation between Prilou, S.L. and the other companies of the Sacyr Group.

Observations:

José Manuel Loureda Mantiñán, natural person representing Prilou, S.L. Director in the Sacyr, S.A. Board, has a company relationship with the following companies of the Sacyr Group: Sacyr Servicios, S.A (of which he is Chairperson and Director) and Sacyr Construcción (of which he is a Director).

A.6 Describe the relations, except when rarely relevant for both parties, that exist between the significant or represented shareholders in the board and the directors, or their representatives, in the case of corporate administrators.

Explain, when applicable, how the significant shareholders are represented. Namely, point out those shareholders who have been appointed in representation of significant shareholders, those whose appointment has been promoted by significant shareholders, or that are linked to significant shareholders and/or entities in their groups, specifying the nature of said relations and links.

Particularly, when applicable, the existence, identity and position of the board members, or representatives of the board members, listed company, who/which are, at the same time, members of the board of directors, or their representatives, in companies which hold significant participations of the listed company or in group entities of said significant shareholders.

Name or corporate name of the related director or representative	Name or corporate name of the related significant shareholder	Corporate name of the group company of the significant shareholder	Description relation/position
DEMETRIO CARCELLER ARCE	DISA CORPORACIÓN PETROLÍFERA, S.A.	DISA CORPORACIÓN PETROLÍFERA, S.A.	Chairperson of the linked shareholder Board of Directors.
FRANCISCO JAVIER ADROHER BIOSCA	DISA CORPORACIÓN PETROLÍFERA, S.A.	DISA CORPORACIÓN PETROLÍFERA, S.A.	Natural person, representing Bicar, S.A., Director of Disa Corporación Petrolífera.
MR. JOSÉ MANUEL LOUREDA MANTIÑÁN	PRILOU, S.L.	PRILOMI, S.L.	Holder of 49% of Prilou, S.L. capital stock, which, at the same time, holds 86% of the capital stock of Prilomi, S.L. Likewise, the representative is the direct ascendant of the joint administrators of Prilomi, S.L.
MR. TOMAS FUERTES FERNANDEZ	GRUPO CORPORATIVO FUERTES, S.L.	GRUPO CORPORATIVO FUERTES, S.L.	Chief executive Officer.

Observations:

The abovementioned significant shareholders are represented in the Board of Directors by the directors representing substantial shareholders they have proposed.

A.7 State if the shareholders impact that affect the company has been communicated according to what is established under articles 530 and 531 of the Corporate Law. When applicable, briefly describe and list the shareholders linked by the agreement:

Yes No

Participants of the shareholders agreement	% of the affected capital stock	Brief description of the agreement	Agreement maturity date, if applicable
-DISA CORPORACIÓN PETROLÍFERA, S.A. -GRUPO SATOCÁN, S.A. -GRUPO SATOCÁN DESARROLLOS, S.L.	15.89	The relation among the parties as Company shareholders are articulated based on the incorporation of a Shareholders Union which purpose is to regulate the exercise of voting rights in the Shareholders Meeting and, when applicable, attempt for Grupo Satocan, S.A., to hold a representative in the Board of Directors.	21/02/2031

		<p>The rights of the syndicated votes are 23,315,883, of which Disa Corporación Petrolífera, S.A. contributes 11,657,942, Grupo Satocan, S.A., 10,624,466 and Grupo Satocan Desarrollos, S.L. 1,033,475, not including the rest of their voting rights in the syndication agreement. However, each of the parties has signed a unilateral communication to the CNMV committing that all syndicated shares vote in the same direction than their syndicated shares.</p> <p>Data contained in this section, are those resulting from the information communicated to the CNMV. Registry dates and numbers: 23/02/2011: 138707; 15/03/2011: 140223 and 03/16/2011: 140260.</p>	
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Observations:

State if the company is aware of the existence of agreed actions among their shareholders. Briefly describe them, if applicable:

Yes X No

Coordinated action participants	% of the affected capital stock	Brief description of the agreement	Agreement maturity date, if applicable
-DISA CORPORACIÓN PETROLÍFERA, S.A. -GRUPO SATOCÁN, S.A. -GRUPO SATOCÁN DESARROLLOS, S.L.	15.89	<p>The relation among the parties as Company shareholders are articulated based on the incorporation of a Shareholders Union which purpose is to regulate the exercise of voting rights in the Shareholders Meeting and, when applicable, attempt for Grupo Satocan, S.A., to hold a representative in the Board of Directors.</p> <p>The rights of the syndicated votes are 23,315,883, of which Disa Corporación Petrolífera, S.A. contributes 11,657,942, Grupo Satocan, S.A., 10,624,466 and Grupo Satocan Desarrollos, S.L. 1,033,475, not including the rest of their voting rights in the syndication agreement. However, each of the parties has signed a unilateral communication to the CNMV committing that all syndicated shares vote in the same direction than their syndicated shares.</p>	21/02/2031

Observations:

We considered as submitted what is detailed in the previous section regarding shareholders agreements.

Point out the cases during the business year in which some modification or default of said agreements or coordinated actions has taken place:

A modification of the abovementioned shareholders agreement has been communicated to the company during the 2020 business year, subscribed by the participating parties through an Addendum dated October 30, 2020, according to which (i) Grupo Satocán Desarrollos, S.L. does not subscribe it since at the time it was not a holder of Sacyr, S.A. shares, (ii) the duration of the agreement is extended for another ten years, due to which it will end on February 21, 2031, (iii) provision 2.2. of the agreement, related to “majority voting” is modified and, (iv) provision 4 of the agreement referred to “the appointment of Board of Directors members of Sacyr, S.A.” is modified.

A.8 State if there is an individual or company that exercises or can exercise control over the company pursuant to article 5 of the Stock Market Law. When applicable, identify it:

Yes **No X**

Name or corporate name:

Observations:

A.9 Complete the following charts regarding the capital stock of the company:

On the business year closing date:

Number of direct shares	Number of indirect shares (*)	total % of the capital stock
17,030,774	0	2.82%

Observations:

(*) Through:

Name or corporate name of the shares direct holder	Number of direct shares
Total:	

Observations:

Explain the significant variations that took place during the business year:

Dated 04/12/2020

Total of direct acquired shares: 4,091,924

% over the capital stock: 0.677%

Total transferred direct shares: 4,255,161

% over the capital stock: 0.704%

Dated 03/11/2020

Total of direct acquired shares: 5,987,497

% over the capital stock: 1.008%

Total transferred direct shares: 5,750,735

% over the capital stock: 0.968%

Dated 15/09/2020

Total of direct acquired shares: 5,994,606

% over the capital stock: 1.009%

Total transferred direct shares: 5,923,219

% over the capital stock: 0.997%

Dated 17/07/2020

Total of direct acquired shares: 6,062,726

% over the capital stock: 1.021%

Total transferred direct shares: 6,439,953

% over the capital stock: 1.084%

Dated 19/05/2020

Total of direct acquired shares: 5,941,355

% over the capital stock: 1.000%

Total transferred direct shares: 6,008,281

% over the capital stock: 1.012%

Dated 27/03/2020

Total of direct acquired shares: 6,020,676

% over the capital stock: 1.014%

Total transferred direct shares: 5,191,229

% over the capital stock: 0.874%

Dated 17/02/2020

Total of direct acquired shares: 2,688,837

% over the capital stock: 0.453%

Total transferred direct shares: 2,969,652

% over the capital stock: 0.500%

Dated 14/01/2020

Total of direct acquired shares: 5,828,440

% over the capital stock: 1.001%

Total transferred direct shares: 6,093,379
% over the capital stock: 1.047%

A.10 Detail of the condition and period of the term in effect of the shareholders meeting to the board of directors to issue, repurchase or transfer treasury stock.

The Company Shareholders General Meeting, held on June 7, 2018, agreed to authorize the Board of Directors for the derivative acquisition of treasury stock by Sacyr, S.A. or companies of its group. The text of the adopted agreement verbatim is the following:

“Authorize the derivative acquisition of Sacyr, S.A. shares (the “Company”) by the company itself, to companies of its group, pursuant to what is established in articles 146 and related ones of the Capital Company Act, complying with the requirements and limitations established in the applicable law at each time and under the following conditions:

- Acquisition methods: acquisitions can be performed directly by the Company or indirectly through companies of its group, and these need to be formalized by sale and purchase, swap or any other legal business under the Law.*
- Maximum number of shares to acquire: the face value of the shares to be acquired, adding, when applicable, those that are already owned, directly or indirectly, will not exceed the maximum legal percentage allowed at any time.*
- Maximum and minimum exchange: the price of acquisition per share will be at least the face value and as maximum the listed value in the Stock Market on the acquisition date.*
- Duration of the authorization: This authorization is granted for a period of five years.*

Likewise, and for the purposes of what is established under the second paragraph of section a), article 146.1 of the Corporate Act, it is specifically mentioned that express authorization is granted for the acquisition of Company shares by any of its subsidiaries, under the abovementioned terms.

The authorization also includes the acquisition of shares that, when applicable, will be delivered directly to the Company workers and administrators of its group, or as a consequence of the exercise of the right of first option of those who are holders or for the liquidation and payment of the incentive plans based on the delivery of shares.

This authorization renders without effect the one granted by the General Meeting held on June 12, 2014, for the unused amount.”

A.11 Estimated floating capital:

	%
Estimated Floating capital	67.58%

Observations:

A.12 State if there is any restriction (statutory, legislative or of any type) regarding the transfer of values and/or any restriction to voting rights. In particular, the existence of any type of restrictions which can impair taking control of a company through the acquisition of its shares in the market will be communicated, as well as those systems of advanced authorization or communication that are applicable pursuant to sector regulations over the acquisition or transfer of company financial instruments.

Yes X No

Description of the restrictions:

- Pursuant to article 33, sections 3, 4 and 5, of the By-laws “*a shareholder cannot exercise his/her voting rights in the Shareholders General Meeting, by him/herself or through a representative, when attempting to adopt an agreement which purpose is the following: a) Release him/her of an obligation, b) Provide any type of financial assistance, including the rendering of guarantees in his/her favor or c) Release him/her, in case of a Director, of the obligation derived from the duty of loyalty agreed in accordance to the legal provisions. What is stipulated in the previous section will also be applicable when the agreements affect, when dealing with a natural person shareholder, or the controlled entities or companies by the abovementioned and in the case of shareholding companies, the entities or companies belonging to its group, even when the later companies or entities are not shareholders. If a shareholder who has incurred in any of the previously stipulated voting prohibitions was to attend the Meeting, his/her shares will be reduced from the attendants with the purpose of establishing the number of shares over which the necessary majority will be calculated for the adoption of the corresponding agreements.*”
- Article 27.1 of the By-laws stipulates that “*...in cases in which the administrators or another individual, representing or on behalf of any of them, have formulated a public request for representation, the administrator who obtains said representation, in addition to any other duties of information to the represented party and abstention imposed by the applicable regulation, will not be able to exercise the voting right corresponding to the represented shares for those items of the agenda in which there is a conflict of interest, except when having received from the represented party specific voting instructions for each of the items according to the terms that have been*

legally established. In any case, it will be understood that the administrator is in conflict of interest regarding decisions related to (i) his/her appointment, reelection, ratification, destitution, separation or dismissal as administrator, (ii) the exercise of company liability actions against him/her and (iii) the approval or ratification of the Company transactions with the administrator in question, companies controlled by him/her or those he/she represents or people who act on his/her behalf.”

- According to article 23.4.d) of the Meeting Regulation, *“in cases of conflict of interest established by article 190 of the Corporate Act, the affected partner will not be able to exercise the right to vote that corresponds to his/her shares, which will be deducted from the capital stock for the calculation of the majority of the votes necessary in each case. For the adoption of those agreements related to items not included in the agenda, the shares of those shareholders who have participated in the General Meeting through remote means of voting, will not be considered as attending or represented shares, except when they have delegated their representation or granted specific voting instructions, for said items according to the general regulations. For the adoption of any of the agreements mentioned pursuant to article 526 of the Corporate Act, those shares in regard to which no right to vote can be exercised due to the application of what is established in said precept, will not be considered as represented, nor attention, except when an alternate sub-delegation or delegation has been scheduled over an individual who can exercise the right to vote.*

A.13 State if the general meeting has agreed to adopt neutralization measures regarding a takeover bid pursuant to the provisions of Act 6/2007.

Yes **No X**

When applicable, explain the measures approved and the terms in which the inefficiency of the restrictions will take place:

A.14 State if the company has issued securities that are negotiated in the European Union regulated market.

Yes **No X**

When applicable, list the different types of shares and, for each type of shares, the rights and obligations its grants:

B. GENERAL MEETING

B.1 State and when applicable detail if there are differences with the minimum quorum regime under the Capital Company Act pursuant the incorporation quorum of the general meeting:

Yes **No X**

	% of quorum different that the one established under art. 193 LSC for general cases	% of quorum different that the one established under art. 193 LSC for especial cases under art. 194 LSC
Quorum demanded under 1 st notice of meeting		
Quorum demanded under 2 nd notice of meeting		

Description of the differences:

B.2 State and when applicable detail if there are differences with the quorum regime under the Capital Company Act for the adoption of corporate agreements:

Yes **No X**

Describe what the differences are regarding the system established under the LSC

	Reinforced majority different than the one established under article 201.2 LSC for the cases of 194.1 LSC	Other cases of reinforced majority
% established by the entity for the adoption of agreements		

Description of the differences:

B.3 State the applicable regulations to the modification of the company by-laws. Particularly, information will be provided for the majority necessary for the modification of the by-laws, as well as, when applicable, the regulations scheduled for the supervision of the partners rights in the modification of by-laws.

- The By-laws do not establish anything different from what is legally stipulated. Article 19.2 e) of the By-laws and 3.5 of the Meeting Regulation, pursuant to article 285.1 of the Corporate Act, establishes that: *“The General Meeting has the*

responsibility of deciding upon all matters that have been attributed to it by the law or the by-laws. In particular and for informational purposes, it is responsible for: (...) e) The modification of the By-laws".

- Regarding the scheduled majorities for the modification of the By-laws, pursuant to article 194 of Corporate Law, *"if the Shareholders General Meeting is summoned to deliberate over any by-laws modification, including the increase and reduction of capital, as well as the issuing of securities, the suppression or limitation of the preferential subscription right for new shares, the transformation, merger, split, general assignment of assets and liabilities and the transfer of the Corporate office abroad, it will be necessary, under first notice of meeting, the attendance of the shareholders who, attending or represented, own at least fifty per cent of the subscribed capital with voting rights. Under second notice, an attendance of twenty five percent will be sufficient".*
- On the other hand, article 35 of the By-laws establishes that *"Each share with voting rights, attending or represented in the Shareholders Meeting, will entitle to one vote. It will be necessary to have the favorable vote of more than half of the attending or represented shares with voting rights of the Shareholders for the approval of the agreement. Cases in which the applicable regulation of these By-laws establish a superior majority are exempted".*
- The regulations scheduled for the protection of the partner rights in matters of by-laws modification, rule what is scheduled under article 291 of the Corporate Law, which establishes the following: *"The modification of the By-laws which implies responsibilities for the partners must be adopted with the consent of the affected parties."* In order for a by-laws modification which directly or indirectly affects the rights of a class of shares to be valid, it will be necessary for it to have been agreed upon by the General Meeting, with the requirements established under the Corporate Law and also by the majority of the shares belonging to the affected class. When the modification only affects a part of the shares belonging therein and, when applicable, single class and represent a discriminatory treatment among them, it will be considered, pursuant to article 293 of the Corporate Law, which the affected and non affected shares by the modification constitute independent classes of shares, making it therefore necessary to obtain a separate agreement for each of them. It will be considered that any modification that, in the substantial plain, has an economic or political impact, which is clearly asymmetrical among the different shares or the holders conveys a discriminatory treatment.
- Any by-laws modification requires the preparation by the Board of Directors of a report supporting the specific modification, according to what is stipulated under article 286 of the Corporate Law, for making it available to the shareholders at the time of the Meeting, allowing the shareholders to have detailed and sufficient

information regarding the intended modification, all of the above before the voting takes place. This report is mandatory and a key element of all by-laws modification proposal. Not preparing this report represents an irremediable default which leads to the invalidity of the adopted agreement and the subsequent refusal of the by-laws modification recording in the Commercial Registry.

- The advanced information regarding the matters to be discussed in the Meeting in favor of shareholders is a guarantee of the rights of partners in matters of by-law modification. The right of shareholders to obtain specific documentary information, with the purpose of being used as data to be prepared for the General Meeting, as well as the necessary delivery of said data to those who request it, are a part of this right. Article 32 of the By-laws together with article 197 of the Corporate Act, establish that “1. *From the same day as the publication of the notice of meeting for the General Meeting and up to the fifth day before, included, to the one scheduled to its celebration, shareholders may, regarding the matters included in the Agenda, request the information and clarifications that they consider necessary in writing, or formulate, also in writing, the questions they consider adequate. During the celebration of the General Meeting, shareholders may verbally request the information or clarifications that are considered convenient regarding the matters included in the agenda. 2. Likewise, shareholders can request information from administrators in writing up to the fifth day before the holding of the General Meeting is scheduled, included, or verbally during the meeting, as well as information, clarification or formulate questions or clarifications, or formulate questions in writing, regarding the information accessible to the public that has been facilitated by the Company to the Comisión Nacional del Mercado de Valores since the celebration of the last General Meeting and regarding the auditor’s report. 3. Administrators will have the obligation to facilitate the requested information according to the two previous sections in the time and manner stipulated in the applicable regulations, except when said information is unnecessary for the safekeeping of the partner rights, or there are objective reasons to consider that it could be used for purposes outside of the company or its advertisement damages the Company or affiliated companies. However, the requested information cannot be denied when the request is supported by shareholders representing, at least, twenty five percent of the capital stock. When, before the formulation of any specific question, the requested information will be available in a clear, specific and direct manner for all shareholders in the Company website, under the format question-answer, the administrators will be able to limit their reply to referencing the information provided in said format. “*
- Article 5 of the Meeting Regulation states that; “1. *The General Meeting notice of meeting, for ordinary as well as extraordinary meetings, will be performed in a manner that guarantees a quick and non discriminatory access to the information*

among all shareholders. For said purpose, communications means that guarantee an efficient and public broadcast will be performed, as well as free access to said meeting by the shareholders of the entire European Union. (...) 5. According to what is established under the applicable regulation, a Shareholder Electronic Forum will be enabled on the Company website due to the notice of meeting of the General Meeting. The purpose of the Shareholders Electronic Forum will be according to its legal purpose and the guarantees and regulations established by the Company, being able to access said forum those shareholders and groups of shareholders that are duly legitimated to do so. The Board of Directors can develop the abovementioned regulations, establishing the procedure, periods and other conditions for the operation of the Shareholders Electronic Forum.”

- Sacyr has a "Communication and contact policy with shareholders, institutional investors and voting advisors" with the purpose of defining and establishing the principles and criteria that rules the communication and contact actions with all of them. These principles are: a) Transparency, veracity, immediacy, equality and symmetry of the information broadcasting; b) Equal treatment in the recognition and exercise of the rights of all shareholders that are in the same position; c) Protection of the legitimate rights and interests of all shareholders and, d) Use and establishment of communication channels and tools which promote and efficient communication between the Company and its shareholders, institutional investors and markets. In this regard the company has the following: (i) A corporate website (www.sacyr.com), as main communication channel, where extensive institutional, economic and financial information is offered, as well as matters regarding the Company corporate governance addressed to shareholders and investors and, (ii) A specific Management for Relations with Investors, depending from the General Financial Management, which purpose is to be used as an open channel of communication, permanent and transparent with shareholders, institutional investors and other interested parties. For this purposes, it has a free telephone number and two E-mail addresses, through which the above mentioned can formulate the corresponding queries or suggestions.
- Lastly, the provisions of article 33.2.b) of the Company By-laws, "(...) are also a right of the partners *Each of the matters of the agenda will be subject to an individual vote. In any case, even when in the same matter of the agenda, the following must be voted for separately: b) in the modification of the by-laws, each article or group of articles which have their own autonomy*".

B.4 Indicate the data of the attendance in the General Meetings held during the business year regarding this report and those of the two prior business years:

Shareholders meeting date	Attendance data				Total
	% of physical presence	% in representation	% remote vote		
			Electronic vote	Others	
07/06/2018	33.78%	25.24%	0.01%	0.06%	59.09%
Of the Floating capital: (2018)	1.59%	25.23%	0.01%	0.06%	26.89%
13/06/2019	26.10%	31.02%	0.00%	0.78%	57.90%
Of the Floating capital: (2019)	0.33%	19.83%	0.00%	0.78%	20.94%
11/06/2020	4.20%	39.82%	0.01%	6.71%	50.74%
Of the Floating capital: (2020)	0.00%	15.29%	0.01%	0.39%	15.69%

Observations:

The detail of the remote voting in each of the meetings was:

- In 2020, 66,787 shares voted electronically; 58,151 delegated their vote electronically and 39,863,492 shares by postal mail.
- In 2019, 12,822 shares voted electronically; 74,043 delegated their vote electronically and 4,443,127 shares by postal mail.
- In 2018, 12,939 shares voted electronically; 26,153 delegated their vote electronically and 336,551 shares by postal mail.

B.5 State if during the general meetings held during the business year, there has been any items of the agenda what, due to any reason, has not been approved by shareholders:

Yes No **X**

Items of the agenda which have not been approved	% votes against (*)

(*) If the not approval of the item is due to causes different than votes against, it will be explained under the text section and in column “% of votes against” a “n/a” will be written.

B.6 State if there are any by-laws restrictions that establishes a minimum number of shares necessary to attend the general meeting or to vote remotely:

Yes **X** No

Number of shares necessary to attend the general meeting	151
Number of shares necessary to vote remotely	151

Observations:

Pursuant to article 25.1 of the By-laws and 9 of the Meeting Regulation, "to attend the General Meeting it will be necessary for the shareholder (i) to be holder of, at least, a number of shares which joint face value exceeds one hundred and fifty Euros (€150) (...). *When the shareholder exercises his/her voting rights using postal or electronic correspondence or any other means of remote communication, this condition must also be complied with at the moment of its issuing.*"

B.7 State if it has been established that certain decisions, different from those established by the Law, which represent an acquisition, alienation, contribution to another company of essential assets or other similar corporate operations, must be subject to the approval of the shareholders general meeting:

Yes No

Explanation of the decisions that must be presented to the Meeting, different than those established under the Law

Pursuant to article 19.2.j) of the By-laws and 3.10 of the Shareholders General Meeting Regulation, the Meeting has the competence of deciding regarding the matters have been attributed legal and statutorily, among others, "The transfer to dependent entities of essential activities developed up to that point by the company itself, although the former holds complete control over them."

However, articles 19.2.h) of the By-laws and 3.8 of the Meeting Regulation establishes that the General meeting is also responsible for agreeing upon the "acquisition, alienation or contribution to another company of key assets." Pursuant to article 160 f) of the Corporate Law "the essential character of the assets is presumed when the operation amount exceeds twenty five percent of the assets reflected in the last approved balance."

B.8 State the address and method of access on the company web site to the information about corporate governance and other information regarding the general meetings that is to be placed at the disposition of the shareholders on the Company website:

You can find the information required by the Capital Company Act and other applicable regulations on the corporate website of the Group (www.sacyr.com).

The information regarding corporate governance and other information about the general meeting can be find on the following address:

http://www.sacyr.com/es_es/canales/canal-accionistas-e-inversores/gobierno-corporativo/default.aspx

Likewise, the section “General Meeting” gathers the requirements and procedures to accredit the ownership of the shares, rights of attendance to the Shareholders General Meeting and exercise or delegation of the right to vote, as well as the notice of meeting of the Meeting and additional information related therein.

C STRUCTURE OF THE COMPANY ADMINISTRATION

C.1. Board of Directors.

C.1.1 Minimum and maximum number of board members scheduled in the articles of association and established by the general meeting:

Maximum number of board members	19
Minimum number of board members	9
Number of board members established by the Meeting	13

Observations:

C.1.2 Fill in the following chart with the board members:

Name or corporate name of the director	Representative	Category of the board member	Position on the board	Date of the first appointment	Date of the last appointment	Election procedure	Maturity date
MANUEL MANRIQUE CECILIA		EXECUTIVE	CHAIRPERSON AND MANAGING DIRECTOR	10/11/2004	13/06/2019	SHAREHOLDERS GENERAL MEETING AGREEMENT	01/01/1954
DEMETRIO CARCELLER ARCE		DIRECTOR REPRESENTING CONTROLLING SHAREHOLDERS	FIRST DEPUTY CHAIRPERSON	29/01/2003	07/06/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT	31/03/1962
AUGUSTO DELKÁDER TEIG		INDEPENDENT	DIRECTOR/BOARD MEMBER	27/06/2013	07/06/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT	31/01/1950
JUAN MARÍA AGUIRRE GONZALO		INDEPENDENT	INDEPENDENT COORDINATING DIRECTOR	27/06/2013	07/06/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT	05/12/1962
FRANCISCO JAVIER ADROHER BIOSCA		DIRECTOR REPRESENTING CONTROLLING SHAREHOLDERS	DIRECTOR/BOARD MEMBER	19/05/2011	11/06/2020	SHAREHOLDERS GENERAL MEETING AGREEMENT	03/12/1963

GRUPO CORPORATIVO FUERTES, S.L.	Tomás Fuertes Fernández	DIRECTOR REPRESENTING CONTROLLING SHAREHOLDERS	DIRECTOR/BOARD MEMBER	19/05/2011	11/06/2020	SHAREHOLDERS GENERAL MEETING AGREEMENT	29/06/1940
GRUPO SATOCÁN DESARROLLOS, S.L.	Juan Miguel Sanjuán Jover	DIRECTOR REPRESENTING CONTROLLING SHAREHOLDERS	DIRECTOR/BOARD MEMBER	27/06/2013	07/06/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT	12/09/1945
ISABEL MARTÍN CASTELLÁ		INDEPENDENT	DIRECTOR/BOARD MEMBER	11/06/2015	13/06/2019	SHAREHOLDERS GENERAL MEETING AGREEMENT	15/03/1947
LUIS JAVIER CORTÉS DOMÍNGUEZ		MISCELLANEOUS EXTERNAL	DIRECTOR/BOARD MEMBER	06/11/2019	11/06/2020	SHAREHOLDERS GENERAL MEETING AGREEMENT	15/09/1955
PRILOU, S.L.	José Manuel Loureda Mantiñán.	DIRECTOR REPRESENTING CONTROLLING SHAREHOLDERS	DIRECTOR/BOARD MEMBER	15/12/2004	13/06/2019	SHAREHOLDERS GENERAL MEETING AGREEMENT	20/06/1939
MARÍA JESÚS DE JAÉN BELTRÁ		INDEPENDENT	DIRECTOR/BOARD MEMBER	07/06/2018	07/06/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT	24/06/1966
JOSÉ JOAQUÍN GÜELL AMPUERO		INDEPENDENT	DIRECTOR/BOARD MEMBER	07/06/2018	07/06/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT	15/05/1968
ELENA JIMÉNEZ DE ANDRADE ASTORQUI		INDEPENDENT	DIRECTOR/BOARD MEMBER	9/05/2019	13/06/2019	SHAREHOLDERS GENERAL MEETING AGREEMENT	25/08/1968
Total number of directors							13

Observations:

For information purposes regarding the election procedure, the Shareholders General Meeting of June 11, 2020 performed the reelection of the directors representing controlling interests Francisco Javier Adroher Biosca and Grupo Corporativo Fuertes, S.L., represented by Tomás Fuertes Fernández. Likewise, it ratified the appointment performed by co-opting dated November 6, 2019 and reelected and appointed Luis Javier Cortés Domínguez as other external directors.

State the terminations, either by resignation or agreement of the general meeting, have taken place in the board of directors during the period subject to information:

Name or corporate name of the director	Category of the director at the time of termination	Date of the last appointment	Termination date	Specialized committees of which he/she was a member of	State if the termination took place before the end of the term

Reason for termination, when it has taken place before the end of the term and other observations: information regarding if the director has sent a letter to the remaining members of the board and, when dealing with termination of non executive directors, an explanation or opinion of the director which has been terminated by the General Meeting.

Not applicable.

C.1.3 Complete the following charts regarding the members of the board of directors and their categories:

EXECUTIVE DIRECTOR

Name or corporate name of the director	Position in the company flowchart	Profile
MANUEL MANRIQUE CECILIA	CHAIRPERSON - CHIEF EXECUTIVE OFFICER	Civil Engineer by the Technical Engineering School of Madrid. At the end of his career he enrolled in Ferrovial. He is a part of the founding core of Sacyr. He starts in Sacyr as delegate in Andalusia and subsequently occupied the position of regional manager of the company in said community. In 1998, he is appointed as external construction manager of Sacyr and in the year 2000 was appointed as general construction manager of the Sacyr Group. In 2003, and coinciding with the merger with Vallehermoso and the creation of the Sacyr Vallehermoso group, is appointed as chairperson and managing director of the holding constructor department. On November 2004 he is appointed chief executive officer of the Sacyr Vallehermoso Group and in October 2011 he is appointed chairperson of the Sacyr Vallehermoso Group (currently Sacyr). In April 25, 2013 he was appointed as advisor and second deputy chairperson of Repsol. On June 13, 2019, the Chairperson and Managing Director of Sacyr, S.A. is reelected.

Total number of executive directors	1
% over the board total	7.69

Observations:

The profile of the executive director is complemented with what is detailed under section C.10 and C.11 of this report.

**EXTERNAL DIRECTORS REPRESENTING SUBSTANTIAL
SHAREHOLDERS**

Name or corporate name of the director	Name or name of the significant shareholder who he/she represents or who has proposed his/her appointment	Profile
DEMETRIO CARCELLER ARCE	DISA CORPORACIÓN PETROLÍFERA, S.A.	Graduate in Business Administration by Universidad Complutense de Madrid and MBA in the finances specialization. Master in Business management/finances (Fuqua School of Business, Duke University Durham, North Carolina). Is the first Deputy Chairperson of the Sacyr, S.A. Board of Directors. Member of the Board of Directors of Ebro Foods, S.A. and Disa Corporación Petrolífera, among others.
FRANCISCO JAVIER ADROHER BIOSCA.	DISA CORPORACIÓN PETROLÍFERA, S.A.	Graduate in Business Administration and Management (Branch Company Business-Economy) at C.U.N.E.F. (University of Financial Studies) by Universidad Complutense de Madrid; Executive M.B.A. in I.E.S.E. (International Graduate School of Business Management) Madrid. Has taken advanced financial counseling, technical analysis and assessment of companies courses at Instituto de Estudios Bursátiles (I.E.B). Is a member of the Rincasa, SICAV Board of Directors in representation of Bicar, S.A.
PRILOU, S.L.	PRILOU, S.L.	Regarding the natural person who is the representative, José Manuel Loureda Mantiñán, is a Civil Engineer, year of 1964. In 1965 he starts his professional career in Ferrovial until 1986, developing positions from Site Manager to Construction Manager, actively participating in all civil works that Ferrovial constructed during said period. Founder of Sacyr, where he was managing director until the year and chairperson until 2003. From 2003 to 2004 and after the merger of Sacyr with Vallehermoso, he was chairperson of the Sacyr Vallehermoso Group until November 2004. Is Chairperson of the Sacyr Servicios, S.A. Board of Directors and director of the Sacyr

		Construcción, S.A. And Repsol Board of Directors.
GRUPO SATOCAN DESARROLLOS, S.L.	GRUPO SATOCAN, S.A.	In relation to the representing natural person, Juan Miguel Sanjuán Jover he is a Civil Engineer through the Escuela Técnica Superior de Madrid and licensed in Economic Sciences by the UNED. He belongs, among others, to the administration entities of Grupo Satocan, S.A., Grupo Satocan Desarrollos S.L. and Grupo Satocan Invest, S.L.
GRUPO CORPORATIVO FUERTES, S.L.	GRUPO EMPRESARIAL FUERTES, S.L.	In relation to the representing natural person, Tomás Fuertes Fernández, is Licensed in Business Senior Management by the University of Murcia and by the Murcia Chamber of Commerce and in Marketing Management. He has an Honorary Doctorate by the Schools of Economy and Business and Veterinary of the University of Murcia. The Department of Agriculture, Fishing and Food granted the Number commendation to the food merit in the year 2006 due to his important role in the development and modernization of the Spanish food sector Best Business career in the year 2003 by the publication in Actualidad Económica. Selected as Entrepreneur of the year 2004 by Ernst and Young, IESE and the ABC newspaper. In 2008 the publication Dirigentes granted him an award due to his Business Career. Leader of the year in the Food Sector by Club Dirigentes of the Industry and Distribution 2008. Best Business trajectory 2009 by the economic magazine Capital. In 2010 Club Financiero Génova appoints him as best Entrepreneur of the year and the Federación de Asociaciones de Radios y Televisiones de España grants the Antena de Oro 2010 considering him the best entrepreneur. Second entrepreneur in receiving this recognition in the history of the awards. In 2011 he is bestowed the Gold Medal for Work Merit. In 2013 he is recognized with the Gold Medal of the Region of Murcia. The Ministry of Economy and Competition grants the Medal of Merit in Trade for 2013. In 2014, he is appointed Gold Medal of the CROEM (Confederación Regional de Empresarios de la Región de Murcia), COFIDES prize (Compañía Española de Financiación al Desarrollo) for his promotion towards internationalization in 2015. He is a member of the executive bodies of the following institutions: Member of the Executive Committee of the Cámara de Comercio de España; Member of the Executive Committee of the Confederación de Empresarios de la Región de Murcia (Murcia Region Entrepreneurs Confederation), CROEM; Chairperson of Asociación para el Progreso de la Dirección en la Región de Murcia, APD and Honorary Chairperson of the Asociación Murciana de la Empresa Familiar (Amefmur).

Total number of directors representing substantial shareholders	5
% over the board total	38.46

Observations:

The profile of José Manuel Loureda Mantiñán, as natural person representing Prilou, S.L., is complemented with what is detailed under section C.10 and C.11 of this report.

EXTERNAL INDEPENDENT DIRECTORS

Name or corporate name of the director	Profile
JUAN MARÍA AGUIRRE GONZALO	Graduate in Economic and Business Sciences by ICADE and Master in Financial Management by Instituto de Empresa. Currently a member of the Audit Committee and Appointments Committee of Merlin Properties Socimi, S.A.
AUGUSTO DELKADER TEIG	He Studied Law and Business Management. Fellow of the first Spanish graduates of German Marshall Found. His activity was mainly developed in the management of communication companies, leaders in the Spanish speaking markets. Currently Chairperson of Cadena Ser and is a member of the El País, Prisa-Noticias and Prisa-Radio Board of Directors.
ISABEL MARTÍN CASTELLA	Graduate of Economic and Business Sciences by Universidad Complutense. In 1977 she enrolls by public examination in the Senior Government Technicians and Economists of the State. She is currently the coordinating director, chairperson of the Risk Committee and member of the Audit Committee of Unicaja Banco, S.A.
MARÍA JESÚS DE JAÉN BELTRÁ	Graduate of Economic Sciences by Universidad de Alicante and MBA by Houston University (USA), has developed most of her professional trajectory in the international risk banking sector (Banco Santander, Bankia). In the last years she has directed her career to counseling in green economy sustainable financing projects as Risk Management Consultant in the Green Climate Fund and as independent consultant in climate change mitigating projects.
JOSÉ JOAQUÍN GÜELL AMPUERO	Graduate of Economic Sciences by Harvard (USA) and by Sciences Po (Paris, France), he is a Senior Member of the Industrial Advisory Board of Industrial Investment and has extensive experience in investment banking (in Lazard as Managing Director, Santander Investment and Merrill Lynch) and business management (as CFO and General Manager of the Recoletos Group). He has participated in domestic and international mergers and acquisition for more than 20 years and has an extensive trajectory in financial and capital markets.
ELENA JIMENEZ DE ANDRADE ASTORQUI	Law graduate by Universidad Complutense de Madrid – CEU San Pablo, PDG General Management Program of IESE Business School and Certified Insurance Intermediary - Insurance Broker of the Ministry of Economy (DGSFP). Experience in business consulting in the field of innovation and digital transformation, having promoted change through the implementation of new technologies in all the evolutionary processes of the insurance sector and insurance distribution digital ecosystem. Participant in the development and study of the impact of digitalization in risk management and procedures outsourcing, artificial intelligence, Blockchain, Internet of

	things, Big Data, Machine learning, Wearables, Digital health, Cyber risks, Domotization and sensorization, as well as innovation in the integration of Startups, InsurTechs and collaborative economy.
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Total number of independent directors	6
Total board %	46.15

Observations:

State if any board member qualified as independent receives from the company, or its same group, any amount or benefit under a different concept than the remuneration of a board member, or maintains or has maintained, during the last business year, a business relation with the company or with any company of the group, either in her own name or as significant shareholder, board member or senior management of an entity which has or has had said relation.

When applicable, a motivated declaration of the board member will be included regarding the reason by which it is considered that said board member can develop his/her responsibilities as an independent board member.

Name or corporate name of the director	Description of the relation	Motivated declaration

Not applicable.

OTHER EXTERNAL BOARD MEMBERS

Other external board members will be identified and the reasons by which they cannot be considered as directors representing controlling shareholders or independent directors will be detailed as well as their relations, either with the company, its managers or its shareholders:

Name or corporate name of the director	Reasons	Company, manager or shareholder with who the link is held	Profile
LUIS JAVIER CORTÉS DOMÍNGUEZ	He is not a director representing majority interests because he does not hold a shareholding interest equal to or greater than what is considered legally significant, nor can he be independent because he is linked to a law firm that has advised the company for valuable consideration during	TESCOR PROFESIONALES ASOCIADOS S.L.P. CORTÉS, ABOGADOS	Bachelor of Laws by the University of Granada. Doctor in Law by the Università di Bologna (Italy). Professor of Commercial Law in the Universities Autónoma de Barcelona, Pompeu Fabra and Alcalá (Madrid). Visiting

	the business year, all in accordance with Article 529 duodecies of the Capital Companies Act and Article 7.4 and 7.5.e),.i) of the Board Regulations.		Professor in the University of Miami (Florida, USA). Extraordinary Professor in the Instituto de Estudios Superiores de la Empresa (IESE). Member of the Drafting Board of Revista de Derecho Mercantil (Commercial Law Magazine). Was member of the Consultant Committee of the National Securities Commission (CNMV). National and international arbiter.
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Total number of external board members	1
Total board %	7.69

Observations.

State the variations that, when applicable, have taken place during the period in the category of each board member:

Name or corporate name of the director	Date of change	Previous category	Current category

Observations.

C.1.4. Complete the following chart with the information regarding the number of female board members during the past 4 business years, as well as the type of said female board members:

	Number of female directors				% over the total board members of each type			
	2020 Business Year	Business year 2019	Business year 2018	Business year 2017	2020 Business Year	Business year 2019	Business year 2018	Business year 2017
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Directors representing controlling shareholders	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Independent	3	3	3	1	23.08%	23.08%	23.08%	7.14%
Miscellaneous External	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total:	3	3	3	1	23.08%	23.08%	23.08%	7.14%

Observations:

The increase of participation of women directors at the closing of the 2020 business year holds at the same level, regarding the previous business year.

C.1.5. Indicate if the company has diversity policies regarding the board of directors of the company pursuant to matters such as, for example, age, gender, disability, or training and experience of professionals. The small and medium entities, according to the definition contained in the Account Audit Law, will have to inform, at least, of the policy they have established regarding gender diversity.

Yes X No Partial policies

In case of an affirmative answer, describe these diversity policies, their goals, measures and manner in which they have been applied as well as their results during the business year. The specific measures adopted by the board of directors as well as the Appointments and Remunerations Committee must also be provided in order to achieve a balanced and diverse presence of the directors.

In cases in which the company does not apply a diversity policy, explain the reasons why.

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

- Article 7.1 of the Board Regulation establishes that *“the Board of Directors, within the exercise of its powers of proposal to the General Meeting and co-optation to cover vacancies, shall promote and adequate diversity of knowledge, experiences, age and gender and will attempt that the composition of the external boards bodies or non executive bodies represent the majority of the executive directors.”*
- According to article 17.7.a) and b) of the Board Regulations, *“Regardless of other responsibilities assigned by the applicable regulations in force, the Articles of Association, the Regulation or the Board of Directors, the Appointments and Remunerations Committee will have the following responsibilities: a) Assess the responsibilities, knowledge and experience necessary in the Board of Directors. For these purposes, it will define the responsibilities and aptitudes necessary in the candidates that are to cover each vacancy and assess the time and dedication necessary in order to efficiently fulfill their responsibilities. b) Establish a representation goal for the gender that has less presence in the Board of Directors and prepare guidance regarding how to reach said objective.”*

- Article 22 of the Board Regulations stipulates that *“the Board of Directors and the Appointments and Remunerations Committee, within the scope of its responsibilities, will attempt to promote an adequate diversity of knowledge, experiences, age and gender and for its appointment to fall over people of renown solvency, competence and experience.”*
- During the 2018 business year, in order to achieve a balanced and diverse presence of the directors, within the procedure of continuous review and updating performed by the Company, regarding its internal regulation for corporate governance, according to the Good Governance Code of Listed Companies and within the frame of their general and non delegable competence for establishing the Company general policies and strategies, the Board of Directors in its meeting dated June 7, 2018, by proposal of the Appointments and Remunerations Committee of that same date, agreed upon completing and modifying the “Selection policy for director candidates” approved on December 2016, replacing the up to that date applicable drafting, by the so called “Director selection, appointment and reelection policy of Sacyr, S.A.”
- The goal of said “Director selection, appointment and reelection policy of Sacyr, S.A.” is to ensure that the selection process and subsequent appointment proposals of directors comply with the transparency and objectivity principles and, are based in a previous analysis of the Board needs, favoring diversity of knowledge, experience and gender. The selection of director candidates starts from an analysis of the Company needs as well as the needs of its group of companies, which is to be performed by the Board of Directors with the counseling of the Appointments and Remunerations Committee. For this purpose there is a search of people who gather a series of conditions whose appointment favors the diversity of capabilities, experiences and gender within the Board of Directors. These candidates to directors must be honorable and ideal people, with renown solvency, competence, experience, qualification, training, availability and commitment with their position, in addition to having the necessary knowledge to exercise their responsibilities. In particular, upright professionals, whose conduct and professional trajectory is aligned with the principles gathered under the Sacyr Group Code of Conduct and the rest of its Corporate Governance System.
- Lastly, the company has a “Diversity Plan” which is verified by the Appointments and Remunerations Committee.

C.1.6 Explain the measures that, when applicable, have been agreed upon by the appointment committee so that the selection procedures do not have implicit biases that prevent the selection of female board members, and that the

company deliberately searches and includes among the possible candidates, women who comply with the sought after professional profile and that allow reaching a balanced presence of women and men: Also indicate whether these measures include encouraging the company to have a significant number of female senior managers:

Explanation of the measures:

- The coverage procedure for vacancies of Sacyr, S.A. Guarantees that no candidacy is subject to discrimination in any of the selection procedure stages.
- As it was previously pointed out, article 22 of the Board Regulations stipulates that *“the Board of Directors and the Appointments and Remunerations Committee, within the scope of its responsibilities, will attempt to promote an adequate diversity of knowledge, experiences, age and gender and for its appointment to fall over people of renown solvency, competence and experience.”*
- In accordance with the "Selection Policy, Appointment and Re-election of Sacyr, S.A. Directors", the selection of candidates for directors is based on a prior analysis of the skills, knowledge and experience required within the Board of Directors, which is carried out by the Appointments and Remunerations Committee, taking into account the number of directors established by the General Shareholders' Meeting, the composition of the various categories and classes of directors established by the Board of Directors and the nature of the vacancies to be filled.

It is also the Appointments and Remunerations Committee the one which defines the profile of the candidates that are to cover each vacancy, in addition to assessing the time and dedication necessary in order to efficiently perform their responsibilities. In this regard Recommendation 25 of the Good Governance Code recommends that the board regulation establishes the maximum number of company boards in which its board members can participate. In this regard, article 28.2.a) of the Board Regulations stipulates that *"(...) In order for the directors to be able to dedicate the time necessary to perform the duties of the position of director and provide adequate service to the company, they may not participate in more than five boards of directors of listed companies, including Sacyr"*.

Once the candidates profile has been established, the list of possible candidates is prepared by the Board of Directors through the individuals appointed by it, or, when dealing with independent directors by the Appointments and Remunerations Committee. For the above mentioned purposes, any of the board members can suggest the names that he/she considers appropriate and adequate for each vacancy.

The company can also have the external counseling, for the performance of the previous analysis of the Board needs as well as the proposal of candidates as directors.

Once the list of possible candidates has been prepared, the candidacies are analyzed, placing the candidates for each position in order of preference. In this regard, the Appointments and Remunerations Committee, attending to the needs of the Board and in order to promote an appropriate composition of the Board, assesses, among others, the following elements: i) the technical-professional skills of the candidates; ii) the management experiences of the candidates, also taking into account the context in which Sacyr operates; iii) the commitment required to perform the position, also assessing the positions already held by the candidates in other companies; iv) the availability of female candidates who meet the required profile, and v) age.

In any case, Sacyr, S.A. Within the candidates analysis procedure avoids any type of bias which may implicate any discrimination, among others, by reasons of gender, ethnic origin, age or disability.

Once the analysis of the candidates has been performed, the Appointments and Remunerations Committee is the one in charge of formally submitting to the Board of Directors the appointment proposals of independent directors, and of informing the Board of Directors regarding the Director appointment proposals which are not considered as independent.

When the Board does not follow the recommendations of the Appointments and Remunerations Committee it will have to provide the reasons for its behavior and record them in the minute.

- In conclusion, the described selection procedure is based exclusively in the personal merits of the candidate: solvency, competence, experience, capacity and sufficient time availability for the correct performance of his/her responsibilities, according to Recommendation 25 of the Code of Good Governance, articles 22 and 28 of the Board Regulation and article 529 quincecies, 3.a) of Corporate Law, due to which it does not have any implicit capable of hindering the selection of female board members, having complied, within the possible candidates to be members of the Sacyr Board, women who comply with the professional profile desired at each time.
- Female participation has continued to acquire a greater weight in the Company Board of Directors, progressively.
- In relation to other measures to encourage the company to have a significant number of female senior managers it is necessary to include the following, among others:

- In the equality plans, the Company has identified different measures to favor the advancement of women to management positions, such as, for example, guaranteeing that all human resources procedures (selection, promotion,...) are transparent and objective, as well as applying the preference of the underrepresented gender in procedures to cover vacancies, on the basis of equal merit and ability. The company monitors these measures through diagnosis and markers.
- Development of flexibility measures, through the Flexworking policy and the fulfillment of objectives linked to the Family Responsible Company (EFR) recognition, with the goal of promoting the reconciliation of work and family life, so that family co-responsibility facilitates and promotes women's professional careers.
- Professional development programs aimed exclusively at women in management positions, to promote their careers towards positions of greater responsibility.

When despite the measures that, when applicable, have been adopted, the number of female board members or senior management is scarce or null, explain the reasons that justify it:

Not applicable.

Explanation of the reasons.

C.1.7 Explain the conclusions of the appointment committee regarding the verification of the compliance of the board members selection policy directed to favoring an adequate composition of the board of directors.

The conclusions of the compliance verification report regarding the Directors selection policy in the 2020 business year formulated by the Appointments and Remunerations Committee are the following:

- The company has an adequate selection, appointment and reelection policy of directors, which ensures that the appointment and reelection policy of directors is specific and can be verified, which ensures that the appointment or reelection proposals are based on a prior analysis of the board of directors needs and that it favors the diversity and knowledge, experiences, age and gender and does not have any implicit biases which may represent any sort of discrimination.
- The previous favorable reports and proposals by the Shareholders General Meeting for the appointment and reelection, when applicable, of directors, held

on June 11, 2020, from the Appointments and Remunerations Committee as well as the Board of directors itself.

- All people appointed to be directors of the company are honorable and ideal people, with renown solvency, competence, experience, qualification, training, availability and commitment with their position and have the necessary knowledge to exercise their respective responsibilities.
- An adequate diversity of knowledge, experience, age and gender has been intended for the appointment of said people and that in the composition of the body the external or non executive directors represent a majority over the executive directors.
- The applicable regulations have been upheld for the reelection and confirmation, when applicable, of the above mentioned Directors by the Shareholders General Meeting on Thursday, June 11, 2020.

C.1.8 Explain, when applicable, the reasons by which the representing controlling shareholders by the request of shareholders which shares participation in lower than 3% of the capital have been appointed:

Name or corporate name of the shareholder	Justification

Not applicable.

State if no formal requests for attendance have been considered in the board from shareholders whose participation is equal of superior to others by whose request directors representing controlling shareholders had been appointed. When applicable, explain the reasons due to which the requests were not considered:

Yes No **X**

Name or corporate name of the shareholder	Justification

C.1.9 State, when applicable, the powers and faculties that are delegated by the board of directors over the directors or the board committees:

Name or corporate name of the director or the committee	Brief description

- Pursuant to article 47 of the Company By-laws *“the Board of Directors can delegate some or all of its responsibilities in an Executive Committee and/or more managing directors and establish the members of the Board of Directors who are going to be the holders of the delegated powers, as well as, if applicable, the manner in which to exercise the granted”*.
- Pursuant to article 11.1 of the Board Regulation, *“...the Board of Directors can delegate some or all of its responsibilities in an Executive Committee and/or more Chief Executive Officer and establish the members of the Board of Directors who are going to be the holders of the delegated powers, as well as, if applicable, the manner in which to exercise the granted”*.
- And according to article 15.4 of the Board Regulation, *“the permanent delegation of powers by the Board of Directors in favor of the Executive Committee will include all powers of the Board of Directors, except those which cannot be delegated under the law and pursuant to the Articles of Association or those which cannot be delegated pursuant to this Regulation”*.
- Based on what has been previously stated, by agreement adopted in its meeting of June 11, 2015, the Board of Directors appointed Manuel Manrique Cecilia as Managing Director of Sacyr, S.A., *“permanently delegating all faculties of the board of directors, except those which cannot be delegated according to the law or by-laws, as well as being a member of the company Executive Committee”*. On June 13, 2019, the Board of Directors agreed to reelect Manuel Manrique Cecilia as Chairperson and Chief Executive Officer of Sacyr, S.A., as well as member of the company Executive Committee.
- The company has an executive committee which is comprised by five members (one executive director, two directors representing controlling shareholders and two independent directors).

C.1.10 Identify, when applicable, the members of the board who assume positions of administrators, representatives of administrators or managers in other companies which are a part of the listed company group:

Name or corporate name of the director	Corporate name of the group company	Position	Does he/she have executive responsibilities?
MANUEL MANRIQUE CECILIA	SACYR CONSTRUCCIÓN, S.A.	Chairperson and Director	NO
MANUEL MANRIQUE CECILIA	SACYR SERVICIOS, S.A.	Director	NO
MANUEL MANRIQUE CECILIA	SACYR FINANCE, S.A.	Representative of the Sole Administrator, Sacyr, S.A.	YES
MANUEL MANRIQUE CECILIA	SACYR VALLEHERMOSO PARTICIPACIONES MOBILIARIAS, S.L.	Representative of the Sole Administrator, Sacyr, S.A.	YES
MANUEL MANRIQUE CECILIA	SACYR CONCESIONES, S.L.	Chairperson and Director	NO

Observations:

As it was stated above, José Manuel Loureda Mantiñán (representative of the natural person director of Prilou, S.L.), within the Sacyr Group, is a director of Sacyr Construcción, S.A. and chairperson and director of Sacyr Servicios, S.A., without executive responsibilities.

C.1.12 Detail, when applicable, the board members or representatives of his/her company, who are members of the board of directors of other listed companies in official markets with values different from the group, which have been communicated to the company:

Name or corporate name of the director	Corporate name of the listed company	Position
MANUEL MANRIQUE CECILIA	REPSOL, S.A.	Director and Deputy Chairperson
DEMETRIO CARCELLER ARCE	EBRO FOODS, S.A.	Deputy Chairperson
ISABEL MARTÍN CASTELLÁ	UNICAJA BANCO, S.A.	Coordinating Director. Chairperson of the Risk Committee. Member of the Audit Committee.
JUAN MARÍA AGUIRRE GONZALO	MERLÍN PROPERTIES, S.A.	Chairperson of the Audit Committee. Member of the Appointments Committee.
MR. JOSÉ MANUEL LOUREDA MANTIÑÁN	REPSOL, S.A.	Director
FRANCISCO JAVIER ADROHER BIOSCA	RINCASA, SICAV	Director, in representation of Bicar, S.A.

Observations:

C.1.12 State and, explain when necessary, if the company has established regulations over the maximum number of boards of directors of which its directors, identifying, when applicable, where it is regulated:

Yes **X** No

Explanation of the rules and identification of the document where they are regulated:

Pursuant to Article 28.2.a) of the Board Regulations "... In order for directors to be able to devote the time necessary to perform the duties inherent to the position of director and provide adequate service to the company, they may not sit on more than five boards of directors of listed companies, including Sacyr. Exceptionally, and for duly justified reasons, the Board may exempt the director from this limitation".

C.1.13 State the board of directors amounts of the concepts related to global remuneration of directors:

Remuneration accrued during the performance in favor of the board of directors (thousands of Euros)	7,642
Amount of the accumulated rights by the current board members in matter of pensions (thousands of Euros)	7,991
Amount of the accumulated rights by the senior board members in matter of pensions (thousands of Euros)	0

Observations:

The total amount takes into consideration the remuneration of all Board members during the 2020 business year.

The global remuneration includes: (i) The gross amounts received by the directors, in their capacity as members of the Board of Directors; (ii) The total remuneration of the executive director (fixed, variable, life insurance, medical insurance and ILP plan).

In accordance with Circular 1/2020, of October 6, the amount in box C.1.13 "Amount of the accumulated rights by the current board members in matter of pensions" must correspond to the aggregate figure of all the funds that the entity declare as "Amounts of the accumulated funds" in the table "Long-term savings systems" in section C.1 of the Annual Report Regarding Remunerations. In this regard, we want to clarify that there is no remuneration to the executive director that corresponds to the concept of pension, but refers to other unconsolidated long-term savings systems.

In this sense, in 2020, the contribution to the savings-retirement insurance for the Chairman of the Board amounted to 2,110 thousand euros, with the amount of unconsolidated accumulated rights in the savings system of 7,991 thousand euros.

C.1.14 Identify the senior management members that are not at the same time executive board members, and state the total accrued compensation in its favor during the business year:

Name or corporate name:	Position/s
RAFAEL GÓMEZ DEL RIO SANZ-HERNÁNZ	GENERAL MANAGER. MANAGER OF SACYR CONCESIONES, S.A.
PEDRO ANTONIO SIGÜENZA HERNÁNDEZ	GENERAL MANAGER. MANAGER OF SACYR CONSTRUCCIÓN, S.A.
FERNANDO LOZANO SÁINZ	GENERAL MANAGER. MANAGER OF SACYR SERVICIOS, S.A.
CARLOS MIJANGOS GOROZARRI	GENERAL FINANCIAL MANAGER.
MIGUEL HERAS DOLADER	MANAGEMENT, TALENT AND HUMAN RESOURCES MANAGER.
PEDRO ALONSO RUÍZ	COMMUNICATIONS GENERAL MANAGER.
AQUILINO DE PRAVIA MARTÍN	INTERNAL AUDIT MANAGER.
ALFONSO AGUIRRE DÍAZ-GUARDAMINO	DIRECTOR OF BUSINESS LEGAL COUNSEL AND DEPUTY SECRETARY OF THE BOARD.

Number of women in senior management	
Percentage over the total members of senior management.	

Total remuneration of senior management (thousands of Euros)	3,762
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Observations:

The total remuneration of members of senior management includes the following items: fixed remuneration, variable remuneration, long-term incentive plan, retirement savings insurance and life insurance.

C.1.15 State if there has been during the business year any modification to the board regulation:

Yes X No

Modifications description:

- The Board of Directors, in its meeting held on February 27, 2020, agreed to partially modify the Board Regulations as part of the promotion by the Company to advance in the involvement and awareness in sustainability matters, responding to the changing needs and continuous requirements of its groups of interest, which,

among other measures, led to the creation of a new delegated Committee of the Board of Directors called Sustainability and Corporate Governance Committee, thus modifying the Audit and Corporate Governance Committee into the Audit Committee. This meant the need to adapt the internal regulations, including the aforementioned Board Regulations, to the new obligations relating to sustainable development.

The partial amendment of the Board Regulations entailed: (i) the amendment of article 3 (*Amendment*), to replace the Audit and Corporate Governance Committee with the Sustainability and Corporate Governance Committee as the body that may urge the amendment of the Board of Directors Regulations, (ii) the amendment of Article 16 (*The Audit and Corporate Governance Committee*), to change: (a) the name of the Audit and Corporate Governance Committee which was renamed Audit Committee and the responsibilities attributed to it, (b) to change from three to two the members required to request the call of a meeting of the Audit Committee, given that in the event that the referred Committee was composed of three members, in accordance with the minimum established, the totality of its members would be required to request such call of a meeting, (iii) the inclusion of a new article 16 bis (*The Sustainability and Corporate Governance Committee*), to regulate the new Sustainability and Corporate Governance Committee created, its operation and the responsibilities attributed to it, (iv) the amendment of articles 5 (*General supervisory function*), 6 (*Creation of value for the shareholder*), 14 (*Delegated and consulting bodies of the Board of Directors*), 24 (*Termination of directors and relinquishment of the position*), 28 (*General obligations of directors*), 34 (*Regime for waiver of conflict of interest situations*), 36 (*Annual corporate governance report*), 39 (*Relations with the markets*) and 40 (*Relations with auditors*) to adapt them in line with the creation of the new Sustainability and Corporate Governance Committee, the change of name of the Audit Committee and the creation of value in a sustainable manner, and lastly, (v) the amendment of Article 17 (*The Appointments and Remunerations Committee*) to change from three to two the number of members required to request a meeting of the Appointments and Remunerations Committee, given that in the event that the aforementioned Committee was made up of three members, in accordance with the established minimum, all of its members would be required to request a meeting to be called.

- Subsequently, following the partial review of the Good Governance Code of Listed Companies carried out by the CNMV in June 2020, with the aim of maintaining the corporate governance of Spanish companies aligned with the highest international standards, which involved the modification of a total of 20 of the 64 recommendations of the aforementioned Code, the Board of Directors of Sacyr, in its meeting held on December 17, 2020, agreed to partially modify the Board Regulations in order to adapt the same, even further, to certain recommendations

of the aforementioned Good Governance Code, for better monitoring of the above mentioned by the Company.

This amendment of the Board Regulations affected the following: (i) articles 7 (*Qualitative composition and categories of directors*) and 22 (*Selection of directors*), in order to include the age of directors as a further criterion of diversity in the boards of directors, together with the criteria of knowledge, experience and gender, which were already included previously, in order to have an appropriate composition of the board, as established in the new Recommendation No. 14 of the CBG. (ii) article 28 (*General obligations of the director*), to include the maximum number of boards of listed companies on which the directors of Sacyr, S.A. may sit, in accordance with Recommendation n°. 25 of the CBG, which has not been amended in the last revision of the CBG, but which was only partially complied with by Sacyr, S.A., (iii) Articles 16 (*The Audit Committee*) and 16 bis (*The Sustainability and Corporate Governance Committee*) to transfer the function of Supervising and assessing the preparation process and the integrity of the non-financial information, as well as the Company's non-financial risk control and management systems, from the Sustainability and Corporate Governance Committee, which had it, to the Audit Committee, in accordance with the new Recommendation N°. 42 of the CBG, and lastly, (iv) a second amendment to Article 16 (*The Audit Committee*) to adapt its drafting in accordance with the update of the Group's regulatory compliance model.

C.1.16 State the selection, appointment and removal procedures of the directors. Detail the competent bodies, the procedures to be followed and the criteria to be employed by each of the procedures.

Directors selection, appointment and reelection.:

- The selection, appointment and reelection procedure of the directors, is regulated under article 19.2.c) of the Company By-laws and articles 21 and 22 of the Board Regulations, pursuant to what is established under article 529 decies of Corporate Law.
- Article 19.2.c) of the Company By-laws states that *“the General Meeting has the responsibility of deciding upon all matters that have been attributed by law or the by-laws. In particular and by the way of illustration, his/her responsibility: c) Appointment and dismissal of liquidators, administrators and account auditors, as well as the exercise of responsibility corporate actions against any of them”*.
- Article 21 of the Board Regulation states that *“the directors will be appointed by the General Meeting or by the Board of Directors (in case of appointment by co-opting) according to the provisions contained in the applicable regulation and the regulations*

comprising the Company Governance System. The appointment or reelection proposal of the Board of Directors members is the responsibility of the Appointments and Remunerations Committee, regarding independent directors, and that of the Board of Directors, in all other cases. In any case the proposal must be accompanied by a justifying report of the Board of Directors which assesses the competence, experience and merits of the proposed candidate, which will be appended to the General Meeting or the Board of Directors minute. The appointment or reelection proposal of any non independent director must be preceded, in addition, by a report of the Appointments and Remunerations Committee. The appointment and the change of individual representation of the Directors, which are a corporation will also require the issuing of a report by the Appointments and Remunerations Committee. When the Board of Directors does not follow the recommendations of the Appointments and Remunerations Committee it will have to provide the reasons for its behavior and record them in the minute.

- Article 22 of the Board Regulations stipulates that *“the Board of Directors and the Appointments and Remunerations Committee, within the scope of its responsibilities, will attempt to promote an adequate diversity of knowledge, experiences, age and gender and for its appointment to fall over people of renown solvency, competence and experience.”*
- The “Selection, appointment and reelection policy of Sacyr, S.A. regarding directors ” also includes the selection procedure for new directors, the requirements that are to be complied with regarding their category, as well as the incompatibility causes scheduled under the law or the corporate governance system.
- The Appointments and Remunerations Committee verifies the compliance of the Directors selection, appointment and reelection policy and prepares the corresponding report.

Dismissal of directors:

- According to article 54 of the Company By-laws and 24 of the Board Regulation, *“directors will cease in their position when (i) having elapsed the period for which they were appointed, the first General Meeting session takes place or the period for the celebration of the General Meeting which is to be decided upon the approval of the financial statements for the previous business year, has elapsed, (ii) when they notify their resignation to the Company or (iii) when the General Meeting decides so according to the use of the authority it has been granted according to the law or the by-laws.*

In addition, director must place their position at the disposition of the Board of Directors and formalize, when applicable, the corresponding resignation: a) when

they incur in any of the incompatibility or prohibition causes to continue in their position and in particular under the case scheduled under article 224.2 of Corporate Law; b) when the Appointments and Remunerations Committee, the Audit Committee, the Sustainability Committee and the Corporate Governance Committee inform the Board of Directors and the latter verified through the adoption of the corresponding agreement, that the director has defaulted, seriously or very seriously, his/her responsibilities as director and, in particular, the responsibilities derived from the diligence and loyalty responsibilities, including those to prevent the conflicts of interest and other responsibilities established by the Corporate Governance System; or c) when his/her stay in the Board of Directors may endanger the interest of the Company or negatively affect its credit and reputation, and the Appointments and Remunerations Committee. d) When the director moves on to occupy or contracts new responsibilities which prevent him/her the responsibilities of the director position or incurs in any of the cases that make him/her lose the condition of independent director, according to what is established by the applicable law; and e) In case of directors representing controlling interest, when the shareholder they represent sells all of his/her participations in the Company or, having done so partially, reaches a level which entails a reduction liability of the directors representing controlling interests.”

- Article 23.3 of the Board Regulation states that, *“the director who finishes his/her mandate or by any other cause ceases in the development of his/her position will not be able to, during a period of two years, render services to another entity that has a corporate purpose which is analogous to that of the Company when the Board of Directors reasonably understands that it may endanger the Company interest.”*

C.1.17 Explain how the annual assessment of the has caused important changes in its internal organization and over the procedures applicable to its activities:

Description of the modifications:

- Sacyr, S.A., according to article 529 nonies of the Corporate Law, complies with Recommendation 36 of the Good governance Code, regarding the assessment of the Board and the adoption of a plan of action that corrects the detected deficiencies.
- In 2020 the Board of Directors performed an assessment of its operation and its committees during the 2019 business year and based on that proposed a “Plan of action” which was applicable during the 2020 business year. The external counselor “Ramón y Cajal Abogados, S.L.P” participated in the above mentioned assessment.

The actions carried out during the 2020 business year, based on the proposed

"Action Plan" have consisted of: (i) The use of the "Gobertia" tool which improves the efficiency in the management of the meetings of the Board of Directors and its Committees has continued, improving, among others, the process of delivering the documentation to its members in a clear, simple manner and prior to the respective meetings. Likewise, an attempt has been made to increase the time of the meetings in order to duly deal with the issues; (ii) Continuous training for Directors is ongoing; (iii) A new delegated committee of the Board of Directors has been created, the Sustainability and Corporate Governance Committee, with specific responsibilities in sustainability matters; (iv) The Board of Directors has approved a Sustainability Framework Policy; (v) In 2020, due to organizational reasons, the Director Grupo Corporativo Fuertes, S.L. resigned as a member of the Appointments and Remunerations Committee and María Jesús de Jaén Beltrá was appointed as a replacement, thus increasing from two to three the number of independent directors that make up said committee; (vi) Regarding the Audit Committee, which as indicated in previous sections changed its name (previously called Audit and Corporate Governance Committee) due to the creation of the new Sustainability and Corporate Governance Committee, it has lost its previous functions related to corporate governance, as these have been transferred to the new Sustainability and Corporate Governance Committee, so that the Audit Committee can dedicate itself to its own functions of financial and non-financial control and supervision; (vii) a new non-director Secretary has been appointed who advises and assists the members of the Board in all matters within his/her competence.

Describe the assessment procedure and the assessed areas that the board of directors has performed aided, when applicable, by an external consultant, regarding the operation and composition of the board and its committees and any other area or aspect which has been subject to assessment.

Description of the assessment procedure and assessed areas:

- Pursuant to article 20 of the Board Regulations, the operational assessment of the different Committees will be based on the report that said committees submit to the Board of Directors, and for this last one, that submitted by the Appointments and Remunerations Committee.
- The assessment procedure and assessed areas was performed with the assistance of the external expert , "Ramón y Cajal Abogados, S.L.P", which independence was verified by the Appointments and Remunerations Committee, according to Recommendation 36 of the Good Governance Code.

- The business year assessment procedure was adjusted to the corporate governance model and the needs of Sacyr, S.A., through the establishment of a work schedule, preparation of the surveys to be filled in by the directors, private interviews and analysis of all obtained results.
- During the assessment procedure, particularly those private interviews which are held, it was possible to detect the main concerns and improvement aspects of the governance body which were forwarded in the questionnaires and, previously developed through the private interviews that were performed.
- The following areas were assessed: (i) quality and efficiency of the Board of Directors operation, (ii) diversity in the composition and competencies of the Board of Directors, (iii) operation and composition of its Committees (and (iv) performance of the Executive Chairperson and Secretary of the Board of Directors.
- Description of the assessed areas during the 2019 business year:
 - 1.- Regarding the Board of Directors. It has the highest attributions for the Company administration, according to article 5 of the Board of Directors Regulation, except those that are attributed to the General Meeting. The quantitative and qualitative composition of the Board complied with the regulations established in this regard by the Company By-laws, with the adequate number of directors to ensure the efficient and participative operation of the Board of Directors. Regarding the operation, the number of meetings (10) was superior to the minimum established by the Company By-laws, as well as what is recommended in the Good Governance Code and the percentage of attendance, present or represented was of 87%. Lastly, regarding the analyzed matters, in each meeting of the Board of Directors, in addition to the Chairperson report, specific matters reserved for his/her authority were discussed, matters which were provided in the annual scheduled for meetings and catalog of matters which was prepared and debated at the end of the previous business year, without prejudice of any other question that may have arisen during the year, which required subjecting it to the Board discussion and approval.
 - 2.- Regarding the Committees of the Board of Directors.
 - The responsibilities and competences of the Audit and Corporate Governance Committee (now called the Audit Committee) were the ones listed under article 16 of the Board Regulation. Regarding the composition of the Committee, Isabel Martín Castellá was re-elected and appointed Chairperson of the Committee. On the other hand, its members were not executive, but the majority were independent, complying with the regulations established under the Law and the By-laws. Its activity was intense, meeting eight times.

- The responsibilities and competences of the Appointments and Remunerations Committee are established under article 17 of the Board of Directors Regulation. With regard to the composition a new member, Elena Jiménez de Andrade Astorqui, was appointed and Prilou, S.L. (represented by José Manuel Loureta) and Grupo Corporativo Fuertes, S.L. (represented by Tomás Fuertes Fernández) were re-elected . On the other hand, its members were not executive, two were independent, complying with the regulations established under the Law and the By-laws. Regarding its activity, it held six meetings, informing about all the matters according to the Board of Directors Regulation.
- The responsibilities and competences of the Executive Committee are the ones regulated by the law, regarding its composition, it is comprised by the Board Chairperson, two directors representing controlling interests and two independent ones, in compliance with article 47 of the Company By-laws and 15 of the Board of Directors Regulation. Regarding its activity, it held ten meetings, having the necessary resources for the fulfillment of its duties and responsibilities and with the active participation of its members. 3.- Regarding the Executive Chairperson and the Secretary of the Board of Directors.
- The Appointments and Remunerations Committee organized and performed the annual assessment of the Board of Directors Chairperson, under the management and boost of the Coordinating Director, informing the Board of Directors.
- The Board Chairperson attended all the meetings, with a direct and active participation in the preparation of the agenda, as well as the notice of meeting procedures. In addition, he participated in the meetings providing his criteria regarding the Company, the sector and the domestic as well as international economic situation and provided the contribution of information by the Directors and incentivized the debate and the active participation of the Directors, all according to the Good Governance Recommendations.

In addition, as first executive, Company Managing Director, transferred to the business units the strategic criteria of the Board of Directors, promoting the real development of said criteria and controlling the activity developed by the main directors and executives of the Group for the achievement of the established goals.

- On the other hand the assistance and management work for the Board of Directors and its committees by the Secretary, is positively valued. Regarding the results of the internal assessment during the 2019 business year, the Appointments and

Remunerations Committee considered that the Board of Directors develop its activity with quality and efficiency and that the Board of Directors itself as well as the Chairperson, performed the assigned responsibilities assigned by the internal regulations of the company as well as the applicable regulations adequately. In addition, he/she informed that the activity developed by the Executive Chairperson and the Managing Director of the Company were according to the recommendations derived from the good Governance code of the listed companies.

Regarding the operational assessment of the different Committees (Audit and Corporate Governance Committee (now called the Audit Committee), Appointments and Remunerations Committee and Executive Committee), each estimated that it conveniently developed the content of the duties regarding the position during the business year and the Board of Directors, when applicable, estimated that the operation of each Committee was according to their responsibilities and needs that arose during the business year.

- Regarding the result of the external assessment, it is indicated that in general there is a high level of satisfaction regarding the structure, organization and operation of the Board of Directors and its committees, as well as the Chairperson and Secretary during the business year 2019, considering that they perform the functions legally and statutorily entrusted to them in a satisfactory manner. The high level of knowledge, experience and commitment that generally exists in these entities, as well as the assistance, advice and/or provision of information and documentation tasks to the Board Members, by the Chairperson and Chief Executive Officer, the Secretary and the management team in general, is highlighted.

C.1.18 Breakdown in those business years in which the assessment has been aided by an external consultant, the business list that any consultant or any company of its group maintains with the company or any company of its group.

2020 Business Year: The business relations held by the company with the third external one “Ramón y Cajal Abogados, S.L.P”, which has cooperated in the assessment of the Board and its Committees, are of punctual counseling, having considered the Appointments and Remunerations Committee which do not affect its independence.

C.1.19 State the cases in which directors have the obligation to resign.

According to article 54.2 of the Company By-laws and 24.2 the Board Regulation, “the directors must make their position available to the Board of Directors and formalize, when appropriate, the corresponding resignation in the following cases: (A) when resigning from executive positions where their appointment as director is associated to;

(b) when they incur in any of the incompatibility or prohibition cases which are legally stipulated and particularly when finding themselves in a situation of conflict of interest according to the terms under article 224.2 of Corporate Law; (c) when the Appointments and Remunerations Committee, the Sustainability and Corporate Governance Committee and the Audit Committee inform the Board of Directors and said board verifies that the director has, seriously or very seriously violated, his/her responsibilities and, in particular, the responsibilities derived from the legal loyalty duty, including those to avoid conflicts of interest and other responsibilities which are imposed in this regard in the Corporate Governance System; (d) when their stay in the Board of Directors may endanger the interests of the Company or negatively affect the credit and reputation of the company, and this is thus reported by the Appointments and Remunerations Committee, or (e) in case of directors representing controlling interests, when resulting, from the Detailed Record of the entities participating in “Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores” (Iberclear), , which they shareholder they represent no longer participates in the Company capital stock, or that his/her participation has been reduced to a level which entails the obligation of reducing its directors representing controlling interests.”

C.1.20 Are reinforced majorities different that those legally established required in any type of decision?:

Yes **X** No

When applicable, describe the differences.

Pursuant to article 51.4. Of the Company By-laws *“the modification of the Board of Directors Regulation requires for its validity the favorable vote of at least two thirds of the attending or represented directors in the meeting in question”.*

C.1.21 Explain if there are specific requirements, different than those related to the board members, to be appointed chairperson of the board of directors:

Yes **No X**

Requirements description:

C.1.22 State if the articles of association or the regulation of the board establishes any limit on the age of the board members:

Yes **No X**

	Age limit
Chairperson	
Chief Executive Officer	
Director	

C.1.23 State if the articles of association or the regulation of the board establishes a limited period or other more strict requirements than those legally established for independent board members, different than the one established in the regulations:

Yes No X

Additional requirements and/or maximum number of mandate business years:

C.1.24 State if these articles of association or the board of directors regulation establishes specific regulations for the delegation of votes in the board of directors, the manner in which to do so and, in particular, the maximum number of delegations that a board member can have, as well as if any limitation has been established regarding the categories which can be delegated, beyond the limitations established by the law. When applicable, briefly detail said regulations.

Pursuant to article 19.1 of the Board Regulation and 51.1 of the By-laws *“the Board of Directors shall be validly constituted when more than half of its members attend the meeting, present or represented. Directors will do everything possible to attend the Board of Directors sessions, when they cannot attend personally, they will attempt that the granted representation includes the necessary instructions. Representation is to be granted in writing and specifically for each meeting. Non executive directors can grant their representation to another non executive director”*.

Neither a maximum number of delegations is established, nor any limitation regarding the categories of on who it is possible to delegate aside from the limitations imposed by the applicable law.

C.1.25 State the number of meetings of the board of directors that have taken place during the business year. Likewise indicate, when applicable, the times there has been a board meeting in which the chairperson was absent. The calculation will consider as attendances the representations performed with specific instructions:

- Number of Board meetings 11

- **Number of Board meetings without the attendance of the chairperson** 0

Observations:

- **State the number of meetings held by the coordinating director with the remaining of the directors, without the attendance or representation of any executive director:**

Number of meetings: 1

Observations:

- **State the number of meetings that the different board committees held during the business year:**

Number of meetings of the executive committee: 11

Number of meetings of the Audit committee: 8

Number of meetings of the Appointments and Remunerations Committee: 8

Number of meetings of the Sustainability and Corporate Governance Committee:
4

Observations:

C.1.26 State the number of meetings of the Board of directors that have taken place during the business year with the attendance of all its members:

- **Number of meetings with the attendance of at least 80% of the board members**
10 meetings.

- **% of attendance over the total votes during the business year** 97.90% (140 on-site attendance of a total of 143)

- **Number of meetings with the attendance or representations performed with specific instructions, of all directors** 10 meetings

- **% of votes issued with attendance and representation performed with specific instructions, over the total votes during the business year** 97.90%

Observations: Telephone connection and telematic attendance is considered as on-site attendance.

C.1.27 State if the individual and consolidated financial statements that are submitted to the board for their approval are previously certified:

Yes X No

Identify, when applicable, the person/people who have certified the individual and consolidated financial statements of the company, for their preparation for the board:

Name	Position
MANUEL MANRIQUE CECILIA	CHAIRPERSON AND MANAGING DIRECTOR
CARLOS MIJANGOS GOROZARRI	GENERAL FINANCIAL MANAGER
JOSÉ CARLOS OTERO FERNÁNDEZ	ADMINISTRATIVE MANAGER

Observations:

C.1.28 Explain the systems, if any, established by the Board of Directors to ensure that the annual accounts submitted by the Board of Directors to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

According to article 59.3 of the Company Articles of Association and 40.2 of the Board Regulations, *“the Board of Directors will try to prepare the final statements in such a manner that there are no exceptions by the auditor. However, when the Board of Directors estimates that it must maintain its criterion, it will publicly explain the content and scope of the discrepancies.*

C.1.29 Is the secretary of the board a director?

Yes No **X**

If the secretary is not a director please fill in the following table:

Name or corporate name of the secretary	Representative
ANA MARIA SALA ANDRÉS	

Observations:

C.1.30 State, when applicable, the systems established by the company in order to preserve the independence of the external auditors, of the financial analysts, of the investment banks and of the qualification agencies, including how the legal stipulations have been practically implemented.

- Article 60.3 of the Company By-laws states that *“the Audit Committee must authorize the contracts between the Company and the Accounts Auditor outside the activity of the accounts auditor. Said authorization will not be granted if the Audit Committee understands that said contracts can compromise the independence of the Accounts Auditor during the performance of the accounts audit. The Board of Directors will include in the annual report information regarding (i) services different from accounts auditing provided by the Company by the Accounts Auditor or any company with which it has a significant relation and (ii) the global fees satisfied for said services.”*
- Article 16.7 of the Board Regulation establishes that *“without prejudice of other responsibilities that are assigned by the applicable law, the Articles of Association, Board of Directors Regulation, Audit Committee will have the following responsibilities: (...) d) Submit to the Board of Directors the selection, appointment, reelection and replacement proposals of the external auditor, as well as the contracting conditions and regularly collect information there from regarding the audit plan and its execution, in addition to preserving its independence during the development of its responsibilities; e) Regarding the auditor: (...) (ii) Yearly receive the declaration of its independence from the accounts auditor regarding the entity or entities which are directly or indirectly related to it, as well as detailed and individualized information of the additional services of any type rendered and the corresponding fees received from said entities by the external auditor or by the people or entities related to it according to the provisions of the accounts auditing activities regulating code. (...) (iv) Ensure that the remuneration for the position does not jeopardize neither its quality nor its independence. (...) f) Yearly issue, before the issuing of the accounts audit report, a report indicating an opinion about the independence of the accounts auditor. This report must contain, in any case, an assessment motivated by the rendering of additional services mentioned in the previous section, individually and jointly taken into account, different from legal audit and regarding the independence system or the audit regulating code. (...)”*
- In the performance and regarding this last responsibility, the Audit Committee has requested from the accounts auditors the written confirmation of their independence regarding the Sacyr Group and directly and indirectly related entities, as well as the detailed information of the services of any type, in addition to the auditing of accounts, rendered to said entities by the abovementioned auditors and the corresponding fees received pursuant to Act 22/2015, of July 20, regarding the Auditing of Accounts. In addition, the Sacyr Group Internal Audit Management reviews the accuracy and entirety of the information received from the accounts auditor, as well as the analysis of the services rendered, verifying the

absence of conflicts of interest, the independence for all of them and that the rendered services have been previously authorized.

- The information received from the external auditors regarding their declaration of independence in relation to Sacyr and its related companies, analyzed by the Internal Auditor and by the Audit Committee in its meeting of March 26, 2020, is contained in the letter dated March 25, 2020, sent to said Committee by EY, in which, summarizing, (i) it states that the team in charge of the audit and the auditing company have complied with the legally required independence criteria; (ii) reports on the fees charged to the company and its related companies; (iii) reports on the implementation of internal policies and procedures aimed at providing reasonable assurance that the audit firm and its personnel maintain independence when required by applicable regulations. and (iv) no circumstances have been identified in connection with the audit indicated that, separately or jointly, could pose a significant threat to its independence and, therefore, require the application of safeguarding measures or that could give rise to grounds for incompatibility.

C.1.31 State if during the business year the Company has changed its external auditor. Identify in any case the exiting and entering auditor:

Yes **No X**

Exiting auditor	Entering auditor

Observations:

In cases in which there had been disagreements with the outgoing auditor, explain the content of said disagreements:

Yes **No X**

Explanation of the disagreements

C.1.32 State if the audit firm performs other work for the company and/or its group different than those of audit and if this is the case state the amount of the received fees and aid work and the percentage of the previous amount that represent over the fees invoiced for auditing tasks to the company and/or its group:

Yes X No

	Company	Companies of the Group	Total
Amount of other works different than the audit (thousands of Euros)	178	676	854
Amount of works different than audit / Total amount invoiced by the audit company (in %)	63.05%	18.42%	21.62%

Observations:

C.1.33 State if the audit report of the financial statements for the previous business year presents reservations. When applicable, state the reasons given to the shareholders in the General Meeting by the chairperson of the audit committee to explain the content and scope of said reservations.

Yes No X

Explanation of the reasons and direct link to the document made available to the shareholders at the time of the call in relation to this matter:

C.1.34 State the number of business year that the current audit company has uninterruptedly perform the audit of the individual / consolidated financial statements of the company. Likewise, state the percentage that represents the number of audited business years by the current audit company over the total number of business years in which the financial statements have been audited:

	Individual	Consolidated
Number of continuous business years	18	18

	Individual	Consolidated
N° of business years audited by the current audit company / N° of business years that the company or its group have been audited (in %)	72	72

Observations:

C.1.35 State and, when applicable provide detail, if there is a procedure so that the board members can have the necessary information to prepare the meetings with the administrative bodies with sufficient time:

Yes X No

Detail the procedure:

- Regarding the Board meetings, article 18.2 of the Board Regulation establishes that *“the convening of ordinary sessions will be made by letter, fax, telegram or electronic mail, and will be authorized with the signature of the Chairperson or the Secretary or Vicesecretary by order of the Chairperson, with a minimum advancement of three days. The notice of meeting will always include the agenda and whenever possible it will be accompanied by relevant information duly summarized and prepared.”*
- Pursuant to article 46.2.c) of the Company By-laws and 13.2.c) of the Board Regulation, the Board Secretary, develops the responsibility, among others, of *“assisting the Chairperson so that the directors receive the relevant information for the exercise of their responsibilities with the sufficient advancement and in the adequate format.”*
- Pursuant to article 44.2.c) of the Company By-laws and 9.2.c) of the Board Regulation, it is the responsibility of the Board Chairperson to *“ensure that the directors previously receive sufficient information to deliberate regarding the matters of the agenda.”*
- Pursuant to article 28.2.b) of the Board Regulation *“(…) in the development of their responsibilities, the director will act with the diligence of an organized entrepreneur, remaining obligated, in particular, to: (…) Obtain information and prepare the Board of Directors and delegated and consulting bodies to which he/she belongs adequately.”*
- Article 55 of the Company By-laws and 25 of the Board Regulation establishes that *“the director is vested with the widest powers to obtain information regarding any aspect of the Company, to examine its ledgers, records, documents and other background of company transactions and to inspect all of its facilities. The right of information extends to the group companies. With the purpose of not disturbing company regular operations, the exercise of the information responsibilities will be channeled through the Chairperson or the Secretary of the Board of Directors, who will tend to the director requests facilitating the information directly, offering the necessary speakers within the framework of the organization or arbitrating the measures that are necessary so he/she can practice in situ the desired examination and inspection diligences.”*
- Since 2018, the Company has a tool called “Gobertia” placed at the service of the Secretary, which significantly improves the efficiency for the management of the Board of Directors and its Committee meetings, which main characteristics are the following: (I) It facilitates the availability to the members of the administrative entities regarding the documentation and information related with each Board of Directors meeting and other governance bodies, as well as all the documentation

and information necessary so that the directors can perform their responsibilities efficiently, (ii) Allows administrators to have a safe legal environment in which to perform their responsibilities, (iii) Facilitates a safe space and confidential information and cooperation, facilitating access to the information in accordance to the responsibility of each component of the governance body and (iv) Improve the efficiency automating tasks and offering a thorough control over the shared information and activity of each governance body.

C.1.36 State and if applicable detail, of the company has established rules that obligate the board members to inform and, when applicable, resign when dealing with situations that affect them, related or not with the action in the company itself which may damage the credit or reputation of the company:

Yes X No

Explain the regulations:

According to article 54.2. d) of the Company By-laws and 24.2.c) the Board Regulation, *“the directors must make their position available to the Board of Directors and formalize, when appropriate, the corresponding resignation in the following cases: (...) d) when his/her stay in the Board of Directors can endanger the Company interests or negatively affect its credit and reputation, and is thus informed by the Appointments and Remunerations Committee”.*

C.1.37 Indicate, unless special circumstances have arisen which have been recorded in the minutes, whether the board has been informed or has otherwise become aware of any situation affecting a director, whether or not related to his/her performance in the company itself, which could damage the credit and reputation of the company:

Yes No X

Director name	Nature of the situation	Observations

In the above case, indicate whether the Board of Directors has examined the case. If the answer is affirmative, explain in a reasoned manner whether, in view of the specific circumstances, it has adopted any measure, such as opening an internal investigation, requesting the resignation of the director or proposing his/her dismissal.

Also indicate whether the Board's decision was supported by a report from the appointments committee.

Yes No

Decision taken/performed action	Reasoned explanation

C.1.38 Detail of the significant agreements that the company participates in and that come into effect, are modified or conclude when a change of control takes place over the company due to a takeover bid, and its effects.

Sacyr, S.A. does not have subscribed agreements that come into effect, need to be modified or have an advanced maturity, in case of a company control change derived from a takeover bid or the appreciation of circumstances that would make that necessary; however, it has subscribed financing agreements with several financial entities and other financial operations, which clauses prevent, as it market practice, cases of modification or maturity in case there is a modification of its actual shareholder composition, as long as said operation represents a loss of control.

C.1.39 Individually identify, when referring to directors, and in an aggregated manner in the rest of the cases state, in detail, the agreements between the company and its administration and management positions or employees who have compensations, warranty or binding clauses, when they resign or are unfairly dismissed or if the contractual relation reaches an end due to a takeover bid or another type of operations.

Number of beneficiaries: 1

Type of beneficiary: Executive director

Description of the agreement: The contract signed with the executive director establishes that, in case of contract termination without a cause chargeable to the director, he/she will be entitled to receive a compensation equivalent to 2.5 times the sum of the fixed plus variable remuneration of the previous year to the one which gave rise to said right.

State if beyond the cases scheduled by the regulations these contracts have to be communicated and/or approved by the company bodies or its group. In case of a positive answer, specify the procedures, scheduled assumptions and nature of the bodies responsible for its approval or of performing the communication:

	Board of directors	General meeting
Body that authorizes the clauses	X	No

	Yes	No
Is the general meeting informed about the clauses?	X	

Observations:

The remunerations, rights and obligations of the Executive Director are established in his/her contract approved by the Board of Directors, and which conditions are, among others, the compensation that is described under section 6 of the Remunerations Policy of the Sacyr, S.A. Directors 2020-2022.

With the purpose of complying with what is established under article 529 novodecies of the Corporate Law, the remunerations policy of the directors will be adjusted as necessary to the remuneration system established in the by-laws and which will be approved by the Shareholders General Meeting at least every three years on a separate section of the agenda. The proposal of the remuneration policy of the Board of Directors will be motivated and must be accompanied by a specific report from the appointments and remunerations committee. Both documents will be made available to the shareholders on the company website since the notice of meeting of the Shareholders meeting, who can also request their free shipping and delivery. The notice of meeting of the General Meeting will mention this right.

At the Ordinary General Meeting held on June 11, 2020, a modification of the Remuneration Policy of the Directors of Sacyr, S.A. for the business years of 2020, 2021 and 2022 was approved, which had previously been approved at the Ordinary General Meeting held on June 13, 2019. The Remuneration Policy is published on the company's website.

C.2 Committees of the Board of Directors

C.2.1 Detail of all committees of the board of directors, their members and the proportion of executive directors, directors representing controlling interests and other external directors which comprise it:

EXECUTIVE COMMITTEE.

Name	Position	Category
MANUEL MANRIQUE CECILIA	CHAIRPERSON	EXECUTIVE
DEMETRIO CARCELLER ARCE	MEMBER	DIRECTOR REPRESENTING CONTROLLING SHAREHOLDERS
PRILOU, S.L.	MEMBER	DIRECTOR REPRESENTING CONTROLLING SHAREHOLDERS
JUAN MARÍA AGUIRRE GONZALO	MEMBER	INDEPENDENT
AUGUSTO DELKÁDER TEIG	MEMBER	INDEPENDENT

% of executive directors	20.00%
% of directors representing controlling interests	40.00%
% of independent directors	40.00%
% of other external	0.00%

Observations:

Explain the responsibilities which are delegated or attributed to this committee, different than those described under section C.1.19 and describe the procedures and regulations of the organization and its operation. For each of these responsibilities, state the most important actions during the business year and how you have exercised each of the attributed responsibilities, either by law or according to the by-laws or other corporate agreements.

- The developed responsibilities are summarized under section C.1.9 of this report.
- Regarding the procedures and regulations of the organization. Article 15 of the Board Regulation and 47.1 of the Corporate By-laws regulate the Executive committee as follows: “1. *If there is one, the Executive Committee will be comprised by the number of directors established by the Board of Directors, complying with the requirements established in the Articles of Association. 2. The adoption of the appointment agreements regarding the Executive Committee will require the favorable vote of, at least, two thirds of the members comprising the Board of Directors. 3. Acting as: a) Chairperson of the Executive Committee, the Chairperson of the Board of Directors, as long as (i) he/she has been delegated all powers which can be delegated pursuant the provisions of the applicable regulations or (ii) has been appointed as a member therein, subject to the provisions of section 2 above. In case the Chairperson of the Board of Directors does not comply with the abovementioned requirements, said position will be selected by the Committee from among its members. b) Vicechairperson of the Executive Committee, is the one appointed by the committee itself from among its members. In case of absence, impossibility or indisposition of the Committee Chairperson, he/she will be replaced by the Vicechairperson of said Committee for the development of his/her responsibilities. c)*

Secretary of the Executive Committee, Secretary of the Board of Directors (who, not being a member, will have a voice but not a vote). In case of absence, impossibility or indisposition of the Secretary, he/she will be replaced by the Vicesecretary of the Board of Directors for the development of his/her responsibilities. 4. The permanent delegation of powers by the Board of Directors in favor of the Executive Committee will include all powers of the Board of Directors, except those which cannot be delegated under the law and pursuant to the Articles of Association or those which cannot be delegated pursuant to this Regulation. 5. The Executive Committee will be convened by the Chairperson when he/she considers it necessary for the good governance of the Company. 6. In those cases in which, in the opinion of the Chairperson or the majority of the Executive Committee members, the importance of the matter thus advises it, the agreements adopted by the Executive Committee will be subject to ratification of the Board of Directors plenary. The above will also be applicable regarding those matters which the Board of Directors has forwarded for their study to the Executive Committee reserving the final decision regarding said matters. In any other case, the agreements adopted by the Executive Committee will be valid and binding without the need for subsequent ratification by the Board of Directors plenary. 7. The Executive Committee has to inform the Board of Directors regarding the treaties and the decisions adopted in its sessions. 8. In everything that is not scheduled in the Articles of Association or in this article, the Executive Committee will regulate its own operation, applying, by default, the operational regulations established in regard to the Board of Directors, as long as they are compatible with the nature and purpose of this Committee.”

- During the 2020 business year, the Executive Committee has performed the actions that are provided herein, summarized: (i) To approve the assessment report on the functioning of the Executive Committee during the 2019 business year and submit it to the Board of Directors; (ii) to approve the integration of the two EPC divisions of the group, Sacyr Ingeniería e Infraestructuras and Sacyr Industrial, (iii) to propose to the Board of Directors, following a report from the Appointments and Remunerations Committee, the appointment of Ms. Ana María Sala Andrés as the new non-director Secretary of the Board of Directors, following the resignation of the previous Secretary, (iv) To propose to the Board of Directors the draft of the Strategic Plan 2021/2025, (v) To propose to the Board of Directors to give a remuneration to shareholders in the form of a *scrip dividend*, after delegating the Ordinary General Meeting of June 11, 2020, such decision to the Board of Directors, and (vi) to report favorably on the approval of related transactions.

AUDIT COMMITTEE.

Name	Position	Category
ISABEL MARTÍN CASTELLA	CHAIRPERSON	INDEPENDENT
GRUPO SATOCAN DESARROLLOS, S.L.	MEMBER	DIRECTOR REPRESENTING CONTROLLING SHAREHOLDERS
JUAN MARÍA AGUIRRE GONZALO	MEMBER	INDEPENDENT
JOSÉ JOAQUÍN GÜELL AMPUERO	MEMBER	INDEPENDENT

% of directors representing controlling interests	25.00
% of independent directors	75.00
% of other external	0%

Observations:

The Board of Directors, in its meeting held on February 27, 2020, agreed to accept the resignation of Ms. María Jesús de Jaén Beltrá as a member of the Audit Committee, resignation motivated by organizational reasons, and to proceed with the termination of the vacant position, not being covered by any other director. Consequently, the Audit Committee was composed from that moment on by the four (4) members mentioned above.

Explain the responsibilities, including, when applicable, those additionally legally scheduled, which are attribute to this committee and describe the procedures and regulations of the organization and its operation. For each of these responsibilities, state the most important actions during the business year and how you have exercised each of the attributed responsibilities, either by law or according to the by-laws or other corporate agreements.

- The Board of Directors, in its meeting held on February 27, 2020, proceeded to create a new consulting committee, the Sustainability and Corporate Governance Committee, and agreed that the Audit and Corporate Governance Committee would become the Audit Committee, with the consequent partial amendment of the Board Regulations, which entailed the amendment, among others, of Article 16, changing the name of the Audit and Corporate Governance Committee to the Audit Committee as well as the responsibilities attributed to it. Likewise, in its meeting held on December 17, 2020, the Board of Directors modified the competencies of the Audit Committee to include some of the Recommendations included in the Code of Good Governance.

- Article 16 of the Board Regulations and article 47.3 and 48 of the Company By-laws regulates the responsibilities, procedures and regulations of the organization and operation of the Audit Committee according to the following terms:
- Regarding the responsibilities, *"without prejudice of other responsibilities attributed by the applicable regulations, Company By-laws, Board of Directors Regulation, the Audit Committee will have the following responsibilities will have the following responsibilities: a.) Inform, through its Chairperson and/or its Secretary, the General Meeting regarding matters that are submitted to it pursuant to those subjects that are the are the responsibility of the Audit Committee and, specifically, regarding the result of the audit, explaining how it has contributed to the integrity of the financial information that the committee has developed in said process. b.) Supervise the efficiency of the Company internal control systems and units, such as the internal audit and the risk management systems, as well as discussing with the accounts auditor the weaknesses of the internal control system which have been detected during the performance of the audit, all without violating its independence. For such purposes, and where appropriate, they may submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up. c.) Supervise the process for the preparation and submission of the mandatory financial information, and submit recommendations or proposals to the Board of Directors, aimed at safeguarding its integrity. d.) Supervise the process of preparation and the integrity of the non-financial information, and report to the Sustainability and Corporate Governance Committee, prior to the issuance of the corresponding report by the latter. e.) To submit to the Board of Directors proposals for the selection, appointment, reappointment and replacement of the external auditor, as well as the terms and conditions of his/her contracting and to obtain regular information from him/her regarding the audit plan and its execution, in addition to preserving his/her independence in the performance of his/her duties. f.) In relation to the external auditor (i) Establish the necessary relations with the external auditor to receive information regarding those questions that may represent a threat for its independence, to be examined by the committee as well as any other related with the accounts audit development process and, when necessary, the authorization of services, different from those prohibited, under the conditions established in the applicable law, as well as all those other communications scheduled in the account audit legislation and audit regulations. (ii) Yearly receive the declaration of its independence from the accounts auditor regarding the entity or entities which are directly or indirectly related to it, as well as detailed and individualized information of the additional services of any type rendered and the corresponding fees received from said entities by the external auditor or by the people or entities related to it according to the provisions of the accounts auditing activities regulating code. (iii) In*

case of resignation, examine the circumstances which lead to it. (iv) Ensure that the remuneration for the position does not jeopardize neither its quality nor its independence. (v) Supervise that the Company communicates as a relevant fact to the CNMV the change of auditor and provides a declaration regarding the existence of disagreements with the exiting auditor and, if any, their content. (vi) Ensure that a yearly meeting with the board of directors plenary is held to be informed about the work that has been performed as well as the evolution of the accounting situation and risks to the company. (vii) Ensure that the company and the external auditor comply with the regulation in effect regarding the provision of services other than auditing, the limits of the concentration of the auditor business and in general, the remaining regulations regarding the independence of auditors. f) Yearly issue, before the issuing of the accounts audit report, a report indicating an opinion about the independence of the accounts auditor. This report must contain, in any case, an assessment motivated by the rendering of additional services mentioned in the previous section, individually and jointly taken into account, different from legal audit and regarding the independence system or the audit regulating code. h) Inform the board in advanced regarding all matters scheduled under the Law, the Articles of Association and the Regulation and particularly, regarding (i) the financial information the Company must make public periodically; (ii) the creation or acquisition of participations in special purpose entities or with registered address in countries or territories that are considered as tax havens; and (iii) the operations with related parties. i.) Ensure the independence of the unit that assumes the internal audit procedure; inform regarding the selection, appointment, election and dismissal proposals of the internal service audit supervisor; propose the budget of that service; approve the orientation and its business plans, ensuring that its activity is focused mainly towards the relevant risks of the Company; receive periodic information regarding its activities; and verify that the top management takes into account y the conclusions and recommendations of its reports. j.) Review and make proposals for improvement to the Board of Directors, for their approval or submission to the competent body, on compliance policies, taking into account the good governance recommendations generally recognized in international markets, in order to fulfill its mission of promoting the corporate interest and taking into account, when applicable, the legitimate interests of the remaining stakeholders. k) To supervise compliance of the regulations applicable to conduct in the securities markets, and in particular, the Internal Code of Conduct. l) To report regarding proposals to amend the Internal Code of Conduct and, m) To supervise the operation of the Sacyr Group's regulatory compliance, criminal prevention and antitrust model, as well as to apply the code of conduct and its sanctioning regime in the event that those affected are directors".

- Regarding the organization and operation procedure and regulation: “the members of the Audit Committee will all be non executive directors appointed by the Board of

Directors. *The majority of its members must be independent directors and one of them will be appointed taking into consideration their knowledge and experience in matters of accounting, audits or both. As a whole the Committee members will have technical knowledge belonging to the sector of activity to which the Company belongs to. The Audit Committee will be composed by a minimum of 3 and a maximum of 5 directors. The establishment of the number and their appointment corresponds to the Board of Directors. The members of the Audit Committee will be elected for a maximum period of four years, being able to be reelected one or more times for periods with the same maximum duration. The Chairperson of the Audit Committee will be appointed by the Board of Directors itself from among the corresponding Independent directors and must be replaced every four (4) years, being able to be reelected one a period of one (1) year since its termination. The Audit Committee will likewise have a Secretary, who will be that of the Board of Directors, who, if not a director, will have a voice but not a vote. In case of absence, impossibility or indisposition of the Secretary, he/she will be replaced by the Vicesecretary of the Board of Directors, who will likewise have a voice but no vote. The Audit Committee will hold a meeting, at least once a quarter and all the times that is necessary, prior notice of meeting by its Chairperson, by own decision or answering to the request of two (2) of its members or the Executive Committee. 6. La Audit Committee will be considered as validly incorporated when concurring at the meeting, attending or represented, more than half of its members. Deliberations will be moderated by the Chairperson. To adopt agreements it will be necessary to have the favorable vote of the absolute majority of the attendants, present and represented and, in case a tie, the Chairperson vote will be decisive. Except stipulation to the contrary, the responsibilities of Audit Committee are consulting and of proposals to the Board of Directors. Any member of the management team or Company personnel who is required for said purpose has the responsibility of attending the Audit Committee sessions and provide his/her cooperation and access the available information. The Audit Committee may also require for accounts auditors to attend its meetings. For the better fulfillment of its responsibilities, the Audit Committee can request the counseling of external professionals, for which purpose article 26 of this Regulation will be applicable.*

In everything that is not scheduled in the Articles of Association, the Regulation or in this article, the Audit Committee will regulate its own operation, applying, by default, the operational regulations established in regard to the Board of Directors, as long as they are compatible with the nature and purpose.”

- During the 2020 business year, the Audit Committee, has performed the following actions regarding its responsibilities:
 - 1) Propose the following agreements to the Board of Directors: (i) the inclusion among the proposed resolutions to be submitted to the General Shareholders'

Meeting regarding the re-election of the auditor for the 2020 business year, (ii) the filling of the vacant position on the Audit Committee as a result of the resignation of a member.

2) Favorably inform the Board of Directors regarding: (i) the partial amendment of the Regulations of the Board of Directors to include the creation of a new Delegated Committee of the Board of Directors together with its functions, (ii) the proposal for the preparation of the annual accounts, the management report and the proposal for the application of the profit for the 2019 business year; as well as the proposal for the diligence of signatures relating to the preparation of the annual accounts and the management report, the specific declaration of responsibility of Article 8.1.b) of Royal Decree 1362/2007, of October 19, and the environmental statement, (iii) the annual financial information, empowering the Chairperson of the Board, its Secretary and/or the Chief Financial Officer so that once the Audit Report has been obtained, said annual financial information is filed with the CNMV, consisting of: the annual accounts of the company and its consolidated group, the statement of responsibility regarding its content of art. 8.1.b) of R.D. 1362/2007, of October 19 and the auditor's report, (iv) the related-party transactions and submit them to the consideration of the Board of Directors for approval, (v) the following compliance policies: a) Anti-corruption policy and policy on relations with public officials and authorities, (b) Policy on the acceptance and offering of gifts and hospitality and (c) Policy on donations and sponsorships, (d) Policy on regulatory compliance with regard to crime prevention and (e) Policy on regulatory compliance with regard to antitrust matters, (vi) Policy on the protection of personal data, (vii) modification of a set of texts that form the Regulatory Compliance Model, headed by the Code of Conduct.

3) Approve: (i) the modification of the rotation criteria for the appointment of the Member of the Regulatory Compliance Unit, representative of the business lines of Sacyr, S.A., (ii) the inclusion of a new member of the Regulatory Compliance Unit at the proposal of the Corporate Management in charge of the Communication and Sustainability policy, (iii) the appointment of the new members of the Regulatory Compliance Unit, (iv) to acknowledge and inform the Board of Directors of the resignation of a member of the Audit Committee, (v) the contracting of the professional services of EY for the preparation of the transfer pricing documentation of the Sacyr Group companies corresponding to the related transactions carried out, (vi) in relation to the authorization for the selection of the real estate asset valuation company, to change the moment of obtaining said authorization from being done in the initial stage as it had been done in the past to being done in the final stage of the process together with the final assessment.

4) To supervise and report to the Board of Directors on: (i) the financial report of Sacyr, S.A. corresponding to the second half of the 2019 business year, (ii) the

interim financial statement corresponding to the first quarter of 2020, (iii) the financial report of Sacyr, S.A. corresponding to the first half of the 2020 business year, (iv) the report for the first half of 2020 and annual report of external expert regarding prevention of money laundering, (v) the report for the first half of 2020 of the Regulatory Compliance Unit, (vi) the interim financial statement corresponding to the third quarter of 2020,

5) Issue the following reports: (i) the assessment report on the operation of the Audit Committee during the 2019 business year to be submitted to the Board of Directors, (ii) the report on the independence of the statutory auditor for the 2019 business year, which concludes with a favorable opinion on the independence status of EY, and (iii) supplementary reports.

6) To consider itself informed and in agreement with the modifications approved by the Regulatory Compliance Unit in its Internal Operating Regulations, as well as to consider PricewaterhouseCoopers Auditores, S.L. ratified as independent provider of verification services for the verification of Sacyr's 2020 Integrated Sustainability Report.

Identify the directors members of the audit committee which have been appointed taking into consideration their knowledge and experience on accounting, audit or both matters and report about the appointment date of the Chairperson of this committee in the position.

Name of the experienced directors	-ISABEL MARTÍN CASTELLÁ -GRUPO SATOCAN DESARROLLOS, S.L. (Represented by Juan Miguel Sanjuán Jover) - JUAN MARÍA AGUIRRE GONZALO - JOSÉ JOAQUÍN GÜELL AMPUERO
Appointment date of the current chairperson	Isabel Martín Castellá, was appointed Chairperson of the Audit Committee by resolution of the Board of Directors dated June 8, 2017 and was re-elected to that position by resolution of the Board of Directors dated June 13, 2019.

Observations:

APPOINTMENTS AND REMUNERATIONS COMMITTEE

Name	Position	Category
AUGUSTO DELKÁDER TEIG	CHAIRPERSON	INDEPENDENT
DEMETRIO CARCELLER ARCE	MEMBER	DIRECTOR REPRESENTING CONTROLLING SHAREHOLDERS
PRILOU, S.L.	MEMBER	DIRECTOR REPRESENTING CONTROLLING SHAREHOLDERS

ELENA JIMENEZ DE ANDRADE ASTORQUI	MEMBER	INDEPENDENT
MARIA JESUS DE JAEN BELTRÁ	MEMBER	INDEPENDENT

% of directors representing controlling interests	40.00 %
% of independent directors	60.00 %
% of other external	0.00 %

Observations:

In the meeting of the Board of Directors held on February 27, 2020, it was agreed to accept the resignation of Grupo Corporativo Fuertes, S.L., represented by Tomás Fuertes Fernández, as a member of the Appointments and Remunerations Committee, resignation that was motivated by organizational reasons and to appoint María Jesús de Jaén Beltrá as a new member of the Appointments and Remunerations Committee.

Explain the responsibilities, including, when applicable, those additionally legally scheduled, which are attribute to this committee and describe the procedures and regulations of the organization and its operation. For each of these responsibilities, state the most important actions during the business year and how you have exercised each of the attributed responsibilities, either by law or according to the by-laws or other corporate agreements.

- Article 17 of the Board of Directors Regulation and articles 47.3 and 49 of the Company By-laws regulate the responsibilities, procedures and regulations of the organization and operation of the Appointments and Remunerations Committee according to the following terms:
- In relation to the powers: *“regardless of other responsibilities assigned by the applicable regulations in force, the Articles of Association, the Regulation or the Board of Directors, the Appointments and Remunerations Committee will have the following responsibilities: a) Assess the responsibilities, knowledge and experience necessary in the Board of Directors. For these purposes, it will define the responsibilities and aptitudes necessary in the candidates that are to cover each vacancy and assess the time and dedication necessary in order to efficiently fulfill their responsibilities. b) Establish a representation goal for the gender that has less presence in the Board of Directors and prepare guidance regarding how to reach said objective. c) Submit the appointment proposals to the Board of Directors (for their assignment by co-opting or to be subject to the decision of the General Meeting) of the*

independent directors, as well as the proposals for the reelection or dismissal of said directors by the General Meeting. d) Inform about the appointment proposals (for their appointment for co-opting or for their submission to the General Meeting) of the remaining directors, as well as proposals for their reelection or split from the General Meeting. e) Inform regarding the appointment and split proposals of the Deputy Chairpersons, Secretary and Vice-secretary of the Board of Directors. f) Inform regarding the appointment and split proposals of top management and the basic conditions of their contracts. For the purposes of this Regulation it will be understood as senior management those manages who have a direct dependence from the Board of Directors of the Chief Executive Officer, when applicable and in any case, those responsible for the Company internal audit. g) Propose to the Board of Directors the managers and managing directors policy or those who develop the responsibilities of senior management under the direct dependence of the Board of Directors, of executive committees or managing directors, as well as the individual remuneration and other contractual conditions of the executive directors, ensuring their compliance. H) Periodically review the remuneration programs, particularly senior management and the managing team, weighing their adequacy and their performance. i) Organize and perform the yearly assessment of the Board of Directors Chairperson, under the management and momentum of the Coordinating Director, reporting to the Board of Directors. j) Examine and organize the succession of the Board of Directors Chairperson and that of the Company first executive and, when applicable, prepare proposals for the Board of Directors so that said succession takes place in an organized and planned manner. k) Inform the Board of Directors regarding the possible default of responsibilities scheduled under article 54 of the Company By-laws. l) Yearly inform the Board of Directors regarding the assessment of the Board itself."

- Regarding the organization and operation procedure and regulation: 1. *"The Appointments and Remunerations Committee will be composed in its entirety by non executive directors appointed by the Board of Directors, two of which, at least, must be independent directors, appointed in relation to their knowledge and professional experience. 2. The Appointments and Remunerations Committee will be composed by a minimum of 3 and a maximum of 5 directors. The establishment of the number and their appointment corresponds to the Board of Directors. The members of the Appointments and Remunerations Committee will be elected for a maximum period of four years, being able to be reelected one or more times for periods with the same maximum duration. 3. The Chairperson of the Appointments and Remunerations Committee will be appointed by the Board of Directors from among the Committee members who have the condition of independent. 4. The Appointments and Remunerations Committee will likewise have a Secretary, who will be that of the*

Board of Directors, who, if not a director, will have a voice but not a vote. In case of absence, impossibility or indisposition of the Secretary, he/she will be replaced by the Vicesecretary of the Board of Directors, who will likewise have a voice but no vote. 5. The Appointments and Remunerations Committee will hold a meeting each time it is requested by the Board of Directors or its Chairperson requests the issuing of a report or the adoption of proposals and, in any case, whenever it is convenient for the good development of its responsibilities. It will, in any case, hold a meeting once a year to prepare information regarding directors remunerations. The Appointments and Remunerations Committee will hold a meeting, prior notice of meeting by its Chairperson, by own decision or answering to the request of two (2) of its members or the Executive Committee. 6. The Appointments and Remunerations Committee will be considered as validly incorporated when concurring at the meeting, attending or represented, more than half of its members. Deliberations will be moderated by the Chairperson. To adopt agreements it will be necessary to have the favorable vote of the absolute majority of the attendants, present and represented and, in case a tie, the Chairperson vote will be decisive. Except stipulation to the contrary, the responsibilities of the Appointments and Remunerations Committee are consulting and of proposals to the Board of Directors. (...) 8. In everything that is not scheduled in the Articles of Association or in this article, Appointments and Remunerations Committee will regulate its own operation, applying, by default, the operational regulations established in regard to the Board of Directors, as long as they are compatible with the nature and purpose of this Committee.

- During the 2020 business year, the Appointments and Remunerations Committee, in accordance with the functions entrusted to it, carried out the following actions:
 - 1) Propose the following agreements to the Board of Directors: (i) the overall remuneration to be received during the 2020 business year by the Chairperson, the Deputy Chairperson and other Directors for the attendance fees for attending the meetings of the Board of Directors shall be the same as those received during the 2019 business year, (ii) the overall remuneration to be received during 2020 by the members of the Appointments and Remunerations Committee and the Audit Committee shall be the same as those received in 2019, (iii) the amount to be received annually by the members of the new Sustainability and Corporate Governance Committee as allowances for their attendance to the meetings of the aforementioned Committee, (iv) the modification of the "Remuneration Policy of the Directors of Sacyr, S. A. 2020-2022",
 - 2) Favorably inform the Board of Directors regarding: (i) the remuneration policy for 2019, including fixed and variable compensation for members of the Management Committee and Senior Management. Establish the fixed and variable remuneration, as well as the social welfare plan for 2020 (ii) take into account the adjusted BDI

for the calculation of the variable remuneration, maintaining this consideration for future calculations of the variable remuneration, (iii) on the remuneration policy of 2019 and for the year 2020 referring to the Chairperson of the Board and Chief Executive Officer, (iv) the "Annual Compensation Report for 2019, proposing its approval to the Board and subsequent publication in the CNMV and on the corporate website, (v) the payment of part of the Long-Term Incentive 2018-2020 of the Chairperson and Executive Director, as well as of the members of the Management Committee, through the delivery of shares, (vi) initially decrease 20% of the annual variable remuneration approved for the year 2020 of the Chairperson of the Board and members of the Management Committee pending further events and development of the pandemic caused by the COVID19 coronavirus, (vii) the re-election of the members of the Board, the Committees and the Sacyr Foundation, (viii) on the new ILP Program and on the launching of the first two cycles.

3) Issue reports and submit them to the Board of Directors regarding: (i) verification of compliance with the policy for the selection, appointment and re-election of directors in the 2019 business year, (ii) the "Succession Plan for the Chairperson of the Board of Directors and Chief Executive Officer", (iii) assessment of the Appointments Committee and the Board operations during the 2019 business year, (iv) the establishment of the Sustainability and Corporate Governance Committee, the appointment of the members to the aforementioned Committee, the appointment of its Chairperson, the establishment of the Sustainability Committee of Sacyr, S.A., as well as the amendment of the Regulations of the Board of Directors and the Company's By-laws.

Likewise, the Committee agreed to approve (i) the assessment report of the Executive Chairperson during the 2019 business year, (ii) the report to be submitted to the Board and to propose Ms. Ana María Sala Andrés as candidate to occupy the position of Secretary (non-director) of the Board of Directors and delegated Committees.

SUSTAINABILITY AND CORPORATE GOVERNANCE COMMITTEE:

Name	Position	Category
MARIA JESÚS DE JAEN BELTRÁ	CHAIRPERSON	INDEPENDENT
ELENA JIMENEZ DE ANDRADE ASTORQUI	MEMBER	INDEPENDENT
AUGUSTO DELKADER TEIG	MEMBER	INDEPENDENT
GRUPO CORPORATIVO FUERTES, S.L.	MEMBER	DIRECTOR REPRESENTING CONTROLLING SHAREHOLDERS
LUIS JAVIER CORTÉS DOMÍNGUEZ	MEMBER	MISCELLANEOUS EXTERNAL

% of executive directors	
% of directors representing controlling interests	20.00 %
% of independent directors	60.00 %
% of other external	20.00 %

Observations:

The Board of Directors, in its meeting held on February 27, 2020, agreed, among other things, to create a new Board delegated Committee, called the Sustainability and Corporate Governance Committee. The appointment of Board Members María Jesús de Jaén Beltrá, Elena Jiménez de Andrade Astorgui, Augusto Delkáder Teig, Grupo Corporativo Fuertes, S.L., represented by Tomás Fuertes Fernández, and Luis J. Cortés Domínguez, as members of the aforementioned Sustainability and Corporate Governance Committee was also agree upon. Likewise, it was agreed to appoint María Jesús de Jaén Beltrá as Chairperson of the aforementioned Committee, pointing out that the Secretary of the Board of Directors shall act as Secretary and, in the event of absence or legitimate hindrance of the latter, the Deputy Secretary of the aforementioned body shall act as Secretary.

Explain the responsibilities, including, when applicable, those additionally legally scheduled, which are attribute to this committee and describe the procedures and regulations of the organization and its operation. For each of these responsibilities, state the most important actions during the business year and how you have exercised each of the attributed responsibilities, either by law or according to the by-laws or other corporate agreements.

- In its meeting held on December 17, 2020, the Board of Directors modified the competencies of the Sustainability and Corporate Governance Committee to some of the Recommendations included in the Good Governance Code.
- Article 16 bis of the Board of Directors Regulation and articles 47.3 and 48 bis of the Company By-laws regulates the responsibilities, procedures and regulations of the organization and operation of the Sustainability and Corporate Governance Committee according to the following terms:
- In relation to the powers: *“Without prejudice of other responsibilities that are assigned by the applicable law, the Articles of Association, Board of Directors Regulation, Sustainability and Corporate Governance Committee will have the*

following responsibilities: (i) To review and make proposals for improvement to the Board of Directors, for its approval or submission to the competent body, regarding the internal rules of the Company's Corporate Governance System, with special emphasis on corporate governance and sustainable development policies, taking into account the good governance recommendations generally recognized in international markets, with the purpose of assisting in the compliance of its objective of promoting the corporate interest and taking into account, when applicable, the legitimate interests of the remaining groups of interest, (ii) to guide and supervise the Company's performance in strategies related to sustainability and corporate governance and to report thereon to the Board of Directors, (iii) To determine the criteria and guidelines that should govern the content of the non-financial information statement, based on the report prepared for said purpose by the Audit Committee, and to report thereon to the Board of Directors, prior to its preparation, (iv) To report, in advance, to the Board of Directors on all matters stipulated by the Law, the Company's By-laws and the Regulations of the Board of Directors regarding the non financial information to be made public periodically by the Company, (v) To monitor the Company's corporate governance and sustainable development strategies, and (vi) To assess and review the Company's plans for implementing sustainable development policies and monitor their degree of compliance.

- *Regarding the organization and operation procedure and regulation: "The members of the Sustainability and Corporate Governance Committee will all be, non executive directors appointed by the Board of Directors, with the requirement that the majority of them must be independent directors. As a whole the Committee members will have technical knowledge belonging to the sector of activity to which the Company belongs to. The Sustainability and Corporate Governance Committee will be composed by a minimum of 3 and a maximum of 5 directors. The establishment of the number and their appointment corresponds to the Board of Directors. The members of the Sustainability and Corporate Governance Committee will be elected for a maximum period of four years, being able to be reelected one or more times for periods with the same maximum duration. The Chairperson of the Sustainability and Corporate Governance Committee shall be appointed by the Board of Directors itself from among the independent Directors. The Sustainability and Corporate Governance Committee will likewise have a Secretary, who will be that of the Board of Directors, who, if not a director, will have a voice but not a vote. In case of absence, impossibility or indisposition of the Secretary, he/she will be replaced by the Vicesecretary of the Board of Directors, who will likewise have a voice but no vote. The Sustainability and Corporate Governance Committee will hold a meeting, at least once a quarter and all the times that is necessary, prior notice of meeting by its Chairperson, by own decision or answering to the request of three (2) of its members or the Executive Committee. La Sustainability and Corporate Governance Committee*

will be considered as validly incorporated when concurring at the meeting, attending or represented, more than half of its members. Deliberations will be moderated by the Chairperson. To adopt agreements it will be necessary to have the favorable vote of the absolute majority of the attendants, present and represented and, in case a tie, the Chairperson vote will be decisive. Except stipulation to the contrary, the responsibilities of the Sustainability and Corporate Governance Committee are consulting and of proposals to the Board of Directors. Any member of the management team or Company personnel who is required for said purpose has the responsibility of attending the Sustainability and Corporate Governance Committee sessions and provide his/her cooperation and access the available information. For the better fulfillment of its responsibilities, the Sustainability and Corporate Governance Committee can request the counseling of external professionals, for which purpose what is established under article 26 of the Regulation will be applicable. In everything that is not scheduled in the Articles of Association, the Regulation or in this article, the Sustainability and Corporate Governance Committee will regulate its own operation, applying, by default, the operational regulations established in regard to the Board of Directors, as long as they are compatible with the nature and purpose of this Committee.

- During the 2020 business year, the Sustainability and Corporate Governance Committee, in accordance with the functions entrusted to it, has carried out the following actions:
 - 1) Favorably inform the Board of Directors for its approval regarding: (i) the "Non-Financial Information Statement" corresponding to 2019 business year, (ii) the "Annual Corporate Governance Report corresponding to the 2019 business year for its approval and subsequent publication in the CNMV and the corporate website, (iii) the following Policies; (i) biodiversity, (ii) water, (iii) fight against climate change, (iv) information security, (v) occupational health and safety, (vi) human rights, (vii) quality, environment and energy management, (viii) Sustainability Framework Policy, (ix) innovation and, (x) equality and Diversity, (xi) communication of economic and financial information, (xii) communication of non-financial and corporate information of Sacyr and (xiii) supply chain management.
 - 2) Approve, when applicable, (i) the proposals submitted by the Sustainability Committee, (ii) the calendar of meetings of the Committee itself for the 2020 business year.

C.2.2 Complete the following chart with the information regarding the number of female board members during the past four business years

	Number of female directors							
	2020 Business Year		2019 Business Year		2018 Business Year		2017 Business Year	
	Number	%	Number	%	Number	%	Number	%
EXECUTIVE COMMITTEE	0	0.00 %	0	0.00 %	0	0.00%	0	0.00%
AUDIT AND CORPORATE	1	25.00 %	2	40.00 %	2	40.00%	1	20.00%
APPOINTMENTS AND REMUNERATIONS COMMITTEE.	2	40.00 %	1	20.00 %	1	20.00%	1	20.00%
SUSTAINABILITY AND CORPORATE GOVERNANCE COMMITTEE:	2	40.00 %						

Observations:

C.2.3 State, when applicable, the existence of the regulation of the board committees, where these are available for query and the modifications that have been performed during the business year. At the same time, state if any annual report regarding the activities of each committee has been prepared voluntarily.

EXECUTIVE OR DELEGATED COMMITTEE: Brief description:

The Committee operation and competence regulation are developed under question C.2.1 above, with its text being available on the Company website, on December 31, 2020, under the section called Information for Shareholders and Investors, appearing also in the Corporate Governance subsection, accessing the Board Committees, where their existence is reported and everything related to them is regulated.

There has been no modification to the Executive Committee during the business year. The Executive Committee assesses all years of its activity, which is subsequently submitted to be approved by the Board.

AUDIT COMMITTEE Brief description:

The Committee operation and competence regulations are developed under question C.2.1 above, with its text being available on the Company website, on December 31, 2020, under a section called Information for Shareholders and Investors, appearing also in the Corporate Governance subsection, accessing the Board delegated Committees, where their existence is reported and everything related to them is regulated.

As indicated in previous sections of this report, the creation of the Sustainability and Corporate Governance Committee as a new delegated Committee of the Board of Directors, by resolution of the Board dated February 27, 2020, and subsequently, the

modification of some of the Recommendations of the Good Governance Code carried out by the CNMV, made it necessary to modify the internal regulations, including the Regulations of the Board of Directors. The aforementioned changes have entailed the following for the Audit Committee: (i) modification of its name from Audit and Corporate Governance Committee to Audit Committee, (ii) the replacement of the Audit Committee by the Sustainability and Corporate Governance Committee as the body that may urge the amendment of the Board Regulations, (iii) the modification of some of its functions, such as: (a) eliminating the function of *"Guiding and supervising the Company's actions in matters of corporate social responsibility, reviewing policies and ensuring that they are oriented towards the creation of value"*, (b) including the function of *"Supervising the preparation process and the integrity of non-financial information, and reporting to the Sustainability and Corporate Governance Committee, prior to the issuance of the corresponding report by the latter"*, c) to detail the function of *"Reviewing and making improvement proposals to the Board of Directors, for its approval or submission to the competent body on the internal corporate governance rules of the Company (...)"*, replacing it with *"Reviewing and making proposals for improvement to the Board of Directors, for its approval or submission to the competent body on the compliance policies (...)"* and, (iv) changing from three to two the members required to request the calling of an Audit Committee meeting.

The Audit Committee assesses all years of its activity, which is subsequently submitted to be approved by the Board.

APPOINTMENTS AND REMUNERATIONS COMMITTEE: Brief description:

The Committee operation and competence regulation are developed under question C.2.1 above, with its text being available on the Company website, on December 31, 2020, under a section called Information for Shareholders and Investors, appearing also in the Corporate Governance subsection, accessing the Board delegated Committees, where their existence is reported and everything related to them is regulated.

The only modification that has taken place during the 2020 business year has been related to the composition of the members of the Committee, as previously stated, with the resignation of a member of said Committee with the category of directors representing a controlling interest and the appointment in his/her place of another member with the category of independent director.

The Audit Committee, Appointments and Remunerations Committee assesses all years of its activity, as well as that of the Chairperson, which is subsequently submitted to be approved by the Board.

SUSTAINABILITY AND CORPORATE GOVERNANCE COMMITTEE: Brief description:

The Committee operation and competence regulation are developed under question C.2.1 above, with its text being available on the Company website, on December 31, 2020, under a section called Information for Shareholders and Investors, appearing also in the Corporate Governance subsection, accessing the Board delegated Committees, where their existence is reported and everything related to them is regulated.

Said Committee was constituted during the year 2020, as well as the appointment of its comprising members and the designation of its Chairperson and Secretary.

The Appointments and Remunerations Committee, like with the remaining Board Committees, will assess its activity during the business year, subsequently submitting it to the Board for approval.

- Lastly, it is reported that an annual report has been prepared regarding the activities of each committee, except the Sustainability and Corporate Governance Committee since it was incorporated in the current business year, which is developed under section C.1.17 of this report.

D RELATED OPERATIONS AND INTRAGROUP OPERATIONS:

D.1 Explain, when applicable, the procedure and competent bodies for the approval of operations with related and intragroup parties.

- According to article 56.4 of the Company By-laws *“the Board of Directors Regulation will develop and specify the specific responsibilities of the board members, derived from the confidentiality, no compete and loyalty duties, paying special attention to the conflict of interest situations and related operations, and will establish the necessary procedures and guarantees to prevent said conflict of interest situations and related operations which may take place without the necessary authorization or waiver, always according to the applicable regulation.”*
- Article 34 of the Board of Directors Regulation, regarding article 229 of the Corporate Law, states that *“before it is performed, the board members must inform the Audit Committee, through its Secretary, any of the situations or operations stipulated under section 1 of the previous article (prevent conflict of interest situations), indicating the key characteristics and necessary circumstances so that the competent bodies can thoroughly assess the conflict situation.*
The Audit Committee must submit a mandatory report, but not binding, to the corporate body which is statutorily competent to allow, when applicable, the situations or transactions which have been communicated being able to, for said

purpose, require from the communicating director all additional information that may be necessary.

The Company, by agreement of the General Meeting or the Board of Directors, when applicable, will adopt the necessary decisions, according to what is established under the applicable law, Articles of Association and this Regulation.

The waiver or authorization agreements of the prohibitions established under the above article will demand the previous substantiation regarding the safety of the situation or transaction to the corporate interest, and, particularly in case of related operation, the accreditation that it is performed according to market conditions.

Those transactions which the applicable regulation exempts from said approval will be exempt from this system.

The affected directors, or those who represent or are related to the affected shareholders, will abstain from participating in the deliberation and vote of the agreement in question.

The Company will make public the transactions with shares performed with its significant, directors, senior management and group companies, under the terms that are demanded at each time by the applicable regulation in effect.”

D.2 Detail those significant operations that due to their amount or relevance due to matters performed between the company or its group entities, and the company significant shareholders:

Name or corporate name of the significant shareholder	Name or corporate name of the company or group entity	Nature of the relation	Type of operation	Amount (thousands of Euros)

Observations: The detail of the significant accounted operations, is provided in the corresponding note of the consolidated and individual financial statement "Operations with related parties", that the Company or companies of its group have performed during 2020 with its related parties, all within the ordinary traffic or operation.

D.3 Detail those significant operations that due to their amount or relevance due to matters performed between the company or its group entities, and the administrators or managers of the company:

Name or corporate name of the administrators or managers	Name or corporate name of the company or group entity	Relation	Nature of the operation	Amount (thousands of Euros)

Observations:

The detail of the significant accounted operations, is provided in the corresponding note of the consolidated and individual financial statement "Operations with related parties", that the Company or companies of its group have performed during 2020 with its related parties, all within the ordinary traffic or operation.

D.4 Report of the significant operations performed by the company with other entities belonging to the same group, as long as the process for the preparation of the consolidated financial statements is not eliminated and are not a part of the regular traffic of the company regarding its purpose and conditions.

In any case, any intragroup operation performed with entities established in countries or territories which are considered tax havens will be informed about:

Corporate name of the body of its group	Brief description of the operation	Amount (thousands of Euros)

Observations:

The detail of the significant accounted operations, is provided in the corresponding note of the consolidated and individual financial statement "Operations with related parties", that the Company has performed during 2020 with its related parties, all within the ordinary traffic or operation.

D.5 Detail of significant operations performed between the company and other related parties, which have not been informed in the previous sections:

Corporate name of the related company	Brief description of the operation	Amount (thousands of Euros)

Observations:

The detail of the significant accounted operations, is provided in the corresponding note of the consolidated and individual financial statement "Operations with related parties", that the Company or companies of its group have performed during 2020 with its related parties, all within the ordinary traffic or operation.

D.6 Detail of the systems established to detect, establish and resolve the possible conflicts of interest between the company and/or its group and its directors, managers or significant shareholders.

- According to article 56 of the Company By-laws “(...) *The responsibility of the director is the performance of the company interest, guiding and controlling the company management with the purpose of trying to maximize its value for the benefit of the shareholders. During the development of his/her responsibilities, the director must act with the diligence of an organized entrepreneur, being particularly committed to: (...) (d) Oppose agreements contrary to the Law, the Articles of Association or the corporate interest and request the recording of his/her position in the minute when he/she considers it is more convenient for the safekeeping of the corporate interest; (...) and (f) promote the research regarding any irregularity of the company management of which it might have obtained knowledge (...)*”. The director is also obligated to perform his/her position as a loyal representative in defense of the company interest, complying with the responsibilities imposed by the applicable regulation and the Corporate Governance System. The loyalty duty compels to put first the Company interests in relation to his/her own, to comply with basic obligations derived from the duty of loyalty, such as: (a) not exercise his/her powers for purposes other than those for which they were granted, (b) to keep confidential any information, data, reports or background information to which he/she has had access in the performance of his/her duties, even after leaving the position, except in those cases in which the law so permits or requires, (c) to refrain from participating in the deliberation and voting on resolutions or decisions in which he/she or a related person has a direct or indirect conflict of interest. The agreements or decisions affecting his/her condition of administrator, such as the appointment or revoking for positions of the board of directors or other of analogous significance will be excluded from the above abstention obligation. d) *Develop their responsibilities according to the principle of personal liability principle, with freedom of criterion or opinion and regardless of the inspeccionados and relations of third parties. e) adopt the necessary measures to prevent incurring in situations in which his/her interests, be it own or third party, can come into conflict with the corporate interest and his/her duties towards the company.*”
- Article 31 of the Board of Directors Regulation develops and specifies the particular responsibilities of directors, derived from the confidentiality, non

compete and loyalty duties, paying special attention to the conflict of interest situations and related operations, such as “ c) *abstain from participating in the deliberation and voting of agreements and decisions in which him/her or a related person, whichever are established by the applicable regulation in effect at each time (for the purposes of this Regulation, will be considered people linked to the directors, (the “Related People”)* will have a direct or indirect conflict of interest. The agreements or decisions affecting his/her condition of director, such as the appointment or revoking for positions of the board of directors or other of analogous significance will be excluded from the above abstention obligation. d) *Develop their responsibilities according to the principle of personal liability principle, with freedom of criterion or opinion and regardless of the inspeccionados and relations of third parties. e) adopt the necessary measures to prevent incurring in situations in which his/her interests, be it own or third party, can come into conflict with the corporate interest and his/her duties towards the company.”*

- Pursuant to Article 33 of the Board Regulations and Article 229 of the Capital Companies Act, "*the duty to avoid conflict of interest situations additionally obliges the director to abstain from: a.) Carrying out transactions with the Company, except in the case of ordinary transactions, made under standard conditions for clients and of little relevance, understanding as such those which information is not necessary to express a true and fair view of the Company's net worth, financial situation and results of operations. b.) Using the name of the Company or invoking their status as director to unduly influence the performance of private transactions. c.) Making use of corporate assets, including confidential information of the Company, for private purposes. d.) Taking advantage of business opportunities of the Company. e.) Obtain advantages or remuneration from third parties other than the Company and its group associated with the performance of their duties, except in the case of mere courtesy. f.) Perform any type of operations which direct or underlying purpose are shares or any other securities issued by the Company, that, due to their characteristics, may be detrimental to the corporate interest or, in particular, negatively affect the value of its shares or securities or the irregularity of their value. g.) Develop activities on his/her own or through third parties that represent an efficient competition, be it real or prospective, with the Company or that, in any other way, places him/her in a permanent conflict of interest with the Company interests. These provisions will also be applicable in cases in which the author or beneficiary of the actions or activities that are forbidden is a Related Person to the director.*
- Article 34 of the Board of Directors Regulation, described under section D.1 of this report, establishes the necessary procedures and guarantees to prevent that said conflict of interest situations and related operations can take place without the necessary authorization of waiver, always according to what is established under the applicable regulation.

- According to article 24 of the Board Regulation and 54.2 of the By-laws “the director must place their position at the disposition of the Board of Directors and formalize, when applicable, the corresponding resignation: a) when they incur in any of the incompatibility or prohibition causes to continue in their position and in particular under the case scheduled under article 224.2 of Corporate Law; b) when the Appointments and Remunerations Committee, Audit Committee and the Sustainability and Corporate Governance Committee inform the Board of Directors and the latter verified through the adoption of the corresponding agreement, that the director has defaulted, seriously or very seriously, his/her responsibilities as director and, in particular, the responsibilities derived from the diligence and loyalty responsibilities, including those to prevent the conflicts of interest and other responsibilities established by the Corporate Governance System; or c) when his/her stay in the Board of Directors may endanger the interest of the Company or negatively affect its credit and reputation, and the Appointments and Remunerations Committee is thus informed.”

D.7 Indicate whether the Company is controlled by another entity within the meaning of Article 42 of the Commercial Code, listed or not, and whether it has, directly or through its subsidiaries, business relations with such entity or any of its subsidiaries (other than those of the listed company) or carries out activities related the activities of any of them.

Yes No **X**

Indicate whether the respective areas of activity and any business relationships between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries have been publicly disclosed with precision:

Yes No

<p>Report the respective areas of activity and any business relationships between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries, and identify where these aspects have been publicly reported.</p>

Identify the systems in place to resolve any conflicts of interest between the other parent company of the listed company and other companies in the group:

<p>Systems for resolving possible conflicts of interest.</p>



E CONTROL AND RISK MANAGEMENT SYSTEM

E.1 Explain the reach of the Control and Risk Management System, including those of a fiscal nature:

The Sacyr Group has a Comprehensive Risk Management System (CRMS), based on the COSO ERM internal control and risk management standards (Committee of Sponsoring Organizations of the Treadway Commission) and ISO 31000 (International Organization for Standardization), with the aim of facilitating key business decision-making, under a common risk culture, through a systematic and structured analysis of the risks inherent to its business activity.

The CRMS is implemented and consolidated in all its operations and supports the risk culture and the Group's Risk Control and Management Policy, approved by the Board of Directors, which establishes the scope, values, principles, governance model and bases for the operation of its internal risk management model. This policy is developed through the Risk Analysis Standard which goals are:

- Establish the process of risk identification, analysis, treatment, monitoring and control, as well as the activities to be carried out at each stage.
- Define the distribution of roles and responsibilities during the risk control and management process to ensure the escalation of decision-making to the appropriate level according to the type of decision and risk implications.
- Promote continuous improvement in the business decision making process.
- Reinforce the Sacyr Group's risk culture, based on the principles of transparency, responsibility, involvement ("risk ownership") and business orientation to encourage informed and responsible decision-making at all organizational levels.

The goal of the Risk Control and Management Policy is to ensure that a reasonable degree of certainty is obtained regarding the achievement of the company's strategic

objectives, considering the efficiency of its operations and the commitment to its different stakeholders.

The risk management process through the Integrated Risk Management System (CRMS) is structured in six stages:

- Planning: Taking the Company's strategy and objectives as a reference, the necessary management tools are activated in this stage and the risk managers and owners involved in key business decision making are appointed.
- Identification: activities are carried out to identify the critical risks associated with each key decision, considering both the risks associated with the strategic plan and the potential critical risks that could negatively affect the achievement of the planned objectives.
- Assessment: activities are carried out to assess, filter and prioritize the critical risks previously identified, according to impact scales, tolerance thresholds and other support metrics defined to establish the relevance of such risks.
- Treatment: the goal of the activities at this stage is to define the response strategy for each particular risk (accept, avoid, mitigate or transfer), as well as implementing the appropriate response plans (Mitigation and/or Contingency Plans) according to the exposure and tolerance established in this regard.
- Monitoring: the evolution of preexisting risks is measured in this stage , as well as new risks, assessing the effectiveness of the response plans, recalibrating tolerances and risk assessment scales and initiating Contingency Plans in the event of exceeding the maximum tolerances established.
- Control: this stage includes the internal control and assurance activities carried out by the Risk Control and Management Department, as well as the capture of lessons learned for the continuous improvement of the system and the Group's Risk Control and Management Policy.

In order to support the risk control and management system, the Sacyr Group has developed a comprehensive Risk Management tool (MyRISK) and designed its own project risk management software tailored to the needs and particularities of each business area, including risk maps and comprehensive scorecards at a project, business and Group level, which facilitate real-time data collection, analysis, assessment, management and reporting of the information associated with the Group's risks. This tool functions as an early warning system, supporting the day-to-day operations and key business decision-making process, as well as the Risk Analysis Regulation (RAR).

The risks map at a Project, Business and Group level are obtained based on the described analysis, these allow assessing, classifying and prioritizing the identified

key risks, establish what is accountable as well as the necessary measures to start controlling the risk exposure within the tolerance thresholds established by the Group.

The Group's high-level risk map provides integrated information on the company's global exposure (Top-Down approach) by aggregating and weighting the different risks identified at project level in the business units (*Bottom-Up risk assessment*). This tool will be updated periodically involving the highest supervisors of each Business units in order to facilitate the Group decision making and maintaining the Audit Committee duly informed.

E.2 Identify the company organizations responsible for the preparation and execution of the Risk Management System, including the tax one:

The main supervising company bodies responsible for the Risk Control and Management System of Sacyr are: the Board of Directors, Audit Committee, Risks Committee and the Risk Control and Management Administration.

The Board of Directors has the responsibility of formally approving the Group Risk Control and Management Policy, and with the support of the Audit Committee, which supervises the Risk Committee and the information and control systems. The exercise of this responsibility guarantees the implication of the Board of Directors in the supervision of the risk identification procedure and the implementation and follow up of the adequate control and information systems.

The Risk Committee is the maximum supervisor of the Sacyr Risk Control and Management System and all decisions associated therein It is managed by the top executive of the Company and among the Committee responsibilities are that of establishing the risk tolerance indexes and the definition and promotion of the risk culture in the organization.

The Risk Control and Administration Corporate Management will provide support to the Risk Committee in coordination with the Risk Control and Management System of the business areas of the Group, performing the follow up and reporting of the conclusions of the risk analysis, facilitating the business key decision making process In addition, the Internal Audit Management, with direct dependence from the Sacyr Group Chairperson and under the supervision of the Audit Committee, has the general purpose of performing a systematic assessment of the efficiency of the risk identification, control and management process. For this purpose it annually prepared an Internal Audit, which is subject to the approval of the Audit Committee.

E.3 Point out the main risks, including the tax ones, y and as long as they are significant those derived from corruption (understanding the later within the

scope of Royal Decree Law 18/2017, which may affect the achievement of business goals:

The Sacyr Group, with an important presence in the international arena, develops its activity in different sectors, socioeconomic environments and regulating frameworks. In this context there are risks of different natures, inherent to the businesses and sectors in which the company operates.

The Sacyr Group has established a Risk Catalog within its risk system (CRMS), which is updated periodically and allows the information to be homogenized and consolidated, and which includes in a structured manner, the typology of risks classified into four categories: strategic, financial, operational, reporting and regulatory compliance (including those of a fiscal nature and those derived from corruption, among others).

Within each of these risks categories are established, the main identified key risks for the business distinguishing between the root cause in order to guarantee their correct assessment, treatment and control, as well as the appointment of the adequate owners are included in the catalog. In addition the catalog has been structured taking into consideration the risks areas in which said key risks may have a negative impact.

The catalog also facilitates the classification of risks according to their impact in the following risk areas:

- Economic-financial: Refers to the impact of the risks over the economic-financial aspects (cash flow generation, treasury, profits and losses, funds distribution...).
- Terms: Refers to the impact of the risks over the execution period of a project and/or over the fulfillment of key milestones
- Quality: Refers to the impact of the risks over the quality markers, the adequacy or inadequacy of the resources, human resources and assigned materials.
- Third parties: Refers to the impact of the risks regarding the clients, partners and supply chain.
- ASG: refers to the impact of the risks over the environmental, social and corporate governance or reputational (sustainability) scope.

The prioritization of the identified critical risks is made based on their level of criticality, obtained from the combination of the impact assessments (considering the impact areas described above) and probability of occurrence of the risks.

The Group has a series of specific policies, procedures and systems for the management and control of the main risks inherent to its activity, among which it is necessary to point out the following:

Environmental, social and corporate governance risks (ASG):

This category of risks related to environmental, good governance, social responsibility, and sustainability aspects have grown in relevance during the past few years since it possibly affects the goals of the companies and their relation with the groups interests. Due to this reason, the identification and prioritization of the material matters of the Group three business lines underscore the need to control these types of risks, for example, initiatives of corporate scope which represent extraordinary non scheduled investments in the initial scope of a project, actions with local communities, diverse climatology and/or elements external to the project, geotechnical risks, occupational conflicts, default of quality specifications, S&H and the environment and compliance of the good governance directives, among others.

Regulatory compliance risks:

The Sacyr Group Code of Conduct is the basis and foundation of the Regulatory Compliance, Criminal Prevention and Antitrust Model, which reflects the firm commitment of Sacyr, S.A., transmitted to the entire organization, to respect the law and to the prevention, detection and eradication of any unlawful action carried out within the scope of its responsibilities, maintaining a specific commitment of zero tolerance, among others, with criminal offenses (with special rejection of corrupt conduct) and with anti-competitive conduct, due to the particular seriousness of this type of non-compliance.

This Code of Conduct and its development policies on regulatory compliance are directly applicable to all Sacyr Group companies and to the members of their management bodies, to all their personnel (including management personnel), as well as to related third parties, to whom the Group requires conduct consistent with these internal regulations in all that is applicable to them.

In order to comply with these commitments, the Sacyr Group has *Criminal and Competition Risk Maps with associated controls by business units*, essential elements of the Regulatory Compliance Model in which risks in both areas to which each of the Group's divisions could be exposed are identified and analyzed, as well as the control and management measures implemented by each business unit for the prevention and detection of the criminal and competition risks identified.

The supervision of the correct operation of the Regulatory Compliance, Criminal Prevention and Antitrust Model is the responsibility of the Audit Committee, which is supported by the Regulatory Compliance Unit for its operational management.

It is the responsibility of the Group's Regulatory Compliance Unit, in coordination with other areas of the Group or external experts from whom it may request collaboration,

to investigate any possible indication of a breach of the Regulatory Compliance Model. In the event that the internal investigation confirms the commission of the infraction, action will be taken accordingly, duly sanctioned in accordance with the disciplinary system applicable on the basis of the collective bargaining agreements or regulations in force, and the Model will be additionally reviewed to implement improvements aimed at preventing such non-compliance from occurring again.

For further details on the Sacyr Group's Code of Conduct and the Consultation and Whistleblowing Line (the Group's whistleblowing channel), see section F.1.2.

Corruption and bribery:

The Sacyr Group's Code of Conduct has development policies on compliance, which formalize the Group's commitment to compliance with the regulations relating to the main areas in which its Regulatory Compliance, Criminal Prevention and Antitrust Model is developed, including anti-corruption policies and procedures.

Specifically, in the *Anti-Corruption and Relationship with Public Officials and Authorities Policy*, as well as its various development policies and procedures, the Sacyr, S.A. Board of Directors expresses its firm commitment and formally states its position of zero tolerance against any form of corruption, extortion or bribery, not allowing, authorizing or consenting in any way or under any circumstances, that any form of corrupt conduct may be committed within the framework of the Group's activity and in its relations with both public and private entities.

In addition, this internal regulation develops the control measures implemented in the Group in depth to comply with the prohibitions contained in the Code of Conduct for the purpose of preventing corruption:

- prohibition of offering or accepting bribes,
- prohibition of the use of donations and sponsorships, or of gifts and hospitality, as a covert means of bribery
- prohibition of the making of contributions for political purposes contrary to applicable local laws and regulations
- prohibition of facilitation payments
- prohibition of making any expenditure, payment or transaction without the corresponding authorization in accordance with the Group's internal regulations, as well as fraud in the accounting records due to the absence or inadequate recording of improper payments.

Tax risks:

The Sacyr Group's Tax Risk Control and Management Policy is an integral part of the strategy contained in the Corporate Tax Policy approved by the Board of Directors and covers all tax risks of the activities and processes of the companies comprising the Sacyr trading group, regardless of their geographical location and the business carried out.

The process of tax risk management in the Sacyr Group, together with its corresponding control systems, is part of a continuous cycle in which various departments from different divisions of the business areas, the corporate holding company, as well as Sacyr's governing bodies intervene for the adequate coordination and internal cooperation aimed at minimizing tax risks and fulfilling the Group's strategic objectives.

Its objectives include ensuring compliance with the tax regulations of each country, collaboration with the tax authorities based on transparency and good faith, facilitating corporate and business area decision making through the assessment of tax costs, risks and opportunities, and minimizing the existence of tax risks and errors that may affect the principles of legality, transparency and responsibility.

Other risks:

Likewise, control and communication systems are established for the rest of the risks to which the Group's activity is exposed, among which the following should be highlighted:

- Inadequate adaptation to changing political and regulatory surroundings.
- Climate change risk: direct or indirect impact on operations due to the consequences of climate change.
- Risks related with human capital: talent, positioning, capacity, flexibility, key staff dependence, occupational environment, necessary capabilities in the changing context etc, management.
- Financial risks: credit, interest rate, exchange rate and liquidity.
- Risks related with the area of technology and information systems: network management, digital security and information integrity.

E.4 Identify if the entity has a risk tolerance level, including for taxes.

As a general policy, the Sacyr Group seeks to minimize the impact of critical risks, with the exception of risks related to the safety of people, regulatory compliance risks, tax risks and those related to the image and reputation of the Company, regarding which the Group has established a risk tolerance at minimum levels.

Both the impact from a qualitative and quantitative point of view is considered, as described above when assessing the impact of each critical risk in particular.

E.5 State what risks, including tax ones, that have materialized during the business year:

During the 2020 business year, risks arising from the normal course of the Group's business activities have materialized, caused, among others, by external factors such as the COVID-19 pandemic, fortuitous natural disasters and other global climate factors.

The Sacyr Group is exposed, as is described in the group's financial statements, to a greater or lesser degree, to the risks that are detailed below, particularly to the credit, liquidity and market risks, specially to the interest rate variation and in a lesser degree to the exchange rate.

Regarding the credit risk, the group is exposed in its operational activities, mainly by commercial debtors and in its financing activities.

Regarding the risk derived from the concentration of clients, the Group has a diversified portfolio of clients, supported by public entities.

The factors which cause the liquidity risk are investments based on the business plans, which require additional financing and the excessive concentration of short term debt maturity which demand immediate refinancing. These circumstances can damage, even circumstantially, the financial capacity to deal with payment commitments.

Regarding the market risk and more specifically the interest rate risk we can say that a balanced financial structure and the reduction of exposure of businesses regarding the volatility of interest rates, require the maintenance of a reasonable proportion between variable rate debt and fixed rate debt due to their nature or insured with derivative financial instruments.

The underlying debt which requires a greater coverage against interest rate variations are the loans for project financing and those associated to singular assets since they are exposed for longer periods of time, due to the terms, and due to their strong correlation with the project cash flows.

It can also be pointed out that the Group is subject to other risks such as the claim risk of concessional projects, since the concession business income, depend on the number of vehicles that use the highways and their capacity to absorb traffic.

The Sacyr Group has scheduled to continue its business expansion towards other countries which represents a risk since these are markets in which the Group does not have the same experience as in those in which it already operates.

All facts, situations and/or information related to the 2020 business year, either financially or non financially, which saliency can influence the company have been adequately communicated to the Comisión Nacional del Mercado de Valores (CNMV).

Inside Information and Other Relevant Information relating to Sacyr, S.A. can be consulted on the website of this entity. Said website contains the basic data on the company's results, including the periodic presentations of the financial statements (Balance Sheet, Profit and Loss Account, etc.). The information related with the investment and financing policy of the company and its legal structure is also provided. In addition, all related information, is publicly available on the Company website.

E.6 Explain the response and supervision plans for the main risks of the entity, including the tax ones, as well as the procedures that are followed by the company to ensure that the board of directors responds to the new arising challenges.

Due to the diversity of business areas and the different countries in which the Sacyr Group operates, our activity is exposed to multiple different risks. In addition, the impact and the probability of occurrence of the above mentioned may significantly vary with the passing of time. For this reason, the Group periodically draws up different risk maps at a Group level (high-level risk map), at the business and project level, which serve as a support tool for business decision-making in the face of the risks inherent in the economic, social, political and regulatory context in which we carry out our activities.

The response and supervision plans for our Group's main risks, including tax risks, are part of the different activities carried out during the risk treatment stage as established in our Risk Management and Control Policy. At this stage, the Group's objective is to establish the appropriate mitigation and/or contingency plans following the identification and assessment of the critical risks associated with key business decisions. The goal of these plans is reducing or eliminating risk exposure before and after exceeding the tolerance threshold established by the Group for each critical risk in particular.

Prior to the establishment of the appropriate response plans for each type of risk, the Group's risk management and control policy has structured the risk management and control process in several stages to provide reasonable assurance as to the effectiveness of these plans.

The risk management and control process begins at the planning stage when the risk system management tools are activated and risk managers and owners are designated. Subsequently the different critical risks associated with key business decisions are

identified (identification stage), with the collaboration of an independent risk analyst who facilitates the identification and subsequent assessment of both new potential risks and pre-existing risks.

During the assessment of these risks, the controls associated with these risks are analyzed, assessed and documented in order to establish priorities, taking into account the effectiveness of the associated controls. Likewise, the tolerance thresholds established by the Group are considered in order to establish the corresponding strategy for each particular risk (acceptance, elimination, reduction or transfer of the risk in question).

Once the response plans have been established, the evolution of the risks and the effectiveness of the response plans are monitored and controlled in order to make the appropriate adjustments. The monitoring and control stages allow the Group to recalibrate tolerances and risk assessment scales, among others, as well as to adjust the response plans accordingly and capture lessons learned for the continuous improvement of the Group's risk system.

In addition, the Board of Directors and its Delegated Committees respond to new challenges that arise, through the work they carry out in the different sessions. To this end, they request reports from the General Management Department, Risk Committee, Internal Audit Department, External Auditors, Group executives and other external experts. These reports are reviewed in depth at said meetings. Some examples of this activity are as follows:

The Audit Committee has assumed the responsibility of supervising the internal control over financial reporting (ICFR). To this end, it requests periodic reports from the General Administration and Finance Department, as well as from the Internal Audit Department, assessing the control environment that the Group has in the generating of financial information. Additionally, it summons external experts and/or auditors to discuss this issue.

The Board of Directors has assumed the function of approving the Risk Management and Control Policy, delegating to the Audit Committee the review of the Group's high-level risk maps, as well as the definition of acceptable risk (tolerance thresholds) for the Group.

The Sacyr Group focuses its activity towards society using a sustainable and profitable business management model, which provides added value to all interest groups, applying innovation, technological development and excellence in execution

F **INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS REGARDING
THE FINANCIAL INFORMATION ISSUING PROCESS (SCIIF)**

Describe the systems that comprise the risk control and management systems regarding the financial information issuing process (SCIIF) of your entity.

F.1 Entity control environment

Report, providing its main characteristics of at least the following:

F.1.1. Which entities and/or authorities are responsible for: (i) the existence and maintenance of an adequate and efficient SCIIF; (ii) its implementation; and (iii) supervision.

The By-laws, under article 38 section 3, establish that it will be the responsibility of the Board of Directors to prepare the Company general strategy, supervise its execution and exercise those responsibilities attributed by the Law, the Articles of Association and the Board of Directors Regulation.

According to article 47 section 3 the Board of Directors must create and Audit Committee, a Sustainability and Corporate Governance Committee and an Appointments and Remunerations Committee with the responsibilities that the Board of Directors establishes.

Article 48 section 3 of the By-laws, states that the Audit Committee will have the responsibilities attributed by the law, the Articles of Association and the Board of Directors Regulation. As a consequence, the Sacyr Audit Committee has assumed the supervision of the internal control regarding the preparation of the financial information.

In addition to what is established in the Company By-laws and the Board of Directors Regulation, the Sacyr Group has a Financial Information Internal Control System Compliance Manual (SCIIF) in which it establishes that the responsibilities of the Audit Committee regarding the SCIIF encompasses the following aspects:

- Approval of the SCIIF Supervision Plan with the purpose of maintaining a reasonable safety that the risks due to errors, omissions or fraud regarding the financial information are being prevented and detected.

- Analysis and review of the reports prepared by the Supervisor of SCIIF of the Sacyr Group about the condition of the SCIIF in the different business areas.

On the other hand the Manual of the Financial Information Internal Control System Compliance (SCIIF) describes that the Internal Audit Management is responsible for the assessment of the SCIIF. In particular, it is responsible for:

-The planning of the supervision tasks, for the design as well as the efficiency of the SCIIF.

-The assessment of the SCIIF.

-The preparation and communication of the reports with recommendations and remediation plans regarding the SCIIF, for the Audit Committee as well as those responsible for the SCIIF, within the Group as well as the

business areas.

-The follow up of the proposed recommendations and remediation plans of the business areas.

The Internal Audit Management has among its responsibilities the supervision of the existence, adequacy and maintenance of the internal control and quality and reliability of the financial and management information, cooperating to its continuous improvement.

F.1.2. However the following elements do exist, particularly in relation to the financial information preparation process:

- Departments and/or procedures in charge: (i) of the design and review of the organizational structure; (ii) of clearly defining the lines of responsibility and authority, with an adequate distribution of tasks and functions; and (iii) of the existence of sufficient procedures for their correct dissemination therein:

The Sacyr Group has an organizational structure which has developed the lines of responsibilities and authority in the different processes, for each business units and for each of the Group geographic relevant areas.

The Talent and Human Resources Administration General Management, the Financial General Management and the business areas participate in its design and review.

In the Financial Information Internal Control System Compliance (SCIIF) manual an organizational model has been defined as well as a responsibility structure, which involves all levels of the organization, and where the roles for each of the SCIIF participants is established.

The Financial General Management is responsible for the preparation and distribution of the financial information, directly under the highest ranking executive of the Group. At the same time those responsible for the SCIIF of each of business are directly under the highest ranking supervisor of the SCIIF of the Group.

This information has been distributed for its knowledge and compliance by all employees of the Group.

Code of conduct, approval body, degree of distribution and instruction, included values and principles (indicating if there are specific mentioned to the transactions record and the preparation of the financial information), body in charge of analyzing the compliance and proposing corrective actions and penalties:

The Sacyr Group has a Code of Conduct that was approved by the Sacyr, S.A. Board of Directors on February 26, 2015, replacing the one in force since 2010, and which was updated for the last time on December 17, 2020, the latter being the current version.

The Code of Conduct is the basis and foundation of the Sacyr Group's Regulatory Compliance, Criminal Prevention and Antitrust Model (hereinafter, the Regulatory Compliance Model), which also includes various policies for the development of this Code in terms of regulatory compliance, such as the *Regulatory Compliance Policy on Crime Prevention, the Regulatory Compliance Policy on Antitrust and the Anti-Corruption Policy and the Policy on Relations with Public Officials and Authorities*, as well as its various developments.

The Code of Conduct and its development policies are directly applicable to all subsidiaries or majority-owned companies over which Sacyr, S.A. directly or indirectly exercises effective control. It is also applicable to the members of the management bodies and all personnel (including management personnel) of all the Sacyr Group companies listed above, as well as to related third parties, from which the Group requires conduct consistent with these internal regulations in all that is applicable to them.

The Code is available both on the corporate Intranet and on the external website, as well as being distributed to the people subject to its compliance through other additional means, such as the provision of signs in the work centers, the distribution of paper copies or its communication via email, both to members of the Group and to third parties.

The new incorporations to the Sacyr Group must adhere to the values, principles and behavioral guidelines established in this Code, and it is recorded that, at the end of 2020, 8,318 active employees have received it, either through specific training and/or by means of its delivery on paper and express acceptance.

Additionally, information campaigns regarding the Code of Conduct are carried out, as well as in relation to specific areas of the code, as is the case of those carried out on compliance with criminal, anti-corruption, antitrust, personal data protection or prevention of money laundering and terrorism financing regulations. During 2020, a total of 3,290 employees at all levels have received

training in these matters, equivalent to a total of 2,007 hours of training. Since 2018, a total of 6,141 employees have been trained in this regard (equivalent to 7,803 hours).

Among the principles and values included in the Code of Conduct as the basis of the guidelines for internal behavior, the market, society and the nature that it imposes on all people subject to it, are integrity and transparency. The Sacyr Group considers transparency of information as a basic ethical principle that should govern its actions and, in addition, expressly refers to the principles of preparation of "financial records", as well as "transparency of information, creation of sustainable value and corporate governance", as two of its behavioral guidelines that should guide the Sacyr Group's relations with the market.

Consequently, the Sacyr Group ensures that the information communicated to shareholders, institutional investors and voting consultants, as well as, in general, to the markets in which its shares are listed and to the regulatory bodies of these markets, is truthful, complete and up-to-date, and adequately reflects its financial situation, and the results of its operations, and is communicated in compliance with the deadlines and other requirements established in the applicable regulations and general principles of market operation and good governance that the company has assumed, including those set forth in the *Internal Code of Conduct in the Securities Markets of Sacyr, S. A. and its Group of Companies (RIC) and in the Policy of communication and contact with shareholders, institutional investors and voting consultants*.

The supervision of the Code of Conduct correct operation, as well as the Regulatory Compliance Model are the responsibility of the Audit Committee (delegated committee of the Sacyr, S.A. Board of Directors), which is supported by the Regulatory Compliance Unit for its operational management. The Regulatory Compliance Unit is a collegiate body made up of representatives from different areas of the Group appointed by the Audit Committee and which acts under the exclusive dependence of this Committee, to whom the Chairperson of the Unit reports every six months.

Complaint channel, which allows the communication to the audit committee of irregularities of a financial and accounting nature, in addition to the possible violations of the code of conduct and irregular activities in the organization, informing, when applicable, if these are of a confidential nature and it is allowed to perform anonymous communications respecting the rights of the claimant and the reported.

The Consultation and Whistleblowing Hotline (codigoconducta@sacyr.com) is a corporate tool designed to facilitate the formulation of any consultation on the

scope and applicability of the Code of Conduct and, in general, of the Sacyr Group's Regulatory Compliance Model, as well as to securely and confidentially (and even anonymously) report possible breaches in relation to the guidelines and conduct regulated in the Code of Conduct or in the Model as a whole, as well as in the other applicable internal or external regulations, including possible corrupt, anti-competitive or criminal conduct that may be detected, as well as irregularities of a financial and accounting nature.

The *Regulatory Procedure of the Consultation and Whistleblowing Hotline* guarantees that reports relating to matters included in the scope of application of this Hotline will be duly investigated by the Group (even in the case of those made anonymously, provided that they contain sufficient information to do so), with the safeguarding of the identity of the affected parties being foreseen, protection of the whistle-blower against retaliation, full respect for the privacy of the people concerned, compliance with legislation on personal data protection, a reliable and objective analysis of the possible infringement and maximum respect for the rights of the people allegedly involved in it.

Under the supervision of the Audit Committee, the Regulation Compliance Unit is the body responsible for the operation of the Consultation and Complaint Line, as well as the analysis of the complains and consultations formulated through it, for which purpose it can request the cooperation of other bodies, departments, areas, individuals or companies of the Sacyr Group.

This Consultation and Whistleblower hotline can be accessed through the following channels that guarantee its availability both for members of the Group and third parties: (i) postal mail addressed to the attention of Sacyr's Regulatory Compliance Unit, (ii) E-mail to codigoconducta@sacyr.com and, finally, (iii) corporate Intranet and external website, through the form to access the Line included in both.

The Code of Conduct expressly establishes that it is an obligation for people subject to the Code who detect or become aware of the commission of possible irregular conduct such as that mentioned above, to report it as soon as possible through this Consultation and Whistleblower Hotline. Likewise, it is the duty of these people to communicate through this channel any order or instruction they may receive that is contrary to the Code of Conduct or, in general, to the aforementioned regulations, without, of course, being obliged to comply with such orders or instructions.

During the 2020 business year, the Regulatory Compliance Unit has analyzed **77** complaints and queries received by the Line which dealt with matters included in its scope of application.

-Programs for the training and periodic update of the participating staff and review of the financial information, as well as in the assessment of the SCIIF, which cover at least, accounting regulations, audit, internal control and risk management:

Regarding the training provided to the staff participation in the preparation and review of financial information, the following areas of knowledge have been mainly covered during the 2020 business year: financing and financing modeling, control management and updating of the accounting regulation. Some of the training actions given during the business year were the following: "Financial modeling for public-private collaboration", "Economic-financial aspects in PPP companies", "Course on finance for non-financiers", "Financial Management Program", "Financial and legal risk management in international projects" and "Course on derivatives".

The economic-financial training provided in the Sacyr Group is both internal and external. It is mainly aimed at the Administration and Finance areas and covers all the Group's companies, as well as all professional categories: management personnel, area managers, technicians and support staff.

During the 2020 business year 7,147 employees have received training in this area and 21,945 hours of training have been invested.

F.2 Assessment of the financial information risks:

Report, at least, the following:

F.2.1. Which are the main characteristics of the risk identification process, including error or fraud, en relation to:

If the process exists and it is documented.

The Sacyr Group has a Manual of the Financial Information Internal Control System Compliance (SCIIF). The documentation of the system includes narratives, flowcharts and risk matrix and controls by processes and subprocesses, at a corporate level as well as at a business area level.

If the process covers the totality of the financial information objectives, (existence and occurrence; integrity; assessment; presentation, break down and comparability; and rights and obligations), if it is updated and with what frequency:

The matrix assesses that the control activities comply with the goals of financial information (existence and occurrence; integrity; assessment; presentation, break

down and comparability; and rights and obligations) in addition to identifying the control typology, the supervisor, frequency and type of execution, among others.

The existence of an identification process of the consolidation perimeter, taking into account, among other aspects, the possible existence of complex business structures, instrumental or special purpose entities:

The Sacyr Group has a “Procedure for the determination of the consolidation perimeter” applicable to all the business areas that comprise the Group. The definition of the perimeter is centralized and any change to it must be communicated and supported by the corresponding documentation, prior its inclusion into the system.

If the process takes into account the effects of other risk types (operational, technological, financial, legal, reputation, environmental, etc.) to the extent that they affect the financial statements.

The Financial Information Internal Control System (SCIIF) includes all the identified risks that may affect the financial information to a greater or lesser extent, taking into consideration a wide array of them such as, technological, legal and operational.

Which is governance body of the entity that supervises the procedure.

The Audit Committee is responsible for supervising the risk identification process. It is supported in this task by:

- The Risk Control and Administration Management, for operation risks.
- The Regulatory and Strategic Compliance Unit for the regulatory compliance risks.
- The Financial Information Internal Control System, for financial and reporting risks.
- The Administration Control Management for the evolution of the operational results.
- The Internal Audit Management supervises the entire procedure for the preparation of the reported information, as well as a reliable, thorough and complete content, serving as support to the Audit Committee during the development of its supervision responsibilities.

F.3 Control activities:

Report, providing its main characteristics, if it at least has the following:

F.3.1. Review and authorization procedures of the financial information and the description of the SCIIF, to be published in the stock market, indicating those responsible, as well as the descriptive documentation of the activities and control flows (including those related to fraud risk) of the different types of transactions that may materially affect the financial statements, including the procedure for accounting closing and the relevant proceedings, estimates, assessments and projections.

Those key procedures and subprocedures that affect the preparation of the financial information have been defined in the Financial Information Control System. Narrative, measures, flow charts and risk and control matrix have been subsequently documented, describing all the identified control activities for each of the business areas, which ensure the adequate recording, assessment, submission and break down of the transactions in the financial information.

In order to guarantee the adequate maintenance of the system, it is established that its scope and therefore, the procedures and subprocedures that are to be considered as key for the Sacyr Group, will be reviewed annually based on quantitative (according to the calculated materiality) and qualitative criteria. The set of the theoretical frame in which the system is based (goals of the SCIIF, specific risks, changes in regulation, organizational changes...) will also be updated at least annually and whenever is considered adequate.

Lastly, an organizational model and a responsibility structure has been defined, which involves all levels of organization, from those responsible of subprocedures, until the Audit Committee and the Board of Directors and where the roles of the participants in the SCIIF are established. A new reporting procedure has been defined through the "Financial Information Internal Control System Report Procedure" where the correct/incorrect operation of the implemented controls follow up, as well as the identified incidents will be performed.

F.3.2. Policies and procedures of internal control regarding the information systems (among others, regarding access security, changes control, their operation, operational continuity and segregation of duties) which support the relevant entity procedures regarding the preparation and publication of the financial information.

The Sacyr Group has Internal Control policies and procedures over the information systems which support the relevant procedures regarding the preparation and publication of financial information.

Actions to mitigate the security risks in the different information and platform systems will be performed and, in particular over operational continuity, the information security backups performed by an external supplier periodically will be available.

Any change or development of the applications is managed through the Information and Communications Technologies Management, which will establish the procedures to be followed so that the applied solution complies with the requirements requested by the user and the quality level complies with the reliability, efficiency and sustainability standards that are required.

The Systems Management has established policies to cover the security regarding accesses by the definition of responsibilities segregation policies.

F.3.3. Policies and procedures of internal control destined to supervise the management of activities that have been subcontracted to third parties, as well as those aspects of assessment, calculation or assessment entrusted to independent experts, which may materially affect the financial statements.

The complexity of the projects and the environments in which the Group operates at an international level require the support of third parties regarding the assessment of claims and lawsuits. The subcontracted activities of this nature are subject to a continuous supervision procedure by Management.

In addition, there is a procedure for analyzing the independence of the auditors, who comply with the recommendations of the CNMV in this area and the Audit Committee supervises its compliance.

F.4 Information and communication.

Report, providing its main characteristics, if it at least has the following:

F.4.1. A specific function in charge of defining, keeping up to date the accounting policies (area or department of accounting policies) and resolve doubts or conflicts derived from its interpretation, maintaining a fluid communication with the supervisor of the operations in the organization, as well as a manual of accounting policies updated and communicated to the units through which the entity operates.

The Sacyr Group has a specific service in charge of defining and keeping up to date accounting policies, as well as resolving doubts or conflicts derived from its interpretation. The Administration Management of the Sacyr Group is the one that assumes that responsibility and maintains a fluid communication with those responsible for the transactions in the organization, not being this one its only roles.

The Sacyr Group has an Accounting Policies Manual prepared under the IFRS (International Financial Reporting Standards), as well as several regulations that establish the accounting criteria to be applied to specific transactions and the basic accounting policies. All of which are known by the personnel who is to apply said policies. In addition, there is Manual of Administrative Procedures that gathers the most relevant procedures for the Group and that is updated when any change is detected.

F.4.2. Systems for the collection and preparation of the financial information with homogeneous application and use formats for all units of the entity or of the group, which support the financial statements and the notes, as well as the detailed information regarding the SCIIF.

Regarding the annual closing and with the purpose of making the annual financial report public within the next four months after the end of the business year, according to RD 1362/2007 of October 19, regarding the transparency requirements related to the information about issuers which securities are not admitted to negotiation in a secondary official market or any other regulated market within the European Union, the closing plan and reporting of the business year is issued by the Group Administration Manager, which includes instructions addressed to those responsible for providing the corresponding financial information.

The Sacyr Group has a single system for the collection of financial information with a homogeneous format which is to be applied and used by all Group units in relation to the preparation of the periodic consolidated financial information. Said system is a reporting file which includes the main related financial statements and information for the preparation of the respective notes.

A series of controls will also be performed and implemented to ensure the reliability and correct treatment of the information received from the business units, such as, among others, the analysis of the variations of all equity and results entries.

In addition, the Sacyr Group has a single centralized system which adds and consolidated the reported information from all Group units. Said system is a

specific computer platform tested and called Hyperion Financial Management (HFM).

F.5 System performance supervision:

Provide a report pointing out the main characteristics of at least the following:

F.5.1. The SCIIF supervision activities performed by the audit committee as well as if the entity has an internal audit service which is responsible for supporting the committee in its supervision tasks of the internal control system, including the SCIIF. Likewise, the scope of the SCIIF assessment made will be informed about during the business year as well as the procedure by which the responsible party for executing the assessment communicates the results, if the entity has an action plan that details the possible corrective measures, and if its impact over the financial information has been taken into consideration.

Article 48 of the Sacyr Group By--laws, under section 3, states that the Audit Committee will have the responsibilities attributed by the law, the Articles of Association and the Board of Directors Regulation. Within these services, the Sacyr Audit Committee, has assumed the supervision of the internal control regarding the preparation of the financial information process. The Sacyr Group counts on the Internal Audit Management, which reports to the Audit Committee, to perform the supervision tasks.

The Audit Committee i) approves the audit plans; ii) the establishment of who is to execute said plants; iii) the assessment of the adequacy of the works performed; iv) the review and assessment of the results and the consideration of its effect over the financial information and v) the prioritization and follow up of the corrective actions.

The Internal Audit Management, counts among its responsibilities i) the supervision of the existence, suitability of the internal control and the quality and reliability of the financial and management information, cooperating in its continuous improvement, ii) review and update the risks map and iii) actively participate in the Groups risk control and management policy.

In addition, the Administration Management, report matters regarding the Financial Information Control system (SCIIF) to the Audit Committee.

In addition, the Sacyr Group has a Compliance Manual of the Financial Information Internal Control System (SCIIF) which establishes the responsibilities of the Audit Committee regarding the SCIIF which encompasses the following aspects:

- Approval of the SCIIF Supervision Plan with the purpose of maintaining a reasonable safety that the risks due to errors, omissions or fraud regarding the financial information are being prevented and detected.
- Analysis and review of the reports prepared by the Supervisor of SCIIF of the Sacyr Group about the condition of the SCIIF in the different business areas.

On the other hand the Manual of the Financial Information Internal Control System Compliance (SCIIF) describes that the Internal Audit Management is responsible for the assessment of the SCIIF. In particular, it is responsible for:

- The planning of the supervision tasks for the design as well as the efficiency of the SCIIF.
- The assessment of the SCIIF.
- The preparation and communication of the reports with recommendations and remediation plans regarding the SCIIF, for the Audit Committee as well as those responsible for the SCIIF, within the Group as well as the business areas.
- The follow up of the proposed recommendations and remediation plans of the business areas.

F.5.2. If it has a discussion procedure by which, the accounts auditor (according to what is established in the NTA), the internal audit service and other experts can communicate to senior management and the audit committee or the administrators of the entity the significant weaknesses of internal control identified during the review procedures of financial statements or those others which have been entrusted. Likewise, provide information if it has an action plan for the purpose of correcting or mitigating the weaknesses that have been observed.

The Audit and Committee will hold a meeting, generally once a month and mandatory at least once a quarter and all those times that is necessary, prior notice of meeting by its Chairperson, by own decision or answering to the request of three of its members or the Executive Committee.

The consolidated Financial Statements are reviewed in said meetings, together with the biannually consolidated information and the consolidated quarterly intermediate declarations of the Group, as well as the rest of the information made available to the market. In addition, the agenda, of at least two Audit Committees, include an item for the reporting of the SCIIF by the Administration Management.

For this Purpose the Audit Committee supervises the efficiency of the internal control of the Group, the Internal Audit and the management systems, as well as contracting with the account auditor the significant weaknesses detected in the development of the audit, with the purpose of ensuring for the correct application of the applicable accounting standards and the reliability of the financial information. It is also in charge of assessing possible weaknesses in the SCIIF which have been identified and the proposals for its correction and the condition of the implemented actions.

Due to this reason and with an annual frequency, the Audit Committee review and approves the action plans proposed by the Internal Audit Management for the purpose of correcting or mitigating the observed weaknesses. The works performed by the Internal Audit Management, which represent supervision tools of the financial information control environment, are specifically reported to the Audit Committee.

On the other hand the accounts auditor has direct access to the Senior Management (Chairperson and/or Managing Director), as well as the highest supervisor of the Group business areas, holding regular meetings to obtain the necessary information for the development of its duties, as well as to communicate the detected weaknesses.

F.6 Other relevant information:

None.

F.7 External Auditor report

Report regarding the following:

F.7.1. If the information of the SCIIF sent to the markets has been subject to review by the external auditor, in which case the entity must include the corresponding report as an annex. Otherwise, the external auditor must inform about his reasons.

The Sacyr Group has subject to review by the external auditor the information regarding the Financial Information Internal Control System (SCIIF) sent to the markets, according to what is established in “the Action Guide and Report Model of the auditor regarding the information about the Financial Information Internal Control System of listed entities” published by the CNMV in 2013. The report is appended as an annex to this document.

G DEGREE OF FOLLOW UP REGARDING THE CORPORATE GOVERNANCE RECOMMENDATIONS

State the degree of follow up of the company regarding the recommendations of the Code of good governance of listed companies.

In cases in which a recommendation is not followed or is only partially followed, a detailed explanation of the reasons must be included so that the shareholders, investors and the market in general, have sufficient information to assess the company procedure. General explanations will not be considered as acceptable.

1. That the By-laws of the listed companies do not limit the maximum number of votes that the same shareholder can issue, nor contains any other restrictions that hinder taking control of a company by the acquisition of its shares in the market.

Complies [X] Explain

2. That, when the listed company is controlled, within the meaning of Article 42 of the Commercial Code, by another entity, whether listed or not, and has, directly or through its subsidiaries business relations with said entity or any of its subsidiaries (other than those of the listed company) or carries out activities related to those of any of them, it should accurately report publicly on:

(a) The respective areas of activity and any business relationships between, on the one hand, the listed company or its subsidiaries and, on the other hand, the parent company or its subsidiaries.

b) Systems scheduled to resolve possible conflicts in interest which may arise.

Complies Partially complies Explain **Not applicable X**

3. That during the celebration of the ordinary general meeting, as a complement of the written distribution of the corporate governance annual report, the chairperson of the board of directors verbally informs the shareholders, in sufficient depth, regarding the most relevant aspects of the corporate governance of the company and in particular:

a) Of the changes that have taken place since the last ordinary general meeting.

b) Regarding the specific reasons due to which the company does not follow any of the recommendations of the Corporate Governance Code and, if any, the alternative regulations that it applies regarding said matters.

Complies [X] Partially complies Explain

4. That the company defines and promotes a communication and contact policy related to the shareholders and contacts with shareholders and institutional investors within the application framework in the company, as well as with vote advisors which fully respects the regulations against the abuse of the market and provides similar treatment to the shareholders who find themselves in the same position. And that the company makes public said policy through its website, including information related to the manner in which it has been implemented and identifying the spokespersons or those responsible for their implementation.

And that, without prejudice to the legal obligations regarding the distribution of confidential information and other types of regulated information, the company also has a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (media, social networks or other channels) that contributes to maximizing the distribution and quality of the information available to the market, investors and other stakeholders.

Complies [X] Partially complies Explain

5. That the board of directors does not submit to the general meeting a proposal for the delegation of powers, to issue shares or convertible securities with the exclusion of the preemptive subscription right, for an amount exceeding 20% of the capital stock at the time of the delegation.

And when the board of directors approves any issuing of shares or convertible securities with exclusion of the preemptive subscription right, the company publishes immediately in its website the reports of said exclusion as referenced in business law.

Complies [X] Partially complies Explain

6. That the listed companies that prepare the reports provided below, either mandatory or voluntarily, publish them in their website with sufficient advancement to the holding of the ordinary general meeting, even when their distribution is not mandatory:

- a) Report about the independence of the auditor.**
- b) Reports regarding the operation of the audit, appointment and remunerations committee.**
- c) Report of the audit committee regarding related operations.**

Complies **Partially complies [X]** Explain

The audit committee does not issue any annual report regarding related operations. However, the detail of significant accounted operations is provided under the corresponding note of the consolidated and individual financial statements (“operations with related parties”), which are published on the website.

7. That the company broadcasts live, through its website, the holding of the shareholders general meeting.

And that the company has systems that allow the delegation and exercise of votes by telematic means and even, in the case of large cap companies and to the extent proportionate, attendance and active participation in the General Shareholders' Meeting.

Complies [X]

Explain

8. The Audit Committee should ensure that the annual accounts submitted by the Board of Directors to the General Shareholders' Meeting are drawn up in accordance with accounting regulations. In those cases in which the auditor has included a reservation in its audit report, the chairperson of the audit committee should clearly explain the audit committee's opinion on its content and scope at the general meeting, making a summary of said opinion available to the shareholders at the time of publication of the notice the meeting, together with the rest of the proposals and reports of the board.

Complies [X]

Partially complies

Explain

9. That the company publishes in its website, permanently, the requirements and procedures that it will accept to credit the ownership of shares, the right of attendance to the shareholders general meeting and the exercise or delegation of the voting right.

And that such requirements and procedures favor the attendance and the exercise of the shareholders rights and are applied in a non discriminatory manner.

Complies [X]

Partially complies

Explain

10. That when some legitimized shareholder has exercised, before the holding of the shareholders general meeting, the right to complete the agenda or to submit new agreement proposals, the company:

- a) Immediately distributes said complementary items and new agreement proposals.
- b) Makes public the model of attendance card or form of vote delegation or distance voting with the necessary modifications in order to vote regarding the new items of the agenda and alternative agreement proposals under the same terms than those proposed by the board of directors.
- c) Submit all those points or alternative proposals to vote and are applied the same voting regulations than those prepared by the board of directors, including, in particular, the assumptions or deductions over the way the vote is casted.
- d) After the shareholders general meeting, communicate the breakdown of the votes over said complementary items or alternative proposals.

Complies Partially Complies Explain Not applicable X

11. That, in case that the company has scheduled to pay attendance premiums to the shareholders general meeting, established, beforehand, a general policy regarding said premiums and that said policy is stable.

Complies Partially Complies Explain Not applicable X

12. That the board of directors develops its responsibilities with a unit of purpose and independence of criterion, gives the same treatment to all shareholders that are in the same position and is guided by the corporate interest, understood as the attainment of a long term profitable and sustainable business, which promotes its continuity and the maximization of the company economic value. And that the search of social interest, aside from the compliance of laws and regulations and a behavior based on good faith. ethics and the respect of use and the widely accepted common practices, attempts to reconcile the public interest with, when applicable, the legitimate interests of its employees, its clients and the remaining groups of interests that may be affected, as well as the impact of the company activities over the community as a whole and the environment.

Complies [X] Partially complies Explain

13. That the board of directors has the necessary size to achieve and efficient and participative operation, due to which it is advisable for it to have between five and fifteen members.

Complies [X] Explain

14. That the board of directors approves a policy aimed at favoring an appropriate composition of the board of directors and that:

a) It is specific and verifiable.

b) Ensures that the appointment or reelection policies are based on the prior analysis of the required skills by the board of directors.

c) Favor the diversity of knowledge, experiences, age and gender. For these purposes, measures that encourage the company to have a significant number of female senior managers are considered to favor gender diversity.

That the result of the previous analysis of the skills required by the board of directors is included in the explanatory report of the appointments committee which is published when the Shareholders general meeting notice of meeting is made and to which the ratification, appointment or reelection of each board member is subject to.

The appointment committee will annually verify the compliance of the board members selection policy and will provide the relevant information in the corporate governance annual report.

Complies [X] Partially complies Explain

15. That the directors representing controlling shareholders and the independent board members constitute a wide majority of the board of directors and that the number of executive board members is the minimum necessary, taking into account the complexity of the business group and the percentage of participation of the executive board members in the capital stock of the company.

And that the number of female directors should account for at least 40% of the members of the board of directors before the end of 2022 and thereafter, and not be less than 30% before that date.

Complies **Partially complies X** Explain

The Company maintains a policy and a great effort to increase the number of female directors. However, the Appointments and Remunerations Committee is also obliged to respect the legally recognized right to proportional representation of shareholders, and based on that principle, and notwithstanding the Company's recommendations and policies, and therefore can only execute such policy and recommendations in relation to independent directors, as they have always done whenever there has been an opportunity to do so.

16. That the percentage of directors representing controlling shareholders over the total of non executive board members does not exist the existing proportion

between the capital stock of the company represented by said board members and the remaining capital stock.

This criterion can be alleviated:

a) In companies with high capitalization in which the shareholding participations that legally hold the condition of significant are scarce.

b) When dealing with companies in which there is a plurality of shareholders represented in the board of directors and there are no relations among them.

Complies **Explain X**

That the percentage of directors representing controlling shareholders over the total of non executive board members is greater than the existing proportion between the capital stock of the company represented by said board members and the remaining capital stock, but, for now, it has not been considered convenient to modify said percentage.

The criterion is alleviated when dealing with companies in which there is a plurality of shareholders represented in the board of directors and there are no relations among them.

17. That the number of independent board members represents, at least, half of all board members.

That, however, when the company does not have a high capitalization or when, it has one or more shareholders controlling more than 30% of the capital stock, the number of independent board members represent, at least, a third of the total board members.

Complies [X] Explain

18. That the companies publish through their website and maintain up to date, the following information regarding their board members:

a) Professional and biographic profile.

b) Other boards of directors to which they belong, regardless of whether they are listed companies, as well as about the other compensated activities they perform regardless of their nature.

c) Indication of the board member category to which they belong, in the case of directors representing controlling shareholders, the shareholder who they represent or with whom they are related.

d) Date of his/her first appointment as board member in the company, as well as the subsequent reelections.

e) Shares of the company and options over them, of which they are holders.

Complies [X] Partially complies Explain

19. That the annual report of corporate governance, prior verification by the appointment committee, explains the reasons why directors representing controlling shareholders have been appointed by request of shareholders whose share participation is inferior to 3% of the capital stock; and provides the reasons why no consideration was given, when applicable, to formal requests of attendance in the board from shareholders whose participation in shares is equal or greater than others under which request were appointed directors representing controlling shareholders.

Complies Partially complies Explain Not applicable X

20. That the directors representing controlling shareholders submit their resignation when the shareholder who they represent transfers the totality of his/her shareholding participation. And that they also do so, in the corresponding number, when said shareholder reduces his/her shareholding participation until a level that demands the reduction of the number of directors representing controlling shareholders.

Complies Partially Complies Explain Not applicable X

21. That the board of directors does not submit the separation of any independent board member before the compliance of the statutory term for which him/her was appointed, except when there is a just cause, assessed by the board of directors prior report of the appointment committee. Particularly, it will be understood that there is a just cause when the board member occupies new positions or contracts new obligations that prevent him/her from dedicating the necessary time for the development of is/her responsibilities related to the position of board member, defaults the responsibilities inherent to the position or incurs in any of the circumstances that make him/her lose the condition of independent, according to what is established in the applicable law.

The separation of independent board members can also take place as a consequence of takeover bids, mergers or other similar corporate operations which represent a change in the capital stock structure of the company, when said changes in the structure of the board of directors are caused y the criterion of proportionality established under recommendation 16.

Complies [X] Explain

22. That the companies establish regulation that force board members to inform and, when applicable, resign when situations that affect them take place, related or not related with the actions in the company itself, which may damage the credit or reputation of the company and, particularly, forces them to inform the board of directors about criminal cases in which they appear accused, as well as their subsequent procedural circumstances.

And that, having been informed or having otherwise become aware of any of the situations mentioned in the preceding paragraph, the board should examine the case as soon as possible and, in view of the specific circumstances, decide, following a report from the appointments and remunerations committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing his/her removal. The annual corporate governance report should contain a report on the matter, unless there are special circumstances that justify it, which should be recorded in the minutes. This is without prejudice to the information that the company must disclose, if appropriate, at the time the corresponding measures are adopted.

Complies [X] Partially complies Explain

23. That all board members clearly declare their opposition when they consider that any proposal decision submitted to the board of directors can be contrary to the business interest. And that the same is to be done, particularly by the independent and other board members who are not affected by the possible conflict of interest, when dealing with decisions that can damage the shareholders who are not represented in the board of directors.

And that when the board of directors adopts significant or reiterated decisions over which the board member has expressed serious reservations, he/she draws the necessary conclusions and, if he/she decides to resign, to provide an explanation of the reasons in the letter that is referred in the following recommendation.

This recommendation also reaches the secretary of the board of directors, even when he/she does not have the condition of board member.

Complies X Partially complies Explain Not applicable

24. When either by resignation or by resolution of the general meeting a director leaves office before the end of his/her term of office, he/she should sufficiently explain the reasons for his/her resignation or, in the case of non-executive directors, his/her opinion on the reasons for the removal by the board, in a letter to be sent to all members of the board of directors.

And, without prejudice to the disclosure of all the above in the annual corporate governance report, to the extent that it is relevant to investors, the company should publish the resignation as soon as possible, including sufficient reference to the reasons or circumstances provided by the director.

Complies X Partially complies Explain Not applicable

25. That the appointment committee makes sure that the non executive board members have sufficient time availability for the correct development of their responsibilities.

And that the board regulation establishes the maximum number of company boards in which its board members can participate.

Complies X Partially complies Explain

26. That the board of directors holds meetings with the necessary frequency to develop their responsibilities efficiently and, at least, eight times a year, following the date and items plan that is established at the beginning of the business year, being able each individual board member to propose other agenda items that were not initially scheduled.

Complies X Partially complies Explain

27. That the non attendances of the board members are reduced to indispensable cases and that they are quantified in the corporate governance annual report. And that, when these are necessary, a representation with instructions is granted.

Complies X Partially complies Explain

28. That when the board members or the secretary declare concern about any proposal, or, in the case of board members, regarding the direction of the company and such concerns are not resolved in the board of directors, these are reflected in the minute by request of whoever expressed them.

Complies X Partially complies Explain Not applicable

29. That the company establishes the necessary procedures so that the board members can obtain the necessary counseling for the development of their responsibilities including, if so demanded by the circumstances, external counseling charged to the company.

Complies X Partially complies Explain

30. That regardless of the knowledge demanded from directors for the exercise of their responsibilities, the companies also offer to directors knowledge update programs when the circumstances advice it.

Complies X Explain Not applicable

31. That the agenda of the meetings clearly provides those items over which the board of directors must adopt a decision or agreement so that the board members can study or collect, in advanced, the information necessary for its adoption. When exceptionally and due to an emergency, the chairperson wishes to submit to the board of directors approval decisions or agreements that are not included in the agenda, he/she will need the prior and specific consent of the majority of the attending board members, which will be reflected in the corresponding minute.

Complies X Partially complies Explain

32. That the board members are periodically informed about the shareholders movement and about the opinion that the significant shareholders, investor and the qualification agencies have regarding the company and the group.

Complies X Partially complies Explain

33. That the chairperson, as person in charge of the efficient operation of the board of directors, in addition to exercising the responsibilities that are bestowed upon him/her according to the law and the articles of association, prepares and submits to the board of directors a program of dates and matters to discuss; organizes and coordinates the board periodic assessment, as well as, when applicable, that of the top executive of the company; is responsible for the management of the board and the efficiency of its operation; makes sure that sufficient discussion time is dedicated to strategic matters, and agrees and

reviews the knowledge update programs for each board member, when the circumstances so dictate.

Complies X Partially complies Explain

34. That when there is a coordinating board member, the articles of association or the regulation of the board of administration, in addition to the legally corresponding authority, bestow the following: to preside over the of directors in absence of the chairperson and the deputy chairpersons, when applicable; voice an opinion about the concerns of the non executive; maintain contact with the investors and shareholders and know their points of view in order to acquire an opinion regarding their concerns, particularly, in relation to the company corporate governance; and coordinate the chairperson succession plan.

Complies X Partially complies Explain Not applicable

35. That the secretary of the board of directors particularly ensures that for its decisions and actions the board of directors takes into account the recommendations about good governance contained in this Code of good governance that were applicable to the company.

Complies X Explain

36. That the entire board of directors assesses once a year and adopts, as the case may be, an action plan that corrects the deficiencies detected regarding the:

- a) The Quality and efficiency of the board of directors operation.
- b) The operation and composition of its committees.
- c) The diversity in the composition and competences of the board of directors.
- d) The performance of the board of directors chairperson and to executive of the company.
- e) The development and contribution of each board member, paying special attention to those responsible for the different board committees.

The operational assessment of the different Committees will be based on the report that said committees submit to the Board of Directors, and for this last one, that submitted by the appointments committee.

Every three years, the board of directors will be aided by an external consultant for the performance of the assessment, which independence will be verified by the appointment committee.

The business relations that the consultant or any company of his/her group maintain with the company or with any other company of his/her group must be broken down in the corporate governance annual report.

The process and assessed areas will be described in the corporate governance annual report.

Complies X Partially complies Explain

37. When there is an executive committee, at least two non-executive directors should sit on it, being at least one of them independent; and its secretary should be the secretary of the board of directors.

Complies X Partially complies Explain Not applicable

38. That the board of directors always has knowledge about the matters discussed and the decisions adopted by the executive committee and that the members of the board of directors receive copies of the executive committee meetings minutes.

Complies X Partially complies Explain Not applicable

39. That the members of the audit committee jointly and particularly its chairperson, are appointed taking into consideration their knowledge and experience in matters of accounting, audit and risk management, financial as well as non financial.

Complies X Partially complies Explain

40. That under the supervision of the audit committee, there is a unit that assumes the responsibility of internal audit which ensures the good operation of the information and internal control system and that functionally depends on the non executive chairperson of the board or the audit committee.

Complies X Partially complies Explain

41. That the person in charge of the unit that assumes the service of internal audit submits to the audit committee, for its approval by the above mentioned or by the board, informs directly about its execution, including the possible incidents and limitation to the scope that are submitted during its development,

the results and the following of its recommendations and submits an activities report at the end of each business year.

Complies X Partially complies Explain Not applicable

42. That, aside from those stipulated by the law, the audit committee has the following responsibilities:

1. Regarding the information and internal control systems:

a) Supervise and assess the preparation and integrity of financial and non-financial information, as well as the control and management systems for financial and non-financial risks relating to the company and, where appropriate, the group including operational, technological, legal, social, environmental, political, reputational and corruption-related risks reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensure the independence of the unit that assumes the service of internal audit; propose the selection, appointment, reelection and resignation of the internal audit service supervisor; propose the budget of that service; approve or propose the approval to the board regarding the orientation and its annual work plans, ensuring that the activity is focused primarily in the relevant risks (including those related to its reputation); receive periodic information about its activities; and verify that the senior management takes into account the conclusions and recommendations of its reports.

c) Establish and supervise a system that allows employees and other people related to the company, such as board members, shareholders, suppliers, contractors or subcontractors, to report any potentially significant irregularities, including financial and accounting irregularities, or any other type of irregularity related to the company that they may notice within the company or its group. This system must guarantee confidentiality and, in any case, provide for cases in which communications may be made anonymously, respecting the rights of the whistleblower and the reported party.

d) To ensure in general that the policies and systems established for internal control are effectively applied in practice.

2. In relation to the external auditor

a) In case of resignation of the external auditor, examine the circumstances which may have motivated it.

b) Ensure that the compensation of the external auditor for his/her work does not compromise neither his/her quality nor independence.

c) Supervise that the company communicates through the CNMV the change of auditor and provides a declaration regarding the existence of disagreements with the exiting auditor and, if any, their content.

d) Ensure that the external auditor holds a yearly meeting with the board of directors plenary to be informed about the work that has been performed as well as the evolution of the accounting situation and risks to the company.

e) Ensure that the company and the external auditor comply with the regulation in effect regarding the provision of services other than auditing, the limits of the concentration of the auditor business and in general, the remaining regulations regarding the independence of auditors.

Complies X Partially complies Explain

43. That the audit committee can call upon any company employee or manager, and even ensure their attendance without the presence of any other manager.

Complies X Partially complies Explain

44. That the audit committee is informed about the structural modifications and corporate operations that the company plans to perform for its analysis and prior report to the board of directors regarding their economic conditions and the accounting impact and, in particular, when applicable, about the proposed exchange equation.

Complies X Partially complies Explain Not applicable

45. That the risks control and management policy identifies or establishes at least the following:

a) The different types of risks, financial or non financial (among others the operational, technological, legal, social, environmental, political or reputation, included those related to corruption) which the company faces, including between the financial and economic, the contingent liabilities and other risks outside of the statement.

b) A risk control and management model based on different levels, of which a specialized risk committee shall form part when the sector regulations so provide or when the company deems it appropriate.

c) The risk level that the company considers acceptable.

d) The measures scheduled to mitigate the impact of identified risks, in case said risks were to materialize.

e) The information and internal control systems that will be used to control and manage the above mentioned risks, including the contingent liabilities or risk outside of the statement.

Complies X Partially complies Explain

46. That under the direct supervision of the audit committee or, when appropriate, a specialized committee of the board of directors, there is an internal control and risk management service exercised by the unit or internal department of the company which has been specifically assigned the following responsibilities:

a) Ensure that the good operation of the risk control and management systems and, in particular, that the important risks that affect the company are identified, managed and quantified adequately.

b) Actively participate in the preparation of the risk strategy and the important decisions about its management.

c) Ensure that the risk control and management mitigate the risks adequately within the policy frame defined by the board of directors.

Complies X Partially complies Explain

47. That the members of the appointment and compensation committee or the appointment committee and the compensations committee, if these are separate, are designed trying for said members to have the knowledge, aptitudes and experience necessary for the responsibilities they are to develop and that the majority of said members are independent board members.

Complies X Partially complies Explain

48. That the companies with a high capitalization have a separate appointment committee and compensation committee.

Complies Explain **Not applicable X**

49. That the appointment committee consults with the chairperson of the board of directors and the top executive of the company, particularly when dealing about matters related to executive board members.

And that any board member can request from the appointment committee to take into consideration, if according to his/her opinion they are ideal, possible candidates to cover the vacancies of a board member.

Complies X Partially complies Explain

50. That the compensation committee exercises its responsibilities independently and that, in addition to the responsibilities assigned by the law, the committee is responsible for the following ones:

- a) Propose to the board of directors the basic conditions of the senior management contracts.**
- b) Verify the compliance of the compensation policy established by the company.**
- c) Periodically review the compensation policy applied to the board members and senior management, including the compensations systems with shares and their application, as well as guaranteeing that their individual compensation is proportional to the one paid to the other company board members and senior management.**
- d) Ensure that the possible conflict of interests does not damage the independence of the external counseling provided to the committee.**
- e) Verify the information about the compensation of the board of directors and senior management contained in the different corporate documents, including the annual report regarding compensations of the board members.**

Complies X Partially complies Explain

51. That the compensations committee consults with the chairperson and the top executive of the company, particularly when dealing about matters related to executive board members and senior management.

Complies X Partially complies Explain

52. That the composition and operation rules of the supervision and control committees appear in the board of directors regulation and that are consistent with those applicable to the legally mandatory committees according to previous recommendations, including the following:

- a) That they are exclusively comprised by non executive board members, with a majority of independent board members.**
- b) That their chairpersons are independent board members.**
- c) That the board of directors appoints the members of these committees taking into consideration the knowledge, aptitudes and experience of the board**

members and the purpose of each committee; and that it renders accounts, in the first board of directors with full attendance after its meetings, regarding its activity and that it responds for the work it has performed.

d) That the committees can obtain external counseling, when they consider it necessary for the development of its responsibilities.

e) That a minute is drafted from their meetings, which will be available to all board members.

Complies X Partially complies Explain Not applicable

53. The supervision of compliance with the company's environmental, social and corporate governance policies and rules, as well as internal codes of conduct, should be assigned to one or more committees of the board of directors, which may be the audit committee, the appointments committee, a committee specializing in sustainability or corporate social responsibility or any other specialized committee that the board of directors, in the exercise of its powers of self-organization, has decided to create. Such committee should be composed solely of non-executive directors, with the majority being independent, and should be specifically attributed the minimum functions indicated in the following recommendation.

Complies X Partially complies Explain

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

(a) Supervision of compliance with the company's corporate governance rules and internal codes of conduct, also ensuring that the corporate culture is aligned with its purpose and values.

b) The supervision of the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting counselors and other stakeholders. The way in which the company communicates and relates to small and medium-sized shareholders shall also be monitored.

c) The periodic assessment and review of the corporate governance system and the policy regarding environmental and company matters, with the purpose of complying with its mission of promoting the social interest and taking into consideration, when applicable, the legitimate interests of the remaining groups of interest.

d) Monitoring that the company's practices in environmental and social matters is in line with the established strategy and policy.

e) The supervision and assessment of the procedures regarding the different interest groups.

Complies X Partially complies Explain

55. The sustainability policies in environmental and social matters identify and include at least the following: a) The principles, commitments, goals and strategy in relation to shareholders, employees, customers, suppliers, social issues, environment, diversity, fiscal responsibility, respect for human rights and prevention of corruption and other illegal conducts.

b) The methods or systems for monitoring compliance with policies, associated risks and their management.

c) The non financial risk supervision systems, including those related to ethic and business conduct aspects.

d) The communication, participation and dialog channels with groups of interest.

e) The responsible communication practices that prevent information manipulation and protect integrity and honor.

Complies X Partially complies Explain

56. That the compensation of the board members is the right amount to attract and hold board members with the desired profile and to compensate for the dedication, qualification and responsibility that the position demands, but not too high as to compromise the independence of the criterion of the non executive board members.

Complies X Explain

57. That the executive board members variable compensations connected to the performance of the company and personal development are limited, as well as remuneration by the delivery of shares, options or rights over shares or instruments referenced to the value of shares and the long term savings systems such as pension plans, retirement systems and other social welfare systems.

The delivery of shares as remunerations to non executive board members can be considered when their ownership is conditioned until their resignation as board member. The above will not be applicable to the shares that the board members needs to alienate, when applicable, to satisfy the costs related with their acquisition.

Complies X Partially complies Explain

58. That in the cases of variable remunerations, the compensation policies include the limits and technical cautions necessary to ensure that said remunerations are related with the professional performance of its beneficiaries and do not only derive from the general evolution of the markets of the sector of activity of the company or other similar circumstances.

And in particular that the variable components of the remunerations

a) Are related to performance criteria that are predetermined and measurable and that said criteria considered the risk that is assumed for the procurement of a result.

b) Promote the sustainability of the company and includes non financial criteria that are adequate for the creation of long term value, such as the compliance of the internal regulations and procedures of the company and its policies for the control and management of its risks.

c) They are configured on the basis of a balance between the fulfillment of short, medium and long term objectives, which allow remuneration for continuous performance over a sufficient period of time to appreciate their contribution to the sustainable creation of value, so that the elements for measuring this performance do not revolve solely around one-off, occasional or extraordinary events.

Complies X Partially complies Explain Not applicable

59. The payment of variable components of remuneration should be subject to sufficient verification that the performance or other previously established conditions have been effectively fulfilled. The entities shall include the criteria regarding the time required and methods for such verification depending on the nature and characteristics of each variable component in the annual directors' remuneration report.

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

Complies X Partially complies Explain Not applicable

60. That the remunerations related with the company results take into account the possible reservations that appear in the external auditor report and reduce said results.

Complies X Partially complies Explain Not applicable

61. That the relevant percentage of variable remuneration of the executive board members is linked to the delivery of shares or financial instruments referenced to their value.

Complies Partially complies **Explain X** Not applicable

According to the contract signed with the CEO, his/her short term variable remuneration is linked to the compliance of goals established by the Board, and by default the evolution and development of the activity, the business and the company value, as well as the individual performance of the CEO within the framework of said activity, business or value of the company.

The Board of Directors has not considered that the right circumstances have taken place to modify the contractual compensation plan of the CEO at this point. Notwithstanding the above, one of the criteria that has been established by the Board of Directors for the determination of the short term variable compensation of the CEO is the evolution of the share listing.

All of the above, based on the 2020-2022 Remuneration Policy, approved by the General Shareholders' Meeting of June 13, 2019, subsequently amended by the General Shareholders' Meeting of June 11, 2020.

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

An exception is made in the case in which the director maintains, at the time of transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice his annual fixed remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director needs to dispose of in order to meet the costs related to their acquisition or, subject to the favorable opinion of the Appointments and Remunerations Committee, to meet extraordinary situations that require it.

Complies Partially complies Explain **Not applicable X**

63. That the contractual agreements include a clause that allows the company to claim the reimbursement of variable components of the compensation when the payment has not been adjusted to the performance conditions or when these have been paid based on data which inaccuracy is subsequently accredited.

Complies X Partially complies Explain Not applicable

64. That payment due to contract breach or termination do not exceed an established amount equivalent to two years of the total annual compensation and that it is not paid until the company has been able to verify that the board member has complied with the criteria or conditions established for its perception.

For the purposes of this recommendation, payments due to termination or contractual discharge shall include any payments which accrual or obligation to pay arises as a consequence or on the occasion of the termination of the contractual relationship linking the director to the company, including amounts not previously consolidated from long-term savings systems and amounts paid by virtue of post-contractual non-compete covenants.

Complies X Partially complies Explain Not applicable

H OTHER INFORMATION OF INTEREST

- **If there is any relevant aspect in matters of corporate governance in the company or in the entities of the group that has not been included in the remaining of the sections of this report, but that it is necessary to be included to gather a more complete and reasoned information regarding the compensation structure and practices of government in the entity or its group, please provide a brief summary.**

Regarding section G: Degree of follow up regarding corporate governance recommendations:

Recommendation n° 2

Only the parent company is listed, so it is not applicable.

Recommendation n° 7

The entire Meeting was transmitted through direct streaming. The result of the votes was published in the company website the next day.

Recommendation n° 10

No shareholder exercised its right to complete the agenda or to submit new proposals for resolutions. This was not the case in 2020 business year and therefore this recommendation is not applicable.

Recommendation n° 11

Paying attendance premiums to the general meeting is not scheduled, it is therefore not applicable.

Recommendation n° 15

In the Board of Directors there are six independent directors and five directors representing controlling interests who, jointly represent 84.61% of the total. There is only one executive director.

Recommendation n° 17

The company does not have a high capitalization. Independent directors reach 46.15%, this means, more than one third of the total number of directors.

Recommendation n° 19

This has not happened, so it is not applicable.

Recommendation n° 20

This has not happened, so it is not applicable.

Recommendation n° 26

The Board holds a meeting, at least, ten times a year, following the dates and matters that are established at the beginning of the business year.

Each Board member can individually propose other agenda items which are initially not scheduled. This did not happen during the 2020 business year.

Recommendation n° 37

The participation structure of the different directors categories is: (i) Board of Directors (composed by an executive director -7.69%-, five directors representing controlling interests -38.46%-, six independent -46.15%- and an external director -7.69 %-); and

(ii) Executive Committee (comprised by an executive director -20%-, two directors representing controlling interests -40%-, and two independent directors -40%-).

The secretary of the executive committee is the same as the board of directors.

Recommendation n° 48

It is not applicable, since the company is in the medium and small capitalization market, clearly differentiated from that of IBEX35, which are of high capitalization.

Article 17 of the Board of Directors Regulation stipulates the existence of an Appointments and Remunerations Committee, with its current structure.

Recommendation n° 49

The company has one Appointments and Remunerations Committee, not two separate committees.

Recommendation n° 50

The company has one Appointments and Remunerations Committee, not two separate committees.

Recommendation n° 62

This has not happened, so it is not applicable.

Recommendation n° 63

Although the contract signed with the executive director does not include a clause in this regard, this does not prevent the company, if the case where to arise, to adopt the necessary measures to claim the reimbursement of the variable components when the payment did not comply with the agreed upon conditions. However, clause 3.2.(v) (yearly variable remuneration) of the contract formalized between the executive manager and the company establishes that: *“...However, if having reached the time for the final settlement [of the Variable Remuneration] by the Board of Directors it will be recorded that Mr. ... has received, as advanced payment, an amount exceeding the one corresponding for the Variable Remuneration, said director will have the responsibility to return the excess, within the five (5) days after the Company requires it”*.

2. Any other information, clarification or nuance related to the previous sections of the report can be included within this section as long as they are relevant and not repetitive.

In particular, it will be indicated if the company is subject to a jurisdiction different than the Spanish one in matters of corporate governance and, when applicable, includes that information which is mandatory to be supplied and is different than the one demanded in this report.

The company is not subject to a law different than the Spanish one.

3. The company can also indicate if it has voluntarily adhered to other ethical principle codes or good practices, international, sectoral or of another scope. Where applicable, the code in question and the date of membership shall be identified. In particular, it will mention the compliance with the Good Tax Practices Code, of July 20, 2010:

The Board of Directors approved on February 28, 2011 the compliance to the Good Tax Practices Code, approved in July 20, 2010 by the plenary of the Large Companies Forum and complies with the provisions contained therein.

This corporate governance annual report has been approved by the company Board of Directors, in its meeting dated February 25 2021.

State if there have been directors who have voted against or have abstained regarding the approval of this report.

Yes No X