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**ISSUER IDENTIFICATION DATA**

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End date of the referenced business year: 12/31/2018

TIC: A-28013811

Corporate Name:

**SACYR, S.A.**

Corporate address:

PASEO DE LA CASTELLANA, 83-85 MADRID

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**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
7/11/2018	553,555,329.00	553,555,329	553,555,329

State if there are different types of shares with different associated rights:  Yes  
 No

The date recorded in public deed is provided as the closing of the 2018 business year last modification, remaining recorded in the Commercial Registry on July 26, 2018 and published in the CNMV website on August 2, 2018.

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 shares		% of voting rights through financial instruments		% total of voting rights
	Direct	Indirect	Direct	Indirect	
CONCERTED ACTION	0.00	14.50	0.00	0.00	14.50
BETA ASOCIADOS, S.L.	7.16	0.00	3.23	0.00	10.39
GRUPO EMPRESARIAL FUERTES, S.L.	0.00	6.29	0.00	0.00	6.29
PRILOMI, S.L.	4.67	0.00	0.00	0.00	4.67

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
CONCERTED ACTION	DISA CORPORACIÓN PETROLIFERA, S.A.	12.59	0.00	12.59
CONCERTED ACTION	GRUPO SATOCAN, S.A.	1.91	0.00	1.91

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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.L.	6.29	0.00	6.29

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

**Most significant movements**

Shareholder: BETA ASOCIADOS, S.L.:  
 Operation date: 6/21/2018  
 Operation description: 15% of the capital stock has been decreased.

Shareholder: DISA CORPORACIÓN PETROLÍFERA, S.A.:  
 1. Operation date: 6/7/2018  
 Operation description: 15% of the capital stock has been exceeded.  
 2. Operation date: 9/12/2018  
 Operation description: 15% of the capital stock has been decreased.

The data contained in that section are the ones resulting on December 31, 2018 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 Articles of Association; except in reference to the position through financial instruments, which is based in the last notice of the CNMV performed by the significant shareholder, dated December 14, 2018 (due to the fact that the percentage of voting rights through financial instruments are not reflected in the shareholders registry ledger).

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
MR. MANUEL MANRIQUE CECILIA	0.00	1.53	0.00	0.00	1.53	0.00	0.00
MR. DEMETRIO CARCELLER ARCE	0.00	0.10	0.00	0.00	0.10	0.00	0.00
MR. AUGUSTO DELKADER TEIG	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. FRANCISCO JAVIER ADROHER BIOSCA	0.01	0.00	0.00	0.00	0.01	0.00	0.00

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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 <u>can be transferred</u> through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
GRUPO CORPORATIVO FUERTES, S.L.	6.29	0.00	0.00	0.00	6.29	0.00	0.00
GRUPO SATOCAN DESARROLLOS, S.L.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MRS. ISABEL MARTÍN CASTELLA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. JUAN MARÍA AGUIRRE GONZALO	0.01	0.00	0.00	0.00	0.01	0.00	0.00
MR. MATIAS CORTÉS DOMÍNGUEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRILOU, S.L.	3.33	4.67	0.00	0.00	8.00	0.00	0.00
MR. JOSÉ JOAQUÍN GÜELL AMPUERO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MRS. MARÍA JESÚS DE JAÉN BELTRÁ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MRS. CRISTINA ÁLVAREZ ÁLVAREZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>total % of voting rights in the power of the board of directors</b>						<b>15.95</b>	

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 <u>can be transferred</u> through financial instruments
PRILOU, S.L.	PRILOMI, S.L.	4.67	0.00	4.67	0.00

The data contained in that section are the ones resulting on December 31, 2018 from the records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. "Iberclear".

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A.4. State, as the case may be, the relation of family, commercial contractual or company type 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 the ordinary commercial operations or traffic, except those reported under section A.6:

Name or corporate name: related	Type of relation	Brief description
PRILOU, S.L., PRILOMI, S.L.	Corporate	Prilou, S.L. has 86% of the Prilomi, S.L. capital stock.
PRILOU, S.L., PRILOMI, S.L.	Family	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, as the case may be, the relation of commercial contractual or company type 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:

Related name or corporate name	Type of relation	Brief description
PRILOU, S.L.	Corporate	Prilou, S.L. Is board member of Sacyr, S.A. There is no relation between Prilou, S.L. And the other Sacyr, S.A. Group companies. José Manuel Loureda Mantiján, individual representing the board member Prilou, S.L. In the Sacyr, S.A. Board, has a corporate relation with the following companies of the Sacyr Group: Sacyr Servicios, S.A (of which he is Chairperson and director) and Sacyr Construcción, S.A (of which he is director).

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**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 are, at the same time, members of the board of directors, or their representatives, in companies that hold significant participations in the listed company or companies of the group of said significant shareholders:

Name or corporate name of the director or representative, linked	Name or corporate name of the shareholder Significant linked	Corporate name of the group company of the Significant shareholder	Description relation/position
MR. DEMETRIO CARCELLER ARCE	DISA CORPORACIÓN PETROLIFERA, S.A.	DISA CORPORACIÓN PETROLIFERA, S.A.	Chairperson of the linked shareholder Board of Directors.
MR. FRANCISCO JAVIER ADROHER BIOSCA	DISA CORPORACIÓN PETROLIFERA, S.A.	DISA CORPORACIÓN PETROLIFERA, S.A.	Individual, representing Bicar, S.A., director of Disa Corporación Petrolífera.
MR. JOSÉ MANUEL LOUREDA MANTIÑÁN	PRILOMI, S.L.	PRILOMI, S.L.	Holder of 49% of Prilou, S.L. capital stock, which, at the same time, holds 86% of Prilomi, S.L. capital stock. Likewise, The representative is the direct ascendant of the joint administrators of Prilomi, S.L.

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 have 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

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Participants of the shareholders agreement	capital stock % affected	Brief description of the agreement	Maturity date of the agreement, when applicable
GRUPO SATOCAN, S.A., DISA CORPORACIÓN PETROLIFERA, S.A., GRUPO SATOCAN 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. 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, are included in the shareholders agreement to the rest of their voting rights. However, each of the parties has signed a unilateral declaration communicated to the CNMV in which Commit that all syndicated shares vote in the same direction than their syndicated shares.	2/21/2021

The data contained in this section, are those resulting from the information communicated to the CNMV. Registry dates and numbers: 02/23/2011: 138707; 03/15/2011: 140223 and 03/16/2011: 140260.

State if the company knows the existence of the agreed shares among their shareholders. Briefly describe them, if applicable:

Yes  
 No

Participants coordinated action	capital stock % affected	Brief description of the agreement	Maturity date of the agreement, when applicable
GRUPO SATOCAN, S.A., DISA CORPORACIÓN PETROLIFERA, S.A., GRUPO SATOCAN 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. 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,	2/21/2021

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Participants coordinated action	capital stock % affected	Brief description of the agreement	Maturity date of the agreement, when applicable
		S.L. 1,033,475, are included in the shareholders agreement to the rest of their voting rights. However, each of the parties has signed a unilateral declaration communicated to the CNMV in which Commit that all syndicated shares vote in the same direction than their syndicated shares.	

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

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

It has not been communicated to the company and, therefore, it is not recorded, that any change of said shareholders agreement has taken place during the 2018 business year.

**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

**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 shares indirect(*)	total % over the capital stock
10,951,549		1.98

(\*) Through:

Name or corporate name of direct holder of the shares	Number of direct shares
No data	

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

Explain the significant variations

Date 01/12/2018:

Total of direct acquired shares: 5,439,331  
% over the capital stock: 1.020 %  
Total transferred direct shares: 6,318,437  
% over the capital stock: 1.185 %

Dated 01/26/2018

Total of direct acquired shares: 6,616,574  
% over the capital stock: 1.241 %  
Total transferred direct shares: 1,794,475  
% over the capital stock: 0.337 %

Dated 4/10/2018

Total of direct acquired shares: 5,504,827  
% over the capital stock: 1.012%  
Total transferred direct shares: 5,084,977  
% over the capital stock: 0.935 %

Dated 6/6/2018

Total of direct acquired shares: 5,507,862  
% over the capital stock: 1.013%  
Total transferred direct shares: 5,540,635  
% over the capital stock: 1.019 %

Dated 10/15/2018

Total of direct acquired shares: 5,551,102  
% over the capital stock: 1.003%  
Total transferred direct shares: 5,223,017  
% over the capital stock: 0.944%

Dated 12/19/2018

Total of direct acquired shares: 5,863,034  
% over the capital stock: 1.059%  
Total transferred direct shares: 3,738,236  
% over the capital stock: 0.675%

**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 tenth 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, as the case may be, 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.

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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, as the case may be, 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

**A.12. State if there is any restriction (statutory, legislative or of any type) to the transfer of values and/or any restriction to the voting right. In particular, the existence of any type of restrictions which can impair the taking of 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  
 No

**Description of the restrictions**

- Pursuant to article 33, sections 3, 4 and 5, of the By-laws "the 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 or grant him/her a right, b) Facilitate any type of financial assistance, including the provision of guarantees in his/her favor or c) Release him/her, if he/she is a director, of the obligations derived from the duty of loyalty agreed upon according to the law. What is stipulated in the previous section will also be applicable when the agreements affect, when dealing with an individual representative, or the controlled entities or companies by the abovementioned and in the case of shareholding companies, to the entities or companies belonging to its group, even when these last companies or entities are not shareholders. If the shareholder 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 under 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 the alternate sub-delegation or delegation has been scheduled over an individual who can exercise the right to vote.

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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

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

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

#### B. GENERAL MEETING

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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

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

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

- The By-laws do not establish anything different from what is legally stipulated. Article 19.2 d) of the By-laws and 3.4 of the Meeting Regulation, pursuant to article 285.1 of the Corporate Act, establish 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 for information purposes, it is their responsibility to (...) d) 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, the attendance of twenty five percent will be sufficient".



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- 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 to be valid, particularly one that affects directly or indirectly the rights of a class of shares, 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, unique class and represents a discriminatory treatment among them, will be considered, pursuant to article 293 of the Corporate Law, which constitutes independent classes the affected and non affected shares by the modification, to be precise, therefore, the separate agreement of 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 require 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.

(Continues under section H) Other Information of Interest).

**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 year:

General meeting data	Attendance data				Total attendance
	% of representation	% in Electronic vote	% remote voting Others		
6/16/2016	14.30	34.78	0.01	0.44	49.53
Of the floating capital	1.58	7.10	0.01	0.44	9.13
6/8/2017	2.28	53.62	0.01	0.66	56.57
Of the floating capital	0.29	11.88	0.01	0.66	12.84
6/7/2018	33.78	25.24	0.01	0.06	59.09
Of the floating capital	1.59	25.23	0.01	0.06	26.89

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

- In 2018: 12 939 shares voted electronically; 26 153 delegated their vote electronically and 336 551 shares by postal mail.
- In 2017: 16 501 shares voted electronically; 12 646 delegated their vote electronically and 3 406 309 shares by postal mail.
- In 2016: 25 184 shares voted electronically; 19 052 delegated their vote electronically and 2 290 093 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

Items of the agenda which have not been approved	% votes against (*)
Item 6.8: By-laws Modification. Article modification 43.3. Votes against: 72.601%. Item 6.9: By-laws Modification. New article 43.7.: Votes against: 72.475% Item 6.10: By-laws Modification. New article 43.8: Vote against. 72.467 %. Item 6.11: By-laws Modification. New article 54.3. Votes against: 72.475% Item 6.12: By-laws Modification New article 56.5:	

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Items of the agenda which have not been approved	% votes against (*)
Votes against: 72.607% Item 6.13: By-laws Modification. New article 56.6: Votes against: 72.606% (The detail of each item is summarized under section H) Other Information of Interest).	

(\*) 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  
 No

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

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.i) of the By-laws and 3.9 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.g) of the By-laws and 3.7 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 to 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:

In the corporate website of the Group ([www.sacyr.com](http://www.sacyr.com)) you can find the information required by the Capital Company Act and other applicable regulations.

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

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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.

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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

C.1.2 Complete 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
MR. MANUEL MANRIQUE CECILIA		Executive	CHAIRPERSON - CHIEF EXECUTIVE OFFICER	11/10/2004	6/11/2015	SHAREHOLDERS GENERAL MEETING AGREEMENT
MR. DEMETRIO CARCELLER ARCE		Director representing controlling shareholders	VICECHAIRPERSON 1º	01/29/2003	6/7/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT
MR. AUGUSTO DELKADER TEIG		Independent	DIRECTOR/BOARD MEMBER	6/27/2013	6/7/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT
MR. JUAN MARÍA AGUIRRE GONZALO		Independent	INDEPENDENT COORDINATING DIRECTOR	6/27/2013	6/7/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT
MR. FRANCISCO JAVIER ADROHER BIOSCA		Director representing controlling shareholders	DIRECTOR/BOARD MEMBER	5/19/2011	6/16/2016	SHAREHOLDERS GENERAL MEETING AGREEMENT
GRUPO CORPORATIVO FUERTES, S.L.	MR. TOMÁS FUERTES FERNÁNDEZ	Director representing controlling shareholders	DIRECTOR/BOARD MEMBER	5/19/2011	6/16/2016	SHAREHOLDERS GENERAL MEETING AGREEMENT

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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
GRUPO SATOCAN DESARROLLOS, S.L.	MR. JUAN MIGUEL SANJUÁN JOVER	Director representing controlling shareholders	DIRECTOR/BOARD MEMBER	6/27/2013	6/7/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT
MRS. ISABEL MARTÍN CASTELLA		Independent	DIRECTOR/BOARD MEMBER	6/11/2015	6/11/2015	SHAREHOLDERS GENERAL MEETING AGREEMENT
MR. MATIAS CORTÉS DOMÍNGUEZ		Miscellaneous External	DIRECTOR/BOARD MEMBER	6/12/2002	6/7/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT
PRILOU, S.L.	MR. JOSÉ MANUEL LOUREDA MANTIÑÁN	Director representing controlling shareholders	DIRECTOR/BOARD MEMBER	12/15/2004	6/11/2015	SHAREHOLDERS GENERAL MEETING AGREEMENT
MRS. CRISTINA ÁLVAREZ ÁLVAREZ		Independent	DIRECTOR/BOARD MEMBER	6/7/2018	6/7/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT
MRS. MARÍA JESÚS DE JAÉN BELTRÁ		Independent	DIRECTOR/BOARD MEMBER	6/7/2018	6/7/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT
MR. JOSÉ JOAQUÍN GÜELL AMPUERO		Independent	DIRECTOR/BOARD MEMBER	6/7/2018	6/7/2018	SHAREHOLDERS GENERAL MEETING AGREEMENT

<b>Total number of directors</b>	<b>13</b>
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State the termination, either by retirement, resignation, demotion, or any other cause, 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	Committees specialized of which he/she was a member	State if the termination has taken place before the end of term
BETA ASOCIADOS, S.L.	Director representing controlling shareholders	6/16/2016	6/7/2018	-	YES
CYMOFAG, S.L.	Director representing controlling shareholders	6/16/2016	4/26/2018	-	YES



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Name or corporate name of the director	Category of the director at the time of termination	Date of the last appointment	Termination date	Committees specialized of which he/she was a member	State if the termination has taken place before the end of term
PRILOMI, S.L.	Director representing controlling shareholders	6/11/2015	4/26/2018	-	YES
MR. RAIMUNDO BAROJA RIEU	Director representing controlling shareholders	6/27/2013	4/26/2018	AUDIT AND CORPORATE GOVERNANCE.	YES

**Cause of the termination and other**

- BETA ASOCIADOS, S.L.: By termination agreed by the Shareholders Meeting, by proposal of the Board of Directors and, in addition, three shareholders.
- CYMOFAG, S.L.: By resignation, by own request, of the director representing controlling shareholders, in order to cover said vacancy by an independent director (Cristina Álvarez Álvarez).
- PRILOMI, S.L.: By resignation, by own request, of the director representing controlling shareholders, in order to cover said vacancy by an independent director (María Jesús de Jaén Beltrá).
- RAIMUNDO BAROJA RIEU: By resignation, by own request, of the director representing controlling shareholders, in order to cover said vacancy by an independent director (José Joaquín Güell Ampuero).

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
MR. 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. In November 2004 he is appointed as managing director 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 vice-chairperson of Repsol.

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

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

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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
MR. DEMETRIO CARCELLER ARCE	DISA CORPORACIÓN PETROLIFERA, 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). Belongs to the Board of Directors of Ebro Foods, S.A., Sociedad Anónima DAMM and Disa Corporación Petrolífera, among others.
MR. FRANCISCO JAVIER ADROHER BIOSCA	DISA CORPORACIÓN PETROLIFERA, S.A.	Graduate in Business Administration and Management (Branch Company Bussiness-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 performed advanced financial, technical analysis and assessment counseling courses for businesses in the Instituto de Estudios Bursátiles (I.E.B). Belongs to the Boards of Directors of Disa Corporación Petrolífera, S.A., in representation of Bicar, S.A., of which he is managing director and of Rincasa, SICAV 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.
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 Chamber of Commerce of Murcia and in Marketing Management. He has an Honorary Doctorate by the Schools of Economy and Business and Veterinary of the University of Murcia. The Ministry of Agriculture, Fishing and Food granted the number commendation to 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 Entrepreneur of the year 2004 by

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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
		<p>Ernst and Young, IESE and the newspaper ABC. In 2008 the publication Dirigentes granted 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 Televisión 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 to 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, 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).</p>

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

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

EXTERNAL INDEPENDENT DIRECTORS	
Name or corporate name of the director	Profile
MR. JUAN MARÍA AGUIRRE GONZALO	Graduate in Economic and Business Sciences by ICADE and Master in Financial Management by Instituto de Empresa. He is currently a member of the Boards of Directors of the companies Merlín Properties Socimi, S.A., and several SICAV: Maltisa, Quantop and Gardama.
MR. 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. He is currently the Chairperson of Cadena Ser and Editorial Manager of the Prisa Group.



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EXTERNAL INDEPENDENT DIRECTORS	
Name or corporate name of the director	Profile
MRS. 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. and director and member of the Audit Committee of Bolsas y Mercados Españoles, S.A.
MRS. CRISTINA ÁLVAREZ ÁLVAREZ	Senior Telecommunications Engineer by Universidad Politécnica de Madrid and PDD by IESE, has been CIO and Services Development Manager in Telefónica España for 10 years. She had previously developed executive positions in Vodafone and Nokia. In addition, she is the academic manager of the Executive Master in Digital Transformation and Innovation Leadership of Instituto de Empresa IE. Her trajectory has been acknowledged by numerous institutions: Engineer of the Year 2016 by the Colegio Oficial de Ingenieros de Telecomunicación and Best Professional Trajectory in the TIC sector TIC for Autelsi, among other acknowledgments. She currently holds the position of director in Aedas Homes, S.A.
MRS. 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.
MR. 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.

Total number of independent directors	6
% over the board total	46.15

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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 high 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
No data		

**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
MR. MATIAS CORTÉS DOMÍNGUEZ	He is not a director representing controlling shareholders since he does not have a participation equal or exceeding the one legally established and he is not independent since he has been a director for a continued period exceeding 12 years, in addition to being related to an office that has counseled the company for valuable consideration during the business year, all according to article 529 duodecies to the Corporate Act and article 7.4 and 7.5.e).i) of the Board Regulation.	TESCOR PROFESIONALES ASOCIADOS SLP.	Graduate of Law by the University of Granada and Doctor of Law by the Università di Bologna (Italy). In addition, he is a Professor of Political Economy and Treasury in the University of Granada, Professor of Financial and tax Law in the Universities Autónoma de Madrid and Complutense de Madrid.

Total number of external board members	1
% over the board total	7.69

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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
No data			

C.11.4 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 board members				% over the total board members of each type			
	2018 Business Year	2017 Business Year	2016 Business Year	2015 Business Year	Business year	Business year 2018 2016	Business year 2018 2015	Business 2017
Executive					0.00	0.00	0.00	0.00
Directors representing controlling shareholders					0.00	0.00	0.00	0.00
Independent	3	1	1	1	23.08	7.14	7.14	7.14
Other External					0.00	0.00	0.00	0.00
Total	3	1	1	1	23.08	7.14	7.14	7.14

The increase of participation of women directors at the closing of the 2018 business year, regarding the previous business year is of 15.93%.

C.11.5 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  
 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 Retributions 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 and 42.1 of the Company By-laws establish 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 and gender and will attempt that the composition of the external boards bodies or non executive bodies represent the majority of the executive directors."

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- 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 Retributions 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 Retributions Committee, within the scope of its responsibilities, will attempt to promote an adequate diversity of knowledge, experiences 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 Retributions 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 on 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 Retributions 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.

- The Board of Directors in the meeting of April 26, 2018, appointed by co-option, until their ratification and appointment by the Shareholders General Meeting on June 7, 2018, three independent shareholders, with the conditions of competence, experience and merits necessary to be a part of the Board of Directors: Cristina Álvarez Álvarez, María Jesús de Jaén Beltrá and José Joaquín Güell Ampuero. These three new members of the Board replaced the three Directors Representing Controlling Shareholders, Prilomi S.L., Cymofag S.L. and Raimundo Baroja Rieu, who submitted their respective resignations due to the restructuring of the above mentioned body. In this regard, it has been within the scope of the independent directors where the Board and the Appointments and Retributions Committee have had a greater capacity for action, since they were able to take into account a larger number of possible female candidates to perform the position of director.

- Lastly, the company has a "Diversity Plan" which is verified by the Appointments and Retributions Committee.

C.11.6 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:

#### 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 Retributions Committee, within the scope of its responsibilities, will attempt to promote an adequate diversity of knowledge, experiences and gender and for its appointment to fall over people of renown solvency, competence and experience."

- According to the "Selection, Appointment and Reelection Policy of the Sacyr, S.A. Directors", the selection of candidates for the position of director start from the base of a competences, knowledge and experience analysis necessary within the Board of Directors, which is performed by the Appointments and Retributions Committee, taking into account the number of directors established by the Shareholders General Meeting, the composition of the different categories and classes of directors established by the Board of Directors and the nature of the vacancies to be covered.

It is also the Appointments and Retributions 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.



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 Retributions 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 Retributions Committee, serving the needs of the Board, assesses, among others, the following elements: i) the technical-professional responsibilities of the candidates; ii) the management experiences of the candidates, taking into account as well the context under which Sacyr operates; iii) the necessary commitment to perform the position, also assessing the positions already performed by the candidates in other companies; iv) the availability of the female candidates that meet the required profile, with the goal that in 2020 the number of female directors represents, at least 30% of the total members of the Board of Directors; 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 Retributions 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 Retributions 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, article 22 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.

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

#### Explanation of the reasons

Not applicable.

#### C.11.7 Explain the conclusions of the appointment committee regarding the verification of the compliance of the board members selection policy. And in particular, regarding how said policy promotes the goal that in the year 2020 the number of female board members represents, at least, 30% of the total members of the board of directors.

The conclusions of the compliance verification report regarding the Directors selection policy in the 2018 business year formulated by the Appointments and Retributions 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 and gender and does not have any implicit biases which may represent any sort of discrimination. And promotes the goal that in the year 2020 the number of female board members represents, at least, 30% of the total members of the board of directors.

- The previous favorable reports and proposals by the Shareholders General Meeting for the appointment and reelection, when applicable, of Directors, for the Appointments and Retributions Committee as well as the Board of directors itself.

- The cooperation of the company "Ramón y Cajal, S.L.P." has been available in order to guarantee maximum transparency and objectivity for the assessment of conflict of interest situations communicated in 2018 by the Directors reelected by the Shareholders General Meeting.

- The cooperation of the company "Ramón y Cajal, S.L.P." has been available in order to guarantee maximum transparency and objectivity was also available for the assessment of candidates, before the appointment of co-opting by the Board of Directors and the subsequent approval and appointment by the Shareholders General Meeting.

- 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.



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- An adequate diversity of knowledge, experience 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 appointment, when applicable, of the above mentioned Directors by the Shareholders General Meeting on June 7, 2018.

C.11.8 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	Reason
No data	

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

C.11.9 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
MANUEL MANRIQUE CECILIA	- 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 pursuant 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".
EXECUTIVE COMMITTEE	Articles 47 of the By-laws, 11.1 and 15.4 of the Board Regulation, detailed above are applicable over the Managing Director. The Executive

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Name or corporate name of the director or the committee	Brief description
	Committee is comprised by five members (one executive director, two directors representing controlling shareholders and two independent directors).

C.11.10 Identify, as the case may be, 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?
MR. MANUEL MANRIQUE CECILIA	SACYR FLUOR, S.A.	DIRECTOR/BOARD MEMBER	NO
MR. MANUEL MANRIQUE CECILIA	SACYR CONSTRUCCIÓN, S.A.	CHAIRPERSON/DIRECTOR	NO
MR. MANUEL MANRIQUE CECILIA	SACYR SERVICIOS, S.A.	DIRECTOR/BOARD MEMBER	NO
MR. MANUEL MANRIQUE CECILIA	SACYR FINANCE, S.A.	Representative of the Sole Administrator, Sacyr, S.A.	YES
MR. MANUEL MANRIQUE CECILIA	SACYR VALLEHERMOSO PARTICIPACIONES MOBILIARIAS, S.L.	Representative of the Sole Administrator, Sacyr, S.A.	YES
MR. MANUEL MANRIQUE CECILIA	SACYR CONCESIONES, S.L.	CHAIRPERSON/DIRECTOR	NO
MR. MANUEL MANRIQUE CECILIA	SACYR INDUSTRIAL, S.L	DIRECTOR (registration 05/29/2018)	NO
MR. MANUEL MANRIQUE CECILIA	SACYR GESTIÓN DE ACTIVOS, S.L.	Representative of the Sole Administrator, Sacyr, S.A. (resignation 07/13/2018)	YES

As it was stated above, José Manuel Loureda Mantifián (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.11.11 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
MR. MANUEL MANRIQUE CECILIA	REPSOL, S.A.	DIRECTOR/BOARD MEMBER
MR. MANUEL MANRIQUE CECILIA	REPSOL, S.A.	VICE-CHAIRPERSON
MR. DEMETRIO CARCELLER ARCE	EBRO FOODS, S.A.	VICE-CHAIRPERSON

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Name or corporate name of the director	Corporate name of the listed company	Position
MR. AUGUSTO DELKADER TEIG	SOCIEDAD ESPAÑOLA DE RADIODIFUSIÓN, S.L. (CADENA SER)	CHAIRPERSON
MRS. ISABEL MARTÍN CASTELLA	UNICAJA BANCO, S.A.	INDEPENDENT COORDINATING DIRECTOR
MRS. ISABEL MARTÍN CASTELLA	BOLSAS Y MERCADOS ESPAÑOLES, S.A.	DIRECTOR/BOARD MEMBER
MR. JUAN MARÍA AGUIRRE GONZALO	MERLÍN PROPERTIES SOCIMI, S.A.	DIRECTOR/BOARD MEMBER
MR. JUAN MARÍA AGUIRRE GONZALO	QUANTOP INVESTMENTS, SICAV, S.A.	DIRECTOR/BOARD MEMBER
MR. JUAN MARÍA AGUIRRE GONZALO	GARDAMA DE INVERSIONES, SIVAV, S.A.	DIRECTOR/BOARD MEMBER
MR. JUAN MARÍA AGUIRRE GONZALO	MALLORQUINA DE TÍTULOS, SICAV, S.A.	DIRECTOR/BOARD MEMBER
MR. FRANCISCO JAVIER ADROHER BIOSCA	RINCASA, SICAV	DIRECTOR/BOARD MEMBER
MRS. CRISTINA ÁLVAREZ ÁLVAREZ	AEDAS HOMES, S.A.	DIRECTOR/BOARD MEMBER
MR. JOSÉ MANUEL LOUREDA MANTIÑÁN	REPSOL, S.A.	DIRECTOR/BOARD MEMBER

Augusto Delkader Teig: PRISA GROUP: Managing Director.

Isabel Martín Castella:  
 UNICAJA BANCO, S.A.: Chairperson of the Risk Committee and member of the Audit Committee. BOLSAS y MERCADOS ESPAÑOLES, S.A. : Member of the Audit Committee.

Juan María Aguirre Gonzalo: MERLÍN PROPERTIES, SOCIMI, S.A.: Chairperson of the Executive Committee.

Francisco Javier Adroher Biosca: RINCASA, SICAV: Director, in representation of Bicar, S.A.

C.11.12 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  
 No

C.11.13 State the amounts of the concepts related to global remuneration of the following boards of directors:

Remuneration accrued during the performance in favor of the board of directors (thousands of Euros)	5,072
Amount of the accumulated rights by the current board members in matter of pensions (thousands of Euros)	4,217
Amount of the accumulated rights by the senior board members in matter of pensions (thousands of Euros)	



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The global remuneration includes: (i) The gross amounts collected by the director, as members of the Board of Directors; (ii) The sum of the executive manager remuneration (fixed, variable and medical insurance) and (iii) The amount of the rights accumulated in matters of pensions by the executive director.

In the case of the executive manager, no risk premium has been paid for death or disability, since this risk is covered with the mathematical provision of the retirement savings policy and the "unit link" fund which covers the retirement commitments.

The total amount takes into consideration the remuneration of all Board members during the 2018 business year.

C.11.14 Identify the high 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
MR. RAFAEL GÓMEZ DEL RÍO SANZ HERNÁNZ	GENERAL MANAGER. MANAGER OF SACYR CONCESIONES, S.A.
MR. PEDRO ANTONIO SIGUENZA HERNÁNDEZ	GENERAL MANAGER. MANAGER OF SACYR CONSTRUCCIÓN, S.A.
MR. FERNANDO LOZANO SAINZ	GENERAL MANAGER. MANAGER OF SACYR SERVICIOS, S.A.
MR. GONZALO GARCÍA SAN MIGUEL RODRÍGUEZ ALARCÓN	GENERAL MANAGER. MANAGER OF SACYR INDUSTRIAL,S.L.
MR. CARLOS MIJANGOS GOROZARRI	GENERAL FINANCIAL MANAGER.
MR. MIGUEL HERAS DOLADER	MANAGEMENT , TALENT AND HUMAN RESOURCES MANAGER.
MR. MIGUEL ÁNGEL RIELVES PILAS	LEGAL CORPORATE DEPARTMENT MANAGER. SECRETARY OF THE SACYR, S.A. BOARD OF DIRECTORS
MR. ALFONSO AGUIRRE DÍAZ-GUARDAMINO	BUSINESS LEGAL DEPARTMENT MANAGER. VICE-SECRETARY OF THE SACYR, S.A. BOARD OF DIRECTORS
MR. PEDRO ALONSO RUÍZ	COMMUNICATIONS MANAGER.
MR. AQUILINO DE PRAVIA MARTÍN	INTERNAL AUDIT MANAGER.
<b>Total remuneration of high management (thousands of Euros)</b>	
	<b>3,297</b>

Resignation:

4/5/2018: José María Orihuela Uzal: General Manager. Manager of Sacyr Construcción, S.A.

Appointment:

2/28/2018: Miguel Ángel Rielves Pilas

5/4/2018: Gonzalo García San Miguel Rodríguez Alarcón. 4/9/2018: Pedro Antonio Siguenza Hernández.

2/28/2018: Alfonso Aguirre Díaz- Guardamino in the position of the SACYR, S.A. Board of Directors Vice-secretary.

C.11.15 State if there has been during the business year any modification to the board regulation: [  ] Yes

[  ] No

**Modifications description**

- Modification of articles 1 (Purpose) and 21 (Directors Appointment), to introduce the concept of Corporate Governance System, consistently with the Company By-laws modification proposal.



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- Modification of articles 5 (General supervision responsibility), 6 (Creation of value for the shareholder), 8 (Quantitative composition), 28 (General shareholder responsibilities) and 30 (General loyalty duty), to introduce the concept of corporate interest, consistently with the Company By-laws proposed modifications.
- Modification of article 7 (Qualitative composition and types of directors), for the purposes of introducing the definition of categories and types of directors established under article 529 duodecies of the Corporate Law.
- Modification of article 16 (The Audit and Corporate Governance Committee), for the purposes of including within the responsibilities of the Audit and Corporate Governance Committee the responsibilities gathered under recommendation 42 of the Listed Companies Good Governance Code regarding the external auditor.
- Modification of article 17 (The Appointments and Retributions Committee), for the purposes of including within the responsibilities of the Appointments and Retributions Committee the responsibilities introduced in the modification proposal of article 54.2 of the Company By-laws.
- Modification of article 24 (Resignation of directors and position availability) for the purpose of eliminating, as a cause to make the position available, the fact that one of the executive directors reaches 65 years of age. In this regard, the fact of reaching said age is not understood as a sufficient reason to prevent the executive director to develop his/her responsibilities with the same degree of professionalism and quality as he/she has been performing said responsibilities. Also modifying article 24 of the Regulation to adapt its drafting to the modification proposal of article 54.2 of the Company by-laws, regarding the resignation or separation cause of a board member in the case of a conflict of interest scheduled under article 224.2 of the Corporate Law.
- Modification of articles 33 (Duty of avoiding Conflict of Interest situations) and 34 (Waiver Regime of conflict of interest situation), to adjust them to the modifications of proposals to articles 56.3 and 56.4 of the Company By-laws, establishing a preventive procedure that, with the intervention of the Audit and Corporate Governance Committee, allows to ensure that no operations under conflict of interests are performed without the application of the waiver established under the Law.

C.11.16 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 appointment and reelection:**

The selection, appointment and reelection procedure of the directors, is regulated under article 19.2.b) 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.b) 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: b) 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 Retributions Committee, regarding independent directors, and that of the Board of Directors, in all other cases. The proposal must be accompanied at all times with a supporting report from the Board of Directors in which the competence, experience and merits of the proposed candidate is assessed, said report will be appended to the Shareholders Meeting minute or that of the Board of Directors itself. The appointment or reelection proposal of any non independent director must be preceded, in addition, by a report of the Appointments and Retributions 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 Retributions Committee. When the Board of Directors does not follow the recommendations of the Appointments and Retributions 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 Retributions Committee, within the scope of its responsibilities, will attempt to promote an adequate diversity of knowledge, experiences 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 Retributions Committee verifies the compliance of the Directors selection policy and prepares the corresponding report.

**Directors assessment:**

According to article 17.7 of the Board Regulation "the Appointments and Retributions Committee will have, among others, the following responsibilities: a) a) Assess the responsibilities, knowledge and experience necessary in the Board of Directors. For said purposes, it will define



it will define the responsibilities and aptitudes necessary in the candidates that are to cover each vacancy and will assess the time and dedication necessary in order to efficiently develop their responsibilities. (...) I) Organize and perform the annual assessment of the Board of Directors Chairperson, under the management and boost of the Coordinating Director, informing the Board of Directors (...) and I) Yearly inform the Board of Directors regarding the assessment of the Board itself."

Thus, article 20 of the Boards Regulation, according to article 529 nonies of the Corporate Law establishes that "the Board of Directors must perform an annual assessment of its operations and that of its Committees and propose, based on the result, an Action Plan that corrects any detected deficiencies. 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 Retributions Committee".

According to article 12.1.d) of the Boards Regulation and article 42.2 of the By-laws, "In cases in which the Chairperson of the Board of Directors exercises executive responsibilities, the Board of Directors must appoint, by proposals of the Appointments and Retributions Committee, a director from among the independent directors as coordinating director, who will be specially empowered to (...)  
d) promote and manage the periodic assessment of the Board of Directors Chairperson performed by the Appointments and Retributions Committee, without prejudice of the powers of the Appointments and Retributions Committee Chairperson."

(The removal procedure of directors is detailed under section H) Other Information of Interest.)

C.11.17 Explain how the annual assessment of the has caused important changes in its internal organization and over the procedures applicable to its activities:

#### Modifications description

- 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.

- The Board of Directors performed an assessment of its operation and its committees during the 2017 business year, and proposed a "Plan of action" which was applicable during the 2018 business year. The external counselor "Ramón y Cajal Abogados, S.L.P" participated in the above mentioned assessment.

- Said "Action Plan" is specified as:

- (i) The adoption of measures to reinforce gender diversity in the Board and, when applicable, in the committees, as well as the future incorporation of a greater number of independent directors with different profiles which are of interest for a more efficient performance of the governance bodies.
- (ii) The sessions preparation procedure review, for the Board of Directors as well as for the committees, with the purpose of facilitating to the board members the specific documentation in an organized and simplified fashion, accompanied when necessary by executive summaries; and the inclusion of greater details in the sessions agenda regarding the Chairpersons report.
- (iii) The establishment of a permanent communication channel or the use of a computer platform to facilitate to the directors periodic information or the follow up of the decisions adopted by the Board of Directors and/or the Committees, among other matters.

(iv) The review of the Appointments and Retributions Committee in line with the Good Governance Code recommendations and a greater frequency of their meetings.

(v) Offer greater information to the Audit and Corporate Governance Committee regarding certain matters of especial interest.

- As it was mentioned before, the "Action plan" was developed during the 2018 business year: (i) three new independent directors were incorporated, María Jesús de Jaén Beltrá, Cristina Álvarez Álvarez and José Joaquín Güell Ampuero; (ii) since the usually used procedure was already being implemented; (iii) a tool called "Gobertia" started being used in order to improve the efficiency in the management of the Board of Directors Meetings and its Committees; (iv) the number of the Appointments Committee was increased; y (v) the training/updating plans of the Board and Audit Committee was applied: a) a general one, directed

to the Members of the Board of Directors, for the compliance of its responsibilities in matters of corporate governance and corporate law, following the Recommendations of the Corporate God Governance Code; and b) another specific one, addressed to the Audit and Corporate Governance Committee that, following the Technical Guide of 3/2017 of the CNMV, includes: novelties in matters of accounting, specific regulatory frame of the body activity, internal and external audit and risk management and relevant technological advancements to the company; a welcome training session was also provided to the new independent shareholders and another training session was provided for the implementation of the "Gobertia" system.



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 Retributions 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 Retributions 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 Board of Directors assess the following areas: (i) Composition and responsibilities of the Board and Committees, (ii) Quality and efficiency of the Board and Committees operation, (iii) Analyzed matters and (iv) Performance of the Chairperson and first executive.

(The areas assessed during the 2017 business year and the results of the assessment are detailed under section H) Other Information of Interest).

**C.11.18 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.**

2017 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 Retributions Committee which do not affect its independence.

**C.11.19 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 Retribution Committee and the Audit and Corporate Governance 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 Retributions 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), that the shareholder who they represent is no longer participating in the Company capital stock, or that its participation has been reduced to the level that it implies a reduction of its responsibilities of the directors representing controlling interests."

**C.11.20 Are reinforced majorities different that those legally established required in any type of decision?:**

Yes  
 No

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Intérprete jurado de  
INGLÉS  
Nº 1144



When applicable, describe the differences.

**Description of 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.11.21 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

C.11.22 State if the articles of association or the regulation of the board establishes any limit on the age of the board members:

- Yes  
 No

C.11.23 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

C.11.24 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 company 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.11.25 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	13
Number of board meetings without the attendance of the chairperson	0

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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	2
--------------------	---

State the number of meetings that the different board committees have had during the business year:

Number of meetings of the AUDIT AND CORPORATE GOVERNANCE COMMITTEE	12
Number of meetings of the APPOINTMENTS AND RETRIBUTIONS COMMITTEE	7
Number of meetings of the EXECUTIVE COMMITTEE	9

C.11.26 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	9
% of attendance over the total votes during the business year	88.00
Number of meetings with the attendance or representations performed with specific instructions, of all directors	4
% of votes issued with attendance and representation performed with specific instructions, over the total votes during the business year	89.14

Telephone attendance has been taken into consideration as attendance by remote means, with are a part of the attendance.

C.11.27 State if the individual and consolidated financial statements that are submitted to the board for their approval are previously certified:

Yes  
 No

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Identify, as the case may be, the person/people who have certified the individual and consolidated financial statements of the company, for their preparation for the board:

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

C.11.28 Explain, when applicable, the mechanisms established by the Board of Directors to prevent that the individual and consolidated financial statements prepared by it are submitted to the general meeting with exceptions in the audit report.

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.11.29 Is the secretary of the board a director?

Yes  
 No

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

Name or corporate name of the secretary	Representative
MR. MIGUEL ÁNGEL RIELVES PILAS	

In the Board of Directors meeting held on February 28, Miguel Ángel Rielves Pilas was appointed as secretary (not director).

C.11.30 State, when applicable, the mechanisms 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 state that "the Audit and Corporate Governance 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 and Corporate Governance 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 and Corporate Governance Committee will have the following responsibilities: (...) d) Submit to the Board of Directors the proposals for selection, appointment, reelection and replacement of the accounts auditor, as well as the conditions of its contracting and regularly collecting from it information regarding the audit plan and its execution, in addition to preserving its independence in the exercise of its responsibilities; e) Regarding the accounts 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 activities regulating code for

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accounts auditing. (...) (iv) Ensure that the retribution 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 about their independence in relation with Sacyr and its related companies, analyzed by the Internal auditor and by the Audit and Corporate Governance in its meeting of March 21, 2018, is contained in a letter sent to said committee by the EY that same day, in which, basically, (i) points out that the team in charge of the audit and company audit has complied with the legally demanded audit criteria; (ii) informs regarding the fees due to the different concepts charged to the company and its related companies; (iii) informs regarding the implementation of internal procedures with the objective of identifying and assessing threats which may arise from circumstances related with audited companies; and (iv) in relation with the above mentioned audit, no circumstance has been identified that, individually or jointly, may represent a significant threat to its independence and that, therefore, requires the extension of the safekeeping measures or which may represent causes of incompatibility.

C.11.31 State if during the business year the Company has changed the external auditor. In any case identify the exiting and entering auditor:

- Yes  
 No

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

- Yes  
 No

C.11.32 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 y aid work and the percentage that they represent over the fees invoiced to the company and/or its group:

- Yes  
 No

	Company	Companies of the group	Total
Amount of other works different than the audit (thousands of Euros)	192	627	819
Amount works different than audit / Total amount invoiced by the audit company (in %)	64.77	18.64	22.38

C.11.33 State if the audit report of the financial statements for the previous financial year presents reservations or exceptions. As the case may be, 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 or exceptions.

- Yes  
 No



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C.11.34 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	16	16
	Individual	Consolidated
Nº of business years audited by the current audit company / Nº of business years that the company or its group have been audited (in %)	66.66	66.66

C.11.35 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  
 No

**Detail of the procedure**

- 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 the regular company management, 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."

- 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 receive before the meeting sufficient information to deliberate regarding the matters of the agenda."

- During the 2018 business year, the tool called "Gobertia" has been placed in operation, a tool which significantly increases the management of the Board of Directors and its Committee meetings, which main characteristics are the following: (i) Facilitates the availability of the governance body members of the documentation and information related to each meeting of the board of directors 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.

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C.11.36 State and if applicable detail, of the company has established rules that obligate the board members to inform and, when applicable, resign from those position which may damage the credit or reputation of the company:

Yes  
 No

**Explain the rules**

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 Retributions Committee".

C.11.37 State if any board of directors member has informed the company that he/she has been processed or has been ruled against him/her an open summary of oral trial, by some of the crimes stipulated under article 213 of the Capital Company Act:

Yes  
 No

C.11.38 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.11.39 Individually identify, when regarding these directors and in an aggregate 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	Description of the agreement
EXECUTIVE DIRECTOR	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 retribution of the previous year to the one which gave rise to said right.

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

The retributions, 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 4.4 of the Remunerations Policy.

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 retributions 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.

**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:

AUDIT AND CORPORATE GOVERNANCE COMMITTEE		
Name	Position	Category
MRS. ISABEL MARTÍN CASTELLA	CHAIRPERSON	Independent
GRUPO SATOCAN DESARROLLOS, S.L.	MEMBER	Director representing controlling shareholders
MR. JUAN MARÍA AGUIRRE GONZALO	MEMBER	Independent
MR. JOSÉ JOAQUÍN GÜELL AMPUERO	MEMBER	Independent
MRS. MARÍA JESÚS DE JAÉN BELTRÁ	MEMBER	Independent

% of executive directors	0.00
% of directors representing controlling interests	20.00
% of independent directors	80.00
% of external directors	0.00

The Board of Directors, in its meeting of June 7, 2018, reelected and appointed "Grupo Satocan Desarrollos, S.L.", Juan María Aguirre Gonzalo, Augusto Delkáder Teig and José Joaquín Güell Ampuero members of the Audit and Corporate Governance Committee; and in the meeting of July 2, 2018, appointed the independent director María Jesús de Jaén Beltrá, member of the above mentioned Committee, as replacement of Augusto Delkáder Teig.

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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 16 of the Board of Directors Regulation and 47.3 and 48 of the Company By-laws regulates the responsibilities, procedures and regulations of the organization and operation of the Audit and Corporate Governance 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 and Corporate Governance Committee 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 responsibility of the Audit and Corporate Governance 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 systems and internal control units of the Company, such as internal audit and the risk management systems, as well as talking to the accounts auditor about the significant weaknesses of the internal control system detected during the performance of the audit, all without affecting their independence. For said purposes, as the case may be, they can submit recommendations and proposals to the Board of Directors and the corresponding period for the follow up. c.) Supervise the preparation and submission procedure of the preceptive financial information and submit recommendations or proposals to the Board of directors, with the purpose of safekeeping its integrity. 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 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 have caused it. (iv) Ensure that the retribution 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. G) Inform, in advance, the board regarding all matters scheduled under the Law, the Articles of Association and the Regulation and particularly, regarding (I) the financial information that the company has to publish periodically; (ii) the creation or acquisition of participations in companies with special purpose or registered in countries or territories which are considered as tax havens; and (iii) the operations with related parties. h) Ensure the independence of the unit that assumes the performance of internal audit; inform regarding the selection, appointment, reelection and resignation of the internal audit service supervisor; propose the budget of this service; approve the orientation and work planes, ensuring that its activity is focused mainly towards the relevant risks of the company; receive periodic information regarding its activities; and ensure that the high management takes into account the conclusions and recommendations of its reports. i) Review and perform improvement proposals over the internal regulations of the Company corporate governance, taking into account for this purpose the general recognition good governance recommendations in international markets, with the purpose of fulfilling its mission of promoting the corporate interest and taking into account, when applicable, the legitimate interests of the remaining groups of interest.

(Continues under section H) Other Information of Interest).

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.

Names of the directors with experience	MRS. ISABEL MARTÍN CASTELLA / GRUPO SATOCAN DESARROLLOS, S.L. / MR. JUAN MARÍA AGUIRRE GONZALO / MR. JOSÉ JOAQUÍN GÜELL AMPUERO / MRS. MARÍA JESÚS DE JAÉN BELTRÁ
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Date of the appointment

of the chairperson in the position

6/8/2017

**APPOINTMENTS AND RETRIBUTIONS COMMITTEE**

Name	Position	Category
MR. AUGUSTO DELKADER TEIG	CHAIRPERSON	Independent
MR. DEMETRIO CARCELLER ARCE	MEMBER	Director representing controlling shareholders
GRUPO CORPORATIVO FUERTES, S.L.	MEMBER	Director representing controlling shareholders
PRILOU, S.L.	MEMBER	Director representing controlling shareholders
MRS. CRISTINA ÁLVAREZ ÁLVAREZ	MEMBER	Independent

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

In the meeting of the Board of Directors dated June 7, 2018, Demetrio Carceller Arce and Augusto Delkader Teig were reelected and appointed as members of the Appointments and Retributions Committee; and on July 2, 2018 the independent director Cristina Álvarez Álvarez was appointed as member of the above mentioned committee, for the replacement of Isabel Martín Castellá.

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 article 47.3 and 49 of the Company By-laws regulates the responsibilities, procedures and regulations of the organization and operation of the Appointments and Retributions 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 Retributions Committee will have the following responsibilities:  
 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 decision of the General Meeting) of the remaining directors, as well as the proposals for the reelection or split by the General Meeting. e) E) Inform regarding the appointment and dismissal proposals of the Vicechairpersons, Secretary and Vice secretary of the Board of Directors. f) Inform regarding the appointment and dismissal proposals of top management and the basic conditions of their contracts. For the purposes of this Regulation, top management will be understood as those directors who have direct dependency from the Board of the Chief Executive Office, if any, and, in all cases, the internal audit supervisor of the Company. g) Propose to the Board of Directors the retribution policy of the directors and the general managers of those developing their responsibilities of the high management under the direct dependence of the Board of Directors, of executive committees or managing directors, as well as the individual retribution and other contractual conditions of the executive directors, ensuring their compliance. H) Periodically review the retribution programs, particularly high 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."

(Continues under section H) Other Information of Interest).

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EXECUTIVE COMMITTEE		
Name	Position	Category
MR. MANUEL MANRIQUE CECILIA	CHAIRPERSON	Executive
MR. DEMETRIO CARCELLER ARCE	MEMBER	Director representing controlling shareholders
PRILOU, S.L.	MEMBER	Director representing controlling shareholders
MR. JUAN MARÍA AGUIRRE GONZALO	MEMBER	Independent
MR. AUGUSTO DELKADER TEIG	MEMBER	Independent

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

The Board of Directors, in its meeting dated June 7, 2018, reelected and appointed Demetrio Carceller Arce and Juan María Aguirre Gonzalo as members of the Executive Committee.

Explain the responsibilities 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 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: "When applicable, 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. 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. Chairperson of the Executive Committee, will 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 and unavailability of the Secretary, he/she will be replaced by the Vicesecretary of the Board of Directors for the development of his/her responsibilities. 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. The Executive Committee will be convened by the Chairperson when he/she considers it necessary for the good governance of the Company. 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. The Executive Committee has to inform the Board of Directors regarding the treaties and the decisions adopted in its sessions. 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 2018 business year, the Executive Committee has performed the actions that are provided herein, summarized: (i) Approve the operation assessment report of the Executive Committee during the 2017 business year; (ii) Approve the implementation of the program for the computerization of the Board management called "Gobertia"; (iii) Report favorably regarding the organizational changes of the company, without prejudice of the Appointments and Retributions Committee responsibilities; (iv) Favorably report about the partial modification



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of the Company By-laws and the Board and General Meeting Regulations, without prejudice of the responsibilities that correspond to the Audit and Corporate Governance Committee and the Board of Directors; (v) Favorably report to the Board regarding the formalization of a EMTN program "Euro Medium Term Note Programme" and the performance of issuing of liabilities for fixed rent securities, bonds, promissory notes, simple or subordinate or any other values; (vi) Favorably report about the related operations; (vii) Propose to the Board of Directors the transfer of the offices from the Group central offices and; (viii) Favorably inform about the acquisition derived from the shares of the company itself, to be decided by the Board of Directors, over the base of the above mentioned General Meeting authorization.

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							
	2018 Business Year		2017 Business Year		2016 Business Year		2015 Business Year	
	Number	%	Number	%	Number	%	Number	%
AUDIT AND CORPORATE GOVERNANCE COMMITTEE	2	40.00	1	20.00	1	20.00	1	20.00
APPOINTMENTS AND RETRIBUTIONS COMMITTEE	1	20.00	1	20.00	1	20.00	1	20.00
EXECUTIVE COMMITTEE	0	0.00	0	0.00	0	0.00	0	0.00

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, in addition said page can be found in a 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 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 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, in addition said page can be found in 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 modifications have taken place during the 2018 business year are related to: (i) The composition of the Committee members and, (ii) regarding the internal regulation, in terms of its responsibilities.

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

APPOINTMENTS AND RETRIBUTIONS 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, in addition said page can be found in 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 modifications have taken place during the 2018 business year are related to: (i) The composition of the Committee members and, (ii) regarding the internal regulation, in terms of its responsibilities.

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



JOSÉ LUIS GÓMEZ RODRÍGUEZ

Traductor-Intérprete jurado de

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- Lastly, it is reported that an annual report has been prepared regarding the activities of each committee, which is developed under section C.1.17 of this report.

GÓMEZ RODRÍGUEZ  
-Intérprete jurado de  
INGLÉS  
Nº 1144

**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 and Corporate Governance Committee, through its Secretary, any of the situations or operations stipulated under section 1 of the previous article, indicating the key characteristics and necessary circumstances so that the competent bodies can thoroughly assess the conflict situation.

The Audit and Corporate Governance Committee must submit a mandatory report, but not binding, to the corporate body which is statutorily competent to allow, as the case may be, 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, as the case may be, 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, high 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)
No data				N.A.

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 2018 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 related party	Relation	Nature of the operation	Amount (thousands of Euros)
No data				N.A.

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 2018 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)
No data		N.A.

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 2018 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)
No data		N.A.

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 2018 with its related parties, all within the ordinary traffic or operation.

- D.6.** Detail of the mechanisms 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 which said powers were granted for, (b) keep information, data, reports or background to which he/she had access during the performance of his/her position, confidential, even when no longer having said position, except in the cases in which the law permits or allows it, (c) abstain from participating in the deliberation and vote of agreements or decisions in which him/her or a related person has a conflict of interest, direct or indirect. The agreements or decision that affect his/her condition of administrator will be exempt from the abovementioned obligation of abstention, such as his/her appointment or dismissal for positions of the board of directors or other of equal significance (d) develop his/her responsibilities under the principle of personal responsibility with freedom of

Criteria or judgment and independence regarding the instructions or relations to 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 (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 of Directors Regulation and 229 of Corporate Law, "the duty of avoiding conflict of interest situation compels the director to abstain from: a.) Performing transactions with the Company, except when dealing with ordinary operations, performed under standard conditions for the clients and of scarce relevance, understanding such as those which information is not necessary to express the true image of the equity, the financial situation of the Company profits and losses. b.)

Use the name of the Company or call upon his condition of director to inadequately influence the performance of private operations. c.) Use company assets, including the Company confidential information, with private purposes. d.) Take advantage of the business opportunities of the Company. e.) Obtain advantages or remunerations from third parties different than the Company and its group of associated companies during the development of his/her position, except when dealing with matters of mere courtesy. f.) Perform any type of operations which director 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.

(Continues under section H) Other Information of Interest).

**D.7.** Is more than one of the group companies listed in Spain? [ ]

Yes  
[ v ] No

## E. CONTROL AND RISK MANAGEMENT SYSTEM

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### E.1. Explain the reach of the Control and Risk Management System, including the tax credentials:

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

Sacyr has adopted a Complete Risk Management System, consolidating said management by business units and areas of key corporate support and has established a solid policy to identify, assess and manage risks efficiently, which goal is to guarantee the procurement of a reasonable degree of safety regarding the performance of the objectives of efficiency and efficacy of the operations, reliability of the information and legal compliance.

The purpose of the Risk Control and Management Policy of Sacyr, is to establish the scope, values, principles, governance models and operation bases of the Sacyr Complete Risk Management System for the control and management of risks inherent to group activities. This policy is developed through the Risk Analysis Standard which goals are:

- Facilitate the business decision making under a common risk culture managing and controlling the key risks inherent to the Groups activity in a systematic and structure manner.
- Establish the identification, analysis, treatment, follow-up and risk control process.
- Define the distribution of responsibilities for the above mentioned procedures in order to guarantee the scaling of decision making at an adequate level.
- Promote continuous improvement in the Business decision making.

The Complete Risk Management System is divided into six stages:

- Planning: this stage activates the system management tools and appoints those supervisors and owners of the right during the project life.
- Identification: in this stage the activities that allow identifying the key sub risks and risks associated to each key decision are performed.
- Assessment: in this stage the activities that allow to perform the assessment, according to defined scales, as well as filtering and prioritizing the project key risks and sub risks are performed.
- Treatment: in this stage the goal of the activities that are performed is to commission the Mitigation Plans which attempts to reduce or eliminate the exposure to risk before and after the maximum tolerances have been exceed.
- Follow up: this stage identifies new risks and measures the evolution of those existing ones, the efficiency of the commissioned mitigation plans is assessed, tolerances and risk assessment scales are calibrated and Contingency Plans are commissioned in case the defined tolerances are defined.
- Control: this stages includes the activities performed by the Risk Control and Administration Management during the project lives, with the purpose of capturing learned lessons for the continuous improvement of the System and its management.

The tools that will facilitate the Risk Control and Management during its six stages are the following:

- Risk Analysis Standards.
- Analysis sheets: they gather the basic aspects to be analyzed to ensure an informed decision making.
- Risk and Opportunities Matrix: vehicle in which key risks and sub risks key to the project travel along the identification, assessment, treatment and follow up stages of the project.

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 established by the Group. The Complete Risk Management System allows performing a structured and systematic follow-up of the risk through the projects entire life cycle

The high level risk map of the Group is a tool which provides integrated information regarding the general exposure of the company adding and assessing the different risks identified in the Business units. 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, Risk Committee, Audit 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 will supervise the Risk Committee, will supervise 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 appointed by the top executive of the Company and among his/her responsibilities are that of establish the risk tolerance indexes and the definition and promotion of the risk culture in the organization.

The Risk Control and Administration Management will provide support to the Risk Committee and with the help of the Risk Control and Management System of the business areas of the Group, they perform the risks analysis follow up and provide support to the CEO and Business regarding key decision making.

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 has established within its risks system a catalog that gathers, in an structured fashion, the main business risks classified under the following categories: strategic, reporting, regulation compliance (including those of tax nature) and operational. Within each category 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. In addition the catalog has been structured taking into consideration the risks areas in which said key risks may have a negative impact.

In the SGIR agreements are classified under 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...).
- Periods: 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 scope.

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

Environmental, social and corporate governance risks (ASG):

This category of risks related to environmental, good governance, social responsibility, sustainability and reputation and/or corporate image 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 four 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 Code of Conduct establishes respect to legality as one of the basic principles that must rule the Group conduct and its employees, and establishes that the Sacyr Group commits to the true and respectful compliance of all legal obligations to which it is subject in any country where it develops its activity. The compliance supervision of the different legal positions is mainly performed by the Regulation Compliance Unit in coordination with the Internal Audit Management which, since 2008, has a specific department of Regulation Compliance and with the cooperation, when appropriate of the Legal Department Management and of other bodies, departments or areas of the Group, like the Quality and Environmental Department or the Occupational Hazard Prevention Service, which contribute to guarantee the compliance of the law within their respective scopes of activity.

The high volume of activities of the Group, their diversity and complexity, eventually produce claims which can be derived from the supply and use of products and services or other different causes derived from the different standards scopes and sector regulations which are applicable to the different subsidiaries of Sacyr. These claims are dealt with when they arise, by agreement or opposition, and do not represent significant magnitudes regarding the Groups volume of activity.

Corruption and bribery:

The Groups Code of Conduct strictly forbids any behavior by its employees which may be considered as related with corruption and bribery. The "Standards Compliance Unit", comprised by members of the Group High Management, aside from managing the Group Consultation and Complaint Line, is in charge of safeguarding the strict compliance of the Code of Conduct.

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The Code of Conduct, among other dispositions, expressly establishes that the employees of Sacyr cannot offer payments of any nature with the purpose of procuring illicit benefits, and are prohibited from accepting gifts or any other type of service which may affect their objectivity or influence a commercial, professional or administrative relation.  
It is the responsibility of the Groups Internal Audit Management to investigate corruption behaviors, as well as perform the tasks that are necessary to detect said behaviors, if any. Said Management has a specific fraud detection software, with the support of external experts when necessary and with specialized personnel to perform this task, preventive as well as detective.  
Corruption evidences are analyzed in detail, reported to the Standards Compliance Unit and acted upon. In any case the current business procedure which has not prevented the existence of said practices is reviewed and improvements for it are researched.

(Continues under section H) Other Information of Interest).

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

As a general policy, the acceptable risk for the Sacyr Group can be considered qualitative as of medium level, with the exception of financial risks with an acceptable high risk and the regulation risks, including taxes as well as the image and reputation in which the Group reduces its tolerance to risk to minimum levels.

Depending on each specific operation, the risk is considered from a qualitative point of view (high, average, low), or with a quantitative approach, which reflects the growth and performance goals and balances them with the risks.

Regarding specific risks associated with measurable goals, the risk tolerance of the Sacyr Group, is measured with the same units of the corresponding goals

Section E.1 describes the risk assessment process established by the Group.

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

None have taken place.

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 2018 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).

On the website of said body the Relevant Facts (H.R.) related to Sacyr, S.A. can be queried. Said HR contain key data regarding the profit and losses of the company, including basic periodic renderings of the financial statements (Statement, 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. E.4 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:

The importance and the probability of occurrence of the different risks may significantly vary with the passing of time. Due to this reason, our efforts have focused in the updating of the existing maps at a Project, Business and Group level and the consolidation of the criminal risks map.

In addition high level risk maps have been updated, independently from the different business risk maps, which we use as tools to manage the risks of new regulations, for the supervision of the Internal Control of financial Information by the Audit Committee and to analyze the impact for our organization of the new Spanish Criminal Code in relation to the consideration of companies and criminally liable of committed crimes.

In general, the Sacyr Group has supervision plans for the main risks such as performing, at the closing of each business year, depreciation tests of all its non financial assets.

The Group policy establishes that it cannot perform wager operations with derivatives.

Each business unit performs an assessment prior to the contracting of the clients, which includes a solvency study. During the stage Of execution of the contract a permanent follow up of the debt assessment is performed as well as a review of the recoverable amounts, performing the necessary corrections

In order to face the liquidity risks, the Group has identified possible scenarios through the control and follow up of the annual budget and the daily update of its treasury forecasts, which allows anticipating them in the decision making process.

Factors that contribute to mitigate this risk are the recurring generation of cash flow of the business in which the Group bases hits activity and the capacity of the Group to sell assets. Their rotation strategy allows the Sacyr Group to reap the fruits of the maturity of high quality investments and manage the obtained liquidity in order to improve its competitiveness and profitability potential.

The interest rate risk has been mitigated almost entirely using derivative instruments.

Regarding the risk of claim of concessional projects, the Group has assessed the recoverability of the investment by the continuous assessment of the evaluation models, taking into consideration the evolution of traffic and the economic growth forecast in the markets where each concession operates. The Group has enough control systems to identify, quantify, assess and correct all these risks, so that they can be minimized or prevented. There is also a contracting and maintenance policy for insurance policies.

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, to all activities developed by the different areas of business.

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

Describe the mechanisms 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 Sacyr Articles of Association, in its 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 the Board of Directors must create and Audit Committee with the responsibilities that the Board of Directors itself establishes. Article 48 of the Articles of Association, 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. 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 they following elements do exist, particularly in relation to the financial information preparation process:

- Departments and/or mechanisms 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 , approved by the Board of Directors, in its meeting of February 26, 2015, which drafting was modified with the purpose of including within its scope of application the Sacyr Foundation and its beneficiaries, having been approved this new version of the Code of Conduct by the Board of Directors on July 27, 2017. The Code of Conduct can be found in the corporate intranet as well as in the external web.

Regarding the record of transactions and the preparation of the financial information, the Sacyr Group considers information transparency as a basic principle which must govern its actions. That is why it is guaranteed that the information that is

communicated to the shareholders, to the markets where its shares are listed and to the regulating bodies of said markets is accurate and complete, adequately reflects its financial situation, as well as the result of its operations and it is communicated complying with the periods and other requirements established in the applicable regulations and general operational principles of the market and the good governance that the company has assumed, including its Internal Conduct Regulation within the scope of the stock market.

The Sacyr Group has a Regulatory Compliance Unit, which is a governing body, of executive nature and autonomous capacity, comprised by the representatives of different areas of the Group and appointed by the Audit Committee. Acting under the exclusive supervision of the Audit Committee of the Board of Directors and having the condition of body of the company with initiative and control autonomous powers for the purposes of the Criminal Code and all the duties that correspond as a body for the compliance of the Code of Conduct, according to its Internal Regulation.

The Regulatory Compliance Unit has the authority, resources and the necessary means, in coordination with the Internal Audit Management and Talent and Human Resources Management, to implement and ensure the compliance of the

internal control measures of the Regulation

Compliance Model which are adequate to detect, prevent and avoid the occurrence of criminal, civil, commercial, administrative and tax infractions chargeable to the company, as well as the adequate drafting in case any of these eventually takes place.

The Chairperson of the Regulation Compliance Unit, formally reports to the Audit Committee.

At the closing of 2018, 4275 active employees have received the code of conduct, either through specific training or through its delivery printed in paper with specific acceptance.

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:

The Consultation and Complaint Line (codigoconducta@sacyr.com), is a corporate tool to facilitate the confidential and safe formulation of any consultation about the scope and applicability of the Code of Conduct and, in general, the Regulation Compliance Model, as well as to inform about situations of infraction or risk regarding the guidelines and conducts regulated in the Code of Conduct of the Regulation Compliance Model as a whole.

The procedure of the Consultation and Complaint Line guarantees the confidentiality in the treatment of the complaints that are processed and the identity of the informant, with total compliance of the act about data protection, a reliable and objective analysis of the possible infraction and the utmost respect for the rights of the people allegedly implicated therein.

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.

The Consultation and Complaint Line has an additional access from the external web to guarantee the possibility of it being used by third parties outside of our Group.

During the 2018 business year, the Regulation Compliance Unit has performed the analysis of 139 cases.

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Traductor

- 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 covered during the 2018 business year.

Training actions have been performed regarding accounting, finances, fiscal policy and investments, among which is necessary to point out the following: "Financing Statements", "Training Regarding IFRS leasing 16", "Recording of IFRS 15", "Financing modeling course", "Assessment of company and analysis of financial statements", "Accounting and basic notions for attorneys", "Financial culture", "Excel for controllers" and "Finances for non financiers".

Regarding the other related areas, the prominent training actions are the following "Training in Matters of Criminal Responsibility for legal entities" and "Money laundering prevention".

The economic - financial training provided in the Sacyr Group is internal as well as external and it encompasses all of the Group companies. It is mainly addressed to the Administration and Finances, Accounting, Tax, Accounting Control and Internal Audit Departments, including managerial personnel, as well as area supervisors, technicians and support personnel.

During the 2018 business year 4581 employees have received training in this area and 6913 hours of training have been invested.

#### F.2. E.1 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, flow graph 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 entities or those with special purpose:

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 governance body of the entity supervises the procedure:

The Audit Committee, by delegation of the Board of Directors, exercises the supervision of the risk identification process. To exercise the above mentioned responsibility, the Audit Committee relies on:

- The Risk Control and Administration Management, for operation risks.
- The Regulatory and Strategic Compliance Unit, supported by Compliance Management, for the regulatory compliance risks.
- The Financial Information Internal Control System, for the financial and report financial risks.
- The Administration Control Management for the evolution of the operational results.
- The Internal Audit Management supervises the entire procedure and it serves 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.

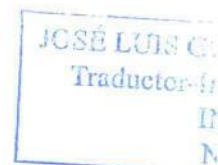
Lastly, an organizational model and a responsibility structure has been defined, which involves all levels of organization, from those responsible of subprocedures, until the Audit Committee and the Board of Directors and where the roles of each of the participants in the SCIIF are established. A new 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 the 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 demanded.





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 evaluation 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, in relation to real-estate assessment, there are selection procedures for the activities performed by the real estate appraisers and the independent analysis of the auditors, which company with the CNMV recommendations regarding these matters 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** Mechanisms 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 mechanism 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 mechanism 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 mechanism which adds and consolidated the reported information from all Group units. Said mechanism is a specific computer platform tested and called Hyperion Financial Management (HFM).

#### F.5. System performance supervision

Report, providing 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.

The Sacyr Group has the Internal Audit Management which reports to the Audit Committee. Article 48 of the Sacyr Group Articles of Association, 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 Audit Committee i) approves the audit plans; ii) the establishment of who is to execute said plans; iii) the assessment of the adequacy of the works performed ; iv) the review and evaluation 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, as well as the Internal Audit Management report the matters of 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 high 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 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 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 will also be

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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 reported specifically to the Audit Committee.

On the other hand the accounts auditor has direct access to the High 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**

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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 Articles of Association of the listed companies do not limit the maximum number of votes that the same shareholder can issue, nor contains any other restrictions that make it difficult to take control of a company by the acquisition of its shares in the market.

Complies  Explain

2. That when the parent company and a subsidiary company are both listed both must publicly accurately define the following:

- a) The respective areas of activity and possible business relations between them, as well as those of the subsidiary company listed with the other group companies.
- b) The mechanisms scheduled to resolve possible conflicts in interest which may arise.

Complies  Partially complies  Explain  Not applicable

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

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.

Comply  Partially comply  Explain

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Traductor

4. That the company defines and promotes a communication and contact policy with the shareholders, institutional investors and advisors of vote 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.

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 retributions committees.
- c) Report of the audit committee regarding related operations.
- d) Report about the corporate social responsibility policy.

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.

Complies [ X ]      Explain [ ]

The report of the Chairperson was also broadcasted. The result of the votes was published in the company website the next day.

GÓMEZ  
Rodríguez

8. That the audit committee ensures that the board of directors tries to submit the financial statements to the shareholders general meeting without limitations nor reservations within the audit report and that, for the exceptional cases in which there are reservations, for the chairperson of the audit committee as well as the auditors to clearly explain to the shareholders the content and scope of said limitations or reservations.

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 [X]      Partially complies [ ]      Explain [ ]      Not applicable [ ]

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 ]

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





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 an efficient and participative operation, due to which it is advisable that it has between five and fifteen members.

Complies [ X ]      Explain [ ]

14. That the board of directors approves a board members selection policy that:

- a) Is specific and verifiable.
- b) Ensures that the appointment or reelection policies are based on the prior analysis of the needs of the board of directors.
- c) Favor the diversity of knowledge, experiences and gender.

That the result of the previous analysis regarding the needs of the board of directors is reflected 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.

And that the selection policy of board members promotes the goal that in the year 2020 the number of female board members represents, at least, 30% of the total members of the board of directors.

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.

Complies [ X ]      Partially complies [ ]      Explain [ ]

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.

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.

During the 2018 business year three directors representing controlling interests were replaced by three independent directors.

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 [ ]

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.



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  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

This has not happened, so it is not applicable.

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

This has not happened, so it is not applicable.



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  Explain

22. That the companies establish regulation that force board members to inform and, when applicable, resign in those cases in which they can 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 if any board member was processed or it was pronounced against him/her the opening of oral proceedings due to any of the crimes established under business law, the board of directors will need to examine the case as soon as possible and, taking into consideration specific circumstances, decide if it is appropriate for the board member to continue in his/her position. And that the board of directors provides a reasoned report of the events in the corporate governance annual report.

Complies  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  Partially complies  Explain  Not applicable

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OF THE LISTED CORPORATIONS**

24. That when, either by resignation or any other reason, a board member terminates his/her position before the end of the appointment term, he/she explains the reasons in a letter that he/she will issue to all members of the board of directors. And that without prejudice that said termination is communicated or not as a relevant fact, the reason for the termination is included in the corporate governance annual report.

Complies [ ]      Partially complies [ ]      Explain [ ]      Not applicable [ X ]

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 [ ]      Partially complies [X]      Explain [ ]

The committee members perform their responsibilities adequately.  
It was not considered necessary to include any limitation in the board regulation, being sufficient with the commitment from directors to dedicate the necessary time for the correct development of their responsibilities, previously verified by the appointment committee.

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 [ ]

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 2018 business year.

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  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 so advise it.

Complies  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  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  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  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 vice 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  Partially complies  Explain  Not applicable

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According to the Board of Directors Regulation, the Coordinating Director has the indicated responsibilities, except, specifically (i) coordinating the Chairperson succession plan and (ii) maintain contact with investors and shareholders, although in practice the second one is exercised and the first one is included in the succession plan that is being prepared. Therefore it was not considered necessary to modify the By-laws and/or the Board of Directors Regulation to specifically include said responsibilities.

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) 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, the participation structure of the different categories of board members will be similar to that of the board of directors itself and its secretary will be that of the latter.

Complies [ X ]      Partially complies [ ]      Explain [ ]      Not applicable [ ]

The participation structure of the different directors categories is: (i) Board of Directors (comprised 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.

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  Partially complies  Explain  Not applicable

39. That the members of the audit committee and particularly its chairperson, are appointed taking into consideration their knowledge and experience in matters of accounting, audit or risk management and that the majority of said members are independent board members.

Complies  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  Partially complies  Explain

41. That the person in charge of the unit that assumes the service of internal audit submits to the audit committee its annual work plan, reports incidents directly and is present at their development and submits an activities report at the end of each business year.

Complies  Partially complies  Explain  Not applicable

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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 the preparation procedure and the integrity of the financial information related to the company and, when applicable, to the group, reviewing the compliance of standards requirements, the adequate establishment of the consolidation perimeter and the correct application of the 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 the orientation and its work plans, ensuring that the activity is focused primarily towards the relevant risks of the company; receive periodic information about its activities; and verify that the high management takes into account the conclusions and recommendations of its reports.
- c) Establish and supervise a mechanism that allows employees to communicate, confidentially and if possible and appropriate, anonymously, the irregularities of possible transcendence, particularly those financial and accounting, that they observe within the company.

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 of independence.
- c) 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.
- 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 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) which the company faces, including between the financial and economic, the contingent liabilities and other risks outside of the statement.
- b) The establishment of the risk level that the company considers acceptable.
- c) The measures scheduled to mitigate the impact of identified risks, in case said risks were to materialize.
- d) 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 [ ]      Partially complies [X ]      Explain [ ]

According to article 529 quincecies, 1, of T. R. of Corporate Law and article 17.1 of the Board of Directors Regulation, the Appointments and Retributions Committee is comprised by five directors, non executive, two of which are independent directors, with knowledge, aptitudes and experience adequate for the development of their responsibilities.



For the time being, it has been considered convenient to maintain the participation percentage of directors representing controlling interests.

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

Complies [ ]

Explain [ ]

Not applicable [ X]

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 Retributions Committee, with its current structure.

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 high management contracts.
- b) Verify the compliance of the compensation policy established by the company.
- c) Periodically review the applied compensation policy of the board members and high 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 high 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 high 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 high management.

Complies [ X]

Partially complies [ ]

Explain [ ]

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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

Partially complies

Explain

Not applicable

JOSÉ LUIS  
Traductor



53. That the supervision of the compliance of the corporate governance regulations, internal codes of conduct and the corporate social responsibility policy is attributed to one or distributed among several committees of the board of directors which can be the audit committee, the corporate social liability committee, when applicable, or a specialized committee that the board of directors, in the exercise of its self organization responsibilities, decides to create for this purpose, which are specifically assigned the following minimum duties:
- a) The supervision regarding the compliance of internal codes of conduct and the regulations of the company corporate governance.
  - b) The supervision of the communication strategy regarding shareholders and investors, including medium and small shareholders.
  - c) The periodic assessment of the company corporate governance system adequacy, 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) The review of the company corporate responsibility policy, ensuring that is focused on the creation of value.
  - e) The follow up of the strategy and practices of corporate social responsibility and the assessment of its degree of compliance.
  - f) The supervision and assessment of the procedures regarding the different interest groups.
  - g) The assessment of everything related to the company non financial risks, including operational, technological, legal, social, environmental, political and reputational.
  - h) The coordination of the reporting procedure of the non financial information and regarding the diversity, according to the applicable regulation and the international standards of reference.

Complies [ X ]

Partially complies [ ]

Explain [ ]

54. That the corporate social liability policy includes the principles or commitments that the company assumes voluntarily in its relation with the different interest groups and identifies at least the following:
- a) The objectives of the corporate social liability policy and the development of support instruments.
  - b) The corporate strategy related to sustainability, the environmental and social matters.
  - c) Specific practices in matters related to the following: shareholders, employees, clients, suppliers, social matters, the environment, diversity, tax liability, respect of human rights and prevention of illegal behavior.
  - d) The methods of follow up systems resulting from applying specific practices provided in the previous section, the associated risks and their management.
  - e) The non financial risk supervision, ethics and business conduct mechanisms.
  - f) The communication, participation and dialog channels with groups of interest.
  - g) The responsible communication practices that prevent information manipulation and protect integrity and honor.

Complies [ X ]          Partially complies [ ]          Explain [ ]

55. That the company informs, in a separate document or in the management report, about matters related to corporate social liability, using for this purpose any of the internationally accepted methodologies.

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 [ ]

JOSÉ LUIS  
Traductor

Are circumscribed to executive directors, although currently their remuneration is not scheduled through the delivery of shares, options or rights over shares or instruments related to the value of shares

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) Are configured over the base of a balance between the compliance of short, medium and long term goals, that allow remunerating performance for a continuous development during a sufficient period of time to appreciate their contribution to the sustainable creation of value, so that the elements of measure of said performance do not only rotate around punctual, occasional or extraordinary facts.

Complies  Partially complies  Explain  Not applicable

59. That the payment of a relevant part of the variable components of the remuneration is deferred for a minimum period of time sufficient to verify that the previously established performance conditions have been complied with.

Complies  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  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  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.



62. That once the shares or options or rights over shares corresponding to the compensations systems have been attributed, the board members can neither transfer the property of a number of shares equivalent to two times their fixed annual compensation, nor exercise their options or rights until a period of at least three years has elapsed since their attribution.

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 [ ]      Partially complies [ ]      Explain [ ]      Not applicable [ X ]

This has not happened, so it is not applicable.

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 [ ]

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 retribution) 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 Retribution] 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 Retribution, said director will have the responsibility to return the excess, within the five (5) days after the Company requires it".

64. That payment due to contract breach 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 previously established criteria.

Complies [ ]      Partially complies [ ]      Explain [ X ]      Not applicable [ ]

In case of contract termination without causes chargeable to the executive board member it is established that him/her will be entitled to receive a compensation equivalent to 2.5 times calculated only over the fixed and variable compensation, in relation to the immediately previous year to that in which the right for compensation takes place; although it is necessary to take into consideration that the executive board member receives other compensation concepts according to the signed contract that are not taken into account in the calculation of the compensation. In addition, it is also necessary to take into consideration that this compensation was agreed prior to the publication of the Good Governance Code.



## H. OTHER INFORMATION OF INTEREST

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1. 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.
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.

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. When applicable, the code will be identified for the matter in question as well as the date of accession. In particular, it will mention the compliance with the Good Tax Practices Code, of July 20, 2010:

Section 2. Additional information regarding the sections of the IAGC:

Section B.3.:

- 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 d) 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 it guarantees a quick access to the information and non discriminatory 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 use of the Shareholders Electronic Forum will be adjusted to its legal purpose and its 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](http://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".

#### Section B.5:

Matters of the agenda that, due to any reason, have not been approved by the shareholders:

6.8 : Modification of article 43.3., with the purpose of adapting to the demands of the Supreme Court Ruling of February 26, 2018.

6.9 : New article 43.7, for the purpose of regulating the remuneration of the Sacyr, S.A. Directors and their related people when occupying the position of directors representing controlling interests in participated companies.

6.10 : New article 43.8, with the purpose of adapting the contracts of executive directors to the compliance with section 3.4 of the Recommendation of April 30, 2009, of the European Committee.

6.11: New article 54.3, with the purpose of separating the responsibilities of the Chairperson and the Managing Director when he/she reaches 65 years of age.

6.12: New article 56.5, with the purpose of granting transparency to the existing responsibilities and commitments among the directors (and their related parties).

6.13: New article 56.6, for the purposes of granting transparency to the financial and corporate conditions of the legal entities who have the condition of directors of SACYR, S.A. And related people.

#### Section C.1.2.:

Regarding the election procedure, it is hereby informed that the Shareholders General Meeting dated June 7, 2018 ratified the appointments performed by co-ampuro dated April 26, 2018 and reelected and appointed the following as independent board members: (i) Cristina Álvarez Álvarez (ii) José Joaquín Güell Ampuero and (iii) María Jesús de Jaén Beltrá.

#### Section C.1.16.:

##### 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 articles of association.

In addition, 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 Retributions Committee and the Audit 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 place in risk the Company interests or affect its credit and reputation negatively, and it is thus informed by the Appointments and Retributions Committee. d) When the director goes on to occupy new positions or contracts new responsibilities which prevent him/her from dedicating the necessary time for the development of the responsibilities related to the position of director or he/she incurs in any of the circumstances that make him/her lose the condition of independent, according to what is established under the applicable law; and e) In the case of directors representing controlling shareholders, when the shareholder they represent sells the entirety of his/her participation in the Company or, when doing so partially, reaches a level which triggers the obligation of reduction of his/her directors representing Controlling Shareholders."

- 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."

#### Section C.1.17.:

Description of the areas during the 2017 business year:

-The Board of Directors 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



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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 (12) 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 was of 95.83%. 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 which may arise during the year, which required its submission to the debate and approval of the Board.

The responsibilities and competences of the Audit and Corporate Governance Committee were the ones listed under article 16 of the Board Regulation. Regarding the composition of the Committee the Chairperson of the Committee was changed since it fulfilled the maximum period of four years and it was agreed to appoint Isabel Martín Castellá as new Chairperson, in replacement of Juan María Aguirre Gonzalo. 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 ten times, with a monthly periodicity.

-The responsibilities and competences of the Appointments and Retributions Committee are established under article 17 of the Board of Directors Regulation. Regarding the composition there were no changes, except for the Vice-Secretary pursuant to the Secretary leaving the Group on September 7, 2017. 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 five 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 was modified regarding the number of members, established in five, remaining since 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 nine meetings, having the necessary resources for the fulfillment of its duties and responsibilities and with the active participation of its members.

The Appointments and Retributions 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 the exception of one due to objective reasons, with a direct and active participation of the agenda, as well as the notice of meeting procedures. In addition, he/she participated in the meetings providing his/her criteria regarding the Company, the sector and the economic situation, domestic as well as international 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.

Regarding the results of the assessment during the 2017 business year, the Appointments 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, Appointments and Retributions 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, the self assessment of the directors interviewed regarding the regulations, procedures and practices of the Board of Directors and the Committees, offered a highly satisfactory result. The majority of the interviewed shareholders considered that the Sacyr, S.A. Board, has a high quality regarding its operation and composition.

Section C.2.1.

Committees of the Board of Directors

Audit and Corporate Governance Committee:

- Powers: (...) j) Guide and supervise the Company action regarding matters of corporate social responsibility, reviewing the policies and ensuring that these are oriented to the creation of value. k) Supervise the compliance of the applicable regulation to the stock market behavior, and in particular, the Internal Code of Conduct. l) Inform about the proposals for modification of the Internal Conduct Regulation and, m) Supervise the regulation compliance and criminal prevention model operation, as well as applying the code of conduct and the penalty system in case those affected are board members".

-Regarding the procedure and regulations of the organization and operation: "the members of the Audit and Corporate Governance 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 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 Audit and Governance Committee



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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 and Corporate Governance 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 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 Audit 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 (3) of its members or the Executive Committee. 6. La Audit 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 Audit and Corporate Governance Committee are consultive 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 and Corporate Governance Committee sessions and provide his/her cooperation and access the available information. It can also required that the Audit and Corporate Governance Committee may also require for accounts auditors to attend its meetings. For the better fulfillment of its responsibilities, the Corporate Governance Committee can request the counseling of external professionals, for which purpose what is established under 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 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 2018 business year, the Committee has approved, summarized: (i) The Group Internal Audit Regulation updating, (ii) the Budget of the Regulatory Compliance Unit for the 2018 business year, (iii) the Report for the assessment of the activity performance of the Audit and Corporate Governance Committee during the 2017 business year and inform the Board of Directors about all of the above; (iv) The new version of the "Action procedure regarding the rendering of third party services to

the audit and annual plan and the 2019 budget of the Regulatory Compliance Unit. Consider as supervised: (i) The biyearly financial report of Sacyr, S.A. Corresponding to the twelve months of the 2017 business year, (ii) The financial report of Sacyr, S.A. Corresponding to the first semester of the 2018 business year, (iii) The selection and contracting procedure of a company for the assessment of the real-estate of "Vallehermoso División Promoción S.A.U." and of "Sacyr Gestión de Activos" and, (iv) The intermediate financial declaration corresponding to the third quarter of 2018. Favorably inform the Board of Directors regarding: (i) The preparation proposal for the financial statements, (ii) The management report and the application proposals for the 2017 business year profit and loss, (iii) The approval proposal of the Corporate Governance Annual Report corresponding to the 2017 business year, for its subsequent publication in the CNMV and the corporate website, (iv) The annual financial information, empowering the Chairperson, the Secretary of the Board and/or the Finances General Manager, so that once the Audit Report is obtained, said yearly financial information can be submitted before the CNMV, which is comprised by: the company annual accounts and that of its consolidated group, the responsibility declaration regarding its content and the accounts auditor report, (v) The related operations and submission to the consideration of the Board of Directors for their approval, (vi) The performed and ongoing works, (vii) The report regarding the corporate social responsibility policy, (viii) The supervision of the intermediate financial declaration corresponding to the first quarter of 2018 (ix) The money laundering report corresponding to the first semester of 2018 (x) The external expert and the action plan report and (xi) The communication strategy and relation with investors, in compliance with Recommendation 53.b) of the Good Governance Code. 4) Issue: (i) The report regarding the independence of the accounts auditor for the 2017 business year, which concludes that a favorable opinion regarding the situation of independence of Ernst & Young, and (ii) complementary reports. Authorize: (I) The contracting with E&Y of services outside auditing, (ii) The contracting of services other than accounts auditing with the auditor and (iii) The beginning of the works with E&Y, regarding the "Auditor report regarding the Information related to the Financial Information about the Internal Control (SCIIF) of SACYR, S.A. corresponding to the 2017 business year".

**Appointments and Retributions Committee:**

- Regarding the procedure and regulation of organization and operation: The Appointments and Retributions 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. The Appointments and Retributions 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 Retributions 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 Appointments and Retributions Committee will be appointed by the Board of Directors from among the Committee members who have the condition of independent. The Appointments and Retributions 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 Appointments and Retributions 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 retributions. The Appointments and Retributions Committee will hold a meeting, 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 Appointments and Retributions 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 Retributions Committee are consultive and of proposals to the Board of Directors. In everything that is not scheduled in the Articles of Association or in this article, Appointments and Retributions 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.

JOSÉ LUIS GÓMEZ RODRÍGUEZ  
Traductor-Intérprete jurado de  
INGLÉS  
Nº 1144  
22 de abril de 2019

- During the 2018 business year, the Committee has approved: 1) Propose the following agreements to the Board of Directors: (I) Accept the resignation of the Vice-Secretary and, appoint the Secretary (non director) of the Board and its Committees and the Vice-Secretary (non director) of the Board and its Committees and the Legal advisor; (ii) Approve the update of the CEO retribution for the 2018 business year, (iii) Ratify organizational changes and (iv) Approve the Remunerations Annual report for the 2017 business year and subsequent publication in the CNMV and the corporate web within the legally established period for said purpose. 2) Favorably report the following agreements to the Board of Directors:

(I) Ratify the terms under which the Sacyr Group retribution policy has been executed during the 2017 business year, as well as approving the retributive policy applicable to the Sacyr Group for the 2018 business year; (ii) Ratify the terms in which the agreement adopted by the Board of Directors has been executed by the CEO, regarding the reference retribution of top management and main directors of the company for the 2017 business year, (iii) Approve the total reference retribution of top management and main directors of the company for the 2018 business year, (iv) Be informed that, according with the subscribed contract, during the 2017 business year the CEO has been paid the amount of the fixed retribution and premiums of contracted insurances, (v) Inform the Board of Directors regarding the degree of compliance of the Chairperson goals, proposing the approval of the variable retribution liquidation corresponding to the 2017 business year, (vi) Approve the retribution of Directors, as members of the Board of Directors, and when applicable, its Committees for the exercise of their position during the 2017 business year and, (vii) Inform the Board about the appointment and reelection of the Board and Committees members. Likewise, it unanimously agrees: (i) Approve the retribution of the Directors, as members of the Board of Directors, and when applicable, its committees for the exercise of their position during the 2018 business year, and their distribution (ii) Approve the Assessment Report of Operation of the activity of the Appointments and Retributions Committee during the 2017 business year, as well as the Assessment Report of the operation of the activity of the Board of Directors and CEO during the 2017 business year, transferring to the Board of Directors and, (iii) Inform regarding the Annual Remunerations Report for the 2017 business year. Likewise, submit to the Board of Directors for its approval and application, the "Selection, appointment and reelection Policy of the Sacyr directors.

Section D.6.:

According to article 24 of the R.C. and 54.2 of the E.S. "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 Retributions Committee and the Audit 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 Appointment and Retribution Committee is thus informed."

Section E.3.:

Other risks:

In addition, the Group Risk Control and Management Policy also establishes control and communications mechanisms for many others such as:

- Inadequate adaptation to the surroundings or new markets risk.
- Risks related with human capital: talent, positioning, capacity, flexibility, key staff dependence, occupational environment, etc., management.
- Financial risks: credit, interest rate, exchange rate and liquidity.
- Risks related with the area of technology and information systems: network management, physical and logical security, information integrity.

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

Item 3:

The Board of Directors approved on February 28, 2011 the compliance to the Good Tax Practices Code, approved on 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:

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

3/28/2019

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

- Yes  
 No

JOSÉ LUIS GÓMEZ RODRÍGUEZ  
Traductor-Intérprete jurado de  
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JOSÉ LUIS GÓMEZ RODRIGUEZ  
Traductor-Intérprete jurado de  
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Nº 1144

José Luis Gómez Rodríguez,  
Traductor - Intérprete jurado de  
inglés, nombrado por el  
Ministerio de Asuntos Exteriores y  
Cooperación certifica que la que  
antecede es traducción fiel y  
completa al inglés de un  
documento redactado en español.

En Madrid a 22 ABR. 2019

José Luis Gómez Rodríguez, Sworn  
Translator - Interpreter to the  
English Language, appointed by  
the Ministry of Foreign Affairs and  
Cooperation certifies that the above  
is a faithful and whole translation  
into English from a document  
drawn in Spanish.

Madrid, 22 ABR. 2019



JOSÉ LUIS GÓMEZ RODRÍGUEZ  
Intérprete jurado de  
INGLÉS  
Nº 1144



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## INFORME DE AUDITOR REFERIDO A LA "INFORMACIÓN RELATIVA AL SISTEMA DE CONTROL INTERNO SOBRE LA INFORMACIÓN FINANCIERA (SCIIF)"

A los Administradores de SACYR, S.A.

De acuerdo con la solicitud del Consejo de Administración de SACYR, S.A. (en adelante, la Entidad) y con nuestra carta propuesta de fecha 20 de marzo de 2019, hemos aplicado determinados procedimientos sobre la "Información relativa al SCIIF" adjunta de SACYR, S.A. correspondiente al ejercicio 2018, en el que se resumen los procedimientos de control interno de la Entidad en relación a la información financiera anual.

El Consejo de Administración es responsable de adoptar las medidas oportunas para garantizar razonablemente la implantación, mantenimiento y supervisión de un adecuado sistema de control interno así como del desarrollo de mejoras de dicho sistema y de la preparación y establecimiento del contenido de la Información relativa al SCIIF adjunta.

En este sentido, hay que tener en cuenta que, con independencia de la calidad del diseño y operatividad del sistema de control interno adoptado por la Entidad en relación a la información financiera anual, éste sólo puede permitir una seguridad razonable, pero no absoluta, en relación con los objetivos que persigue, debido a las limitaciones inherentes a todo sistema de control interno.

En el curso de nuestro trabajo de auditoría de las cuentas anuales y conforme a las Normas Técnicas de Auditoría, nuestra evaluación del control interno de la Entidad ha tenido como único propósito el permitirnos establecer el alcance, la naturaleza y el momento de realización de los procedimientos de auditoría de las cuentas anuales de la Entidad. Por consiguiente, nuestra evaluación del control interno, realizada a efectos de dicha auditoría de cuentas, no ha tenido la extensión suficiente para permitirnos emitir una opinión específica sobre la eficacia de dicho control interno sobre la información financiera anual regulada.

A los efectos de la emisión de este informe, hemos aplicado exclusivamente los procedimientos específicos descritos a continuación e indicados en la Guía de Actuación sobre el Informe del auditor referido a la Información relativa al Sistema de Control Interno sobre la Información Financiera de las entidades cotizadas, publicada por la Comisión Nacional del Mercado de Valores en su página web, que establece el trabajo a realizar, el alcance mínimo del mismo, así como el contenido de este informe. Como el trabajo resultante de dichos procedimientos tiene, en cualquier caso, un alcance reducido y sustancialmente menor que el de una auditoría o una revisión sobre el sistema de control interno, no expresamos una opinión sobre la efectividad del mismo, ni sobre su diseño y su eficacia operativa, en relación a la información financiera anual de la Entidad correspondiente al ejercicio 2018 que se describe en la Información relativa al SCIIF adjunta. En consecuencia, si hubiéramos aplicado procedimientos adicionales a los determinados por la citada Guía o realizado una auditoría o una revisión sobre el sistema de control interno en relación a la información financiera anual regulada, se podrían haber puesto de manifiesto otros hechos o aspectos sobre los que les habríamos informado.

Asimismo, dado que este trabajo especial no constituye una auditoría de cuentas ni se encuentra sometido a la normativa reguladora de la actividad de auditoría de cuentas vigente en España, no expresamos una opinión de auditoría en los términos previstos en la citada normativa.

Se relacionan a continuación los procedimientos aplicados:

1. Lectura y entendimiento de la información preparada por la entidad en relación con el SCIIF - información de desglose incluida en el Informe de Gestión - y evaluación de si dicha información aborda la totalidad de la información requerida que seguirá el contenido mínimo descrito en el apartado F, relativo a la descripción del SCIIF, del modelo de IAGC según se establece en la Circular nº 5/2013 de 12 de junio de 2013 de la Comisión Nacional del Mercado de Valores (CNMV), posteriormente modificada por la Circular nº 7/2015 de 22 de diciembre de 2015 de la CNMV y la Circular 2/2018 de 12 de junio de la CNMV (en adelante, las Circulares de la CNMV).
2. Preguntas al personal encargado de la elaboración de la información detallada en el punto 1 anterior con el fin de: (i) obtener un entendimiento del proceso seguido en su elaboración; (ii) obtener información que permita evaluar si la terminología utilizada se ajusta a las definiciones del marco de referencia; (iii) obtener información sobre si los procedimientos de control descritos están implantados y en funcionamiento en la entidad.
3. Revisión de la documentación explicativa soporte de la información detallada en el punto 1 anterior, y que comprenderá, principalmente, aquella directamente puesta a disposición de los responsables de formular la información descriptiva del SCIIF. En este sentido, dicha documentación incluye informes preparados por la función de auditoría interna, alta dirección y otros especialistas internos o externos en sus funciones de soporte a la comisión de auditoría.
4. Comparación de la información detallada en el punto 1 anterior con el conocimiento del SCIIF de la entidad obtenido como resultado de la aplicación de los procedimientos realizados en el marco de los trabajos de la auditoría de cuentas anuales.
5. Lectura de actas de reuniones del consejo de administración, comisión de auditoría y otras comisiones de la entidad a los efectos de evaluar la consistencia entre los asuntos en ellas abordados en relación al SCIIF y la información detallada en el punto 1 anterior.
6. Obtención de la carta de manifestaciones relativa al trabajo realizado adecuadamente firmada por los responsables de la preparación y formulación de la información detallada en el punto 1 anterior.

Como resultado de los procedimientos aplicados sobre la Información relativa al SCIIF no se han puesto de manifiesto inconsistencias o incidencias que puedan afectar a la misma.





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Este informe ha sido preparado exclusivamente en el marco de los requerimientos establecidos por el artículo 540 del texto refundido la Ley de Sociedades de Capital y por las Circulares de la CNMV a los efectos de la descripción del SCIIF en los Informes Anuales de Gobierno Corporativo.

INSTITUTO DE CENSORES  
JURADOS DE CUENTAS  
DE ESPAÑA

ERNST & YOUNG, S.L.

2019 Núm. 01/19/05390

SELLO CORPORATIVO: 30,00 EUR

Informe sobre trabajos distintos  
a la auditoría de cuentas

ERNST & YOUNG, S.L.

Antonio Vázquez Pérez

24 de abril de 2019