

ANNEX I

ANNUAL REPORT OF CORPORATE GOVERNANCE OF THE LISTED CORPORATIONS

ISSUER IDENTIFICATION DATA

END DATE OF THE REFERENCED BUSINESS YEAR

12/31/2017

C.I.F.

A-28013811

CORPORATE NAME

SACYR, S.A.

CORPORATE ADDRESS

PASEO DE LA CASTELLANA, 83-85 MADRID

ANNUAL REPORT OF CORPORATE GOVERNANCE OF THE LISTED CORPORATIONS

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
17/07/2017	533,110,718.00	533,110,718	533,110,718

State if there are different types of shares with different associated rights:

Yes

No

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	Number of direct voting rights	Number of indirect voting rights	% over the total of the rights to vote
GRUPO EMPRESARIAL FUERTES, S.L.	0	33,431,764	6.27 %
CONCERTED ACTION	0	77,242,077	14.49%

Name or corporate name of the indirect holder of the participation	Through: Name or corporate name of the direct holder of the participation	Number of voting rights
GRUPO EMPRESARIAL FUERTES, S.L.	GRUPO CORPORATIVO FUERTES, S.L.	33,431,764
CONCERTED ACTION	DISA CORPORACIÓN PETROLIFERA, S.A.	66,494,023
CONCERTED ACTION	GRUPO SATOCAN, S.A.	10,748,054

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

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

Name or corporate name of the Board member	Number of direct voting rights	Number of indirect voting rights	% over the total of the rights to vote
MR. MANUEL MANRIQUE CECILIA	272	0	0.00%
MR. DEMETRIO CARCELLER ARCE	5,553	527,933	0.10%
MR. AUGUSTO DELKADER TEIG	111	0	0.00%
BETA ASOCIADOS, S.L.	29,322,755	0	5.50%
CYMOFAG, S.L.	8,289,440	0	1.55%
MR. FRANCISCO JAVIER ADROHER BIOSCA	30,909	0	0.01%
GRUPO CORPORATIVO FUERTES, S.L.	33,431,764	0	6.27%
GRUPO SATOCAN DESARROLLOS, S.L.	319	0	0.00%
MRS. ISABEL MARTÍN CASTELLA	111	0	0.00%
MR. JUAN MARÍA AGUIRRE GONZALO	11,145	0	0.00%
MR. MATIAS CORTÉS DOMÍNGUEZ	136	0	0.00%
PRILOMI, S.L.	24,817,563	0	4.66%

Name or corporate name of the Board member	Number of direct voting rights	Number of % over the total rights of the of indirect votes	of of rights of vote
PRILOU, S.L.	16,842,937	0	3,16%
MR. RAIMUNDO BAROJA RIEU	5,084	0	0.00%

Name or corporate name of the indirect holder of the share	Through: Name or corporate name of the direct holder of the share	Number of voting rights
MR. DEMETRIO CARCELLER ARCE	RELATED PEOPLE	527,933

total % of the voting rights held by the board of directors	21.25%
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Complete the following charts regarding the members of the company board of directors, which own voting rights over company shares

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:

Related name or corporate name
PRILOU, S.L.
PRILOMI, S.L.

Type of relation: Corporate

Brief description:

Mr. José Manuel Loureda Mantiñán (representative, individual of Prilou, S.L), owns 49% of the capital stock of Prilou, S.L., and at the same time, Prilou, S.L. has 86% of the capital stock of Prilomi, S.L.

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:

A.6 State if parasocial agreements that affect the company according to what is established under articles 530 and 531 of the Capital Company Act have been communicated. As the case may be, describe them briefly and list the shareholders associated by the agreement:

Yes

No

Participates of the parasocial agreement
GRUPO SATOCAN DESARROLLOS, S.L.
DISA CORPORACIÓN PETROLIFERA, S.A.
GRUPO SATOCAN, S.A.

Percentage of the affected capital stock: 15.89%

Summarized description of the agreement:

The list between the parties as shareholders of the Company is prepared based on the incorporation of a Syndicate of Shareholders which purpose is to regulate the exercise of the voting right

in the Shareholders meeting and, as the case may be, ensure that Grupo Satocan, S.A., maintains a representative in the Board of Directors.

The syndicated voting rights are 23,315,883, of which Disa Corporación Petrolífera, S.A. contributes 11,657,942, Grupo Satocan, S.A., 10,624,466 and Grupo Satocan Desarrollos, S.L. 1,033,475, not including in the syndication agreement the remaining of their voting rights. However, each of the parties has signed a unilateral declaration communicated to the CNMV by which they commit to all non syndicated shares to vote in the same regard as their syndicated shares. See note A.6.

Registry date and number: 23/02/2011: 138707

Registry date and number: 15/03/2011: 140223

Registry date and number: 16/03/2011: 140260

State if the company is aware of the existence of concerted actions between its shareholders. If yes, describe briefly:

Yes

No

If during the business year there has been any modification or termination of said covenants or agreements or concerted actions, please explain:

None

A.7 State if there is any individual or company who can exercise control over the company according to article 4 of the Stock Market Act. If yes, list it:

Yes

No

Observations

A.8 Complete the following charts regarding the company treasury stock:

At the closing date of the business year:

Number of direct shares	Number of indirect shares (*)	total % over the capital stock
422,587	0	0.08%

(*) Through:

Detail of significant variations, according to the provisions of Royal Decree 1362/2007, performed during the business year:

Explain the significant variations

The CNMV is notified about exceeding the threshold of 1% of own shares for its acquisition in subsequent actions, without deducting the transfers, according to the following breakdown:

Dated 18/01/2017:

Total acquired direct shares: 5,486,780

% over the capital stock: 1060 %

Total transferred direct shares: 5,507,074

% over the capital stock: 1.064 %

Dated 09/02/2017:

Total acquired direct shares: 5,277,765

% over the capital stock: 1.020%

Total transferred direct shares: 4,962,115
% over the capital stock: 0.959 %

Dated 09/03/2017:
Total acquired direct shares: 5,412,118
% over the capital stock: 1.046%
Total transferred direct shares: 5,069,585
% over the capital stock: 1.084

Dated 21/04/2017:
Total acquired direct shares: 5,384,417
% over the capital stock: 1.041%
Total transferred direct shares: 10,538,463
% over the capital stock: 2.037%

Dated 24/05/2017:
Total acquired direct shares: 5,267,573
% over the capital stock: 1.018%
Total transferred direct shares: 5,586,715
% over the capital stock: 1.080 %

Dated 20/06/2017:
Total acquired direct shares: 5,257,843
% over the capital stock: 1.016%
Total transferred direct shares: 5,122,287
% over the capital stock: 0.990 %

Dated 24/07/2017: (Update by modification of the number of voting rights of the issuer): Total acquired direct shares: 5,153,840
% over the capital stock: 0.996%
Total transferred direct shares: 5,085,442
% over the capital stock: 0.983 %

Dated 13/09/2017:
Total acquired direct shares: 5,343,455
% over the capital stock: 1.002%
Total transferred direct shares: 5,378,501
% over the capital stock: 1.009%

Dated 14/11/2017:
Total acquired direct shares: 5,486,496
% over the capital stock: 1.029%
Total transferred direct shares: 4,939,356
% over the capital stock: 0.927 %

Dated 12/01/2018:
Total acquired direct shares: 5,439,331
% over the capital stock: 1.020 %
Total transferred direct shares: 6,318,437
% over the capital stock: 1.185 %

Final property of shares and voting rights: 0.074 %

A.9 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 12, 2014, agreed to authorize the Board of Directors for the derivative acquisition of treasury stock by Sacyr, S.A. or companies of its group.

The eleventh adopted agreement verbatim is the following:

“Authorize the derivative acquisition of Sacyr, S.A. shares by the company itself, to companies of its group, under 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.

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.

This authorization renders without effect the one granted by the General Meeting held on June 21, 2012, for the unused amount.”

A.9.bis Estimated floating capital:

	%
Estimated floating capital	64.20

A.10 State if there is any restriction to the transfer of values and/or any restriction to the voting right. The existence of any type of restrictions that may impair taking control of the company by the acquisition of its shares in the market needs to be specifically informed about.

Yes

No

A.11 State if the general meeting has agreed to adopt neutralization measures regarding a takeover bid according to what is established under 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.12 State if the company has issued securities that are negotiated in the regulated community 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

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 agreements.

Yes

No

Describe how it is different from the regime scheduled in the Capital Company Act.

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 applicable regulations in matters of articles of association modifications are contained under article 24.2 of the Company articles of association, which establish the following:

“If the General Meeting is called to deliberate over any articles of association modification, including the increase and decrease of capital, as well as the issuing of securities, the right of first refusal of new shares, the transformation, merger, split, the asset and liability general assignment and the transfer of the Company corporate address abroad, in will be necessary, in first call, the attendance of present or represented shareholders who own, at least, fifty percent of the subscribed capital with voting rights. On second notice, it will be sufficient with the attendance of twenty five per cent.”

Regarding the regulations scheduled for the supervision of the rights of the partners in the modification of Articles of Association, the Meeting Regulation regulates the notice of meeting of the General Meeting, which will be performed in order to guarantee fast and non discriminatory access to the information among the shareholders. For this purpose, the means of communication that ensure the public and efficient disclosure of the notice of meeting, as well as free access to it by the shareholders of the entire European Union will be guaranteed.

The notice of meeting includes what is established by the law, among others, the General Meeting agenda, with a section of the agenda dealing with the articles of association modifications, if any. The agenda is drafted clearly and concisely including matters to be discussed during the meeting as well as the manner in which to obtain the complete text of the documents and the agreement proposals, and the address of the Company website in which the information will be available.

Likewise, according to what is scheduled in the applicable regulations, due to the notice of meeting of the General Meeting the Company website will be equipped with a Shareholders Electronic Forum. The use of the Shareholders Electronic Forum will adjust to its legal purpose and the guarantees and regulations of operation established by the Company, being able to access said forum the shareholders and groupings of shareholders that are duly legitimated. The Board of Directors will be able to develop the above mentioned regulations, establishing the procedure, periods and other conditions for the operation of the Shareholders Electronic Forum.

Since the date of publication of the General Meeting notice of meeting, the Company will uninterruptedly publish in its web site, the complete text of the notice of meeting and the complete texts of the proposals of agreements regarding each and every one of the agenda items or, in relation to those exclusively information sections, a report of the competent bodies, commenting each of said sections. The agreement proposals submitted by the shareholders will also be included as they are received.

Since the same day of the publication of the General Meeting notice of meeting and up to the fifth day prior, included, since the one scheduled for its holding, the shareholders will be able to, regarding the matters included in the agenda, request in writing the information and clarifications they consider necessary or formulate in writing all questions they consider adequate.

Once the General Meeting has started, the shareholders that, within the exercise of their rights, wishes to intervene in the General Meeting and, where appropriate, request information and clarifications in relation with the items of the agenda or formulate proposals, will identify themselves before the Notary Public or, by default, before the Secretary, or by indication of any of them, before the assisting personnel, providing the name and last names, number of shares which they own and the number of shares they represent. If they have the intention of requesting that their intervention is transcribed literally onto the General Meetings Minute, they will have to deliver it in writing, at that time, to the Notary Public or, by default, the Secretary, or the assisting personnel, so that the Notary Public or, when applicable, the Secretary can perform a comparison when the shareholder intervention takes place.

Likewise, each of the items of the agenda will be subject to individual voting and when applicable, even when they are in the same agenda item, they must be voted for separately in the modification of the company articles of association, that of each article and group of articles which have their own autonomy.

Among other measures, there is an office of relations with the shareholders that resolves any questions the shareholder might have in relation to the Meeting.

B.4 Provide the assistance data in the general meetings held in the business year to which the current report refers to and those of the previous business year:

General meeting date	Attendance data				
	% of attendance	% of representation	% long distance votes		Total
			Electronic votes	Miscellaneous	
16/06/2016	14.74%	34.78%	0.00%	0.00%	49.52%
08/06/2017	2.94%	53.63%	0.00%	0.00%	56.57%

B.5 State if there is any article of association restriction that establishes a minimum number of shares necessary to attend the general meeting:

Yes No

Number of shares necessary to attend the general meeting	150
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B.6 Abrogated section.

B.7 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) 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

Likewise, within the section of the General Meeting is the Meeting notice of meeting, as well as additional information related to it.

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:

Maximum number of board members	19
Minimum number of board members	9

C.1.2 Complete the following chart with the board members:

Name or corporate name of the board member	Representative	Category of the board member	Position on the board	Date first name	Date last name	Procedure
MR. MANUEL MANRIQUE CECILIA		Executive	CHAIRPERSON BOARD DIRECTOR	10/11/2004	11/06/2015	BOARD AGREEMENT GENERAL OF THE SHAREHOLDERS
MR. DEMETRIO CARCELLER ARCE		Substantial Shareholders Representative	VICE 1º	29/01/2003	27/06/2013	BOARD AGREEMENT GENERAL OF THE SHAREHOLDERS
MR. AUGUSTO DELKADER TEIG	MR. JOSÉ DEL PILAR MORENO CARRETERO	Independent.	BOARD	27/06/2013	27/06/2013	BOARD AGREEMENT GENERAL OF THE SHAREHOLDERS
BETA ASOCIADOS, S.L.		Substantial Shareholders Representative	BOARD MEMBER	19/05/2011	16/06/2016	BOARD AGREEMENT GENERAL OF THE SHAREHOLDERS
CYMOFAG, S.L.	MR. GONZALO MANRIQUE SABATEL	Substantial Shareholders Representative	BOARD MEMBER	19/05/2011	16/06/2016	AGREEMENT GENERAL SHAREHOLDERS MEETING
MR. FRANCISCO JAVIER ADROHER BIOSCA	MR. TOMÁS FUERTES FERNÁNDEZ	Substantial	BOARD	19/05/2011	16/06/2016	BOARD AGREEMENT GENERAL OF THE SHAREHOLDERS
CORPORATE GROUP FUERTES, S.L.		Substantial Shareholders Representative	BOARD MEMBER	19/05/2011	16/06/2016	BOARD AGREEMENT GENERAL OF THE SHAREHOLDERS
GRUPO SATOCAN DESARROLLOS, S.L.	MR. JUAN MIGUEL SANJUÁN JOVER	Substantial Shareholders Representative	BOARD MEMBER	27/06/2013	27/06/2013	AGREEMENT GENERAL SHAREHOLDERS MEETING
MRS. ISABEL MARTÍN CASTELLA		Independent.	BOARD MEMBER	11/06/2015	11/06/2015	AGREEMENT GENERAL SHAREHOLDERS MEETING

Name or corporate name of the board member	Representative	Category of the board member	Position on the board	Date first name	Date last name	Procedure
MR. JUAN MARÍA AGUIRRE GONZALO		Independent.	BOARD COORDINATOR INDEPENDENT	27/06/2013	27/06/2013	BOARD AGREEMENT GENERAL OF THE SHAREHOLDERS
MR. MATIAS CORTÉS DOMINGUEZ		Other external ones	BOARD MEMBER	12/06/2002	27/06/2013	BOARD AGREEMENT GENERAL OF THE SHAREHOLDERS
PRILOMI, S.L.	MR. JOSÉ MANUEL LOUREDA LÓPEZ	Substantial Shareholders Representative	BOARD MEMBER	11/05/2005	11/06/2015	AGREEMENT GENERAL SHAREHOLDERS MEETING
PRILOU, S.L.	MR. JOSÉ MANUEL LOUREDA MANTIÑÁN	Substantial	BOARD	15/12/2004	11/06/2015	MEETING AGREEMENT SHAREHOLDERS GENERAL
MR. RAIMUNDO BAROJA RIEU		Substantial Shareholders Representative	BOARD MEMBER	27/06/2013	27/06/2013	MEETING AGREEMENT SHAREHOLDERS GENERAL

Total number of board members	14
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State the resignations that have taken place in the board of directors during the period subject to the information:

C.1.3 Complete the following charts about the board members and their different category:

EXECUTIVE DIRECTOR

Name or corporate name of the board member	Position in the company flowchart
MR. MANUEL MANRIQUE CECILIA	CHAIRPERSON AND MANAGING DIRECTOR

Total number of executive board members	1
% over the total of the board	7.14%

EXTERNAL DIRECTORS REPRESENTING MAJOR SHAREHOLDERS

Name or corporate name of the board member	Name or denomination of the significant shareholder who he represents or whose appointment has been proposed
MR. DEMETRIO CARCELLER ARCE	DISA CORPORACIÓN PETROLIFERA, S.A.
MR. FRANCISCO JAVIER ADROHER BIOSCA	DISA CORPORACIÓN PETROLIFERA, S.A.
MR. RAIMUNDO BAROJA RIEU	DISA CORPORACIÓN PETROLIFERA, S.A.
PRILOU, S.L.	PRILOU, S.L.
PRILOMI, S.L.	PRILOU, S.L.
GRUPO SATOCAN DESARROLLOS, S.L.	GRUPO SATOCAN, S.A.
CYMOFAG, S.L.	CYMOFAG, S.L.
BETA ASOCIADOS, S.L.	BETA ASOCIADOS, S.L.
GRUPO CORPORATIVO FUERTES, S.L.	GRUPO EMPRESARIAL FUERTES, S.L.

Total number of board members representing major shareholders	9
% over the total of the board	64.29%

EXTERNAL INDEPENDENT BOARD MEMBERS

Name and denomination of the board member:

MR. JUAN MARÍA AGUIRRE GONZALO

Profile

BA in Economic and Business by the ICADE and Master in Financial Management by the Entrepreneurial Institute.

He is currently member of the Board of Directors of the companies Merlin Properties, CRB Inverbio, EOM Perú, CGU Colombia and of several SICAVS Maltisa, Quantop and Gardama.

Name and denomination of the board member:

MR. AUGUSTO DELKADER TEIG

Profile

He studied Law, Journalism and Company Management. Fellow of the first Spanish promotion of the German Marshall Found.

His activity has been developed mainly in the management of communication companies, leading in Spanish speaking markets. As managing director of PRISA/RADIO he performed the implementation and development of the company in Latin America.

Currently he is the chairperson of PRISA/RADIO, member of the Caracol Radio Board of Directors and member of the Board of Directors of the Ramón Areces Foundation Social Sciences.

Name and denomination of the board member:

MRS. ISABEL MARTÍN CASTELLA

Profile

BA in Economics and Sciences by Universidad Complutense, in 1977 she enters by opposition in the Senior Government of Commercial Technicians and State Economist.

She is currently a Board member of Unicaja Banco.

Total number of independent board members	3
total % of the board	21.43%

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.

NO

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.

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 board member:

MR. MATIAS CORTÉS DOMÍNGUEZ

Company, manager or shareholder with whom he has a relation:

TESCOR PROFESIONALES ASOCIADOS SLP.

Reasons:

He is not a director representing controlling shareholders and he is not independent since he is related to a form that has counseled, for a consideration, the company during the business year.

Total number of other external board members	1
total % of the board	7.14%

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

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

	Number of female board members				% over the total board members of each type			
	Year 2017	Year 2016	Year 2015	Year 2014	Year 2017	Year 2016	Year 2015	Year 2014
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Substantial Shareholders Representative	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Independent.	1	1	1	0	7.14%	7.14%	7.14%	0.00%
Other External	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total:	1	1	1	0	7.14%	7.14%	7.14%	0.00%

C.1.5 Explain the measures that, when applicable, would have been adopted to attempt to include in the board of directors a number of women that allows reaching a balanced presence of women and men.

Explanation of the measures

In the Regulation of the Board of Directors it is scheduled that the Board of Directors, within the exercise of their responsibilities of proposing board member appointments to the General Meeting, promoting an adequate diversity of knowledge, experience and gender.

The candidates selection policy of board members, approved by the company, specifically includes that it will be attempted that in the year 2020 the number of female board members represents, at least, 30% of the total Board of Directors members.

C.1.6 Explain the measures that, when applicable, the appointment committee has agreed upon so that the procedures do not undergo any implied bias that impair the selection of female board members, and the company deliberately intends to and includes among the possible candidates, women who have the desired professional profile:

Explanation of the measures

The coverage procedure of the Sacyr, S.A. vacancy guarantees that no candidacy is subject to discrimination in any of the selection process stages.

The regulations of the Corporate governance system referred to said subjects guarantee that all stages of the selection process of board members, representatives of the Management Committee and members of the company management team include the ideal candidates to develop said position.

All candidates are assessed in relation to their professional criteria, guaranteeing the assessment of their knowledge, capacities and abilities.

When there has been vacancies in the Board, the Appointment And Compensation Committee has taken into consideration in its selection procedure, the convenience of having a diversity of types and gender therein, avoiding for this that the candidate selection process, have implicit bias that impair the selection of the board members due to private circumstances, particularly gender.

The level of influence of significant shareholders in the election of directors representing controlling shareholders which needs to be based in the trust of the shareholders who proposes the appointment, having Sacyr a high number of directors representing controlling shareholders is also relevant: 9 of 14.

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

See previous section.

C.1.6 bis Explain the concussions 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.

Explanation of the conclusions

The Regulation of the Board of Directors establishes, as a competence of the Appointment and Compensation Committee, to establish a representation goal for the gender with the least representation in the Board of Directors and prepare directions about how to reach said goal.

In addition, the Board of Directors has approved a selection policy of candidates to board members, which has included the manner in which it will be attempted that in the year 2020 the number of female board members represents, at least, 30% of the total Board of Directors members.

C.1.7 Explain the manner of representation in the board of the shareholders with significant shares.

The significant shareholders are represented in the Board of Directors by the directors representing controlling shareholders who have been appointed.

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

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.1.9 State if any board member has resigned from his/her position before the end of his/her term, if him/her has provided reasons for this and through which means, to the board, and, if done in writing to the entire board, explain below, at least the reasons he/she has provided:

C.1.10 State, when applicable, the powers that are delegated over the managing director/s:

Name or corporate name of the board member:

MR. MANUEL MANRIQUE CECILIA

Brief description:

All powers of the Board, except those which cannot be delegated according to law or the articles of association of those which the Board holds for itself, without the possibility to be delegated according to what is established under article 5 of the Board Regulations.

C.1.11 Identify, when applicable, the board members which assume administrative or managing positions in other companies that are a part of the group of the listed company:

Name or corporate name of the board member	Corporate name of the group entity	Position	Does he/she have executive responsibilities?
MR. MANUEL MANRIQUE CECILIA	SACYR FLUOR, S.A.	BOARD MEMBER (dismissed on October and was once again appointed on December 2017)	NO
MR. MANUEL MANRIQUE CECILIA	SACYR CONSTRUCCIÓN, S.A.	CHAIRPERSON AND BOARD MEMBER	NO
MR. MANUEL MANRIQUE CECILIA	VALORIZA GESTIÓN, S.A.	BOARD MEMBER	NO
MR. MANUEL MANRIQUE CECILIA	SACYR FINANCE, S.A.	Representative of the Sole Administrator Único Sacyr, S.A.	YES
MR. MANUEL MANRIQUE CECILIA	SACYR VALLEHERMOSO PARTICIPACIONES MOBILIARIAS, S.L.	Representative of the Sole Administrator Único Sacyr, S.A.	YES
MR. MANUEL MANRIQUE CECILIA	SACYR CONCESIONES, S.L.	CHAIRPERSON AND BOARD MEMBER	NON
MR. MANUEL MANRIQUE CECILIA	SACYR GESTIÓN DE ACTIVOS, S.L.	Representative of Sole Administrator Sacyr, S.A.	YES

C.1.12 Detail, when applicable, the board members 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 board member	Corporate name of the group entity	Position
MR. MANUEL MANRIQUE CECILIA	REPSOL, S.A.	VICE CHAIRPERSON 2º
MR. DEMETRIO CARCELLER ARCE	EBRO FOODS, S.A.	VICE CHAIRPERSON
MR. AUGUSTO DELKADER TEIG	PRISA RADIO, S.A.	CHAIRPERSON
MRS. ISABEL MARTÍN CASTELLA	UNICAJA BANCO, S.A.	BOARD MEMBER

Name or corporate name of the board member	Corporate name of the group entity	Position
MR. JUAN MARÍA AGUIRRE GONZALO	MERLÍN PROPERTIES, S.A.	BOARD MEMBER

C.1.13 State and, explain when necessary, if the company has established regulations over the number of boards of directors of which its board members can participate in:

Yes

No

C.1.14 Abrogated section.

C.1.15 State the global remuneration of the board of directors:

Compensation of the board of directors (thousands of Euros)	4,868
Amount of the accumulated rights by the current board members in matter of pensions (thousands of Euros)	3,245
Amount of the accumulated rights by the senior board members in matter of pensions (thousands of Euros)	0

C.1.16 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
MR. RAFAEL GÓMEZ DEL RÍO SANZ HERNÁNZ	GENERAL MANAGER. RESPONSIBLE OF SACYR CONCESIONES, S.A.
MR. PEDRO SIGUENZA HERNÁNDEZ	GENERAL MANAGER. RESPONSIBLE OF SACYR INDUSTRIAL, S.L.
MR. JOSÉ MARÍA ORIHUELA UZAL	GENERAL MANAGER. RESPONSIBLE OF SACYR CONSTRUCCIÓN, S.A.
MR. FERNANDO LOZANO SAINZ	GENERAL MANAGER. RESPONSIBLE OF VALORIZA GESTIÓN, S.A.
MR. CARLOS MIJANGOS GOROZARRI	GENERAL FINANCIAL MANAGER.
MR. MIGUEL HERAS DOLADER	CORPORATE GENERAL MANAGER AND MANAGEMENT, TALENT AND HUMAN RESOURCES GENERAL MANAGER.
MR. ALFONSO AGUIRRE DÍAZ-GUARDAMINO	BUSINESS LEGAL DEPARTMENT MANAGER.
MR. PEDRO ALONSO RUÍZ	COMMUNICATION MANAGER.
MR. AQUILINO DE PRAVIA MARTÍN	INTERNAL AUDIT MANAGER.
MR. VICTOR DE ÁVILA RUEDA	STRATEGY AND DEVELOPMENT MANAGER. (Discharge from high management on 10/02/2017)
MRS. ELENA OTERO- NOVAS MIRANDA	SECRETARY OF THE BOARD AND GENERAL MANAGER OF LEGAL CORPORATE ASSESSMENT. (Discharge on 09/14/2017).

Total remuneration of high management (thousands of Euros)	3,228
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C.1.17 State, when applicable, the identity of the board members who are, at the same time, members of the board of directors of companies of significant shareholders and/or entities of its group:

Name or corporate name of the board member	Corporate name of the significant shareholder	Position
MR. DEMETRIO CARCELLER ARCE	DISA CORPORACIÓN PETROLIFERA, S.A.	CHAIRPERSON

Name or corporate name of the board member	Corporate name of the significant shareholder	Position
MR. RAIMUNDO BAROJA RIEU	DISA CORPORACIÓN PETROLIFERA, S.A.	VICE CHAIRPERSON
MR. FRANCISCO JAVIER ADROHER BIOSCA	DISA CORPORACIÓN PETROLIFERA, S.A.	BOARD MEMBER

Detail, when applicable, the relevant relations different that those contemplated in the previous section, of the members of the board of directors that are related with the significant shareholders and/or entities of its group:

Name or corporate name of the related board member:

PRILOMI, S.L.

Name or corporate name of the significant related shareholder:

MR. JOSÉ MANUEL LOUREDA MANTIÑÁN

Relation description:

Mr. José Manuel Loureda Mantiñán (representative, individual of Prilou, S.L), owns 49% of the capital stock of the company Prilou, S.L., and at the same time, Prilou, S.L. has 86% of the capital stock of Prilomi, S.L.

C.1.18 State if there has been during the business year any modification to the board regulation:

Yes

No

C.1.19 State the selection procedures, appointment, reelection, assessment and removal of the board members. Detail of the competent organizations, the procedures to follow and the criteria to use in each of the procedures.

Appointment and reelection of board members.

According to article 21 of the Board of Directors, the board members will be appointed by the General Meeting or by the Board of Directors (cases of appointment by cooptation) according to the provisions contained in the Law and in the Company governance regulations.

The proposal of appointment and reelection of the Board of Directors members corresponds to the Appointment and Compensation Committee, when dealing with independent board members, and the Board of Directors itself, on the remaining cases. The proposal must be accompanied at all times with a report of the Board of Directors explaining the competence, experience and merits of the proposed candidate, which will be appended to the General Meeting or that of the Board of Directors itself. The appointment or reelection proposal of any non independent board member must be preceded, in addition, of a report of the Appointment and Compensation Committee.

The appointment and the change of individual representative of the Board members that are companies will also require the issuing of a report by the Appointment and Compensation Committee.

When the Board of Directors deviates from the recommendations of the Appointment and Compensation Committee it will need to provide motives for the reasons it proceeded in that way and leave a record of said reasons in the minute.

Assessment of board members.

Article 22 of the Board Regulation establishes that the Board of Directors and the Appointment and Compensation Committee, within the scope of their responsibilities, will attempt, in the selection of their candidate, to promote and adequate diversity of knowledge, experiences and gender and that their appointment falls on a person of renown solvency, competence and experience.

Dismissal of board members.

According to article 24 of the Board Regulation, the board members will be dismissed from the position when (i) having elapsed the period for which they were appointed, the first General Meeting takes place or the period for the holding of the first General Meeting has elapsed in which the approval of the previous business years financial statements need to be approved, (ii) when the notify

their waiver or resignation to the Company or (iii) when decided by the General Meeting in the use of the responsibilities that have been granted by law or according to the articles of association.

The board members must place their position at the availability of the Board of Directors and formalize, if considered convenient, the corresponding resignation:

- a) when reaching the age of 65 years, in the case of executive board members, being able, when applicable, to continue as non executive board members;
- b) when they are incurred in any of the incompatibility or prohibition causes that disables them to continue in their position;
- c) when, by proposal of the Audit and Corporate Governance Committee, they are warned by the Board of Directors for having violated in a severe or very severe manner, their responsibilities as board members and, in particular, the obligations imposed by the Internal Code of Conduct; or
- d) When their continuity in the Board of Directors may place in jeopardy the interests of the Company or negatively affect its credit and reputation, and it is so informed by the Appointment and Compensation Committee.
- e) 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 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; and
- f) In case of directors representing controlling shareholders, when the shareholder they represent sells all his participations in the Company or, doing so partially, he/she reaches a level that includes the obligation of reduction of his/her directors representing controlling shareholders.

C.1.20 Explain in what measure the annual board assessment has given rise to important changes in its internal organization and regarding the procedures applicable to its activities:

Modifications description

The Board has self assessed its activity during the 2017 business year according to article 529 of the Capital Company Act, duly appreciating the quality and efficiency of its operation.

The Board is still analyzing the conclusions regarding the external assessment performed to agree, when applicable, the adoption of measures that are considered pertinent.

C.1.20.bis Describe the assessment process and the assessed areas that has been performed by the board of directors, with the assistance, when applicable, by an external consultant, regarding the diversity in its composition and duties, the operation and the composition of its committees, the performance of the board of directors chairperson and the top executive of the company and the development and contribution of each board member.

The Board has assessed its operation, the operation of its Committees and the performance of the Chairperson and top executive of the company during the 2017 business year with external cooperation.

The assessment process has consisted in the performance of specific written surveys, which have subsequently been completed with personal interviews. Lastly, and after the analysis of the obtained results, and assessment report has been prepared for its submission to the Appointment and Compensation Committee.

C.1.20.ter Break down, when applicable, of the business relations that the consultant or any company from its group has with the company or any company of the group.

The business relations maintained by the company with an external third party who has cooperated in the assessment of the Board and its Committees are of timely counseling, having considered the Appointment and Compensation Committee that these do not affect its independence.

C.1.21 State the cases in which the board members have to resign.

According to article 54 of the Company Articles of Association, the board members must place their position at the availability of the Board of Directors and formalize, if considered convenient, the corresponding resignation:

(a) when they reach the age of 65 years, in the case of executive board members, being able to, when applicable, continue as non executive board member; (b) when they resign from the executive positions to which an appointment as broad member is associated to; (c) when they are incurred in some of the legally established incompatibility or prohibition cases; (d) they are warned by the Board of Directors for having violated in a severe or very severe manner, their responsibilities as board members and, in particular, the obligations imposed by the Internal Code of Conduct; (e) when their continuity in the Board of Directors may place in jeopardy the interests of the Company or negatively affect its credit and reputation, and it is so informed by the Appointment and Compensation Committee, or (f) In case of directors representing controlling shareholders, when the shareholder they represent sells all his participations in the Company or, doing so partially, he/she reaches a level that includes the obligation of reduction of his/her directors representing controlling shareholders.

C.1.22 Abrogated section.

C.1.23 Are reinforced majorities demanded, different than the legal ones, in any type of decision?:

Yes

No

When applicable, describe the differences.

Description of the differences

The modification of the Board of Directors Regulations requires for the validity an agreement adopted by a majority of two thirds of the present or represented board members.

C.1.24 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.1.25 State if the chairperson has a casting vote:

Yes

No

Items which are subject to a casting vote

According to article 51.3 of the Articles of Association and 19.3 of the Board Regulation, except in the cases in which it has been established other quorums of superior voting have been established legally or in the articles of association, the agreements will be adopted by the absolute majority of the attendants. In case of tie, the Chairpersons vote will be decisive.

C.1.26 State if the articles of association or the regulation of the board establishes any limit on the age of the board members:

Yes

No

Limit age of the chairperson:

Limit age of the managing director: 65 years

Limit age of board members:

C.1.27 State if the articles of association or the regulation of the board establishes a limited period for independent board members, different than the one established in the regulations:

Yes

No

C.1.28 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.

According to article 51.1 of the Company Articles of Association and 19.1 of the Board Regulation, the board members will do everything possible to attend the meetings of the Board of Directors and, when they cannot attend in person, they will try to transfer the representation in favor of another member of the Board of Directors.

The representation has to be granted in writing and with special character for each meeting, trying to include voting instructions.

There is no maximum number of delegations, nor any limitations regarding the categories in which it is possible to delegate except for the limitations established by the applicable law.

C.1.29 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	12
Number of board meetings without the attendance of the chairperson	1

If the chairperson is an executive board member, state the number of meetings which have taken place, without neither the attendance nor the representation of any executive board member and under the presidency of the coordinating board member

Number of meetings	0
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State the number of meetings that the different board committees have had during the business year:

Committees	Nº of Meetings
EXECUTIVE COMMITTEE.	9
AUDIT AND CORPORATE GOVERNANCE COMMITTEE.	10
APPOINTMENTS AND COMPENSATIONS COMMITTEE.	5

C.1.30 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. The calculation will consider as attendances the representations performed with specific instructions:

Number of meetings with the attendance of all board members	7
% of attendance over the total votes during the business year	95.83%

C.1.31 State if the individual and consolidated financial statements that are submitted to the board for their approval are previously certified:

Yes

No

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.1.32 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 explain the content and scope of the discrepancies publicly.

For this purpose the Audit Committee has, among others, the following basic responsibilities:

- Supervise the preparation and submission procedure of the mandatory financial information, and submit recommendations and proposals to the Board of Directors, addressed to safe keep its integrity.
- Inform, though the Chairperson and/or Secretary, the General Meeting about matters brought forward therein regarding the matters that are the responsibility of the Audit and Corporate Governance Committee and, in particular, about the result of the audit, explaining how it has contributed to the integrity of the financial information and the responsibility that the committee has developed in said process.
- Supervise the efficiency of the systems and internal control units of the Company, as well as the internal audit and the risk management systems, as well as talk to the accounts auditor regarding the significant weaknesses of the internal control system detected during the performance of the audit, all without infringing its independence. For this purpose, and when applicable, they can submit recommendations or proposals to the Board of Directors within the corresponding period for their follow up.

C.1.33 Does the secretary of the board have the condition of board member?

Yes

No

If the secretary does not have the condition of board member complete the following chart:

Name or corporate name of the secretary	Representative
MRS. ELENA OTERO- NOVAS MIRANDA	

C.1.34 Abrogated section.

C.1.35 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.

Article 16 of the Board Regulation (Consolidated Text approved in January 28, 2016), attributes to the Audit and Corporate Governance Committee, the following powers related to the external auditor:

(i) Submit to the Board of Directors the selection, appointment, reelection and replacement of external auditors proposals, as well as the contracting conditions and regularly gather information from it regarding the audit plan and its execution, in addition to preserving its independence during the development of its responsibilities.

(ii) Establish the necessary relations with the external auditor to receive the information regarding those questions that may represent a threat for its independence, for its review by the committee and any other related with the development process of the accounts audit and, when applicable, the authorization of those services different that the prohibited ones, in the terms established under the applicable law, as well as those other communications scheduled under the accounts audit law and the audit regulations. In any case, the external auditor must receive, annually, the declaration of independence in relation to the entity or entities related to it directly or indirectly, as well as the detailed and individualized information of the additional rendered services of any type and the corresponding received fees from these entities by the external auditor or by the people or entities related to it according to what is established under the regulating standards of the accounts audit activity.

(iii) Issue annually, before the issuing of the accounts audit report, a report which will provide the opinion regarding the independence of the accounts auditor. This report must contain, in any case, the assessment caused by the rendering of the additional services which are mentioned in the previous section, individually considered and, as a whole, different from the legal audit and regarding their independence or with the regulating standards of the audit.

According to article 60.3^º of the Company Articles of Association the Audit and Corporate Governance Committee must authorize the contracts between the company and the Accounts Auditor outside the activity of the accounts auditor itself. Said authorization will not be granted if the Audit and Corporate Governance Committee understands that said contracts can reasonably compromise the independence of the Accounts Auditor in the performance of the accounts audit.

Lastly, the Board of Directors must include in the annual report information regarding (i) the different services of the accounts audit rendered to the Company by the Accounts Auditor or by any company with which it has a significant relation and (ii) the general paid fees for said services. (art. 60.3 of the Company Articles of Association).

C.1.36 State if during the company has changed the external auditor during the business year. When applicable identify the incoming and outgoing auditor:

Yes No

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

C.1.37 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

	Parent	Group	Total
Amount of other works different than the audit (thousands of Euros)	258	575	833
Amount works different than audit / Total amount invoiced by the audit company (in %)	71.15%	17.52%	22.86%

C.1.38 State if the audit report of the financial statement for the previous business year provides reservations or exceptions. When applicable, explain the reasons given by the audit committee to apply the criteria and scope of said reservations or exceptions.

Yes No

C.1.39 State the number of business year that the current audit company has uninterruptedly perform the audit of the financial statements of the company and/or its group. 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:

	Group Companies	
Number of uninterrupted business years	15	15
Nº of business years audited by the current audit company / Nº of business years the company has been audited (in %)	62.50%	62.50%

C.1.40 State and, when applicable provide detail, if there is a procedure so that the board members can have external counseling:

Yes No

Detail the procedure

According to article 26 of the Board Regulations, with the purpose of receiving assistance during the exercise of his/her responsibilities, all board members can request the contracting, charging the company, of legal, accounting and financial counselors as well as other experts.

The request has to deal necessarily with specific problems of a concrete nature and complexity that arise during the development of the position. The decision to contract has to be communicated to the Chairperson of the Board of Directors and can be vetoed by the Board of Directors if its accredits:

- that it is not necessary for the development of the true performance of the responsibilities entrusted to the external board members;
- that its cost is not reasonable due to the importance of the problem and the assets and income of the Company; or
- that the requested technical assistance can be adequately provided by Company experts and technicians.

C.1.41 State and when applicable provide detail, if there is a procedure for the board members to have the necessary information to prepare meetings with the administrative entities with sufficient time:

Yes No

Detail the procedure

Within the development of his/her responsibilities, the board member has the obligation to obtain the information and adequately prepare the meetings of the Board and the delegated and consultant entities to which he/she belongs to. (Art. 28.2.b. Board Regulation).

For this purpose, the Board member has the necessary powers to obtain information about any aspect of the company, to examine its records, registries, documents and other company operational background and to inspect all of its facilities. The right of information is extended to group companies.

With the purpose of not impeding the ordinary management of the company, the exercise of the information authority will be channeled through the Chairperson or Secretary of the Board of Directors, who will attend the requests of the board member directly providing all the information, offering the necessary spokesperson within the organization who is necessary or arbitrating the measures so that he/she can perform in situ the necessary examination or inspection proceedings (article 55 of the company Articles of Association and 25 of the Board Regulation).

According to article 18.2 of the Board Regulation, the notice of the meetings of the board must always include the agenda and whenever possible be accompanied by the duly relevant information, summarized and prepared.

On the other hand, it is the responsibility of the Board Chairperson to ensure that all board members receive sufficient information before the meeting in order to deliberate regarding the agenda items (article 44.2.c of the Company Articles of Association).

C.1.42 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

Article 54.2 of the Company Articles of Association, establishes that the board members must place their position at the availability of the Board of Directors and formalize, if considered convenient, the corresponding resignation, among other situations, when

their continuity in the Board of Directors may place in jeopardy the interests of the Company or negatively affect its credit and reputation, and it is so informed by the Appointment and Compensation Committee.

C.1.43 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

State if the board of directors has analyzed the case. If the answer is positive explained in a reasoned manner the decision made regarding the board member to continue or not continue in his/her position or, when applicable, sets forth the actions performed by the board of directors up to the date of the current report or those which the board has scheduled to perform.

C.1.44 Detail of the significant agreements that the company participates in and that come into effect, are modified or conclude when a change of control takes place over the company due to a takeover bid, and its effects.

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

C.1.45 Identify as aggregate data and state, the agreements between the company and its administrative position and management or employees that have compensations, guarantee or golden parachute clauses, when these resign or are fired without cause or if the contractual relation reaches its end due to a takeover bid or another operation.

Number of beneficiaries: 1

Type of beneficiary:

MANAGING DIRECTOR

Description of the Agreement:

In the contract subscribed with the executive board member it is established that, in case of contract resolution without a cause chargeable to the executive board member, said member will be entitled to receive a compensation equivalent to 2.5 times the sum of the fixed retribution plus the variable of the previous year if he/she was entitled to it.

State if these contracts have to be communicated and/or approved by the company or its group entities:

	Board of directors	General meeting
Entity that authorizes the clause	Yes	No

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

C.2 Board of directors committees

C.2.1 Detail of all board of directors committees, their members and the proportion of executive board members, directors representing controlling shareholders, independent ones and other external ones who comprise it:

EXECUTIVE COMMITTEE.

Name	Position	Category
MR. MANUEL MANRIQUE CECILIA	CHAIRPERSON	Executive
PRILOU, S.L.	BOARD MEMBER	Substantial Shareholders Representative
MR. DEMETRIO CARCELLER ARCE	BOARD MEMBER	
MR. JUAN MARÍA AGUIRRE GONZALO	BOARD MEMBER	Independent.
MR. AUGUSTO DELKADER TEIG	BOARD MEMBER	Independent.

% of executive directors	20.00%
% of directors representing controlling shareholders	40.00%
% of independent board members	40.00%
% of external members	0.00%

Explain the responsibilities that have been attributed to the committee, describe the procedures and regulation of the organization and its operation and resume his/her most important actions during the business year.

Article 15 of the Board of Directors Regulation regulates the Executive Committee, according to the following terms:

- 1.- When applicable, the Executive Committee will be comprised by the number of board members that is established by the Board of Directors, with the requirements established in the Company Articles of Association.
- 2.- The adoption of the appointment agreements of the Executive Committee members will require the favorable vote of, at least, two thirds of the Board of Directors members.
- 3.- Acting as:
 - a) Chairperson of the Executive Committee, the Chairperson of the Board of Directors, as long as (i) he/she has been delegated all the responsibilities which can be delegated according to the provisions of the applicable regulations or (ii) has been appointed as a member therein, subject to what is established under section 2 above. In case the Chairperson of the Board of Directors did not comply with the above established requirements, said position will be elected by the Committee from among its members.
 - b) Vice chairperson of the Executive Committee, he/she who was appointed by the committee itself from among its members. In case of absence, impossibility or indisposition of the Chairperson, he/she will be replaced in the development of his/her responsibilities by the Vice chairperson of said Committee.
 - c) Secretary of the Executive Committee, the Secretary of the Board of Directors (who, when not a member, will have voice but no vote). In case of absence, impossibility or indisposition of the Secretary, he/she will be replaced in the development of his/hr responsibilities by the Vice secretary of the Board of Directors.
- 4.- The permanent delegation of powers by the Board of Directors in favor of the Executive Committee will include all powers of the Board of Directors, except those which cannot be delegated legally or according to the articles of association or those which cannot be delegated by what is established in the Regulation.
- 5.- The Executive Committee will be called by the Chairperson when he/she considers it necessary for the good governance of the Company.
- 6.- In those cases in which, in the opinion of the Chairman or the majority of the members of the Executive Committee, the importance of the subject so advises, the agreements adopted by the Executive Committee will be subject to the ratification of the plenary of the Board of Directors.
The above will be also applicable regarding those matters that the Board of Directors would have sent for their study to the Executive Committee reserving the last decision for itself.
In any other case, the agreements adopted by the Executive Committee will be valid and binding without the need for subsequent ratification by the Plenary of the Board of Directors.
- 7.- The Executive has to inform the Board of Directors about the matters discussed and the decisions adopted in its meetings.
- 8.- In everything that has not been scheduled in the Company Articles of Association, the Executive Committee will regulate its own operations, applying, by default, the operation regulations established regarding the Board of Directors, as long as these are compatible with the nature and purpose of this Committee.

State if the delegated or executive composition reflects the participation of the different board members in relation to their category:

Yes

No

If not, explain the composition of the delegated or executive committee

The Executive Committee is comprised by five members, of which one is executive, two are directors representing controlling shareholders and two are independent.

AUDIT AND CORPORATE GOVERNANCE COMMITTEE.

Name	Position	Category
MRS. ISABEL MARTÍN CASTELLA	CHAIRPERSON	Independent.
MR. AUGUSTO DELKADER TEIG	BOARD MEMBER	Independent.
MR. JUAN MARÍA AGUIRRE GONZALO	BOARD MEMBER	Independent.
GRUPO SATOCAN DESARROLLOS, S.L.	BOARD MEMBER	Substantial Shareholders Representative
MR. RAIMUNDO BAROJA RIEU	BOARD MEMBER	Substantial Shareholders Representative

% of directors representing controlling shareholders	40.00%
% of independent board members	60.00%
% of external members	0.00%

Explain the responsibilities that have been attributed to the committee, describe the procedures and regulation of the organization and its operation and resume his/her most important actions during the business year.

Article 16 of the Board of Directors regulations establishes that:

1.- The members of the Audit and Corporate Governance Committee will be, in its entirety, non executive board members appointed by the Board of Directors. the majority of its members must be independent board members and one of them will be appointed taking into account his/her knowledge and experience in matters of accounting, audit or both.

As a while the Committee members will have the technical knowledge pertinent to the sector of activity the Company belongs to.

2.- The Audit and Corporate Governance Committee will be comprised by a minimum of 3 and a maximum of 5 members. The establishment of the number and their appointment corresponds to the Board of Directors. The members of the Audit and Corporate Governance Committee will be elected for a maximum period of four years, being able to be reelected one or more times for periods of the same length.

3.- The Chairperson of the Audit and corporate Governance Committee will be appointed by the Board of Directors itself from among its independent Board members and must be replaced every four years, being able to be reelected once a period of one year has elapsed since his/her termination.

4.- The Audit and Corporate Governance Committee will also have a Secretary, who will be that of the Board of Directors, who, if he/she is not a member, will have voice but no vote. In case of absence, impossibility or indisposition of the Secretary, he/she will be replaced in the development of his/hr responsibilities by the Vice secretary of the Board of Directors, who will have voice but no vote

5.- The Audit and corporate Governance Committee will hold a meeting, at least, once per quarter and every time that is considered necessary, prior notice of meeting of its Chairperson, by his/her own decision or responding to the request of three of its member or the Executive Committee.

6.- The Audit and Corporate Governance Committee will be considered validly incorporated when attending to the meeting, attending or represented, more than half of its members. Deliberations are to be moderated by the Chairperson. In order to adopt agreements the favorable vote of the absolute majority of the attendants will be necessary, and in case of a tie, the Chairpersons will have a casting vote. Except when otherwise established, the responsibilities of the Audit and Corporate Governance Committee are to be consulted and proposed to the Board of Directors.

(The most important responsibilities and actions are detailed under section H) Other information of interest).

Identify the board member of the audit committee who has been appointed taking into consideration his/her knowledge and experience in matters of accounting, audit or both and report about the number of years that the Chairperson of this committee has been in charge.

Name of the board member with experience	MRS. ISABEL MARTÍN CASTELLA
Nº of years the chairperson has been in charge	1

APPOINTMENTS AND COMPENSATIONS COMMITTEE.

Name	Position	Category
MR. AUGUSTO DELKADER TEIG	CHAIRPERSON	Independent.
MRS. ISABEL MARTÍN CASTELLA	BOARD MEMBER	Independent.
MR. DEMETRIO CARCELLER ARCE	BOARD MEMBER	Substantial Shareholders Representative
GRUPO CORPORATIVO FUERTES, S.L.	MEMBER	Substantial Shareholders Representative
PRILOU, S.L.	MEMBER	Substantial Shareholders Representative

% of directors representing controlling shareholders	60.00%
% of independent board members	40.00%
% of external members	0.00%

Explain the responsibilities that have been attributed to the committee, describe the procedures and regulation of the organization and its operation and resume his/her most important actions during the business year.

Article 17 of the Board of Directors Regulation regulates the Appointment and Retributions Committee, according to the following terms:

1.- The Appointment and Compensations Committee will be fully comprised by non executive board members appointed by the Board of Directors, two of which, at least, must be independent board members, appointed in relation to their and professional experience.

2.- The Appointment and Compensation Committee will be comprised by a minimum of 3 and a maximum of 5 members. The establishment of the number and their appointment corresponds to the Board of Directors.

The members of the Appointments and Compensation Committee will be elected for a maximum period of four years, being able to be reelected one or more times for periods of the same length.

3.- The Chairperson of the Appointments and Compensation Committee will be appointed by the Board of Directors from among the Committee members who have the condition of independent.

4.- Likewise, the Appointments and Compensations Committee will also have a Secretary, who will be that of the Board of Directors, who, if he/she is not a member, will have voice but no vote. In case of absence, impossibility or indisposition of the Secretary, he/she will be replaced in the development of his/hr responsibilities by the Vice secretary of the Board of Directors, who will have voice but no vote

5.- The Appointments and Compensations Committee will meet when the Board of Directors or its Chairperson requests the issuing of a report or the adoption of proposals and, when applicable, whenever it is considered convenient for the good development of its responsibilities.

In any case, it will hold a meeting once a year to prepare the information about the compensations of the board members. The Appointments and Compensations Committee will hold a meeting by prior notice of meeting of its Chairperson, by his/her own decision or responding to the request of three of its member or the Executive Committee.

6.- The Appointments and Compensations Committee will be considered validly incorporated when attending to the meeting, attending or represented, more than half of its members. Deliberations are to be moderated by the Chairperson. In order to adopt agreements the favorable vote of the absolute majority of the attendants will be necessary, and in case of a tie, the Chairpersons will have a casting vote. Except when otherwise established, the responsibilities of the Appointments and Compensations Committee are to be consulted and proposed to the Board of Directors.

(The most important responsibilities and actions are detailed under section H) Other information of interest).

C.2.2 Complete the following chart with the information related to the number of female board members that comprise the committees of the board of directors during the past four business years:

	Number of female board members							
	Year 2017		2016 business year		2015 business		Year 2014	
	Number:	%	Number:	%	Number:	%	Number:	%
EXECUTIVE COMMITTEE.	0	0.00%	0	0.00%	0	0.00%	0	0.00%
AUDIT COMMITTEE AND CORPORATE GOVERNANCE.	1	20.00%	1	20.00%	1	20.00%	0	0.00%
COMMITTEE OF APPOINTMENTS AND COMPENSATIONS.	1	20.00%	1	20.00%	1	20.00%	0	0.00%

C.2.3 Abrogated section

C.2.4 Abrogated section.

C.2.5 State, when appropriate, the existence of a regulation of the board committees, the place where these are available for query and the modifications that have been performed during the business year. At the same time it will be stated if any annual report regarding the activities of the committee has been prepared.

EXECUTIVE OR DELEGATED COMMITTEE:

Brief description:

Article 47 of the Articles of Association as well as Article 15 of the Board Regulation, develops the competence and operational standards of the Committee, their text is available on the Company website, in the same manner said website is found in a section called Information for Shareholders and Investors, under the subsection of Corporate Governance, where its existence is informed about and it regulate everything related therein.

The Executive Committee assesses all years of its activity, which is subsequently submitted for its approval by the Board.

AUDIT AND CORPORATE GOVERNANCE COMMITTEE:

Brief description:

Article 48 of the Articles of Association as well as Article 16 of the Board Regulation, develops the competence and operational standards of the Committee, their text is available on the Company website, in the same manner said website is found in a section called Information for Shareholders and Investors, under the sub section of Corporate Governance, accessing the Board delegated Committees, where its existence is informed about and it regulates everything related therein.

See sections C.1.18 and C.2.1 of this report.

The Audit Committee assesses all years of its activity, which is subsequently submitted for its approval by the Board.

APPOINTMENTS AND COMPENSATIONS COMMITTEE:

Brief description:

Article 49 of the Articles of Association as well as Article 17 of the Board Regulation, develops the competence and operational standards of the Committee, their text is available on the Company website, in the same manner said website is found in a section called Information for Shareholders and Investors, under the sub section of Corporate Governance, accessing the Board delegated Committees, where its existence is informed about and it regulates everything related therein.

See sections C.1.18 and C.2.1 of this report.

The Appointments and Compensation Committee assesses all years of its activity, as well as that of the executive chairperson, all of which is subsequently submitted for its approval by the Board.

C.2.6 Abrogated section.

D RELATED OPERATIONS AND INTRAGROUP OPERATIONS

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

Procedure to inform regarding the approval of related transactions

Article 34 of the Board of Directors Regulation regulates the transactions with significant board members of shareholders, according to the following:

- 1.- The Board of Directors will know and authorize the transactions described in article 33 of the Company or companies of its group perform with board members, or owning shareholders, individually or together with others, of a significant participation, including shareholders represented in the Board of Directors of the company or companies of its group, or People Related to them (a "Related Operation"), except those cases in which the authorization is attributed to the General Meeting.
- 2.- It will be necessary to ensure the safety of the authorized transaction for the company equity or, when adequate, its performance under market conditions and the transparency of the process, prior report to the Audit and Corporate Governance Committee.
- 3.- Related Operations that the applicable regulation in effect exempts from approval when appropriate are exempt from this approval.
- 4.- The affected board members, or those representing or that are related with the affected shareholders, will abstain from participating in the deliberation and vote of the agreement in question.
- 5.- The Company will publish the transactions that are performed by the Company with its significant shareholders, board members, high management and group companies, under the terms established at each time by the applicable regulation in effect.

D.2 Detail those significant transactions that due to their amount or relevant due to their subject performed between the company or entities of its group, and with the company significant shareholders:

Name or corporate name of the significant shareholder	Name or corporate name of the company or entity of its group	Nature of the relation	Type of operation	Amount (thousands of Euros)
GRUPO CORPORATIVO FUERTES, S.L.	SACYR CONSTRUCCIÓN, S.A	Contractual	Others	39,792

D.3 Detail those significant transactions that due to their amount or relevant due to their subject performed between the company or entities of its group, and with 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)
MR. MATIAS CORTÉS DOMÍNGUEZ	TESCOR PROFESIONALES ASOCIADOS SLP.	CONTRACTUAL (Investee company)	Reception of services	828
MR. MATIAS CORTÉS DOMÍNGUEZ	LUIS JAVIER CORTÉS DOMÍNGUEZ	FAMILY MEMBER	Reception of services	1,849

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

In any event, information will be provided regarding any intragroup transactions performed with entities established in countries or territories that are considered tax havens:

Corporate name of the entity of its group

AP-1 EUROPISTAS CONCESIONARIA DEL ESTADO, S.A.

Amount (thousands of Euros): 1,268

Brief description of the transactions:

CONTRACTUAL (SERVICES RENDERING): ROAD CONSERVATION AND MAINTENANCE OPERATIONS.

Corporate name of the entity of its group

AUTOPISTA ASTUR LEONESA (AUCALSA)

Amount (thousands of Euros): 1,692

Brief description of the transactions:

CONTRACTUAL (SERVICES RENDERING): ROAD CONSERVATION AND MAINTENANCE OPERATIONS.

Corporate name of the entity of its group

AUTOPISTAS DE GALICIA (AUTOESTRADAS)

Amount (thousands of Euros): 1,270

Brief description of the transactions:

CONTRACTUAL (SERVICES RENDERING): ROAD CONSERVATION AND MAINTENANCE OPERATIONS.

Corporate name of the entity of its group

AUTOPISTAS DEL ATLANTICO (AUDASA)

Amount (thousands of Euros): 5,069

Brief description of the transactions:

CONTRACTUAL (SERVICES RENDERING): ROAD CONSERVATION AND MAINTENANCE OPERATIONS.

D.5 State the amount of the transactions performed with other related parties.

157,290 (in thousands of Euros).

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 board members, managers and most significant shareholders.

The regulation of the Board of Directors develops the obligations specific to the board members derived from the duty of loyalty, providing special attention to the conflict of interest and related operations.

Article 33.3 of the Board Regulation, states that the board member must communicate to the Board of Directors, through its Secretary, any situation of conflict, direct or indirect, that them or related people may have.

Article 34 of the Board Regulation states that the Board of Directors will know and authorize the operations described under article 229-1º of the Capital Company Act that the Company or companies of its group perform with board members, or with owning shareholders, individually or together with others, of a significant participation, including shareholders presented in the Board of Directors of the company or companies of its group, or with People Related to those except in those cases in which the authorization is attributed to the General Meeting.

It will be necessary to ensure the safety of the authorized transaction for the company equity or, when adequate, its performance under market conditions and the transparency of the process, prior report to the Audit and Corporate Governance Committee.

Related Operations that the applicable regulation in effect exempts from approval when appropriate are exempt from this approval.

The affected board members, or those representing or that are related with the affected shareholders, will abstain from participating in the deliberation and vote of the agreement in question.

The Company will publish the transactions that are performed by the Company with its significant shareholders, board members, high management and group companies, under the terms established at each time by the applicable regulation in effect.

D.7 Is there more than one company listed from the Group in Spain?

Yes

No

Identify the subsidiary companies that are listed in Spain:

Listed subsidiary company

State if they have publicly and accurately defined the areas of activity and possible business relations between, as well as those of the subsidiary company listed with the other group companies;

Define the possible business relations between the parent company and the listed subsidiary company, and between said company and the remaining group companies

Identify the mechanisms scheduled to solve the possible conflicts of interest between the listed company and the remaining group companies:

Mechanisms to solve the possible conflicts of interest

E CONTROL AND RISK MANAGEMENT SYSTEMS

E.1 Explain the scope of the company Risk Management System, including those of tax matters.

The Sacyr Group, with an important presence in the international sector, develops its activity in different sectors, socioeconomic environments and regulating frames. There are several different types of risks within this contexts, related 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 support areas at a corporate level and it has established a solid policy to identify, assess and manage the risks efficiently, which purpose is to guarantee the procurement of a reasonable degree of safety regarding the accomplishment of the efficiency and efficacy goals in the transactions, reliability of the information and compliance of the legislation.

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:

- Identify key decisions and procedure of the business which establish a systematic and structured manner to control and manage key risks during the life cycle of projects.
- Describe the risk analysis process.
- Establish the distribution of responsibilities in the analysis process.
- Define the scaling in the approval of the final recommendation which is the result of the analysis.

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 tolls 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 result are the risk maps at a Project, Business and Group level, which include the main strategic, tax and operational risks grouped in different categories (business scope, regulation, image and reputation, human resources, operations, financial, information for decision making, technology and information systems and good governance), together with an assessment of the possible impact and probability of occurrence.

Starting from said information, the Management of each business, with the cooperation of the Risk Control and Administration Management of the corresponding business unit and, when applicable, of the Internal Audit Management and Risk Committee, establishes its action priorities in matters of risks and establishes those measures to commission, taking into consideration its operational feasibility, possible effects, as well as the cost/benefit relation of its implementation.

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

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 Administration Management 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, which may affect the achievement of business goals.

That section analyzes the management that the Sacyr Group makes of some risks, framed within the regulatory compliance risks, which relevant or specificity advise for a detailed explanation.

Risk of regulatory compliance:

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, 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.

The Code of Conduct, among other dispositions, expressively 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.

Other risks:

In addition to the described regulatory compliance risks, control and communication mechanisms are also established for many other risks within the Groups Risk Control and Management Policy, of which we would like to point out the following:

- Risk of inadequate adaptation to the surroundings or the market in which the Group operates.
- Risk of inadequate management of aspects related to the social responsibility and sustainability, as well as corporate image.
- Risks related to the human capital: positioning, training, flexibility, dependence of key personnel, work environment, etc.
- Financial risks: credit, interest rate, exchange rate and liquidity.
- Risk of inadequate information for decision making.
- Risks related with the area of technology and information systems: network management, physical and logical security, information integrity.

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.

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.

E.6 Explain the response and supervision plans for the main risks of the entity, including the tax ones.

In the last business years, the importance and probability of the different risks taking place has suffered very significant changes. Due to this, our efforts during 2017 have been focused on the updating of the existing maps at a Project, Business and Group levels and the consolidation of the criminal risk 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 wayer operations with derivatives.

Each business unit performs an assessment prior to the contracting of the clients, which includes a solvency study. During the execution stage 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.

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.

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

In addition to what is established under the Articles of Association and the Board of Directors Regulations, 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.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 Manual of the Financial Information Internal Control System Compliance (SCIIF) 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. On July 27, 2017 the Board of Directors approved a new version of the code, which meant some modifications regarding the previous drafting and that has been performed with the purpose of including within its scope of application the Sacyr Foundation and its beneficiaries. 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.

Regarding the training, during the 2017 business year, the Sacyr Group has provided training about the Code of Conduct to a total of 396 employees.

- 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.

Since 2015 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 2017 business year, the Regulation Compliance Unit has performed the analysis of 102 cases.

- 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 2017 business year.

Training actions have been performed regarding accounting, finances, fiscal policy and investments, among which is necessary to point out the following: "Tax reform update", "Practical accounting", "Specialized course of tax consolidation", "Consolidated cash flow condition", "Excel applied to entrepreneurial and financial management", "Management of investments in startups", "Specialized course of tax audit", "International standards of financial information" and "Tax reform". Regarding other related areas, it is necessary to point out the following training actions "Training in matters of Criminal Liability of legal entities" and "Training in good governance".

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 2017 business year 597 employees have received training in this area and 1099 hours of training have been invested.

F.2 Assessment of the financial information risks

Report, at least, the following:

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

- If the process exists and it is documented.

The Sacyr Group has a Manual of the Financial Information Internal Control System Compliance (SCIIF). The documentation of the system includes narratives, 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, regulatory and strategic compliance; in the Financial Information Internal Control System, for the financial and report financial risks; in 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 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.

Currently the Sacyr Group has several regulations that establish the accounting criteria to be applied to specific transactions and the basic accounting policies and 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 SCIF.

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 plants; 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 Committee holds a meeting, at least, once per quarter and every time that is considered necessary, prior notice of meeting of the Chairperson, by his/her own decision or responding to the request of three of its member 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 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

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.

Comply

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.

Comply

Partially comply

Explain

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.

Complies

Partially complies

Explain

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

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

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

Comply

Partially comply

Explain

Information b), c) and d) is published in the website regularly. In relation to section a) there is the will to publish it in the 2018 business year.

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

Comply

Explain

Although the company has not broadcasted live its general meeting of 2017, once the shareholders meeting has concluded, SACYR publishes in its website (www.sacyr.es) the text of the adopted agreements, the result of the votes and the remaining documentation related to the General Meeting, including the corporate video projected during said meeting.

However, the company will assess complying with this recommendation due, among other questions, to the possible interest of the shareholders and institutional investors.

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

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

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.

Comply

Partially comply

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.

Comply

Partially comply

Explain

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

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.

Comply

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

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

Partially complies

Explain

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.

Comply

Explain

The non compliance is alleviated when the criterion of existing a plurality of represented shareholders in the board without relation among them is considered applicable.

17. When 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.

Comply

Explain

In the Board of Directors of Sacyr, S.A. there are three independent board members from a total of board members, not reaching the recommended one third. Notwithstanding, the company considers that the real independence that this recommendation seeks to accomplished will be complied with when there is a plurality of directors representing substantial shareholders who represent more than 30 per 100 of the capital stock belonging to different shareholders that have no relation among them. This plurality of directors representing substantial shareholders acts with total independence in relation to the remaining board members with the purpose of defending the interests of the company which they own. This plurality of directors representing substantial shareholders favors a reciprocal control regime which results as a benefit of free float.

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.

Comply

Partially comply

Explain

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.

Comply

Partially comply

Explain

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 by the criterion of proportionality established under recommendation 16.

Comply

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 causes 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.

Comply

Partially comply

Explain

Not applicable

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.

Comply

Partially comply

Explain

Not applicable

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

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

Comply Partially comply Explain

The Company did not deem it necessary to limit the number of board of directors in which its board members can participate as well as not having established limitations in relation to the professional obligations of each of them, since the board members regularly attend the Board and Committee meetings.

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.

Comply Partially comply Explain

Although the annual meeting plan and the formal catalog of subjects are purpose of debate within the Board of Directors before its approval, there is not a specific stipulation in the Board Regulation so that the Board members can individually propose other agenda items which are initially not scheduled, bestowing this authority over the independent coordinating Board member with the purpose of accomplishing the adequate development of the Board meetings.

It is scheduled under article 50.2.a) of the Company Articles of Association that the Board of Directors can be convened, providing the agenda and for its celebration the location where its corporate address is found, those board members who represent at least one third of the Board of Directors, if, prior request to the Chairperson, he/she, without a justified cause, did not perform the notice of meeting within the period of one month.

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 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.

Comply Partially comply 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 that is demanded from the board members for the exercise of their responsibilities, the companies also offer to the board members knowledge update programs when the circumstances so advise it.

Comply 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.

Comply Partially comply Explain

The consent of the board members to the approval of decisions or agreements that do not appear in the agenda will be considered as granted implicitly with the approval of the agreement, although the Board Regulation does not foresee for the board of directors to have to approve a prior specific agreement which needs to be recorded in the minute.

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.

Comply Partially comply Explain

The board members have been informed about questions before events that have been considered significant; all without prejudice that the shareholders movements of the company are a part of the information included in the IAGC.

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.

Comply Partially comply Explain Not applicable

According to the Board Regulation (of Directors, the Coordinating Board member has the mentioned responsibilities, except that of maintaining contact with investors and shareholders, and coordinating the Chairperson succession plan, responsibility that the Board Regulation attributes to the Appointment and Compensation Committee, according to article 529 quincecies of the LSC.

Regarding the relations with the shareholders and the investors, it is the Board of Directors which has established the relation criteria with the shareholders and investors in the Communication policy and contact with shareholders and voting counselors, approved on December 15, 2016; which is executed by the CEO with the cooperation of the Investors Relation Management, dependent on the Financial General Management.

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.

Comply

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 report that the different committees submit to the board of directors will be used as a base for the performance of the assessment of the different committees, and for the board of directors, the report the board submits to the appointment 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

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.

Comply

Partially comply

Explain

Not applicable

The Board of Directors in its meeting dated February 23, 2017 has agreed to restructure the Executive Committee, which is now comprised by 5 members, appointing as new members the Independent board members Mr. Juan María Aguirre Gonzalo and Mr. Augusto Delkader Reig, Chairpersons of the Audit and Corporate Governance Committee and the Appointment and Compensations Committee respectively. Therefore, the Executive Committee is currently comprised by an executive board member, two directors representing controlling shareholders and two independent board members.

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.

Comply

Partially comply

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 executive committee.

Comply

Partially comply

Explain

It has not been considered so far for the Internal Audit Management to have a functional dependence different than the remaining Managements existing in the company and that all of them depend from the CEO.

It is however the responsibility of the Audit Committee to ensure the independence of the internal audit unit and supervise the adequate development of its service.

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.

Comply

Partially comply

Explain

Not applicable

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

1. Regarding the information and internal control systems:

- a) Supervise 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 transgression, 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 accompanies said communication with a declaration over the possible existence of disagreements with the exiting auditor and, when applicable, their content.
- d) Ensure that the external auditor annually holds a meeting with the entire board of directors to inform them about the work that has been performed and about the evolution of the accounting situation and risks of the company.
- e) Ensure that the company and the external auditor respect the applicable regulations about the rendering of the services different than those of audit, the limits to the concentration of the auditing business and, in general, the other regulations about auditors independence.

Complies

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

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.

Comply

Partially comply

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

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

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.

Comply

Partially comply

Explain

The Appointment and Compensation Committee is comprised of five members, all of them non executive board members. The Chairperson and one of the members are independent board members.

In the Sacyr Board of Directors there are three independent board members, and the company as pursued a different composition in the Appointment and Retributions Committee and in the Audit and Corporate Governance Committee with the purpose of achieving an independence between both bodies and a greater participation of all external board members in the different committees.

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

Comply

Explain

Not applicable

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

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

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

Partially complies

Explain

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

- a) That they are exclusively comprised by non executive board members, with a majority of independent board members.
- b) That their chairpersons are independent board members.
- c) That the board of directors appoints the members of these committees taking into consideration the knowledge, aptitudes and experience of the board members and the purpose of each committee, deliberates over their answers and reports; and that it renders accounts, in the first board of directors with full attendance after its meetings, regarding its activity and that is 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.

Comply Partially comply Explain Not applicable

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.

Comply Partially comply Explain

The company has not considered up to this date that the responsibilities related to the supervision of the communication and relation strategy with shareholders and investors, are to be exercised by the Audit and Corporate Governance Committee.

It is the Board of Directors which has established the relation criteria with the shareholders and investors in the Communication policy and contact with shareholders and voting counselors, approved on December 15, 2016; which is executed by the CEO with the cooperation of the Investors Relation Management, belonging to the Financial General Management.

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 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 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.

Comply 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 Partially complies Explain

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

And in particular that the variable components of the remunerations:

- a) Are related to performance criteria that are predetermined and measurable and that said criteria considered the risk that is assumed for the procurement of a result.
- b) Promote the sustainability of the company and includes non financial criteria that are adequate for the creation of long term value, such as the compliance of the internal regulations and procedures of the company and its policies for the control and management of its risks.
- c) 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.

Comply Partially comply 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.

Comply Partially comply 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.

Comply Partially comply 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.

Comply Partially comply 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 for the 2017 business year 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.

Comply Partially comply Explain 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.

Comply Partially comply Explain Not applicable

Although the contract signed with the executive director does not include a recovery clause, 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 of the compensation when these have been paid based on data which inaccuracy is subsequently openly proven, due to which it has not been considered necessary to modify the contract of the executive board member to specifically include this clause.

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.

Comply

Partially comply

Explain

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 INTERESTING INFORMATION

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 in question and the adherence date will be identified.

The Board of Directors approved on February 28, 2011 the adherence to the Good Tax Practice Code approved on July 20, 2010 by the plenary of the Large Companies Forum.

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

Sections A.2. and A.3:

The data contained in that section are the ones resulting on December 31, 2017 from the records of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. "Iberclear". (article 6 of the Company Articles of Association).

It is necessary to point out that Mr. Manuel Manrique Cecilia controls 100% of the capital stock of Telbasa Construcciones e Inversiones, S.L. which owns 100% of the capital stock of CYMOFAG, S.L.U.

Section A.4:

The data contained in these sections are the result of the information communicated to the CNMV and, when applicable, the company.

Section A.6:

The percentage of social participation affected by the parasocial agreement that has been reflected in this section is the one appearing in the syndication agreement subscribed in February 21, 2011; although from the last performed notification dated May 30, 2014 it results that the actually effected social percentage is 14,709%.

Section B.5:

It is necessary to clarify in relation to the number of shares necessary to attend to the General Meeting that according to article 25 of the Articles of Association, it will be necessary to be holder of, at least, a number of shares which joint face value exceeds one hundred and fifty.

Section C.1.11:

For a greater information we detail individuals representative of board members of Sacyr, S.A. legal entities, which assume the position of administrators or managers in other company that are a part of the Group of the listed company.

-Mr. José Manuel Loureda Mantiñán (representative of Prilou, S.L.), within the Sacyr Group, is member of the Board of Directors of Sacyr Construcción, S.A. (Board member) and Valoriza Gestión, S.A. (Chairperson and Board member without executive responsibilities in any of them).

- Mr. José Manuel Loureda López (representative of Prilomi, S.L.), within the Sacyr Group, is the General Manager of Sacyr Industrial, S.L., Board member of Sacyr Fluor, S.A.; Chairperson of the Board of Directors of Sacyr Nervión, S.L. and Board member of the following subsidiaries of Sacyr Industrial, S.L.: Chairperson of Sacyr Industrial México, S.A. de C.V, Manager of Sacyr Industrial LLC (Omán), Chairperson of Sacyr Industrial Mantenimientos Eléctricos Panamá, S.A., Chairperson of Sacyr Industrial Panamá, S.A., Chairperson of Sacyr Industrial Chile, SpA., Manager of the Consortium Isotrón Sacyr, S.A., Chairperson of Sacyr Industrial Mantenimiento Chile, SpA., and Chairperson of Sacyr Industrial Ecuador, S.A.

Section C.1.12:

Below, we mention the individuals representative of the board members of Sacyr, S.A., legal entities that are members of the Board of Directors of other listed entities in official securities markets, different from its group:

- Mr. Jose Manuel Loureda Mantiñán (representative of the Board member of Prilou, S.L.), is board member of Repsol, S.A, as individual.

Section C.1.15:

In relation to the general remuneration of the Board of Directors, according to the Company Articles of Association, the board members of Sacyr, S.A., in their condition of members of the Board of Directors, have the right to receive a compensation from the Company comprised by a fixed annual amount.

The general remuneration of the Board of Directors includes the gross amounts collected by the board members, as members of the Board of Directors, the set of the remuneration of the executive board member and the amount of accumulated rights in matters of pensions.

Section C.1.16:

The following concepts have been included in the total remuneration of the high management members: fixed, variable, retirement savings insurance and life insurance.

Section C.1.17:

The Board member of Disa Corporación Petrolífera S.A. is Bicar S.A., whose representative is Mr. Javier Adroher Biosca.

Section C.1.26:

According to article 54.2.a) of the Corporate Articles of Association and 24.2.a) of the Board Regulation, the Board members must place their position at the disposition of the Board of Directors and formalize, if it considers it convenient, the corresponding resignation, among others, when they reach the age of 65 years, in the case of executive board members, being able to, when applicable, continue as non executive board member.

Section C.1.33:

In the Board of Directors dated September 07, 2017 the waiver submitted by Mrs. Elena Otero Novas- Miranda to the position of General Secretary (non board member) of the company Board of Directors. The General Secretary, since then, was served by the Board Vice-secretary, Mrs. Estibaliz Pérez Arzoz.

Section C.1.45:

The compensation in favor of the Executive Board Member is scheduled in the Board Members Compensation Policy approved by the General Meeting; and his/her contract approved by the company Board of Directors

Section C.2.1:

Responsibilities of the Audit Committee:

Notwithstanding other tasks assigned by the applicable law, the Articles of Association, the Board of Directors Regulation, the Audit and Corporate Governance Committee will have the following responsibilities:

- a) Inform, through the Chairperson and/or Secretary, the General Meeting about matters brought forward therein regarding the matters that are the responsibility of the Audit and Corporate Governance Committee and, in particular, about the result of the audit, explaining how it has contributed to the integrity of the financial information and the responsibility that the committee has developed in said process.
- b) Supervise the efficiency of the systems and internal control units of the Company, as well as the internal audit and the risk management systems, as well as talk to the accounts auditor regarding the significant weaknesses of the internal control system detected during the performance of the audit, all without infringing its independence. For this purpose, and when applicable, they can submit recommendations or proposals to the Board of Directors within the corresponding period for their follow up.
- c) Supervise the preparation and submission procedure of the mandatory financial information, and submit recommendations and proposals to the Board of Directors, addressed to safe keep its integrity.

- d) Submit to the Board of Directors the selection, appointment, reelection and replacement of external auditors proposals, as well as the contracting conditions and regularly gather information from it regarding the audit plan and its execution, in addition to preserving its independence during the development of its responsibilities.
- e) Establish the necessary relations with the external auditor to receive the information regarding those questions that may represent a threat for its independence, for its review by the committee and any other related with the development process of the accounts audit and, when applicable, the authorization of those services different that the prohibited ones, under the terms established by the applicable law, as well as all other communications scheduled in the accounts auditing laws and the audit regulations. In any case, they must receive annually from the external auditor the declaration of independence in relation to the entity or entities related to it directly or indirectly, as well as the detailed and individualized information of the additional rendered services of any type and the corresponding received fees from these entities by the external auditor or by the people or entities related to it according to what is established under the regulating standards of the accounts audit activity.
- f) Issue annually, before the issuing of the accounts audit report, a report which will provide the opinion regarding the independence of the accounts auditor. This report must contain, in any case, the assessment caused by the rendering of the additional services which are mentioned in the previous section, individually considered and as a whole, different from the legal audit and regarding their independence or with the regulating standards of the audit.
- g) Inform the board of directors in advance about all matters scheduled under the Law, the Articles of Association and the Regulation and in particular, regarding:
 - 1) the financial information that the Company must make public periodically;
 - 2) the creation or acquisition of shares in entities with special purpose or with corporate headquarters in countries or territories which are considered as tax havens; and the operations with related parties.
- h) Ensure the independence of the unit that assumes the service of internal audit; inform about the proposals for 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.
- i) Review and perform improvement proposals regarding internal regulations of the Company corporate governance, taking into consideration the recommendations of general good governance in international markets, with the purpose of complying with its mission of promoting the company interest and taking into consideration, when appropriate, the legitimate interests of the remaining interests groups.
- j) Guide and supervise the actions of the Company in matters of Corporate social liability, reviewing the policies and ensuring that it is guided towards the creation of value.
- K) Supervise the compliance of the applicable regulation to the conduct in the stock market, and in particular, the Internal Conduct Regulation.
- l) Inform about the modification proposals of the Internal Conduct Regulation.
- m) Supervise the operation of the regulation compliance and criminal prevention form, as well as applying the code of conduct and its penalizing system in the cases in which those affected were board members.

Any member of the managing team or personnel of the Company which was required to will be responsible to attend the meetings of the Audit and Corporate governance Committee and provide his/her cooperation and access to the information that is available. The Audit and Corporate Governance Committee can also require the attendance to its meetings of the account auditors. For the better compliance of its responsibilities, the Audit and Corporate Governance Committee can obtain the counseling of external professional, for which purpose article 26 of this Regulation will be applicable.

In everything that has not been scheduled in the Company Articles of Association, the Regulation or in this article, the Audit and Corporate Governance Committee will regulate its own operations, applying, by default, the operation regulations established regarding the Board of Directors, as long as these are compatible with the nature and purpose of this Committee.

Most important actions during the business year:

In relation to the most important actions performed during the 2017 business year by the Committee, it is necessary to point out the following summarized ones:

- a) Matters related to External Auditors and/or Financial Statements: Approval of the action procedure regarding the rendering, by the accounts auditor, of services outside accounts auditing; -Accounts auditor report regarding the financial statements and management report of the 2016 business year. Declaration of independence of the accounts auditor. Internal audit and Committee report regarding the independence of the account auditor; Report about the preparation of the financial statements, the management report and the profit and loss application proposal, corresponding to the 2016 business year; annual report of the corporate governance; prior certification of the financial statements; Accounts auditor reelection proposal; submission of the 2017 business year accounts audit plan.
- b) Questions related to the Internal Audit Department: report about the performed and ongoing works of internal audit; Supervision of the company selection process for the assessment of immovable assets; Approval of the budget and internal audit plan for the 2018 business year.
- d) Matters related to Financial Information: The Audit Committee, with the cooperation of the Internal Audit and the General Financial Management, has also known the financial information preparation procedure and has supervised the periodic financial information approved by the Board of Directors.
- e) Matters related to good corporate governance and regulatory compliance: Regulation Compliance Unit: (i) report about the second half of 2016 and the annual assessment of the follow up of the model for the 2016 regulation compliance; (ii) Activities plan and budget for 2017; Assessment and operation report of the Audit and Corporate Governance Committee; Training manuals regarding transactions with securities and privileged information; Corporate Governance Annual Report; Code of Conduct Specific Modification; Report of the Regulatory Compliance Unit: First half of 2017; Annual report about the prevention of money laundering and external expert annual report.
- f) Matters related to corporate social responsibility: Favorable report to the Corporate Social Liability Policy, as well as the Corporate Social Liability Strategic Plan 2017-2020; integrated report.

g) Matters related to the supervision of business risks; Risk Committee report.

h) Other matters: report of operations with related parties; supervision of the Financial Information Internal Control System (SCIIF) etc...

Responsibilities of the Appointment and Retribution Committee:

Notwithstanding other tasks assigned by the applicable law, the Articles of Association, the Regulation or the Board of Directors, the Appointment and Compensation Committee will have the following responsibilities:

a) Assess the responsibilities, knowledge and experience that are necessary in the Board of Directors. For the above purposes, define the responsibilities and necessary aptitudes of the candidates that are to occupy each vacancy and assess the time and dedication necessary in order to perform an efficient development of their responsibilities.

b) Establish a gender representation goal for the least represented gender in the Board of Directors and prepare guidelines about how to reach said goal.

c) Submit to the Board of Directors the appointment proposals (for its assignment by cooptation or for its submission to the decision of the General Meeting) of the independent board members, as well as the proposals for the reelection or termination of said board members by the General Meeting.

d) Inform about the appointment proposals (for its assignment by cooptation or for its submission to the decision of the General Meeting) of the remaining board members, as well as the proposals for the reelection or termination by the General Meeting.

e) Inform about the appointment and termination proposals of the Vice chairperson, the Secretary and the Vice secretary of the Board of Directors.

f) Inform about the appointment and termination proposals of high management and the basic conditions of their contracts.

For the purposes of this Regulation, high management will be understood as those managers who report directly to the Board or the Managing Director, if any, and, when applicable, to the supervisor of the Company internal audit.

g) Propose to the Board of Directors the compensation policy of the board members and the general managers or whoever develops the positions of high management reporting directly to the Board of Directors, of its executive committees or managing directors, as well as individual compensation and other contractual conditions of executive board members, ensuring their compliance.

h) Periodically review the retribution programs, particularly those of high management and the managing team, assessing their adequacy and performance.

i) Organize and perform the annual assessment of the Chairperson of the Board of Directors, under the management and the drive of the Coordinating Board Member, informing the Board of Directors.

j) Examine and organize the replacement of the Chairperson of the Board of Directors and the top executive of the Company and, when applicable, prepare the proposals to the Board of Directors so that said replacement takes place in an organized and planned manner.

k) Inform the Board of Directors of those cases in which it is decided that the continuation of one or several members as members of said body can place in danger the interests of the Company or negatively affect its credit and reputation.

l) Annually inform the Board of Directors in relation to the assessment of the Board itself.

In everything that has not been scheduled in the Company Articles of Association, the Appointment and Compensations Committee will regulate its own operations, applying, by default, the operation regulations established regarding the Board of Directors, as long as these are compatible with the nature and purpose of this Committee.

Most important actions during the business year:

In relation to the most important actions performed during the 2017 business year by the Committee, it is necessary to point out the following summarized ones:

- Matters related to the compensations system: reports and proposals regarding the compensations policy; approval and compensation of the high management for the 2016 business year, of the CEO and the members of the Board and its Committees; reference remunerations for the 2017 business year; social forecast plans for high management and the CEO.

- Reports for the assessment of the operation of the Appointment and Compensation Committee in the development of its responsibilities by the Chairperson of the Board of Directors and top executive; and verification of the independence of the external who will cooperate in the assessment procedure.

- Annual report regarding the remunerations of Board

Members. Section C.2.2:

Those existing during the closing of the past four business years have been taken into consideration to calculate the percentage of female board members of the 2017 business years who participate in the committees of the Board of Directors, according to Memorandum 7/2015, of December 22, of the Spanish Securities and Investment Board.

Recommendation nº 19 of the Good Governance Code:

The company considers that it is not applicable since during the 2017 business year no directors representing controlling shareholders and those of any other class have been appointed.

Recommendation nº 20 of the Good Governance Code:

In relation to the 2017 business year the Company considers that it complies with this recommendation, taking into consideration that the Company Articles of Association specifically envisage under its article 51.2.f) as cases under which the Board members must place their position at the disposal of the Board and formalize, if considered necessary, the corresponding resignation, the case stipulated by this Recommendation ("in the case of directors representing controlling shareholders, when the shareholder they represent sells his/her total participation in the Company or, when doing so partially, they reach a level that entails the reduction obligation of its directors representing controlling shareholders").

Recommendation nº 60 of the Good Governance Code:

During the 2017 business year there have been no reservations that affect the calculation parameters of the variable compensation. If there had been any, they would have been taken into consideration.

This annual report of the corporate governance has been approved by the Board of directors of the company, in its meeting dated 22/03/2018.

State if there have been board members who have voted against or who have abstained in relation with the approval of this report.

Yes

No

Name or corporate name of the board member who did not vote in favor of the approval of this report:

BETA ASOCIADOS, S.L.

Reasons (against, abstention, no attendance):

Against

Explain the reasons:

In short, Beta Asociados, S.L. requests that:

1. The report must reflect under section C.1.8 that Beta Asociados has requested the rebalancing in the presence of several directors representing controlling shareholders in the Board of Directors, putting an end to alleged cases of representation excess, without said request having been acknowledged or specifically answered, at its discretion.
2. The report must specifically recognize under recommendation G.63 that the contract of the executive board member does not have reimbursement or "claw-back" clauses.

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 5 de abril de 2018, hemos aplicado determinados procedimientos sobre la "Información relativa al SCIIF" adjunta de SACYR, S.A. correspondiente al ejercicio 2017, 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 2017 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 X, relativo a la descripción del SCIIF, del modelo de IAGC según se establece en la Circular nº 7/2015 de la CNMV de fecha 22 de diciembre de 2015.
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.

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 la Circular nº 7/2015 de fecha 22 de diciembre de la Comisión Nacional del Mercado de Valores 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.

Año 2018 Nº 01/18/04310
SELLO CORPORATIVO: 30,00 EUR

Informe sobre trabajos distintos
a la auditoría de cuentas

ERNST & YOUNG, S.L.



Antonio Vázquez Pérez

16 de abril de 2018