

Annual Report of ACS Group 2009



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Cover photo: La Breña II dam in Almódovar del Río (Córdoba, Spain).

Corporate Governance Report of ACS Group 2009



Corporate Governance Report of ACS Group

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The Annual Corporate Governance Report, forms part of the Consolidated Directors' Report, in accordance with Article 202.5 of the Spanish Corporations Law. The aforementioned Directors' Report is included in the ACS Group's Economic and Financial Report for 2009.



Trust

A. Ownership Structure

A.1 Complete the following table on the company's share capital:

Date of last amendment	Share Capital (euros)	Number of shares	Number of voting rights
01/07/2009	157,332,297.00	314,664,594	314,664,594

Indicate whether there are different classes of shares with different rights associated thereto:

Yes	No
	X

Class	Number of shares	Par value	Unitary number of voting rights	Different rights
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A.2 Detail the direct or indirect holders of significant shareholdings of the company at the close of the financial year, excluding the Board Members:

Name or corporate name of the shareholder	Number of voting rights	Number of indirect voting rights (*)	% of total voting rights
Corporación Financiera Alba, S.A.	2,096,304	71,790,975	23.481
Inversiones Vesán, S.A.	38,815,575	0	12.336
Mr. Alberto Alcocer Torra	0	21,799,070	6.928
Mr. Alberto Cortina Alcocer	0	21,799,071	6.928
Sayglo Holding, S.L.	0	17,741,012	5.638
Southeastern Asset Management, Inc	0	17,166,306	5.455

Name or corporate name of the indirect shareholder	Held through: Name or corporate name of the direct shareholder	Number of voting rights	% of total voting rights
Corporación Financiera Alba, S.A.	Alba Participaciones, S.A.	71,790,975	22.815
Corporación Financiera Alba, S.A.	Corporación Financiera Alba, S.A.	2,096,304	0.666
Mr. Alberto Alcocer Torra	Catser, S.L.	506,500	0.161
Mr. Alberto Alcocer Torra	Comercio y Finanzas, S.A.	515,907	0.164
Mr. Alberto Alcocer Torra	Corporación Financiera Alcor, S.A.	466,440	0.148
Mr. Alberto Alcocer Torra	Imvernelin Patrimonio, S.L.	19,794,316	6.291
Mr. Alberto Alcocer Torra	Percacer, S.A.	515,907	0.164
Mr. Alberto Cortina Alcocer	Catser, S.L.	506,500	0.161
Mr. Alberto Cortina Alcocer	Comercio y Finanzas, S.A.	515,907	0.164
Mr. Alberto Cortina Alcocer	Corporación Financiera Alcor, S.A.	466,440	0.148
Mr. Alberto Cortina Alcocer	Imvernelin Patrimonio, S.L.	19,794,317	6.291
Mr. Alberto Cortina Alcocer	Percacer, S.A.	515,907	0.164
Sayglo Holding, S.L.	Gloya Trust, B.V.	97,355	0.031
Sayglo Holding, S.L.	Iberostar Hoteles y Apartamentos, S.L.	17,643,657	5.607

Indicate the most significant changes in the shareholding structure occurring during the financial year:

Name or corporate name of the shareholder	Transaction date	Description of the transaction
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A.3. Complete the following table on the members of the Board of Directors of the Company that hold rights over shares in the company:

Name or corporate name of the Board Member	Number of option rights held directly	Number of option rights held indirectly (*)	% of total voting rights
Mr. Florentino Pérez Rodríguez	0	38,815,575	12.336
Mr. Antonio García Ferrer	100,000	0	0.032
Mr. Pablo Vallbona Vadell	56,560	0	0.018
Mr. Agustín Batuecas Torrego	941,088	1,482,853	0.770
Mr. Francisco Servando Verdú Pons	1,000	0	0.000
Mr. Javier Echenique Landiribar	24,432	0	0.008
Mr. Javier Monzón de Cáceres	4,200	0	0.001
Mr. Joan David Grimà Terré	0	0	0.000
Mr. José Álvaro Cuervo García	0	42,000	0.013
Mr. José María Aguirre González	421,500	0	0.134
Mr. José María Loizaga Viguri	128,313	100,000	0.073
Mr. Juan March de la Lastra	37,750	0	0.012
Mr. Julio Sacristán Fidalgo	1,356	0	0.000
Mr. Manuel Delgado Solís	0	0	0.000
Mr. Miquel Roca i Junyent	12	0	0.000
Mr. Pedro José López Jiménez	0	1,500,000	0.477
Ms. Sabina Fluxá Thienemann	0	17,741,012	5.638
Mr. Santos Martínez-Conde Gutiérrez- Barquín	8,208	0	0.003
Mr. José Luis del Valle Pérez	121,000	0	0.038

Name or corporate name of the indirect shareholder	Held through: Name or corporate name of the direct shareholder	Number of voting rights held directly	% of total voting rights
Mr. Florentino Pérez Rodríguez	Inversiones Vesan, S.A.	38,815,575	12.336
Ms. Sabina Fluxá Thienemann	Iberostar Hoteles y Apartamentos, S.L.	17,643,657	5.607
Mr. Agustín Batuecas Torrego	Inversiones Batuecas Torrego S.L.	1,382,853	0.439
Mr. Pedro José López Jiménez	Fidwei Inversiones, S.L.	920,000	0.292
Mr. Pedro José López Jiménez	Lynx Capital, S.A.	580,000	0.184
Mr. Agustín Batuecas Torrego	Inversiones Ceda SL	100,000	0.032
Mr. José María Loizaga Viguri	Inversiones Europeas, S.L.	100,000	0.032
Ms. Sabina Fluxá Thienemann	Gloysa Trust, B.V.	97,355	0.031
Mr. José Álvaro Cuervo García	Sociedad de Estudios y Estrategia Empresarial, S.A.	42,000	0.013

Total % of voting rights in power of the Board of Directors	19.553
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A. Ownership Structure

Complete the following table on the members of the Board of Directors of the company that hold rights over shares in the Company:

Name or corporate name of the Board Member	Number of option rights held directly	Number of option rights held indirectly	Equivalent number of shares	% of total voting rights
Mr. Florentino Pérez Rodríguez	3,110,000	1	3,110,000	0.988
Mr. Antonio García Ferrer	150,000	1	150,000	0.048
Mr. Agustín Batuecas Torrego	70,000	1	70,000	0.022
Mr. José Luis del Valle Pérez	650,000	1	650,000	0.207

A.4 Indicate, if applicable, any relationships of a family, commercial, contractual or corporate nature existing between holders of significant shareholdings, to the extent that they are known by the company, excluding those of little significance or deriving from the ordinary course of business or trade:

Name or corporate name related	Type of relationship	Brief description
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A.5 Indicate the relationships of a commercial, contractual or corporate nature existing between holders of significant shareholdings and the Company, unless they are of little significance or derive from the ordinary course of business or trade:

Name or corporate name related	Type of relationship	Brief description
Inversiones Vesán, S.A.	Contractual	Rosan Inversiones, S.L., with tax identification code (spanish C.I.F.) B-78962099, company wholly owned by Mr. Florentino Pérez Rodríguez, formalised agreement for execution of works with the company Dragados, S.A. on 27-04-05, for the construction of a building in Madrid in 2009 amounted to 1,764,717.61

A.6 Indicate whether any shareholders' agreements affecting the company have been executed between shareholders pursuant to Article 112 of the Stock Exchange Law. If so, briefly describe the agreements and list the shareholders who entered into the agreement:

	Yes	No
		X

Indicate whether the company is aware of any concerted actions between its shareholders. If so, briefly describe them:

Yes	No
	X

If there has been any modification or termination of said pacts or agreements or concerted actions during the financial year, indicate them expressly.

A.7 Indicate if there is any individual or legal entity that exercises or could exercise control over the company under the terms of Article 4 of the Stock Exchange Law. If so, identify them:

Yes	No
	X

A.8 Complete the following tables on the company's treasury shares:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
0	9,835,633	3.126

(*) Held through

Name or corporate name of the direct shareholder	Number of direct shares
PR PISA, S.A.U.	9,835,633
Total	9,835,633

A. Ownership Structure

In accordance with the provisions set forth in Royal Decree 1362/2007, detail any significant changes during the financial year:

Notification Date	Total number of direct shares acquired	Total number of indirect shares acquired	Total % of share capital
04/03/2009	3,870,672	0	1.230
12/05/2009	3,525,069	418,663	1.253
27/05/2009	792,942	3,499,039	1.364
13/10/2009	0	3,237,699	1.029
30/12/2009	0	3,239,693	1.030
Gain / (Loss) on treasury shares disposed of in the year (in thousands of euros)			14,241

A.9 Detail the conditions and term of mandate of the General Shareholders' Meeting to the Board of Directors for engaging in acquisitions or transfers of treasury shares.

The following resolution was adopted at the Ordinary General Shareholders' Meeting held on 25 May 2009:

Render the previous authorisation granted by means of a resolution adopted by the General Shareholders' Meeting held on May 26, 2008 null and void, and under the conditions and requirements set forth in Article 75 of the Spanish Corporations Law, authorise both the Company's Board of Directors as well as those of subsidiary companies to acquire shares in the Company for valuable consideration, the par value of which does not exceed 5% of the issued share capital. Such authorisation shall be granted for a period of 18 months from the date of the aforementioned meeting. The minimum and maximum price shall be, respectively, the par value of the shares and a price not exceeding the price at which they are traded at the stock market on the date of the purchase, or the price authorised by the competent body of the Stock Exchange or by the Spanish Stock Market Commission.

A.10 Indicate the legal and statutory restrictions on the exercise of voting rights, as well as the statutory restrictions on the acquisition or sale of holdings in the share capital. Indicate whether there are legal restrictions on the exercise of voting rights:

	Yes	No
		X
Maximum percentage of voting rights that may be exercised by a shareholder under this legal restriction		0

Indicate whether there are statutory restrictions on the exercise of voting rights:

	Yes	No
		X
Maximum percentage of voting rights that may be exercised by a shareholder under this statutory restriction		0

Indicate whether there are any legal restrictions on the acquisition or sale of holdings in the share capital:

	Yes	No
		X

A.11 Indicate whether or not the General Shareholders' Meeting has resolved to adopt anti-takeover measures in accordance with the provisions of Law 6/2007.

	Yes	No
		X

If so, explain the measures adopted and the terms in which the restrictions will be deemed to be inefficient:

B. Structure of the Company Administration

B.1 Board of Directors

B.1.1 Outline the maximum and minimum number of Board Members provided for in the Company By-laws:

Maximum number of Board Members	21
Minimum number of Board Members	11

B.1.2 Complete the following table with the Board Members:

Name or corporate name of the Board Member	Representative	Position	Date first appointment	Date last appointment	Election Procedure
Mr. Florentino Pérez Rodríguez	-	Chairman and CEO	28/06/1989	03/12/2008	General Meeting
Mr. Antonio García Ferrer	-	Executive Vice Chairman	14/10/2003	03/12/2008	General Meeting
Mr. Pablo Vallbona Vadell	-	Vice Chairman	05/09/1997	03/12/2008	General Meeting
Mr. Agustín Batuecas Torrego	-	Board Member	29/06/1999	03/12/2008	General Meeting
Mr. Francisco Servando Verdú Pons	-	Board Member	19/05/2006	19/05/2006	General Meeting
Mr. Javier Echenique Landiribar	-	Board Member	20/05/2004	25/05/2009	General Meeting
Mr. Javier Monzón De Cáceres	-	Board Member	20/05/2004	25/05/2009	General Meeting
Mr. José Álvaro Cuervo García	-	Board Member	05/09/1997	03/12/2008	General Meeting
Mr. José María Aguirre González	-	Board Member	29/06/1995	19/05/2006	General Meeting
Mr. José María Loizaga Viguri	-	Board Member	28/06/1989	03/12/2008	General Meeting
Mr. Juan David Grimà Terré	-	Board Member	14/10/2003	03/12/2008	General Meeting
Mr. Juan March de la Lastra	-	Board Member	30/07/2008	03/12/2008	General Meeting
Mr. Julio Sacristán Fidalgo	-	Board Member	24/06/1998	03/12/2008	General Meeting
Mr. Manuel Delgado Solís	-	Board Member	20/05/2004	25/05/2009	General Meeting
Mr. Miquel Roca i Junyent	-	Board Member	14/10/2003	03/12/2008	General Meeting
Mr. Pedro José López Jiménez	-	Board Member	28/06/1989	03/12/2008	General Meeting
Ms. Sabina Fluxá Thienemann	-	Board Member	25/05/2009	25/05/2009	General Meeting
Mr. Santos Martínez-Conde Gutiérrez-Barquín	-	Board Member	19/06/2002	03/12/2008	General Meeting
Mr. José Luis del Valle Pérez	-	Secretary General Board Member	28/06/1989	03/12/2008	General Meeting
Total number of Board Members					19

Indicate the resignations from the Board of Directors that occurred during the period:

Name or corporate name of the Board Member	Position	Date of resignation
Mr. Miguel Fluxá Roselló	Proprietary	25/05/2009

B.1.3 Complete the following tables on the Board Members and their positions:

Executive Board Members

Name or corporate name of the Board member	Committee which proposed the appointment	Position in the Company's organisational chart
Mr. Florentino Pérez Rodríguez	Appointment and Remuneration Committee	Chairman and Ceo
Mr. Antonio García Ferrer	Appointment and Remuneration Committee	Executive Vice Chairman
Mr. Agustín Batuecas Torrego	Appointment and Remuneration Committee	Board Member
Mr. José Luis del Valle Pérez	Appointment and Remuneration Committee	Board Member Secretary
Total number of Executive Board Members		4
Total % of the Board		21.053

Proprietary & External Board Members

Name or corporate name of the Board Member	Committee which proposed the appointment	Name or corporate name of significant shareholder represented or that proposed his appointment
Mr. Pablo Vallbona Vadell	Appointment and Remuneration Committee	Corporación Financiera Alba, S.A.
Mr. Francisco Servando Verdú Pons	Appointment and Remuneration Committee	Corporación Financiera Alba, S.A.
Mr. Javier Echenique Landiribar	Appointment and Remuneration Committee	Corporación Financiera Alcor, S.A.
Mr. Javier Monzón de Cáceres	Appointment and Remuneration Committee	Corporación Financiera Alcor, S.A.
Mr. Juan March de la Lastra	Appointment and Remuneration Committee	Corporación Financiera Alba, S.A.
Mr. Julio Sacristán Fidalgo	Appointment and Remuneration Committee	Inversiones Vesán, S.A.
Mr. Manuel Delgado Solís	Appointment and Remuneration Committee	Corporación Financiera Alcor, S.A.
Ms. Sabina Fluxá Thienemann	Appointment and Remuneration Committee	Sayglo Holding S.L.
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Appointment and Remuneration Committee	Corporación Financiera Alba, S.A.
Total number of proprietary Board Members		9
Total % of Board		47.368

Independent External Board Members

Name or corporate name of the Board Member	Profile
Mr. José Álvaro Cuervo García	Born in 1942 in Carreño (Asturias). Professor of Economy at the Universidad Complutense de Madrid. Director of the Centro Universitario de Estudios Financieros (CUNEF - University Centre of Financial Studies). Rey Jaime I Economy Award (1992), Economy Award of Castilla León "Infanta Cristina" (1999) and Doctor Honoris Causa by the Universities of Oviedo, León, Castilla La Mancha, Las Palmas de Gran Canaria and Salamanca. He has worked as a professor at the Universities of Valladolid, Oviedo and CIDE (México), and was a visiting professor at Salomon Centre (Stern School of Business) in the University of New York and at the Institute of Management, Innovation and Organisation of the University of California, Berkeley. Vice-Dean of the Schools of Economic and Business Sciences of the Universities Complutense de Madrid and Oviedo and Dean of the latter. His lines of research focus on three areas: Economy and Business Management; Finance and the Financial System; and Privatisation and Public Firms. He is currently a member of the Board of Directors of Bolsas y Mercados Españoles (BME - Spanish Stock Exchanges and Markets), SONAE Industria and SONAE SGPS, S.A. (Portugal) and a member of the Advisory Council of Privatisation of the Spanish Government.
Mr. José María Aguirre González	Born in 1934 in Madrid. PhD in Civil Engineering. From 1958 to 1988 executive at Agromán Empresa Constructora where he was Chairman and General Manager. From 1988 to 2009 he was the Chairman of Banco Guipuzcoano, where he is now an honorary Chairman. He is currently the Vice-Chairman of CEOE, the Chairman of APD, Asociación para el Progreso de la Dirección (Association for the Progress of Management) and CEIT de Investigaciones Técnicas. Chairman of Praga de Hipotecas y Créditos, of Cobra and of Calvo y Munar. He was the Chairman of Siemens in Spain and of Acerinox.
Mr. José María Loizaga Viguri	Born in Bilbao (1936). He initiated his career in Banco Vizcaya and has held various executive positions. In 1968, he was General Manager of Zardoya and played a role in 1972 in the merger with Schneider Otis. Up to 1980, he was the head of Otis Elevator for Sothern Europe. In 1980 he founded Banco Hispano Industrial (BHA Group) and in 1982 he was appointed Vice-Chairman and CEO of Banco Unión which merged with Banco Urquijo where he held a position until 1985. On the latter date, he founded Mercapital, S.A. and was Chairman of this Group until 2008. He has held positions including, inter alia, Chairman of Bodegas Barón de Ley, Board Member of Banque Privée Edmond de Rothschild, Suez International, Otis International, Amorim Investment, Lácteas G Baquero, and Unión Fenosa, etc. He is currently Chairman of Cartera Industrial Rea, Bodegas Lan and Vice-Chairman of Zardoya Otis, as well as a Board Member of Otis Elevadores Portugal, Mecalux, etc. He is Commandeur de l'Ordre de Léopold II.
Mr. Juan David Grimà Terré	Born in 1953 in Sabadell (Barcelona). He has a PhD in Economics and Business and has studied at the Universidad Autónoma de Barcelona, Baylor and Harvard Business School. From 1992 to 2010 he was the general manager of Banco Santander. In January 2002 he was appointed Vice-Chairman and CEO of the Auna Group, a position he held in addition to his responsibilities at the Bank up to November 2005. He is a Board Member of TEKA, S.A.
Mr. Miquel Roca i Junyent	Born in 1940 en Cauderan (France). Degree in Law from Universidad de Barcelona. Secretary of the Board of Directors of Accesos de Madrid, Concesionaria Española, since January 2000. Secretary of the Board of Directors of Abertis Infraestructuras, S.A. Chairman of Fundación Abertis. Partner-Chairman of Despacho Roca Junyent.

Total number of independent Board Members		5
Total % of the Board		26.316

B. Structure of the Company Administration

Other External Board Members

Name or corporate name of the Board Member	Committee which proposed the appointment
Mr. Pedro José López Jiménez	Appointment and Remuneration Committee
Total number of other external Board Members	
	1
Total % of the Board	
	5.263

Indicate the reasons why they cannot be considered proprietary or independent and their relations, either to the Company, its management or its shareholders.

Name or corporate name of the Board Member	Company, executive or shareholder with whom there is a relation	Reasons
Mr. Pedro José López Jiménez		Mr. Pedro López Jiménez currently has an indirect ownership in the Company of 0.477%. However, he has been considered to be a proprietary Board Member ever since he was one of the Company's majority shareholders and owned 10% of the Company's shares. This ownership interest has progressively been diluted as a result mainly of the corresponding corporate mergers. Therefore, he was elected as an external Board Member by the Extraordinary General Shareholders' Meeting held on 3 December 2008.

Indicate any changes in the type of each Board Member during the period:

B.1.4 If applicable, explain the reasons for appointing a proprietary director at the request of shareholders who have a holding of less than 5% of the share capital.

Name or corporate name of the shareholder	Grounds

Indicate whether any formal requests by a shareholder to have a Board Member appointed were denied although the shareholder holds the same or a higher number of shares than another shareholder at whose request proprietary Board Members were appointed. In this case, explain the grounds for denying this request.

	Yes	No
		X

B.1.5 Indicate whether any Board Member resigned from office before the end of his term, whether he gave reasons to the Board for doing so, and by what means, and in the case that these reasons were not given to the whole of the Board in writing, provide an explanation of at least the reasons he gave for resigning:

	Yes	No
	X	

Name	Reason for resigning
Mr. Miguel Fluxá Roselló	He resigned in writing for professional reasons at the General Shareholders' Meeting held on 26 May 2009

B.1.6 If applicable, indicate any powers delegated to the Board Members or Chief Executive Officers:

Name or corporate name of the Board Member	Brief description
Mr. Florentino Pérez Rodríguez	All powers corresponding to the board except those that cannot be transferred.

B.1.7 If applicable, identify the members of the Board that hold the positions of director or other executive positions at companies in the same Group as the listed Company:

Name or corporate name of the Board Member	Corporate name of the Group Entity	Position
Mr. Antonio García Ferrer	ACS Servicios y Concesiones, S.L.	Board Member
	ACS Servicios. Comunicaciones y Energía, S.L.	Board Member
	Dragados, S.A.	Board Member
Mr. Agustín Batuecas Torrego	Construirail, S.A.	Board Member
	Continental Rail, S.A.	Individual Representative
	Dragados Servicios Portuarios y Logísticos, S.L.	Vice Chairman
	Intercambiador De Transportes Plaza de Castilla, S.A.	Individual Representative
Mr. Javier Echenique Landiribar	Intercambiador de Transportes Príncipe Pío, S.A.	Individual Representative
	ACS Servicios. Comunicaciones y Energía, S.L.	Board Member
Mr. Javier Monzón de Cáceres	ACS Servicios y Concesiones, S.L.	Board Member
Mr. José María Aguirre González	ACS Servicios. Comunicaciones y Energía, S.L.	Vice Chairman
	Cobra Gestión de Infraestructuras, S.L.	Chairman
Mr. Manuel Delgado Solís	Dragados, S.A.	Board Member
Mr. Pedro José López Jiménez	ACS Servicios y Concesiones, S.L.	Board Member
	Dragados, S.A.	Vice Chairman
Mr. José Luis del Vall e Pérez	ACS Servicios y Concesiones, S.L.	Board Member - Secretary
	ACS Servicios. Comunicaciones y Energía, S.L.	Board Member - Secretary
	Clece, S.A.	Board Member
	Cobra Gestión de Infraestructuras, S.L.	Board Member - Secretary
	Dragados Servicios Portuarios y Logísticos, S.L.	Board Member
	Dragados, S.A.	Board Member - Secretary
	Iberpistas, S.A.C.E.	Board Member - Secretary
	Iridium Concesiones de Infraestructuras, S.A.	Board Member
	Saba Aparcamientos, S.A.	Board Member
	Sociedad Española de Montajes Industriales, S.A.	Board Member - Secretary
Urbaser, S.A.	Board Member	

B. Structure of the Company Administration

B.1.8 List, if applicable, the Board Members of the Company who are members of the Board of Directors of other companies that are listed on official stock exchanges in Spain and which do not form part of the Company's Group and of which the Company is aware:

Name or corporate name of the Board Member	Listed Company	Position
Mr. Florentino Pérez Rodríguez	Abertis Infraestructuras, S.A.	Vice Chairman
Mr. Antonio García Ferrer	Abertis Infraestructuras, S.A.	Board Member
Mr. Pablo Vallbona Vadell	Abertis Infraestructuras, S.A. Corporación Financiera Alba, S.A.	Vice Chairman Vice Chairman
Mr. Francisco Servando Verdú Pons	Corporación Financiera Alba, S.A.	Board Member
Mr. Javier Echenique Landiribar	Abertis Infraestructuras, S.A. Grupo Empresarial Ence, S.A. Repsol YPF, S.A. Banco Guipuzcoano, S.A.	Board Member Board Member Board Member Chairman
Mr. Javier Monzón de Cáceres	Indra Sistemas, S.A.	Chairman
Mr. José Álvaro Cuervo García	Bolsas y Mercados Españoles. Sdad. Holding de Mdos y Stmas Fin. S.A.	Board Member
Mr. José María Loizaga Viguri	Mecalux, S.A. Cartera Industrial Rea, S.A. Zardoya Otis, S.A.	Board Member Presidente Vice Chairman
Mr. Juan March de la Lastra	Indra Sistemas, S.A. Corporación Financiera Alba, S.A.	Board Member Board Member
Mr. Miquel Roca i Junyent	Endesa, S.A.	Board Member
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Acerinox, S.A. Corporación Financiera Alba, S.A.	Board Member CEO

B.1.9 Indicate, and if applicable, explain whether the Company has set rules regarding the number of Boards on which its Board Members may also be a member:

	Yes	No
	X	

Explanation of the rules

Article 14 of the Rules of the Board of Directors provides that Board Members cannot, either directly or indirectly, hold positions in companies or firms that are competitors of the Company or of any of the Group companies or provide representation services on behalf of same. Additionally as currently worded, it limits the number of Groups which a Board Member of the Company can form part of to five, except in the case of express authorisation on a reasonable basis.

B.1.10 In relation to recommendation number 8 of the Unified Code, mark the Company's general policies and strategies which shall be approved by the Board in full:

	Yes	No
Investment and financing policy	X	
Definition of the structure of the corporate Group	X	
Corporate governance policy	X	
Corporate social responsibility policy	X	
Strategic or business plan, as well as the annual management and budget objectives	X	
Senior executive management evaluation and remuneration policies	X	
Risk control and management policy, and the periodic monitoring of internal information and control systems	X	
Policy on dividends and on treasury shares, and the limits to be applied	X	

B.1.11 Complete the following tables showing the total remuneration of the Board Members accrued during the financial year:

a) In the Company covered under the present report:

Nature of remuneration	Figures in thousand euros
Fixed remuneration	3,090
Variable remuneration	3,596
Expenses	0
Attendance Fees	2,410
Stock options and/or other financial instruments	587
Other	98
Total	9,781

Other benefits	Figures in thousand euros
Advances	0
Loans	0
Pension funds and plans: contributions	2,025
Pension funds and plans: obligations assumed	2,025
Life insurance premiums	16
Guarantees arranged by the Company in favour of Board Members	0

b) Received by Board Members of the Company for belonging to other Boards of Directors and/or senior management of companies of the Group:

Nature of remuneration	Figures in thousand euros
Fixed remuneration	445
Variable remuneration	0
Expenses	0
Attendance Fees	3,487
Stock options and/or other financial instruments	0
Other	60
Total	3,992

Other benefits	Figures in thousand euros
Advances	0
Loans	0
Pension funds and plans: contributions	0
Pension funds and plans: obligations assumed	0
Life insurance premiums	0
Guarantees arranged by the Company in favour of Board Members	0

c) Total compensation per type of Board Members:

Classes of Board Members	By company	By group
Executive Board Members	7,976	868
Proprietary & External Board Members	1,048	673
Independent External Board Members	632	73
Other External Board Members	125	2,378
Total	9,781	3,992

d) In relation to profit attributed to the parent

Total Board Members remuneration (thousands of euros)	13,773
Total Board Members remuneration/profit due to parent Company (as %)	0.7

B. Structure of the Company Administration

B.1.12 Identify the members of senior management that are not, in turn, Executive Board Members, and indicate the total remuneration accrued in their favour during the financial year:

Name or corporate name	Position
Mr. Juan Luis García-Gelabert Pérez	Director of Building of Dragados, S.A.
Mr. Octavio Del Real Sánchez	Assistant General Manager of Dragados, S.A.
Mr. José Zornoza Soto	Finance Manager of ACS Actividades de Construcción y Servicios, S.A.
Mr. Fernando García Arribas	General Manager of Drace Medioambiente, S.A.
Mr. Gonzalo Gómez-Zamalloa Baraibar	CEO of Vías y Construcciones, S.A.
Mr. Antonio Alfonso Sánchez	Assistant to the Chairman of ACS Servicios y Concesiones, S.L.
Mr. Víctor Revuelta García	General Manager of Iridium, Concesiones de Infraestructuras, S.A.
Mr. Manuel Pérez Beato	Chairman of Vías y Construcciones, S.A.
Mr. José Javier Román Hernando	General Manager of Clece, S.A.
Mr. José Luis López Molinillo	General Manager of ACS Actividades de Construcción y Servicios, S.A.
Mr. Eugenio Llorente Gómez	Chairman and CEO of ACS Servicios Comunicaciones y Energía, S.L.
Mr. Pablo García Arenal	General Plant Manager of Cobra Instalaciones y Servicios, S.A.
Mr. José Ignacio Legorburo Escobar	Director of Building of Vías y Construcciones, S.A.
Mr. José María Aguirre Fernández	Manager of Tecsa, Empresa Constructora, S.A.
Mr. Ricardo Martín De Bustamante Vega	Director of Civil Works of Dragados, S.A.
Mr. Maximiliano Navascués Redondo	Director of Contracts of Dragados, S.A.
Mr. Manuel Álvarez Muñoz	Director of Production of Vías y Construcciones, S.A.
Mr. Marcelino Fernández Verdes	Chairman and CEO of Dragados, S.A. and CEO of Const., Medioamb. y Conc.
Mr. Manuel García Buey	Chairman and CEO of Iridium, Concesiones de Infraestructuras, S.A.
Mr. José Ontañón Carrera	General Manager of Waste Treatment of Urbaser, S.A.
Mr. Javier Polanco Gómez-Lavín	Chairman and CEO of Urbaser, S.A. and Chairman of Dragados SPL, S.L.
Mr. José Reis Costa	Chairman of CME
Mr. Ángel Manuel García Altozano	Corporate General Manager of ACS Actividades de Construcción y Servicios, S.A.
Mr. José Romero De Ávila González-Albo	Secretary General of ACS Servicios Comunicaciones y Energía, S. L.
Mr. Daniel Vega Baladrón	CEO of Sociedad Española de Montajes Industriales, S.A. (SEMI)
Mr. Vicente Prados Tejada	General Manager of Control y Montajes Industriales, S.A.
Mr. Manuel Andrés Martínez	General Manager of Urban Waste of Urbaser, S.A.
Mr. Javier San Millán Pérezzagua	General Manager of Clece, S.A.
Mr. José Alfonso Nebrera García	General Manager of ACS Servicios Comunicaciones y Energía, S. L.
Mr. Cristóbal Valderas Alvarado	Chairman and CEO of Clece, S.A.
Mr. Juan Enrique Ruiz González	CEO of Sice Tecnologías y Sistemas
Ms. Cristina Aldamiz-Echevarría González de Durana	Director of Investments and Management Control of ACS Actividades de Construcción y Servicios, S.A.
Mr. Alfonso Costa Cuadrench	Director of Technical Services of Dragados, S.A.
Mr. José María López Piñol	General Manager of Urbaser, S.A.
Mr. Pedro Ascorbe Trian	General Manager of Dragados Offshore, S.A.
Mr. Alejandro Canga Bottegheiz	CEO of Geocisa y Soluciones de Edificación Integrales y Sostenibles, S.A.
Mr. Carlos Gerez Pascual	Director of Machinery of Dragados, S.A.
Mr. Luis Nogueira Miguelsanz	Secretary General of Dragados, S.A.
Mr. Francisco Fernández Lafuente	General Manager of Iridium, Concesiones de Infraestructuras, S.A.
Mr. Juan Mata Arbide	General manager of Flota Proyectos Singulares, S.A.
Mr. Epifanio Lozano Pueyo	Administration Manager of ACS Servicios Comunicaciones y Energía, S. L.
Mr. Víctor Luis Alberola Ruiperez	CEO of Dragados Servicios Portuarios y Logísticos, S.L.
Mr. Eloy Domínguez-Adame Bozzano	International Director of Dragados, S.A.
Mr. Andrés Sanz Carro	Secretary General of Sociedad Española de Montajes Industriales, S.A. (SEMI)
Mr. Ignacio Segura Suriñach	General Manager of Dragados, S.A.
Mr. Enrique Pérez Rodríguez	General Manager of the Real Estate area
Mr. Pablo Quirós Gracian	General Manager of Soluciones de Edificación Integrales y Sostenibles, S.A.
Mr. José María Castillo Lacabex	CEO of Imesapi, S.A.
Mr. Raúl Llamazares de la Puerta	CEO of Initec, Intecsa and Makiber
Mr. José Antonio Fernández García	General Manager of Electronic Traffic, S.A.

Total Management body remuneration (thousand euros)

26,206

B.1.13 Indicate on an aggregate basis if there are guarantee or protection clauses, in the case of dismissal or changes of control in favour of members of senior management, including the Executive Board Members, of the Company or its Group. Indicate if these contracts have to be notified and/or approved by the bodies of the Company or its Group:

Number of beneficiaries		
		9
	Board of Directors	General Meeting
Body authorising the clauses	X	
	Yes	No
Is the General Meeting informed about the clauses?		X

B.1.14 Indicate the process for establishing the remuneration of the members of the Board of Directors and the statutory clauses relevant in this respect.

Process for establishing the remuneration of the members of the Board of Directors and statutory clauses relevant in this respect

The remuneration of the different Board Members for statutory dues was proposed by the Board at the proposal of the Remuneration Committee. Every year, the global amount is submitted for approval by the Company's General Shareholders' Meeting within the agreement regarding the allocation of profits.

- This matter is ruled in the last three paragraphs of Article 34 of the Company By-laws which establish the following: in addition to the allowances and expenses agreed by the General Meeting, for statutory participation, the Board of Directors shall also be entitled to remuneration that does not exceed ten percent of the distributable net profit. This can only be allocated once the legal reserves and, if applicable, the statutory reserves have been made and the shareholders have been paid a dividend of at least four percent of the paid-up capital for each share.
- Express authorisation is hereby given to allow remuneration to all or any of the members of the Board of Directors, as well as executive staff of the Company and the companies that belong to the same Group, which consists in the surrender of Company shares or of stock option rights or through a reference to the value of said shares, in the manner, terms and conditions set by the General Shareholders' Meeting through the opportune agreement with the legally established requirements.
- The Board of Directors shall decide on the manner of distributing the remuneration due through the application of this Article, including the different amounts.
- In accordance with the provisions of Article 16 of the Rules of the Board of Directors, it shall be the Board that, after a report from the Appointment and Remuneration Committee, shall determine the distribution of the total corresponding amount, as well as the frequency, in accordance with legislation and By-laws in force. Furthermore in keeping with Article 24 of the Rules, the Appointment and Remuneration Committee has the duty to inform the Board of the following:
 1. The remuneration system of the Chairman of the Board of Directors and other senior executives of the Company.
 2. The distribution among the members of the Board of Directors of the overall remuneration agreed upon by the General Shareholders' Meeting, and if applicable, the establishment of supplementary remuneration and other supplementary payments corresponding to Executive Board Members in relation to their functions.
 3. Remuneration of Board Members.
 4. Long-term plans that may be established in accordance with the value of the share, such as stock option plans.

Mark whether the Board in full shall take these decisions.

	Yes	No
At the request of the Vice-Chairman, the appointment and eventual stepping down of senior executives and related compensation clauses.	X	
The remuneration of the Board Members, and if applicable, extra remuneration for executive and other functions that the contracts should respect.	X	

B. Structure of the Company Administration

B.1.15 Indicate whether the Board of Directors approves a detailed remuneration policy and specify the issues it deals with:

	Yes	No
The amount of the fixed components, itemised where necessary, of Board and Board Committee attendance fees, with an estimate of the fixed annual payment they give rise to.	X	
Variable pay items.	X	
Main characteristics of provision systems, and estimate of its equivalent annual cost.	X	
The conditions to be respected in the contracts of Executive Board Members exercising senior management functions.	X	

B.1.16 Indicate whether the Board submits a consultative report on the Board Members' remuneration policy to the vote of the General Shareholders' Meeting, as a separate point on the Agenda. If appropriate, explain the parts of the report relating to the remuneration policy approved by the Board for future years, the most significant changes in remuneration policy with respect to the previous year and an overall summary of how the remuneration policy was applied in the year. Detail the role of the Remuneration Committee and the identity of any external advisors retained:

	Yes	No
		X

B.1.17 Indicate the identity of any Board Members that are, at the same time, Board Members or executives at companies who hold significant shareholdings in the listed Company and/or entities in the Group:

Name or corporate name of the Board Member	Corporate name of the significant shareholder	Position
Mr. Florentino Pérez Rodríguez	Inversiones Vesán, S.A.	Director
Mr. Pablo Vallbona Vadell	Corporación Financiera Alba, S.A.	Vice chairman
Mr. Francisco Servando Verdú Pons	Corporación Financiera Alba, S.A.	Board member
Mr. Juan March de la Lastra	Corporación Financiera Alba, S.A.	Vice chairman
Ms. Sabina Fluxá Thienemann	Iberostar Hoteles y Apartamentos, S.L.	Board member
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Corporación Financiera Alba, S.A.	Ceo

Detail of any relevant relationships, other than those contemplated in the chart above, which could bind any Board Members with significant shareholders and/or their Group companies:

Name or corporate name of the related Board Member	Name or corporate name of the related significant shareholder	Description of Relationship
Mr. Pablo Vallbona Vadell	Corporación Financiera Alba, S.A.	Executive Vice Chairman of Banca March S.A., Main Shareholder of Corporación Financiera Alba
Mr. Francisco Servando Verdú Pons	Corporación Financiera Alba, S.A.	CEO of Banca March S.A., Main Shareholder of Corporación Financiera Alba, S.A.
Mr. Juan March de la Lastra	Corporación Financiera Alba, S.A.	Vice-Chairman of Banca March S.A., Main Shareholder of Corporación Financiera Alba S.A.
Mr. Julio Sacristán Fidalgo	Inversiones Vesán, S.A.	Brother in Law of Mr. Florentino Pérez, Administrator of Inversiones Vesan, S.A.
Mr. Manuel Delgado Solís	Percacer, S.A. Imvernelin Patrimonio, S.L.	Lawyer Lawyer
Ms. Sabina Fluxá Thienemann	Balear Inversiones Financieras, S.L.	Board Member of Iberostar Hoteles y Apartamentos, S.L. Subsidiary of Gloysa Holding, S.L.
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Corporación Financiera Alba, S.A.	Board Member of Banca March S.A., Main Shareholder of Corporación Financiera Alba S.A.

B.1.18 Indicate whether any amendments have been made to the Rules of the Board of Directors during the financial year:

Yes	No
	X

B.1.19 Indicate the procedures for appointment, re-election, evaluation and removal of Board Members. Detail the competent bodies, the steps to follow and the criteria to use in each of the procedures.

Appointment of Board Members

The issue is regulated in the Rules of the Board of Directors, in the following Articles, the literal content of which is the following:

Article 3.- Composition and appointments

Within the limits laid down by Article 13 of the Company By-laws in effect and notwithstanding the powers of proposal which, under the legislation in force, may correspond to the shareholders, the Board of Directors shall be responsible for proposing to the General Shareholders' Meeting both the number of Board Members and the persons, natural or legal, to be appointed. The appointment proposal must specify the proposed Members' condition of executive, representing substantial shareholders, independent or external.

Furthermore, in the event that vacancies were to arise, the Board of Directors may provisionally fill them from among the shareholders until the next General Shareholders' Meeting where the definitive choice would be made.

Article 4.- Duties (...) In particular, the Board of Directors shall be responsible for:

- Accepting the resignation of Board Members.
- Appointing, revoking and accepting the resignation of the Chairman, Vice Chairman and Secretary of the Board.
- Appointing, revoking and accepting the resignation of the Board Members that are to form part of the Committees and Commissions set forth in these Rules.

Article 11.- Period of appointment of the Board Members

The Board Members shall perform their functions during the term for which they were appointed, that is, six years. They may be re-elected one or more times for terms of equal or less time.

In the event of a vacancy for any reason, the Board of Directors may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive election shall take place.

B. Structure of the Company Administration

The appointment of Board Members shall expire when, once the corresponding period has elapsed, the next General Shareholders' Meeting is held or the term legally established for the General Meeting to take place elapses, in which case a resolution must be approved regarding the approval of the financial statements for the preceding year.

Article 17.- The Chairman

The Board shall elect a Chairman from among its members. The Chairman, in addition to the duties that correspond to him by virtue of current legislation, the Company By-laws and these Rules, shall undertake duties that befit the status of the top executive post of the Company, within the guidelines laid down by the General Shareholders' Meeting, the Board of Directors and the Executive Committee.

The Chairman shall have the widest possible powers for the purpose of carrying out his duties and, unless lawfully prohibited, may totally or partially replace same in favour of other members of the Board and executive personnel of the Company and, in general, to whomever he deems fit and proper.

Article 18.- The Vice Chairmen

The Board may likewise elect one or two Vice Chairmen from among its Board Members: The Vice Chairmen shall deputise for the Chairman in those instances of delegation, absence or illness and, in general, shall exercise all those duties that fall to the Chairman, the Executive Committee and the Board of Directors.

The replacement of the Chairman by the Vice Chairmen shall be carried out in accordance with the order of their appointment or, in the absence of this, through the order of their seniority and, finally, in order of age from eldest to youngest.

Article 19.- The Chief Executive Officer

The Board may appoint a Chief Executive Officer (CEO) and award him the powers required unless these are prohibited from being delegated through the Law or through the Company By-laws.

Article 20.- The Secretary

Following the issuance of a report by the Appointment and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-member, and who must be a practising lawyer. Apart from the functions laid down by the legislation in force, the Company By-laws and these Rules, the Secretary to the Board of Directors is responsible for: ensuring that actions arising from the Company bodies it forms part of comply with the requirements of law, issuing warnings in this respect and registering them in the Minutes.

Article 24. The Appointment and Remuneration Committee

Likewise, the Board of Directors shall set up an Appointment and Remuneration Committee to be made up of a Chairman and a minimum of two Members who shall be freely elected and moved, from among its members, by the Board of Directors, and who shall perform their functions during the term of four years for which they were elected. The Secretary to the Board of Directors shall attend the Committee's meetings, shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the Minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.

It shall only be deemed to be validly constituted when the majority of its members are present and it shall adopt its resolutions through a majority of those attending. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year.

The Appointment and Remuneration Committee is responsible for reporting to the Board of Directors on:

1. The remuneration system of the Chairman of the Board of Directors and other senior executives of the Company.
2. The distribution among the members of the Board of Directors of the overall remuneration agreed upon by the General Shareholders' Meeting, and if applicable, the establishment of supplementary remuneration and other supplementary payments corresponding to Executive Board Members in relation to their functions.
3. Remuneration of the Board Members.
4. Long-term plans that may be established in accordance with the value of the share, such as stock option plans.
5. Propose Board Member and Secretary to the Board of Director appointments.
6. Propose appointments of Senior Executives, especially those who will form part of the Group's Management Committee, and the basic conditions of their contracts.
7. Issues relating to gender diversity on the Board of Directors.

The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.

Re-Election of Board Members

The re-election of Board Members is regulated in Article 11 of the Rules of the Board of Directors, the literal content of which is the following:

Board Members shall hold their position during the six-year term for which they were elected. They may be re-elected once or more times for terms of the same maximum duration.

In the event of a vacancy for any reason, the Board of Directors may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive election shall take place.

The appointment of the Board Members shall expire when the term has ended and the subsequent General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether to approve the financial statements for the previous year.

Movement of Board Members

The issue is regulated in the Rules of the Board of Directors, in the following Articles, the literal content of which is the following:

Article 3.- Composition and appointments

Within the limits laid down by Article 13 of the Company By-laws in effect and notwithstanding the powers of proposal which, under the legislation in force, may correspond to the shareholders, it shall fall to the Board of Directors, which shall be responsible for proposing to the General Shareholders' Meeting both the number of Board Members and the persons, natural or legal, to be appointed. The appointment proposal must specify the proposed Members' condition of executive, representing substantial shareholders, independent or external.

Furthermore, in the event of vacancies arising, the Board of Directors may provisionally fill them from among the shareholders until the next General Shareholders' Meeting where the definitive choice would be made.

Article 4.- Duties (...) In particular, the Board of Directors shall be responsible for:

Accepting the resignation of Board Members.

Appointing, revoking and accepting the resignation of the Chairman, Vice Chairman and Secretary of the Board.

Appointing, discharging and accepting the resignation of Board Members who must form part of the Committees described herein.

Article 11.- Period of appointment of the Board Members

Board Members shall hold their position during the six-year term for which they were elected. They may be re-elected once or more times for terms of the same maximum duration.

In the event of a vacancy for any reason, the Board of Directors may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive election shall take place.

The appointment of the Board Members shall expire when the term has ended and the subsequent General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether to approve the financial statements for the previous year.

B. Structure of the Company Administration

B.1.20 Indicate in which events Board Members are obliged to resign.

This is not expressly considered

B.1.21 State whether the function of the Chief Executive Officer of the Company rests with the Chairman of the Board. If this is the case, indicate the measures that have been taken to limit the risks of accumulation of powers in a single person:

	Yes	No
	X	

Measures to limit risks

The Chairman of the Board, Mr. Florentino Pérez Rodríguez, is also CEO, and has delegated all the powers of the Board, except those that cannot be transferred. Therefore, in accordance with the Rules of the Board of Directors, the Chairman shall undertake the duties that befit the status of the top executive post of the Company, within the guidelines laid down by the General Shareholders' Meeting, the Board of Directors and the Executive Committee. His duty is not only delimited by this scope of powers that cannot be transferred, but also by the duties that he carries out as Chairman of the Executive Committee. Also noteworthy is that any resolution of special relevance to the Company shall be submitted to the approval of the Board of Directors, and an absolute majority shall be required, in which case neither the Chairman nor corresponding Committee shall have a casting vote.

Indicate if any rules have been stipulated empowering any of the independent Board Members to request the calling of Board meetings or the inclusion of new items on the Agenda, to coordinate and voice the concern of external Board Members and to direct an evaluation by the Board of Directors.

	Yes	No
	X	

Explanation of the rules

In accordance with the Rules of the Board amended on 25 February 20120, an independent Board Member shall have this power, and for these purposes, Mr. José María Aguirre González has been appointed.

B.1.22 Are higher majorities required, different from the legal majority, in any type of decision?:

	Yes	No
		X

Indicate how resolutions are adopted by the Board of Directors, identifying at least the minimum quorum of attendance and the type of majority to adopt resolutions:

Adoption of resolutions

Description of resolutions	Quorum	Type of Majority

B.1.23 State whether there are specific requisites, different from those related to Board Members, to be nominated Chairman.

Yes	No
	X

B.1.24 Indicate if the Chairman has a casting vote:

Yes	No
	X

B.1.25 Indicate if the Company By-laws or the Rules of the Board of Directors establish any limit on the age of Board Members:

Yes	No
	X

Age limit of Chairman	Age limit of Chief Executive Officer	Age limit of Board Member
0	0	0

B.1.26 Indicate if the Company By-laws or the Rules of the Board of Directors establish a limited mandate for independent Board Members:

Yes	No
	X

Maximum number of mandate years

B.1.27 In the event that there are few or no women Board Members, explain the reasons and initiatives adopted to correct this situation.

Explanation of reasons and initiatives

Equal opportunity and non-discrimination, basic principles of ACS included in the Company's Code of Conduct, are determining factors when promoting the professional and personal development of all ACS employees, and the Company assures equal opportunities through its policies. The effectiveness of this equal opportunities policy is guaranteed since it is accompanied by measures aimed at breaking down the traditional barriers on the entrance of females in a sector which is traditionally male, and measures to reconcile professional and personal life. In this connection, in 2009 Ms. Sabina Fluxá Thienemann was appointed as a Board Member, and is the first woman in the history of the Group to be appointed to this position. The number of women in management and professionals with higher degrees has increased significantly, i.e. by 18.3% with respect to the previous year, and there are now 3,652 women accounting for 29% of the total number of employees in this category. In fact, 6 of every 10 new net hires in this category are women. This increase has also been reflected in the total number of women employees, which at the end of 2009 had increased by 5.8% to over 54,000 women accounting for 38% of the Group's total staff.

B. Structure of the Company Administration

Specifically, indicate whether the Appointment and Remuneration Committee has established procedures to assure that recruitment processes are not implicitly biased in a manner which hinders the selection of women Board Members, and that candidates filling the required profile are deliberately sought:

	Yes	No
		X

B.1.28 Indicate if there are formal processes for the delegation of votes in the Board of Directors. If so, explain them briefly.

Without prejudice to the obligation to attend, the Board Members that cannot attend a meeting in person may be represented and cast a vote through another Board Member. This delegation must be made in writing to the Chairman and must be in the form of a letter, telegram, telex or fax or any other written means that acknowledges receipt by the addressee.

B.1.29 Indicate the number of meetings that the Board of Directors has held during the year. In addition, indicate the number of times the Board has met without the presence of the Chairman, if applicable:

Number of Board meetings	6
Number of Board meetings without the presence of the Chairman	0

Indicate the number of meetings held during the year by the different Board Committees:

Number of meetings of the Executive or Representative Committee	10
Number of meetings of the Audit Committee	5
Number of meetings of the Appointment and Remuneration Committee	1
Number of meetings of the Appointment Committee	0
Number of meetings of the Remuneration Committee	0

B.1.30 Indicate the number of meetings that the Board of Directors has held during the year without all Members present. In this calculation, Board Members who have granted proxies without specific instructions shall be considered to be absent:

Number of Board Member absences in the year	5
% of absences in comparison to the total number of votes in the year	4.385

B.1.31 Indicate whether the individual and consolidated financial statements submitted to the Board of Directors for their approval are previously certified:

	Yes	No
	X	

Identify, if applicable, the person/people that has/have certified the Company's individual and consolidated financial statements, for their preparation by the board:

Name	Position
Mr. Ángel Manuel García Altozano	Corporate General Manager

B.1.32 Explain the mechanisms established by the Board of Directors, if any, to prevent the individual and consolidated financial statements which it prepares from being presented at the General Shareholders' Meeting with a qualified auditor's report.

In this respect, routine meetings are held between the accounts auditor and the Audit Committee to analyse with sufficient notice any differences between the accounting criteria of the Company and its Group and the auditor's interpretation of the accounts. The foregoing is in accordance with Article 20 bis of the Company By-laws. It is considered that the 2009 auditors' reports on ACS Actividades de Construcción y Servicios, S.A. and the ACS Group will be favourable, as they were in 2007 and 2008.

B.1.33 Is the Secretary of the Board of Directors a Board Member?

	Yes	No
	X	

B.1.34 Explain the procedures relating to the appointment and stepping down of the Board Secretary, indicating whether the Secretary's appointment and dismissal were reported by the Appointment Committee and approved by the Board in full.

Procedure for appointment and dismissal

Following the issuance of a report by the Appointment and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-member, and who must be a practising lawyer. Apart from the functions laid down by the legislation in force, the Company By-laws and these Rules, the Secretary to the Board of Directors is responsible for ensuring that actions arising from the Company bodies it forms part of comply with the requirements of the law, issuing warnings in this respect and registering them in the Minutes. The appointment of the Secretary was not reported to the Appointment and Remuneration Committee since he was appointed years prior to the formation of this Committee.

Does the Appointment Committee report the appointment?	Yes
Does the Appointment Committee report the dismissal?	Yes
Does the Board in full approve the appointment?	Yes
Does the Board in full approve the dismissal?	Yes

Is the Secretary of the Board specifically responsible for ensuring that good governance recommendations are complied with?

	Yes	No
		X

B. Structure of the Company Administration

B.1.35 Indicate the mechanisms established by the Company, if any, to preserve the independence of the auditor, of the financial analysts, of the investment banks and the rating agencies.

With regard to the auditor, Article 23 of the Rules of the Board of Directors expressly sets forth that in addition to the appointment proposal, the Audit Committee shall be responsible for dealing with the external auditors in order to receive information on those matters that could jeopardise their independence and any others related to the process of implementation of the accounts auditing as well as those other communications provided for in accounts auditing legislation and technical standards of auditing. Elsewhere, both Article 20 bis of the Company By-laws as well as Article 23 of the Rules of the Board of Directors set forth that the appointment of the members of the Audit Committee cannot fall to anybody that is currently performing this task or who had carried out tasks of an executive or work nature in the Company during the three immediately preceding years. Moreover, the appointment of the Chairman must fall to a non-executive Board Members of the Company who cannot remain in this post for a period greater than four years. He can, however, be re-elected once a period of one year has elapsed from his stepping down.

Among the mechanisms employed to preserve the independence of the financial analysts and investment banks, the principles of maximum transparency and non-discrimination are noteworthy, where the Company bases its relationship with these entities on such principles. The Corporate General Management coordinates the relationship with said entities, establishing communication channels with both institutional investors and with individuals in order to guarantee fair and objective treatment. In addition and in relation to this matter, for the purposes of the General Shareholders' Meeting, a special service for shareholders has been started, especially directed at minority shareholders. The Corporate General Management also handles the mandates of the investment banks. The principles of transparency and non-discrimination are shown in a personalised fashion, and always in accordance with the Spanish Stock Market Commission (CNMV) regulations, through the communication of information relative to quarterly and other specific information (as a rule, no relevant information is published in the 15 days prior to the publication of the results), by email, on the web page (info@grupoacs.com), presented in person or transmitted through mobile phone and internet. All information for analysts, investors and individuals is included on the corporate website (www.grupoacs.com). There are no rating agencies for the Company.

B.1.36 Indicate whether the Company changed its external auditor in the year. If so, identify the incoming and outgoing auditor:

	Yes	No
		X

Outgoing Auditor	Incoming Auditor

In the event of there being disagreements with the outgoing auditor, explain the contents thereof:

	Yes	No
		X

B.1.37 Indicate if the auditing firm undertook other works for the Company and/or its Group other than the audit and in this case indicate the amount paid in fees for said works and the percentage that it represents of the total fees invoiced to the Company and/or Group:

	Yes	No
	X	

	Company	Group	Total
Amount for works other than the audit (thousand euros)	0	862	862
Amount for works other than audit / Total amount invoiced by the auditing firm (in %)	0.000	21.500	20.680

B.1.38 Indicate whether the Auditors' report on the financial statements for the previous year had any reservations or qualifications. If so, indicate the reasons given by the Chairman of the Audit Committee to explain the contents and scope of these reservations or qualifications.

	Yes	No
		X

B.1.39 Indicate the number of uninterrupted years that the current auditing firm has carried out the audit of the financial statements of the Company and/or its Group. Also indicate the percentage that the number of years audited by the current auditing firm represents of the total number of years which the financial statements have been audited:

	Company	Group
Number of uninterrupted years	20	20

	Company	Group
Number of years audited by the current auditing firm / number of years that the Company has been audited (in %)	100.0	100.0

B. Structure of the Company Administration

B.1.40 Indicate the shareholdings of members of the Company's Board of Directors in entities that have the same, analogous or complementary kinds of activities to the business purpose of both the Company and its Group, which have been notified to the Company. Also indicate the positions or duties that they perform in these companies:

Name or corporate name of the Board Member	Name of the object Company	% of ownership	Position or function
Mr. Florentino Pérez Rodríguez	Abertis Infraestructuras, S.A.	0.000	Vice Chairman
Mr. Antonio García Ferrer	Abertis Infraestructuras, S.A.	0.000	Board Member
Mr. Pablo Vallbona Vadell	Abertis Infraestructuras, S.A.	0.001	Vice Chairman
Mr. Javier Echenique Landiribar	Abertis Infraestructuras, S.A.	0.002	Board Member
Mr. Javier Monzón de Cáceres	Banco Inversis Net, S.A.	0.000	Individual Representing Board Member Indra Sistemas S.A.
	YPF S.A.	0.000	Board Member
	Lagardere SCA	0.000	Member of the Supervision Board
	Indra Sistemas, S.A.	0.094	Chairman
Mr. Julio Sacristán Fidalgo	Autopistas Aumar S.A.C.E	0.000	Board Member
Mr. Pedro José López Jiménez	Grupo Terratest	45.000	Chairman (through Fapindus, S.L.)
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Grupo Ferrovial, S.A.	0.001	-
	Iberdrola, S.A.	0.001	-
	Gas Natural SDG, S.A.	0.001	-
	Abertis Infraestructuras, S.A.	0.001	-
	Telefónica, S.A.	0.001	-
	Endesa, S.A.	0.000	-
	Repsol YPF, S.A.	0.001	-
	Fomento De Construcciones Y Contratas, S.A.	0.004	-
	Iberdrola Renovables, S.A.	0.000	-
	Técnicas Reunidas, S.A.	0.002	-
	Enagas, S.A.	0.002	-
Indra Sistemas, S.A.	0.001	-	
Mr. José Luis del Valle Pérez	Sagital, S.A.	5.100	-
	Del Valle Inversiones, S.A.	33.330	Joint And Several Administrator
	Inversiones Montecarmelo, S.A.	23.490	-

B.1.41 Indicate and detail, if applicable, if there is any procedure for the Board Members to obtain external advice:

	Yes	No
		X

B.1.42 Indicate and if applicable provide details of any procedure for Board Members to obtain the information required to prepare for the meetings of the management bodies with sufficient time:

	Yes	No
	X	

Detail of procedure

Article 15 of the Rules expressly considers the right of the Board Members to request and obtain the information and advice required to carry out their functions. The information that they consider necessary is to be requested through the Chairman or the Secretary of the Board.

B.1.43 Indicate and if applicable detail whether the Company has set rules requiring Board Members to report, and if necessary, resign in cases where they may harm the Company's credit and reputation:

Yes	No
X	

Explanation of the rules

Article 13 expressly states that in regard to the duty of loyalty, Board Members shall avoid conflicts of interest among themselves, or their most immediate relatives and the Company. Should any conflict of interest exist and be unavoidable, this must be notified to the Board of Directors and recorded in the Minutes of the first Board meeting that takes place. Shares, stock or derivative options that refer to the value of the interest of which they are holders, either directly or indirectly, must also be notified to the Company as soon as possible, and under all circumstances within the five days that follow. This applies both to the Board Members as well as their most immediate relatives. The Board Members must also notify the Company of any significant changes in their professional capacity and, specifically, those changes that affect their designation as a Board Member. They shall likewise inform the Company of any legal or administrative procedure that could have a negative effect on the reputation of the Company. The Board Members shall abstain from intervening in the deliberations and from taking part in the voting on those matters in which they have a particular interest. This shall also be expressly recorded in the Minutes.

B.1.44 Indicate whether any member of the Board of Directors has informed the Company that legal action has been taken or that a lawsuit has been filed against him for any of the crimes set forth in Article 124 of the Spanish Corporations' Law:

Yes	No
	X

Indicate whether the Board of Directors has analysed the case. If this response is affirmative, explain the reasons for the decision taken as to whether or not this Board Member should continue to hold office.

Yes	No
	X

B. Structure of the Company Administration

B.2 Committees of the Board of Directors

B.2.1 Detail of all the Committees of the Board of Directors and its members:

Executive Committee

Name	Position	Type
Mr. Florentino Pérez Rodríguez	Chairman	Executive
Mr. José María Loizaga Viguri	Vice Chairman	Independent
Mr. Antonio García Ferrer	Member	Executive
Mr. Javier Echenique Landiribar	Member	Proprietary
Mr. Pablo Vallbona Vadell	Member	Proprietary
Mr. Pedro José López Jiménez	Member	Other External
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Member	Proprietary

Audit Committee

Name	Position	Type
Mr. José Álvaro Cuervo García	Chairman	Independent
Mr. Julio Sacristán Fidalgo	Member	Proprietary
Mr. Manuel Delgado Solís	Member	Proprietary
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Member	Proprietary

Appointment and Remuneration Committee

Name	Position	Type
Mr. Pablo Vallbona Vadell	Chairman	Proprietary
Mr. Javier Echenique Landiribar	Member	Proprietary
Mr. José María Aguirre González	Member	Independent
Mr. José María Loizaga Viguri	Member	Independent

B.2.2 Mark whether the Audit Committee has the following duties:

	Yes	No
Monitor the preparation and the integrity of the financial information prepared on the Company and, where appropriate, the Group, checking for compliance with legal provisions and the correct application of accounting principles	X	
Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed	X	
Oversee the independence and effectiveness of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the resources to be assigned to the internal audit function; receive regular reports back on its activities; and verify that senior management is acting on the conclusions and recommendations of its reports	X	
Establish and supervise a mechanism whereby staff can report any irregularities, and particularly financial and accounting irregularities they detect in the course of their work anonymously or confidentially	X	
Elevar al Consejo las propuestas de selección, nombramiento, reelección y sustitución del auditor externo, así como las condiciones de su contratación	X	
Receive regular information from the external auditor on the progress and findings of the audit plan, and check that senior management are acting on its recommendation	X	
Oversee the independence of the external auditor	X	
In the case of groups, the group auditor shall be encouraged to assume responsibility for the audits of all the group companies	X	

B.2.3 Provide a description of the organisation and operating rules, as well as the responsibilities attributed to each of the Board Committees.

Committee Name	Brief description
Executive or Representative Committee	<p>The Executive Committee shall be comprised of the Chairman of the Board, who shall be its Chairman; of one or two Vice Chairmen, if these positions have been designated; of the Board Members designated by the Board of Directors; and of the Secretary of the Board, with voice but without vote, who shall act as Secretary.</p> <p>The Executive Committee shall meet as often as it is convened by the Chairman, either of his own initiative or when at least two members so request. The Committee is understood to be validly constituted when the majority of its elements are either present or represented and, save any other provision set forth in current legislation, in the Company By-laws or in these Rules, shall adopt its resolutions through a majority of attendees, either present or represented.</p> <p>Through delegation of the Board of Directors, the Executive Committee shall hold all the powers that correspond to this body, except those that cannot be transferred by law or through a provision in the Company By-laws. That notwithstanding, the Board of Directors may discuss the knowledge and decision of any issue that falls under its terms of reference, and the Executive Committee may submit any matter to the decision of the Board of Directors when, although the matter could be dealt with by the Committee, this body believes it is necessary for the Board to take the appropriate decision.</p> <p>The provisions set forth in the By-laws or the Rules of the Board of Directors regarding the operation of the Board of Directors shall be applied as necessary and with the natural adaptations.</p>
Audit Committee	<p>In accordance with the provisions set forth in Article 20 bis of the Company By-laws, there shall exist an Audit Committee to be made up of a minimum of three and a maximum of five members who shall be appointed and discharged, from among its members, by the Board of Directors. This appointment cannot fall to anyone who currently occupied this post or who has carried out tasks of an executive or work nature during the three immediately preceding years. The appointment of the Chairman, also to be made by the Board of Directors, must fall on one of the non-executive Board Members of the Company. Nevertheless, he may be re-elected after one year has elapsed since the end of his or her term of office. The Secretary to the Board of Directors shall attend the Committee's meetings, shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the Minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.</p> <p>It shall only be deemed to be constituted when the majority of its members are present and it shall adopt its agreements by majority vote of those attending. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year, coinciding with the initial and final stages of the auditing of the Company's financial statements and the consolidated financial statements of the Group of Companies and always prior to the issue of the audit reports. The Company's Auditor may attend these meetings, whenever especially convened, for the purpose of explaining the most significant aspects of the audit performed.</p> <p>The provisions set forth in the By-laws or the Rules of the Board of Directors regarding the operation of the Audit Committee shall be applied as necessary and with the natural adaptations.</p>
Appointment and Remuneration Committee	<p>Likewise, the Board of Directors shall set up an Appointment and Remuneration Committee to be made up of a Chairman and a minimum of two Members who shall be freely elected and moved, from among its members, by the Board of Directors, and who shall perform their functions during the term for which they were elected. The Secretary to the Board of Directors shall attend the Committee's meetings, shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the Minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.</p> <p>It shall only be deemed to be validly constituted when the majority of its members are present and it shall adopt its resolutions through a majority of those attending. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year.</p> <p>The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.</p>

B. Structure of the Company Administration

B.2.4 Indicate the powers of advice, consultation and, if applicable, delegations held by each of the Committees.

Committee Name	Brief description
Executive or Representative Committee	Through delegation of the Board of Directors, the Executive Committee shall hold all the powers that correspond to this body, except those that cannot be transferred by law or through a provision in the Company By-laws. That notwithstanding, the Board of Directors may discuss the knowledge and decision of any issue that falls under its terms of reference, and the Executive Committee may submit any matter to the decision of the Board of Directors when, although the matter could be dealt with by the Committee, this body believes it is necessary for the Board to take the appropriate decision.
Audit Committee	<p>The Audit Committee shall be responsible for the following functions:</p> <ul style="list-style-type: none"> a) Inform the General Shareholders' Meeting on issues of its competence raised by shareholders. b) Propose the appointment of the external auditors referred to in Section 204 of the Revised Text of the Corporations Law to the Board of Directors of the Company for submittal to the General Shareholders' Meeting. c) Revise and approve any significant changes to accounting policies of the Company and the subsidiaries in the Corporate Group, as well as the Corporate Group itself. Likewise, in general, all dealings with the external auditors to receive information on those issues that could jeopardise their independence as well as any others relating to the process of implementation of accounts auditing and any other communications set forth in legislation governing accounts auditing and the technical rules of accounting. d) Receive periodic reports from the internal auditing services and supervise its operation; propose the appointment, re-election and termination of its head; assure its independence and efficiency; propose a budget for this service; and verify that senior management takes into account its conclusions and recommendations. e) Supervise compliance with internal conduct codes and corporate governance rules. f) Be aware of the financial information process and the Company's internal control systems. g) Periodically review the risk control and management systems, assuring that they appropriately define the different types of risks (operating, technological and financial, including contingent, legal, and image liabilities, etc.) faced by the Company; define the acceptable risk level and establish the appropriate measures for mitigating the risks identified in the event that such risks were to arise. h) Review and provide information on the estimates made by the Company management and those forming part of its Group of Companies on possible tax and legal contingencies of a significant nature. i) Be aware of the results of inspections carried out by official authorities. j) Be aware of the information periodically provided to the Stock Market on the Company's accounts. k) Previously inform the Board of Directors of any related party transactions to be submitted for its approval. l) Any other matters which may be especially entrusted to it by the Board of Directors.
Appointment and Remuneration Committee	<p>The Appointment and Remuneration Committee is responsible for reporting to the Board of Directors on:</p> <ol style="list-style-type: none"> 1. The remuneration system of the Chairman of the Board of Directors and other senior executives of the Company. 2. The distribution among the members of the Board of Directors of the overall remuneration agreed upon by the General Shareholders' Meeting, and if applicable, the establishment of supplementary remuneration and other supplementary payments corresponding to Executive Board Members in relation to their functions. 3. Remuneration of the Board Members. 4. Long-term plans that may be established in accordance with the value of the share, such as stock option plans. 5. Proposed appointments of the Board Members and Secretary to the Board of Directors. 6. Proposed appointment of Senior Executives, especially those who will form part of the Group's Management Committee, and the basic conditions of their contracts. 7. Issues relating to gender diversity on the Board of Directors. <p>The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.</p>

B.2.5 Indicate, if applicable, if there are Rules of the Board Committees, where they can be consulted, and amendments made during the year. In addition, indicate on a voluntary basis if any annual report has been prepared on the activities of each Committee.

Committee Name	Brief description
Executive or Representative Committee	The Board Committees are regulated in Articles 19, 20 and 20 bis of the By-laws and Article 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website www.grupoacs.com . The specific rules relating to the Executive Committee are set forth in Article 22 of the Rules of the Board of Directors.
Audit Committee	The Board Committees are regulated in Articles 19, 20 and 20 bis of the By-laws and Article 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website www.grupoacs.com . The Audit Committee is regulated in accordance with Article 23 of the Rules of the Board of Directors.
Appointment and Remuneration Committee	The Board Committees are regulated in Articles 19, 20 and 20 bis of the By-laws and Article 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website, www.grupoacs.com . The Audit Committee is regulated in accordance with Article 24 of the Rules of the Board of Directors.

B.2.6 Indicate if the members of the Executive Committee reflect the shareholding in the Board of the different Board Members based on their status:

	Yes	No
	X	

C. Related-Party Transactions

C.1 Mark whether, following a favourable report from the Audit Committee or any other Committee assigned this task, the Board in full is responsible for approving the Company's transactions with Board Members, significant shareholders or shareholders represented on the Board, or individuals related thereto:

	Yes	No
	X	

C.2 Detail the relevant operations that involve a transfer of resources or obligations between the Company or entities of the Group and significant shareholders of the Company:

C.3 Detail the relevant operations that involve a transfer of resources or obligations between the Company and entities of its Group and the Board Members or executives of the Company:

C.4 Detail the relevant operations made by the Company with other companies belonging to the same Group, provided that they are not eliminated in the process of preparing the consolidated financial statements and do not form part of the normal business of the Company in terms of its business purpose and conditions:

C.5 Indicate whether the members of the Board of Directors have had any conflicts of interest in the year, pursuant to the provision of Spanish Corporations Law 127 ter.

	Yes	No
		X

C.6 Mechanisms established to detect and regulate possible conflicts of interest between the Company and/or the Group, and its Board Members, Executives or significant shareholders.

1. There are several standards included in the Rules of the Board of Directors. Article 13 specifically regulates conflicts of interest. With regard to the duty of loyalty, this Article stipulates that the Board Members shall avoid conflicts of interest between themselves, or their most immediate relatives and the Company. Should any conflict of interest exist and be unavoidable, this must be notified to the Board of Directors and recorded in the Minutes of the first Board meeting that takes place. Shares, stock or derivative options that refer to the value of the share of which they are holders, either directly or indirectly, must also be notified to the Company as soon as possible, and under all circumstances within the five days that follow. This applies both to the Board Members as well as their most immediate relatives.

The Board Members must also notify the Company of any significant changes in their professional capacity and, specifically, those changes that affect their designation as a Board Member. They shall likewise inform the Company of any legal or administrative procedure that could have a negative effect on the reputation of the Company.

The Board Members shall abstain from intervening in the deliberations and from taking part in the voting on those matters in which they have a particular interest. This shall also be expressly recorded in the Minutes.

Likewise, on regulating the non-competition and the use of information, Article 14 sets forth that the Board Members cannot, either directly or indirectly, hold positions in companies or firms that are competitors of the Company or of any of the Group companies or provide representation services on behalf of same. The Board Members cannot use restricted information that they have come to hold through the exercise of their position as a Board Member for any private purpose. More specifically, unless expressly authorised by the Board of Directors, the Board Members cannot benefit from commercial transactions that they have become aware of in their capacity as a Board Member.

Unless it is a duly authorised payment in kind, Board Members cannot make use of Company assets or use these assets to obtain a patrimonial advantage without paying the adequate consideration.

2. Likewise, there are Rules of Conduct in the Stock Markets that include a set of rules designed to detect and regulate any possible conflicts of interest between the Company and/or its Group, its Board Members, Directors or significant shareholders.

At its meeting of July 17, 2003, the Executive Committee of ACS, Actividades de Construcción y Servicios, S.A., by virtue of the powers vested in it by the Board of Directors, approved the Rules of Conduct in the Stock Markets, informing the Spanish Stock Market Commission (CNMV) of this on July 31, 2003. At its meeting on July 1, 2004, the Board of Directors unanimously resolved to approve a number of amendments to the Rules of Conduct in the Stock Exchange which were notified to the CNMV on July 2, 2004.

In general, the Rules apply to the Members of the Board of Directors, members of the Group Management Committee as well as, in general, those representatives and personnel of the Company that carry out activities that could fundamentally influence the Company's share listing. It also applies to Company representatives, personnel and external consultants who, for specific purposes, have privileged or reserved information regarding Company stock.

The Monitoring Unit provided for in the Rules shall have an updated list of the Board Members, representatives and personnel of the Company as well as external consultants bound by the same regulations. This list shall be made available to all supervising authorities of the stock markets. Both the inclusion on this list as well as exclusion from same shall be communicated in writing by the Chairman of the Monitoring Unit to all those affected.

The Rules are applied with regard to shares, stock options and similar contracts that grant the right to subscribe to or acquire Company shares, convertible or non-convertible securities, bonds, promissory notes, junior debt and, in general, any kind of financial instrument issued by the Company or, if applicable, by Group entities. The Rules shall also apply to cases of conflicts of interest pursuant to Article 7 of same.

All persons to whom the Rules apply must abstain from carrying out, or preparing to carry out, any kind of acts that falsify the free formation of prices on the stock market. Moreover, they must abstain from using all manner of privileged information, whether for personal gain or on behalf of third parties, which they have gained through the exercise of their functions at the Company or on behalf of the Company.

All members of the Board of Directors, representatives and personnel of the Company that possess privileged information regarding the negotiable securities and financial instruments issued by the Company or Group entities, are bound to safeguard same. This is without prejudice to their duty to communicate this information and to collaborate with the legal and administrative authorities in the terms legally set forth.

C. Related-Party Transactions

During the study or negotiation stages of any kind of legal or financial operation that could have an appreciable influence on the listing of the securities to which the Rules refer, the Company personnel that are in charge of these operations shall be obliged to:

- a) Inform only those people about the transaction, whether inside or outside the organisation, whose involvement is indispensable.
- b) Maintain, for each transaction, a register of the names of the people referred to in paragraph a), stating the date on which each had access to the information.
- c) Clearly inform the persons listed on the register of the nature of the information, their duty to keep it confidential and the prohibition from using it.
- d) Establish security measures for maintaining, filing, accessing, copying and distributing the information.
- e) Monitor the performance of the negotiable securities or financial instruments related to the transaction in process as well as the information made public in any specialised and ordinary media that could affect the process.
- f) In the event of unusual corporate volumes or prices, and if there are reasonable grounds to believe that these changes are the result of premature, partial or distorted reporting of the transaction, the individuals responsible for the transaction shall immediately inform the Secretary of the Board of Directors, who shall then report a relevant occurrence, providing clear and precise information on the status of the transaction underway or containing advanced notice of the information to be made public.

Persons subject to the Rules who carry out any kind of operation on negotiable securities or financial instruments issued by the Company must observe the following duties:

- a) Provide the Company, via the Chairman of the Monitoring Unit, with written information on any kind of purchase or sale or acquisition of option rights operation, carried out on their own behalf and which is related to the securities that constitute the target scope of these Rules. Also considered on the same level as operations carried out on their own behalf are those carried out by the spouse, unless this only affects their private or exclusive wealth in accordance with the financial marriage rules, by children under legal age or disabled under paternal powers of the obligee or by companies that are directly or indirectly controlled, or by intervening persons. Those operations that have not involved intervention by the person that is subject to these Rules because they were ordered by the entities that the affected person has entrusted their securities portfolio management to on a stable basis are excluded from this information obligation. In this case it shall be sufficient to inform the Chairman of the Monitoring Unit of the existence of the portfolio management contract and the name of the managing agent.
- b) At the request of the Chairman of the Monitoring Unit, to provide full details of the operations carried out on their own behalf that are related to the securities that constitute the objective sphere of application of these Rules.
- c) Communicate in writing to the Chairman of the Monitoring Unit, at the time of acquiring the status of Board Member, representative or staff member of the Company that is subject to these Rules, the list of the securities of the Company or the Group entities of which they are the holder, directly or indirectly via controlled companies or through intervening persons or entities or persons and entities that act jointly, as well as those that are owned by their children under the legal age or disabled under paternal powers of the obligee or those carried out by the spouse, unless this only affects their private or exclusive wealth in accordance with the financial marriage rules. In addition, written notification of the existence of the portfolio management contract and the name of the managing agent must be given.
- d) Submit to the Monitoring Unit, via its Chairman, any doubts regarding the application of these Rules, abstaining from any action until a response to the query has been received.

Without prejudice to the foregoing, when the operations on securities or financial instruments issued by the Company are carried out by Board Members, these must also be notified to the Stock Exchanges where the shares are listed and the Stock Market Committee, in the legally determined manner.

The Secretary of the Monitoring Unit shall maintain the communications, notifications and anything else related to the Rules duly filed and organised. Moreover, the Secretary shall maintain said file confidential and may, at any time, request confirmation from persons that are bound by the Rules of balances of securities and financial instruments that derive from the file.

The Monitoring Unit, through its Chairman, is responsible for formulating and maintaining an updated list of all persons subject to these Rules. The Monitoring Unit shall comprise the Secretary of the Board of Directors, who shall chair, the Corporate Director General and the Director of Administration, who shall act as Secretary.

Breach of the rules of conduct contained herein with regard to the provisions set forth in the Stock Market regulations may give rise to the corresponding administrative sanctions and other consequences that derive from applicable legislation. This shall be considered to be a work misdemeanour insofar as it affects Company staff.

C.7 Is more than one Group company listed in Spain?

	Yes	No
		X

Identify the subsidiaries listed in Spain:

D. Risk Control Systems

D.1 General description of the risk policies of the Company and/or its Group, detailing and evaluating the risks covered by the system, along with the justification of the appropriateness of these systems for the profile of each type of risk.

The ACS Group's risk control system is based on a range of strategic and operational actions designed to mitigate risks and fulfil the objectives established by the Board of Directors.

The diversity and complexity of the sectors in which the Group carries out its activities implies a variety of risks; the Corporate Unit is responsible for defining basic guidelines in order to homogenise performance criteria in each of the divisions to guarantee an adequate level of internal control. The companies and divisions of the Group are responsible for developing the required and appropriate internal regulation to govern the implementation of any necessary internal controls, which, in turn, shall guarantee optimum performance of such internal control in accordance with the special circumstances of their activities.

In order to respond to the need for global and homogeneous risk management, the Corporate Unit has established a risk management model which includes the identification, evaluation, classification, valuation, processing and follow-up of risks at the Group and operational business line levels. Once these risks have been identified, a risk map is prepared.

In light of the above, risks have been identified as follows:

- Operating risks, stemming from the different businesses that the Group develops and which vary depending on the area of activity, but which can be summarised in risks relative to entering into contracts, planning and control of the execution of the various works and projects, quality-related risks, environmental risks, and risks related to international activities.
- Non-operating risks, which also vary depending on the different businesses that the Group develops, such as risks relating to image, human resources, legal or regulatory matters, tax, financial matters and insurance coverage.

As indicated previously, the Group's risk control systems are based on a series of strategic and operational actions aimed at complying with risk policies by each area of Group activity. The actions are organised according to a decentralised model that allows each business unit to carry out its risk control and evaluation policies in accordance with certain basic principles. These principles are the following:

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

The systems provide the necessary information to supervise and evaluate the risk exposure of each business area and develop the corresponding management information required for decisions with the monitoring of the appropriate indicators.

The control systems implemented in each business area may be classified into the following categories:

Management systems for the entering into contracts and bidding processes for works and projects

Aimed at evaluating the profitability of projects from a technical and economic point of view, with sufficient guarantees to ensure client solvency.

Management systems for the planning and execution of works and projects

The Group and the various activity areas have several economic and production control systems designed to give reliable knowledge of the economic forecasts and deadlines for projects, from planning phase through execution of the projects, and information on the actual status at all times. These systems are part of a comprehensive economic and budgetary control system for each business area, and are adapted to the characteristics of their activities in order to provide the necessary information to the persons responsible for each area so that they may control the risks deriving from any possible deviation and make the appropriate decisions to optimise the management process. All information is kept in economic information systems which allow the consolidated parameters

to be easily monitored and controlled in a dynamic and strict manner. By giving Group Management detailed knowledge of the economic situation and potential and assumed risks, the system has become an essential element in the decision-making process.

Quality management systems

These are the means used to ensure the products manufactured and the services provided are in accordance with the requirements specified in the contract, as well as legal and statutory requirements, for the purpose of ensuring client satisfaction. The systems, which meet the requirements of the ISO 9001 standard, are based on preliminary identification of the relevant processes from the quality management point of view in which the activities developed in different areas are organised, in order to plan them and track them accordingly. The periodic review of the systems by the management and the setting of targets allows for ongoing improvements to be made to same.

Environmental management systems

The implementation of these systems in the different business areas of the Group allows them to undertake their activities while guaranteeing maximum respect for the environment. The systems, regulated by international standard ISO 14001, are based on the identification and evaluation of environmental aspects on which the business can have an impact, planning the necessary steps in order to eliminate or minimise risks by establishing adequate control measures in accordance with current legal requirements and the environmental code of conduct corresponding to each business unit. The basic criteria are as follows:

- a) Incorporation of the most advanced technologies in environmental issues, such as:
 - Conservation of energy and raw materials.
 - Using recyclable and biodegradable materials.
 - Minimising waste production and a respectful treatment with the environment.
 - Promoting the reforestation and landscaping of construction sites.
- b) Development of specific actions for activities that so require, depending on the effect of the impact.
- c) The means to provide clients with continuous information regarding environmental risks and possible preventive measures.

Human resources management systems

These systems are designed to establish compensation remuneration and objectives (especially for management personnel), hiring, training, evaluation of performance, motivation, control and follow-up of collective labour agreements and policies on expatriates. Under this heading, the prevention of labour risks is noteworthy. The ACS Group has developed a labour risk prevention policy that fully complies with current legislation. The policy is based on specific management systems for each business area. The criteria taken into consideration in this policy follow the basic principles of training, participation, individual responsibility and control of safety conditions. The systems are adapted to the specific characteristics of each business area. Occupational risk prevention plans based on the identification of risks are designed and implemented in order to eliminate them, evaluating potential risks to minimise these and take the necessary protective measures.

Financial risk control systems

The following are financial risks associated with Group activities:

- The liquidity risk is managed by maintaining sufficient amounts available to negotiate the substitution of transactions coming due for different, new transactions under the best terms and to meet short-term cash needs. In loan transactions, periodically a follow-up is performed on the concentration risk by financial entity to avoid an excessive concentration and be able to rely on a number of entities to manage risk situations in case the need should arise. In this area, the Group's objectives in relation to capital management are to maintain an optimal financial-equity structure in order to reduce the cost of capital, while safeguarding the Company's ability to continue operating with an adequately stable debt-to-equity ratio.
- Risks arising from changes in foreign exchange currency rates. In this case the Group finances its investments, when possible, in the same currency as the cash flows from said investments. This is not possible in the shallow markets associated with investments fundamentally in Latin America.

D. Risk Control Systems

- In relation to the risk arising from changes in interest rates, the impact that this could have on the Group results is evaluated. In this way, to avoid that such risk may give rise to elevated volatilities, the need to reduce said volatility is considered in such a way that the financing expense has a reduced percentage of variation.
- Credit risk, which arises from the incapacity of clients and debtors to fulfil the obligations established under contract. Client analysis is performed in specific cases and by analysing payment capacity through the knowledge existing in the Group on transactions with such client, from the moment at which negotiations with the client are to begin. In the case of foreign transactions, this analysis is performed in a thorough manner. In countries in which there is elevated risk, transactions are only performed if the party paying for the work or service is an international entity of acknowledged prestige and solvency, or is sufficiently insured.
- Exposure to equity security risk arises in investments performed in listed companies. Therefore, the market price of the securities of these companies are monitored and impairment tests are performed to verify their appropriateness. In this connection, the performance of investments by means of equity swaps is aimed at hedging possible changes in the disbursements to be made to obtain strategic holdings. Although the uncertainty of the effects of the disbursements to be made and of the obtainment of strategic holdings is eliminated, since the IFRS does not consider these to be hedges, they are subject to positive and negative fluctuations in the event of increases and decreases in value. The monitoring of financial risks is performed through methodological application in accordance with IRPF and the preparation of a series of reports that allow for the monitoring and control of said risks for decision-making.

Other systems

For legal or tax risks, the appropriate departments in each Company, business area or at the corporate level are relied upon, along with external support of renowned prestige in the area necessary to mitigate regulatory risks, litigation, etc. Additionally, the signing of contracts is supervised by the legal counsel of each company and, depending on its relevance, by the legal counsel of the various business areas or of the Group. Additionally, the signing of contracts is supervised by the legal counsel of each company and, depending on its relevance, by the legal counsel of the various business areas or of the Group.

The Group has a strategy for covering accidental risks which could affect Group assets and activities that involves the underwriting of insurance policies for any coverable risks. These policies are reviewed periodically to adapt them to the current and specific status of the risk covered. These policies are reviewed periodically to adapt them to the current and specific status of the risk covered.

D.2 Indicate if any of the different types of risk (operating, technological, financial, legal, reputational, tax-related, etc.) affecting the Company and or Group, arose during the year.

	Yes	No
	X	

If so, indicate the circumstances leading to the risk and whether the control systems established operated correctly.

Risk arising in the year: Those intrinsic to the Group companies' activities.

Related circumstances: Those arising from normal operations.

Operation of the control systems: As in previous years, the ACS Group carries out a number of transactions in different business activity sectors and in different countries. In view of their natures, business activity always gives rise to a number of both operating and non-operating risks. Their valuation and the indicators used to measure these risks are included in the risk map. In 2009, no risks arose in general lines which differed greatly from those already existing in previous years. Therefore, considering the risks which might be significant for the market, shareholders and investors, the different risks arising in the year and the manner in which the related expense and control systems have been used, are detailed.

1. The risk arising in the year in relation to the continual decline in the construction market in Spain as a result of the lack of liquidity and the decrease in contracting activity by the different Government bodies, has been reduced to a great extent as result of the use of the control systems established in the Group. By means of the analysis and monitoring of the order book, the Group's Executive Committee detected this decline in the Spanish market sufficiently in advance and took the initiative to expand in foreign markets. This expansion was evidenced as early as 2007 and in the following years, in view of the decision to invest in the US market, as in the case of the purchase of Schiavone, and later in 2009 in the case of the acquisitions of Pulice Construction Inc. and John P. Picone Inc, as well as the tender processes and later award of the contracts for different civil engineering works in the United States as well as other markets such as the Polish (with the purchase of 66% of Pol-Aqua), Portuguese, and Greek markets, etc. These investments reduced, although they did not fully compensate for the decline in the domestic market.
2. In the Spanish market, it is obvious that there has been a sharp drop in the real estate sector. In this case, the exposure of the ACS Group to risk was relatively small considering the size of the Group. Specifically, the activity of the ACS Group of relevance in this sector relates to residential building, which accounts for only 8.9% of its construction activity, a much lower percent than in the previous year (15.4%), and whose weight in the ACS Group accounts for 3.5% of its total consolidated sales. Within this line of business, credit risk is the most closely monitored risk. The monitoring of accounts receivable is a risk classified as high within the Group's risk map.

In all lines of business in which the ACS Group operates in both the public and private sector, credit risk is classified as high. From the date on which work or a project is contracted, the Contracting and Risk Committee assesses the solvency and volume of activity with a certain client on a weekly basis, prioritising above all assurance of the collection of receivables by means of an extensive analysis of the client, diversification of the customer portfolio so as to prevent risk concentration and an evaluation of the need for additional guarantees. Analytical accounts contained in the computer systems of each of the various Group companies collect comprehensive information from the beginning and throughout the execution process until final completion of each work or project, ranging from the level of project manager to different levels of responsibility subsequently added (Office, Area or Headquarters) on the collection status of each client (age, current phase, etc.).

Specifically, in relation to the real estate sector since 2007 risk began to be minimised giving rise at 31 December 2009 to the decreased exposure of accounts receivable from the real estate sector. The control of working capital based on its analysis as well as analysis of completed work pending certification, is one of the parameters used by the ACS Group to measure the meeting of targets and ratios.

3. The lack of liquidity of the financial sector has also had an influence on the ACS Group. In this connection, in addition to the effect on customer defaults monitored as indicated in the above paragraph, an increased difficulty in obtaining financing and/or a higher cost relating to carrying on the Group's activities and expanding into new projects, has been evidenced.

D. Risk Control Systems

In this regard, control mechanisms by means of debt indicators in relation to different aspects and the monitoring of covenant compliance clauses entered into by the Group years ago, have evidenced their operation, in this regard, the policies implemented on the balance between current and non-current financing involved the arrangement of five-year syndicated loans both by the parent of the Group (ACS, Actividades de Construcción y Servicios, S.A.) and its most capital intensive activities, such as Urbaser and SPL. Also, within non-current financing, Project finance became increasingly relevant as a mechanism for financing strategic activities relating to the Group's growth, especially in relation to long-term and capital intensive projects such as concession as well as energy-related projects. Specifically, in an effort to anticipate possible problems relating to the syndicated loans, agreements were entered into, which not only extended the maturity date of these loans to 2012 but also increased the amount financed to EUR 94 million for ACS Actividades de Construcción y Servicios, S.A. and EUR 100 million for Urbaser, S.A.

The policy of diversifying bank risk among a large number of national and foreign banks, decisions relating to efficient hedging by means of financial derivatives providing stability to finance costs by means of the monitoring of changes in interest rates, and capital management through the monitoring of compliance with ratios, have all led the ACS Group to lower its liquidity risk, which enabled it to arrange and have credit lines available earlier and to optimise the cash positions within the Group's different lines of business. Given these measures the Group has excess liquidity capacity allowing it to maintain a high enough solvency margin in relation to its investments in strategic assets.

This position was complemented by greater selectivity in the investment decisions within the Group based on increased profitability demands for each project to be undertaken. Lastly, the reorganisation of the future growth strategy of the ACS Group, giving rise to the completion of the sale of Unión Fenosa, S.A. in February 2009, has led the Group to have extraordinary liquidity and solvency in 2009 enabling the Group to grow from a position of financial strength.

D.3 Indicate whether there is a Committee or other government body responsible for setting up and supervising these control mechanisms.

	Yes	No
	X	

If so, describe their duties.

Name of Committee or Body	Description of duties
Audit Committee	The Board of Directors delegates the supervision of compliance with the established procedures to the Audit Committee, with the latter also responsible for the generic monitoring of compliance with the risk levels relevant to each activity.
Management Committee	The Management Committee determines the Group's global risk policy and, if appropriate, sets up the management mechanisms that ensure that the risks are kept within the approved levels.

D.4 Identification and description of the processes of compliance with the different Rules that affect the Company and/or its Group.

Throughout this report, direct or indirect reference has been made to the processes for complying with the various Rules to which the Company is subject in relation to corporate governance

Additionally, at an operating level, there is a risk management system under which each management level is responsible for complying with internal rules and procedures applicable to its activity. Its effectiveness is verified by means of periodic assessment by the technical services of the different activity areas as well as the Internal Audit Services.

The internal Audit Committee contributes to the management of the risks faced by the Group in relation to the fulfilment of its aims and to the prevention and control of fraud, by means of the ongoing analysis of the procedures and control systems of each of the companies forming part of the Group in the various business areas. The related conclusions and recommendations are reported to the Group management and to the heads of the companies assessed. Subsequently, the implementation of the actions contained in the aforementioned recommendations is strictly monitored.

Lastly, and in accordance with the Company By-laws and Rules of the Board of Directors, the Audit Committee receives periodic information from the internal audit services and assures compliance with the internal conduct code and rules of corporate governance.

E. General Shareholders' Meeting

E.1 Indicate, and if applicable describe the differences between the minimum required under the Spanish Corporations Law and the quorum required for holding the General Shareholders' Meeting.

	Yes	No
		X

	% quorum differing from the quorum required under the CL 102 for general cases	% quorum differing from the quorum required under CL 103 for special cases of Art. 103
Quorum required on the first call	0	0
Quorum required on the second call	0	0

E.2 Indicate whether there are differences between the Board's system for adapting resolutions and the system provided under Spanish Corporations Law, and if so, explain these differences.

	Yes	No
		X

Describe how it differs from the system envisaged in the Corporations Law.

	Reinforced majority other than that provided by Art. 103.2 of the CA for cases of 103.1	Other cases of reinforced majority
% required by the entity for the adoption of resolutions		

Describe differences

E.3 Detail the rights of shareholders with respect to Shareholders' Meetings that are different from those established in the Corporations Law.

There are no rights different from those provided by the Corporations Law, except that in order to be able to attend the General Shareholders' Meetings, it is necessary to hold 100 shares either alone, or together with other shareholders.

E.4 Indicate, if applicable, the measures adopted to encourage the participation of shareholders in the General Meetings.

Implementation of measures that make the vote delegation mechanism more transparent and to accentuate communication of the Company with its shareholders.

Provide detailed justification of the voting proposals that are offered in the application, with regard to the adoption of resolutions that involve a certain delegation importance, and reveal the existence of any conflict of interest, whenever appropriate.

The creation of channels or instruments of flexible communication. In addition to the standard information that the Company provides in the form of annual, six-monthly or quarterly reports, to promote meetings with market analysts, in order that these experiences reach the investors. The purpose of these measures is to maintain permanent communication channels with the shareholder that are complementary to the right to question at the general Meeting provided for under current legislation. This will allow shareholders to obtain the information they require at any time. In addition, Article 26 of the Company By-laws expressly includes the possibility of shareholders casting their vote from outside the General Meeting. Since the Ordinary Shareholders' Meeting held on 19 May 2005, this method of voting has been disseminated and the necessary rules and procedures for the remote voting via internet or fax are detailed at the corporate website of the Company.

E.5 Indicate if the position of Chairman of the Shareholders' Meeting coincides with that of the Chairman of the Board of Directors. Detail, in this event, the measures adopted to guarantee the independence of the Shareholders' Meeting and that it functions correctly:

	Yes	No
	X	

Detail of measures

E.6 Indicate, if applicable, the amendments made to the Rules of the Shareholders' Meeting during the year.

E.7 Indicate attendance figures for the Shareholders' Meetings held in the year that the present annual report refers to:

Attendance information

Date of the General Meeting	% attending in person	% by proxy	% remote voting		Total
			Electronic	Other	
25/05/2009	7.658	70.877	0.000	0.000	78.535

E.8 Indicate briefly the resolutions adopted in the Shareholders' Meetings held during the year that the present annual report refers to and voting percentage by which each resolution was adopted.

Ordinary General Meeting Held On 25 May 2009

The proposals of the Board regarding item 1 on the Agenda, read by the Secretary under letters a) and b) (approval of the individual and consolidated financial statements, approval of the proposal for the distribution of profits), were approved by a majority: the proposal read under letter a) with 249,992,229 votes in favour (representing 99.8633 % of the shares present or represented), 236,571 abstentions (representing 0.0945 % of the shares present or represented) and 105,520 against (representing 0.0422 % of the shares present or represented); the proposal read under letter b) with 249,992,229 votes in favour (representing 99.8633 % of the shares present or represented), 236,571 abstentions (representing 0.0945 % of the shares present or represented) and 105,520 votes against (representing 0.0422 % of the shares present or represented).

Item 2 on the Agenda, read by the Secretary under letters c) and d) (acknowledgement of the Annual Corporate Governance Report, the Corporate Responsibility Report, and the Special Report on Article 116 bis of the Spanish Securities Market Law, all for 2007) (the simple acknowledgement was not taken to a vote).

The proposal of the Board regarding point 3 of the Agenda, read by the Secretary under letter e) (approval of the management of the Board of Directors), was then taken to a vote and was approved by a majority with 250,124,411 votes in favour (representing 99.9161 % of the shares present or represented), 168,231 abstentions (representing 0.0672 % of the shares present or represented) and 41,678 votes against (representing 0.0166 % of the shares present or represented).

The proposal of the Board regarding item 4 on the Agenda, read by the Secretary under letter f) (re-appointment of the following proprietary Board Members of Corporación Financiera Alcor S.A. for the six-year provided in the By-laws):

- Mr. Manuel Delgado Solís, a Spanish citizen, of legal age, married, lawyer, with address for professional purposes at Plaza de Salesas 3, in Madrid, and holder of Spanish ID No. (D.N.I.) 50270209-Y. This proposal was approved by majority with 238,469,898 votes in favour (representing 95.2606 % of the shares present or represented), 171,522 abstentions (representing 0.0685 % of the shares present or represented) and 11,692,900 against (representing 4.6709 % of the shares present or represented).

E. General Shareholders' Meeting

- Mr. Javier Echenique Landiribar, a Spanish citizen, of legal age, married, an economist, with address for professional purposes at calle Goya 24 in Madrid, and holder of Spanish ID No. (D.N.I.) 15768843-C. This proposal was approved by majority with 238,469,898 votes in favour (representing 95.2606 % of the shares present or represented), 171,522 abstentions (representing 0.0685 % of the shares present or represented) and 11,692,900 against (representing 4.6709 % of the shares present or represented).
- Mr. Javier Monzón de Cáceres, a Spanish citizen, of legal age, married, an economist, with address for professional purposes at Avenida de Bruselas 35 in Alcobendas (Madrid) and holder of Spanish ID No. (D.N.I.) 277225-Y. This proposal was approved by majority with 238,480,298 votes in favour (representing 95.2647 % of the shares present or represented), 171,522 abstentions (representing 0.0685 % of the shares present or represented) and 11,682,500 against (representing 4.6668 % of the shares present or represented).

The proposal of the Board regarding item 4 on the Agenda, read by the Secretary under letter g) removal, at his own request and with gratitude for his services of the Board Member Mr. Miguel Fluxá Rosselló and appointment as proprietary Board Member of Grupo Iberostar for the six-year term provided in the By-laws of Ms. Sabina Fluxá Thienemann, a Spanish citizen, of legal age, single, Vice-President of the Iberostar Group, with address for these purposes at calle Menorca no 10, 07011 Palma de Mallorca (Balearic Islands) and holder of Spanish ID No. (D.N.I.) 43,120,530-S. This proposal was approved by majority with 243,122,792 votes in favour (representing 97.1192 % of the shares present and represented), 458 abstentions (representing 0.0002% of the shares present or represented) and 7,211,070 votes against (representing 2.8806 % of the shares present or represented).

The proposal of the Board regarding item 5 on the Agenda, read by the Secretary under letter h) (appointment of auditors of both the Company and the Group), was then taken to a vote and was approved by a majority with 249,706,439 votes in favour (representing 99.7492 % of the shares present or represented), 229,556 abstentions (representing 0.0917 % of the shares present or represented) and 398,325 votes against (representing 0.1591 % of the shares present or represented).

The proposal of the Board regarding item 6 on the Agenda, read by the Secretary under letter i) (authorisation to acquire shares in the Company for consideration), was then taken to a vote and was approved by a majority with 250,250,372 votes in favour (representing 99.9665 % of the shares present or represented), 458 abstentions (representing 0.0002 % of the shares present or represented) and 83,490 votes against (representing 0.0334 % of the shares present or represented).

The proposal of the Board regarding item 7 on the Agenda, read by the Secretary under letter j) (in accordance with Article 153.1.b) and 2 of the Spanish Consolidated Companies Law, authorise the Board of Directors to increase capital by up to half the Company's share capital on one or more occasions, and at the date and in the amount deemed to be appropriate within a maximum term of five years, and empower the Board to exclude preferential subscription rights and to amend Article 6 of the By-laws) was taken to a vote and was approved by majority with 247,669,865 votes in favour (representing 98.9356 % of the shares present or represented), 32,767 abstentions (representing 0.0131 % of the shares present or represented) and 2,631,688 votes against (representing 1.0513 % of the shares present or represented).

The proposal of the Board regarding item 8 on the Agenda, read by the Secretary under letter k) (delegate to the Board of Directors the power to issue debentures, bonds, promissory notes and other fixed income securities, whether simple, exchangeable or convertible, and warrants on the Company's newly issued shares or shares in circulation. Set the criteria for the determination of the basis for and forms of conversion, exchange and exercise of securities so that the Board of Directors may make use of the delegated power to increase capital by the necessary amount and to exclude preferential subscription rights of the shareholders and holders of convertible securities and warrants. Authorise the Board of Directors to guarantee, on the Company's behalf, the obligations of all types which may arise for its subsidiaries as a result of the issues of fixed income securities and warrants by them) was then taken to a vote and was approved by majority with 249,196,151 votes in favour (representing 99.5453 % of the shares present and represented), 11,467 abstentions (representing 0.0046 % of the shares present or represented) and 1,126,702 votes against (representing 0.4501 % of the shares present or represented).

The proposal of the Board regarding item 9 on the Agenda, read by the Secretary under letter l) (redemption of the Company's treasury shares and the subsequent reduction in share capital and amendment of Article 6 of the Company By-laws), was then taken to a vote and was approved by a majority with 250,242,981 votes in favour (representing 99.9635 % of the shares present or represented), 16,366 abstentions (representing 0.0065 % of the shares present or represented) and 74,973 votes against (representing 0.0299 % of the shares present or represented).

The proposal of the Board regarding point 10 of the Agenda, read by the Secretary under letter ll) (authorisation to the Board of Directors for the establishment of a Share Option Plan), was approved by a majority with 249,891,129 votes in favour (representing 99.2805 % of the shares present or represented), 1,272,037 abstentions (representing 0.5081 % of the shares present or represented) and 529,221 votes against (representing 0.2114 % of the shares present or represented).

(In relation to this item, it was recorded in the Minutes that the Executive Board Members who received discretionary voting delegations abstained from voting on these items on behalf of the delegated votes).

The proposal of the Board regarding point 11 of the Agenda, read by the Secretary under letter m) (empowerment to formalise and execute the resolutions adopted at the meeting), was then taken to a vote and was approved by a majority with 249,159,171 votes in favour (representing 99.8230 % of the shares present or represented), 2,543 abstentions (representing 0.0010 % of the shares present or represented) and 440,648 votes against (representing 0.1760 % of the shares present or represented).

It was recorded in the Minutes that Ms. Sabina Fluxá Thienemann, who had just been appointed as a Board Member by the General Shareholders' Meeting and was present at the meeting, accepted his appointment, and declared that she was not subject to any legal incompatibilities, and particularly those referred to in Law 512006, of April 10, and in the Autonomous Community of Madrid, Law 1411995, of April 21.

The Secretary then read an extract of the Minutes, which he had prepared as the Meeting took place, and the proposal of the Board for the approval of said Minutes. This proposal was approved by a majority vote with 249,890,583 votes in favour (representing 99.8227 % of the shares present or represented), 3,089 abstentions (representing 0.0012 % of the shares present or represented) and 440,648 votes against (representing 0.1760% of the shares present or represented).

E.9 Indicate whether there is a statutory restriction requiring that a minimum number of shares be held to be able to attend the General Shareholders' Meeting.

	Yes	No
	X	
Number of shares required to attend the General Shareholders' Meeting		100

E.10 Outline and justify the policies followed by the Company regarding voting by proxy in the General Meeting.

The Company does not pursue any policy with regard to the vote delegation at the General Meeting.

E.11 Indicate if the Company is aware of the policy of institutional investors regarding whether they participate or not in Company decisions:

	Yes	No
		X

E.12 Indicate the Internet address and procedure to access the information on corporate governance at the Company's website.

The address is <http://www.grupoacs.com/index.php/es/c/gobiernocorporativo>

Access is very simple: once at the web page, a page appears with several tabs on the edge, one of which is "CORPORATE GOVERNANCE"; if you click on this tab, the following sub-sections appear: "Company By-laws", "General Shareholders' Meeting By-laws", "Annual Corporate Governance Report", "Board of Directors", "Shareholders' Agreements" and "Rules of Conduct of the Securities Market"; Each sub-section contains pertinent information. If you click on "Annual Corporate Governance Report" and following a brief introduction, there is a specific instruction to click on it and download the annual reports for 2008-2007 as PDFs.

F. Degree of Compliance with the Corporate Governance Recommendations

Indicate the Company's degree of compliance with the recommendations of the Unified Code of good governance. In the event that any recommendations are not complied with, explain the recommendations, rules, practices or criteria that the Company follows.

1. The By-laws of listed companies may not limit the number of votes held by a single shareholder, or impose other restrictions on the Company's takeover via the market acquisition of its shares.

See sections: A.9, B.1.22, B.1.23 and E.1, E.2

Complies	Partially complies	Explain	Not applicable
X			

2. In the event that a parent and subsidiary company are separately listed, they must publish an exact definition of:

- The respective activity areas and any business dealings between them, as well as the listed subsidiary's dealings with the other Group companies;
- The mechanisms in place to resolve possible conflicts of interest.

See sections: C.4 and C.7

Complies	Partially complies	Explain	Not applicable
			X

3. Even if not expressly required under company law, transactions involving a structural change in the Company, and particularly the following, are subject to the approval of the General Shareholders' Meeting:

- The transformation of listed companies into holding companies through the process of subsidiarisation, i.e. reallocating to subsidiaries core activities that were previously carried out by the originating firm, even though the latter retains full control of the former;
- The acquisition or disposal of key operating assets that would effectively alter the Company's corporate purpose;
- Operations that effectively add up to the Company's liquidation.

Complies	Partially complies	Explain	Not applicable
X			

4. That the proposed resolutions to be adopted at the General Shareholders' Meeting including the information referred to in recommendation 28, be made public on the date on which the call of the meeting is published.

Complies	Partially complies	Explain	Not applicable
X			

5. Separate votes are to be taken at the General Meeting on materially separate items, so shareholders can express their preferences in each case. This rule particularly applies to the following:

- Appointment or ratification of Board Members, with separate voting on each candidate;
- Changes to the By-laws, with votes taken on all Articles or groups of Articles that are materially different.

See section: E.8.

Complies	Partially complies	Explain	Not applicable
X			

6. Companies shall allow split votes, so that financial intermediaries who are shareholders on record but acting on behalf of different clients can issue their votes according to instructions.

See section: E.4

Complies	Explain
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X

7. The Board of Directors shall perform its duties with unity of purpose and independence, according all shareholders the same treatment. It shall be guided at all times by the Company's best interest, to be understood as maximising the Company's value over time.

It shall ensure that the Company abides by the laws and regulations in its relations with stakeholders; fulfils its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional social responsibility principles it has subscribed to voluntarily.

Complies	Partially complies	Explain
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X

8. The core components of the Board's mission shall be to approve the Company's strategy, authorise the organisational resources to carry it forward, and ensure that management meets the objectives set while pursuing the Company's interests and corporate purpose. As such, the Board in full shall approve:

a) The Company's general policies and strategies, and specifically:

- i) The strategic or business plan, management targets and annual budgets;
- ii) Investment and financing policy;
- iii) Definition of the structure of the corporate group;
- iv) Corporate governance policy;
- v) Corporate social responsibility policy;
- vi) Senior management remuneration and performance evaluation policy;
- vii) Risk control and management policy, and the periodic monitoring of internal information and control systems;
- viii) Policy on dividends and on treasury shares, and the limits to apply.

See sections: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

- i) On the proposal of the Company's Chief Executive, the appointment and removal of senior executives and their termination clauses.

See section B1.1.14

- ii) The remuneration of the Board Members and in the case of Executive Board Members, additional consideration for their management duties and other conditions that should be respected under their contracts.

See section: B.1.14

- iii) The financial information to be periodically disclosed by the Company given that it is listed on the stock exchange.

- iv) Investments or transactions of all kinds which, because of the elevated amounts involved or their special characteristics, are of a strategic nature, unless their approval corresponds to the General Shareholders' Meeting;

- v) The incorporation or acquisition of special purpose vehicles or entities resident in countries or territories defined as tax havens, as well as any analogous transactions or operations whose complexity may impair the Group's transparency.

F. Degree of Compliance with the Corporate Governance Recommendations

c) Transactions conducted by the Company with Board Members, significant shareholders, shareholders with Board representation or other persons related thereto (“related-party transactions”).

It is understood, however, that said authorisation from the Board shall not be necessary in those related-party transactions in which the following three conditions are simultaneously fulfilled:

- 1^a. They are governed by standard contracts applied on an across-the-board basis to a large number of clients;
- 2^a. They are performed at the general prices or rates set by the supplier of the good or service at issue;
- 3^a. The transaction amount does not exceed 1% of the Company's annual revenues.

It is recommended that related-party transactions only be approved by the Board on the basis of a favourable report from the Audit Committee, or other Committee to which this task was assigned. Board Members related to the transaction may neither exercise nor delegate their votes, and shall be absent from the meeting room while the Board deliberates and votes.

It is recommended that the powers attributed to the Board not be allowed to be delegated, with the exception of those mentioned in b) and c), which can be delegated to the Executive Committee in urgent cases, subject to subsequent ratification by the full Board.

See sections: C.1 and C.6

	Complies	Partially complies	Explain
	X		

9. In the interests of the effectiveness and participatory nature of its functioning, the Board of Directors should comprise between five and fifteen members.

See sections: B.1.1

	Complies	Explain
		X

There are currently 19 Board Members, which is a number comprised within the 11 to 21 member limit provided in Article 13 of the By-laws, and is in accordance with the Spanish Corporations Law. To date, this was considered to be most appropriate number in consideration of the needs and characteristics of the Company with respect to capital structure, capitalisation and management structure.

10. A broad majority of the Board shall be external proprietary and independent Board Members and the number of Executive Board Members should be the minimum necessary, taking into account the complexity of the group of companies as well as each Executive Board Members holding in the share capital of the Company.

See sections: A.2, A.3, B.1.3 and B.1.14

	Complies	Partially complies	Explain
	X		

11. Where an external Board Member cannot be considered either proprietary or independent, the Company shall explain this circumstance and disclose his ties to the Company, management or shareholders.

See section: B.1.3

	Complies	Explain	Not applicable
	X		

12. Among external Board Members, the relation between proprietary Board Members and independent Board Members should reflect the proportion between the capital represented on the Board and the remainder of the Company's capital.

This criterion of strict proportionality may be relaxed, so the weight of proprietary Board Members is greater than would strictly correspond to the total percentage of capital they represent, in the following cases:

- 1º. In large cap companies where few or no equity stakes attain the legal threshold or significant shareholdings, despite the considerable sums actually invested.
2º. In companies with a plurality of shareholders represented on the Board but not otherwise related.

See section: B.1.3, A.2 and A.3

Complies	Explain
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X

13. The number of independent Board Members shall represent at least a third of all Board Members.

See section: B.1.3

Complies	Explain
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X

It is to our understanding that the distribution of the different types of Board Members (executive, proprietary and independent) is appropriate based on the characteristics of the Company, i.e. a large cap company with four significant shareholders holding different ownership percentages ranging from 5% to 23%.

14. The nature of each Board Member must be explained to the General Shareholders' Meeting, which shall make or ratify his or her appointment. Such determination shall subsequently be reviewed in each year's Annual Corporate Governance Report following verification by the Appointment Committee. This report shall also explain the reasons for having appointed proprietary Board Members at the proposal of shareholders holding less than 5% of the share capital, as well as the reasons for any rejection of a formal request for a Board place from shareholders whose ownership interest is equal to or greater than that of others at whose request proprietary Board Members were appointed.

See sections: B.1.3 and B.14

Complies	Partially complies	Explain
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X

15. When women Board Members are few or nonexistent, the Board should state the reasons for this situation and the initiatives taken to correct it. In particular, in the event of new vacancies, the Appointment Committee should take steps to ensure that:

a) Recruitment processes are not implicitly biased in a manner which hinders the selection of women Board Members;

b) The Company makes a conscious effort to include women with the target profile among potential candidates.

See sections: B.1.2, B.1.27 and B.2.3

Complies	Partially complies	Explain	Not applicable
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X

F. Degree of Compliance with the Corporate Governance Recommendations

16. The Chairman shall be responsible for the proper operation of the Board of Directors. He or she will ensure that Board Members are supplied with sufficient information in advance of Board meetings, and will work to ensure a good level of debate. He or she will organise and coordinate regular evaluations of the Board and, when different from the Chairman of the Board, the Company's chief or top executive.

See section: B.1.42

	Complies	Partially complies	Explain
	X		

17. When the Chairman is also the Chief Executive of the Company, one of the Company's independent Board Members shall be empowered to request the calling of Board meetings or the inclusion of new business on the Agenda, in order to coordinate and voice the concerns of external Board Members and will take charge of the Chairman's evaluation.

See section: B.1.21

	Complies	Partially complies	Explain	Not applicable
	X			

18. The Secretary of the Board of Directors shall take steps to assure that the Board's actions:

- Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- Comply with the Company By-laws, General Shareholders' Meeting By-laws, Rules of the Board of Directors and any other related rules;
- Take into account the good governance recommendations of this Unified Code accepted by the Company.

To safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal must be proposed by the Appointment Committee and approved by a full Board meeting. This appointment and removal procedure must be detailed in the Rules of the Board of Directors.

See section: B.1.34

	Cumple	Partially complies	Explain
	X		

19. The Board of Directors shall meet as often as required to properly carry out its duties, following the timetable of dates and issues agreed at the beginning of the year, Board Members may propose that business not initially foreseen be included on the Agenda of these meetings.

See section: B.1.29

	Complies	Partially complies	Explain
	X		

20. Board Member absences will be kept to the bare minimum and quantified in the Annual Corporate Governance Report. In the event that Board Members' votes must be delegated, proxies shall be provided with proper instructions.

See sections: B.1.28 and B.1.30

	Complies	Partially complies	Explain
	X		

21. When Board Members or the Secretary express concerns about some proposal or, in the case of Board Members, about the Company's performance, and such concerns are not resolved at the meeting, the member expressing them will request that they be recorded in the Minute book.

	Complies	Partially complies	Explain	Not applicable
	X			

22. The full Board shall evaluate the following points on a yearly basis:

- a) The quality and efficiency of the Board's stewardship;
- b) Based on the report issued by the Appointment Committee, how well the Chairman and Chief Executive Officer have carried out their duties;
- c) The performance of the Board Committee, on the basis of the reports furnished thereby.

See section: B.1.1.19

	Complies	Explain
		X

The content of this recommendation was included in the Rules of the Board of Directors following their amendment on 25/02/10.

23. All Board Members shall be entitled to receive any additional information they require on matters within the Board's competence. Unless the By-laws or Rules of the Board of Directors indicate otherwise, such requests should be addressed to the Chairman or Secretary.

See section: B.1.4.2

	Complies	Explain
	X	

24. All Board Members shall be entitled to call on the Company for the advice they need to carry out their duties. The Company shall establish suitable channels for the exercise of this right, extending in special circumstances to external assistance at the Company's expense.

See section: B.1.4.1

	Complies	Explain
		X

All Board Members have the right to seek the assistance required. However, up to the amendment of the Rules of the Board of Directors on 25/02/10, the possibility of seeking external assistance was not expressly included.

25. Companies shall organise induction courses for new Board Members to supply them rapidly with the information they need on the Company and its corporate governance rules. Board Members shall also be offered refresher courses when circumstances so advise.

	Complies	Partially complies	Explain
		X	

It is to our understanding that the information made available to the Board Members is appropriate in terms of quality and quantity for the correct exercise of their duties. Additionally, the Board Members have access to the rules regarding the Company's corporate operations at all times, since they are furnished to them on each occasion required and they may consult them at any time on the Company's website.

F. Degree of Compliance with the Corporate Governance Recommendations

26. The companies shall require their Board Members to devote sufficient time and effort to performing their duties effectively. As such:

- a) Board Members shall apprise the Appointment Committee of their other professional obligations which might detract from the necessary dedication;
- b) The companies shall set rules regarding the number of Board positions their Board Members may hold.

See sections: B.1.8, B.1.9 and B.1.17.

	Complies	Partially complies	Explain
		X	

For these purposes, Articles 13 and 14 of the Rules of the Board of Directors stipulate that the Board Members must also notify the Company of any significant changes in their professional capacity and, specifically, those changes that affect their designation as a Board Member. Board Members cannot, either directly or indirectly, hold positions in companies or firms that are competitors of the Company or of any of the Group companies or provide representation services on behalf of same.

Additionally, the Rules of the Board of Directors, in their current version (modified on 25 February 2010), limit the number of Groups which a Board Member of the Company can form part of to five, except in the case of express authorisation on a reasonable basis.

27. The proposal for the appointment or renewal of Board Members which the Board submits to the General Shareholder's Meeting, as well as provisional appointments through cooptation, shall be approved by the Board:

- a) At the proposal of the Appointment Committee, in the case of independent Board Members.
- b) Subject to a report from the Appointment Committee in the case of all other Board Members.

See section: B.1.2

	Complies	Partially complies	Explain
	X		

28. Companies shall post the following information regarding the Board Members on their websites, and keep them permanently updated:

- a) Professional experience and background;
- b) Other Boards of Directors of which they are a member, regardless of whether or not the related companies are listed on the stock exchange;
- c) Indication of the Board Member's classification as executive, proprietary or independent, as the case may be. In the case of proprietary Board Members, the shareholder they represent or to whom they are affiliated shall be stated;
- d) The date of their first and subsequent appointments as a Company Board Member; and;
- e) Shares held in the Company and any options on the same.

	Complies	Partially complies	Explain
	X		

29. Independent Board Members may not hold this office for over an uninterrupted period of 12 years.

See section: B.1.2

	Complies	Partially complies	Explain
			X

It is to our understanding that holding office for over a period of 12 years does not compromise the Board Member's independence in any manner, and since there is no limit (legal, statutory or regulatory) regarding age or permanence on the Board, it is not appropriate to specifically lay down a rule for independent Board Members.

30. Proprietary Board Members shall resign when the shareholders they represent dispose of the shares owned in their entirety. The corresponding number of proprietary Board Members shall also resign, when the shareholders they represent reduce their ownership interest to a level requiring a reduction in the number of proprietary Board Members.

See sections: A.2, A.3 and B.1.2

	Complies	Partially complies	Explain
	X		

31. The Board of Directors may not propose the removal of independent Board Members before the expiry of the statutory term for which they were appointed, as mandated by the By-laws, except where just cause is found by the Board based on a report of the Appointment Committee. In particular, just cause will be presumed when a Board Member is in breach of the duties inherent to his position or comes under one of the disqualifying grounds enumerated in section 5 of chapter III on the definitions of this Code.

The removal of independent Board Members may also be proposed when a takeover bid, merger or similar corporate operation causes changes in the capital structure of the Company, in order to meet the proportionality criterion set out in Recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26.

	Complies	Explain
		X

It is to our understanding that the fact that the Board may not propose the removal of an independent Board Member to the General Shareholders' Meeting except in the aforementioned case of just cause might be in conflict with the General Shareholders' Meeting power to revoke Board Members ad nutum (without cause).

32. The companies shall lay down rules requiring Board Members to inform the Board, and if necessary, resign, in cases where the Company's name and reputation is harmed. In particular, Board Members shall be required to inform the Board immediately of any criminal charges brought against them and the progress of any subsequent trial.

If a Board Member is indicted or brought to trial for any of the crimes stated in Article 124 of the Spanish Corporations law, the Board will examine and, in view of the particular circumstances, determine whether or not the Board Member shall continue in his position. The Board shall provide a reasonable explanation of all determinations made in the Annual Corporate Governance Report.

See sections: B.1.43 and B.1.44

	Complies	Partially complies	Explain
	X		

33. All Board Members should express clear opposition when they feel a proposal submitted for the Board's approval might harm the corporate interest. In particular, independent Board Members, and other Board Members not subject to a potential conflict of interest should strenuously challenge any decision that might unjustifiably harm the interests of shareholders lacking Board representation.

When the Board makes material or reiterated decisions about which a Board Member has expressed serious reservations, then he or she must draw the pertinent conclusions. Board Members resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

F. Degree of Compliance with the Corporate Governance Recommendations

The term of this Recommendation will also apply to the Board Secretary in the discharge of his or her duties.

	Complies	Partially complies	Explain	Not applicable
	X			

34. Board Members who resign or otherwise step down before their term expires, shall explain their reasons for doing so in a letter sent to all the Board Members. Notwithstanding whether it is reported as a relevant fact, the removal of any Board Member and the motives for the same must be explained in the Annual Corporate Governance Report.

See section: B.1.5

	Complies	Partially complies	Explain	Not applicable
		X		

Mr. Miguel Fluxá Roselló orally requested that his resignation from the Board of Directors for professional reasons be accepted at the General Shareholders' Meeting held on 26 May 2009. Given that he was a proprietary Board Member representing the company Balear Inversiones Financieras, S.L., he also requested that his daughter Ms. Sabina Fluxá Thieneman be appointed as a proprietary Board Member representing the same company. Both proposals were approved by majority with 97.12% of the shares present or represented in favour.

35. The Company's remuneration policy, as approved by its Board of Directors, will specify at least the following points:

- a) The amount of the fixed components, itemised where necessary, of Board and Board Committees attendance fees, with an estimate of the fixed annual payment they give rise to;
- b) Variable remuneration items, including specifically:
 - i) The types of Board Members they apply to, with an explanation of the relative weight of variable to fixed remuneration items.
 - ii) Performance evaluation criteria used to calculate entitlement to the award of shares or stock options or any variable remuneration;
 - iii) The main parameters and justification for any system of annual bonuses or other, non cash benefits; and
 - iv) an estimate of the total variable pay resulting from the proposed remuneration plan based on the extent to which the applicable benchmarks are complied with.
- c) Main characteristics of pension systems (for example, supplementary pensions, life insurance and similar arrangements), and an estimate of the equivalent amount or cost.
- d) The conditions to apply to the contracts of Executive Board Members exercising senior management functions, including:
 - i) Term;
 - ii) Notice periods; and
 - iii) Any other clauses covering hiring bonuses, as well as indemnities or 'golden parachutes' in the event of early termination of the contractual relation between the Company and Executive Board Members.

See section: B.1.15

	Complies	Partially complies	Explain
	X		

36. Remuneration comprising the delivery of shares in the Company or other companies in the Group, stock options or other share-based incentives, or incentive payments linked to the Company's performance or membership of pension schemes shall be confined to Executive Board Members.

The delivery of shares is excluded from this limitation, when such delivery is contingent on Board Members retaining the shares till the end of their term.

See sections: A.3 and B.1.3

	Complies	Explain
	X	

37. Board Member remuneration shall sufficiently compensate them for the commitment, qualifications and responsibility that the position entails, but should not be so high as to jeopardise their independence.

Complies	Explain
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X

38. In the case of remuneration linked to Company earnings, deductions should be computed for any qualifications stated in the independent auditor's report.

Complies	Explain	Not applicable
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X

39. In the case of variable pay, remuneration policies should include technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the Company's sector, atypical or exceptional transactions or circumstances of this kind.

Complies	Explain	Not applicable
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X

40. The Board shall submit a consultative report on the Board Members' remuneration policy to the vote of the General Shareholders' Meeting, as a separate item on the Agenda. The said report shall be provided to shareholders separately or in any form deemed appropriate by the Company.

The report will focus on the remuneration policy the Board has approved for the current year, with reference, as the case may be, to the policy planned for future years. It will address all the questions referred to in Recommendation 35, except points potentially involving the disclosure of commercially sensitive information. It will also identify and explain the most significant changes in remuneration policy with respect to the previous year referred to the General Shareholders' Meeting. It shall also provide a general summary of how remuneration policy was implemented in the prior year.

The Board should also report on the role of the Remuneration Committee in designing the policy and, if external advisors have been retained, their identity shall also be reported.

See section: B.1.16

Complies	Explain	Not applicable
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X

As previously stated (B.1.14) the Board submits the attendance fees payable to the Board Members to the approval of the Shareholders' Meeting, at the time the distribution of profits is proposed. Additionally in the Annual Corporate Governance report (B.1.12) detailed information is included on the different type of payments received by the Board Members each year. A detail of the options granted to each Executive Board Member and to the Group's other senior managers is also made available to the general public by means of the corresponding relevant fact. Therefore it is considered unnecessary to draft a specific report on the remuneration policy or of the Appointment and Remuneration's role in its design.

41. This report shall include a detail of the payments made in the period to individual Board Members, including:
- a) A breakdown of the remuneration obtained by each Company Board Member, to include where appropriate:
 - i) Participation and attendance fees and other fixed Board Member payments;
 - ii) Additional compensation for acting as Chairman or member of a Board Committee;
 - iii) Any payments made under profit-sharing or bonus schemes, and the reason for their accrual;

F. Degree of Compliance with the Corporate Governance Recommendations

- iv) Contributions on the Board Member's behalf to defined-contribution pension plans; or any increase in the Board Member's vested rights in the case of contributions to defined-benefit schemes;
- v) Any indemnities agreed or paid on the termination of their functions;
- vi) Any compensation they receive as Board Members of other companies in the Group;
- vii) The remuneration Executive Board Members receive in respect of their senior management positions;
- viii) Any kind of compensation other than those listed above, of whatever nature and provenance within the Group, especially when it may be considered a related-party transaction or when its omission would detract from a true and fair view of the total remuneration received by the Board Member.

b) An individual breakdown of deliveries to Board Members of shares, stock options or other share-based incentives, itemised by:

- i) Number of shares or options awarded in the year, and the terms set for their execution;
- ii) Number of options exercised in the year, specifying the number of shares involved and the exercise price;
- iii) Number of options outstanding at the annual close, specifying their price, date and other exercise conditions;
- iv) Any change in the year in the exercise terms of previously awarded options.

c) Information on the relation in the year between the remuneration obtained by Executive Board Members and the Company's profits or some other measure of enterprise results.

	Complies	Partially complies	Explain
			X

As indicated in our response to the previous recommendation, it is to our understanding that the information furnished by the Company, particularly in the Annual Corporate Governance reports and relevant facts in relation to stock options, contained sufficient individualised or collective information, as the case may be in this connection in accordance with the law in force.

42. When the Company has a Delegate or Executive Committee (hereafter "Executive Committee"), the breakdown of its Board Members by category should roughly mirror that of the Board itself.

See sections: B.2.1 and B.2.6

	Complies	Partially complies	Explain	Not applicable
	X			

43. The Board shall be kept fully informed of the business transacted and decisions made by the Executive Committee. All Board Members will receive a copy of the Committee's Minutes.

	Complies	Partially complies	Explain
	X		

44. In addition to the Audit Committee, which is mandatory under the Securities Market Law, the Board of Directors shall form a Committee, or two separate Committees, of Appointment and Remuneration.

The rules governing the make-up and operation of the Audit Committee and the Committee or Committees of Appointment and Remuneration will be set forth in the Rules of the Board of Directors, and shall include at least the following:

- a) The Board of Directors shall appoint the members of these Committees with regard to the knowledge, skills and experience of its Board Members and the duties of each Committee; shall discuss their proposals and reports; and at the first meeting of the Board following their meetings, the Committee members shall report on and take responsibility for the work performed;
- b) These Committees shall be composed exclusively of external Board Members and shall have a minimum of three members. This is without prejudice to Executive Board Members or senior managers attending meetings, for informational purposes, at the Committees' invitation.

- c) Their Chairmen shall be independent Board Members.
- d) They may engage external advisors, when they feel this is necessary for the discharge of their duties.
- e) Meeting proceedings shall be recorded in the Minutes, a copy of which is to be sent to all Board Members.

See sections: B.2.1 and B.2.3

	Complies	Partially complies	Explain
	X		

45. The task of supervising compliance with internal codes of conduct and corporate governance rules will be assigned to the Audit Committee, the Appointment Committee or, as the case may be, separate Compliance or Corporate Governance Committees.

	Complies	Explain
	X	

46. All members of the Audit Committee, particularly its Chairman, will be appointed with regard to their knowledge and experience in accounting, auditing or risk management matters.

	Complies	Explain
	X	

47. Listed companies will have an internal audit function, under the supervision of the Audit Committee, to ensure the proper operation of internal information and control systems.

	Complies	Explain
	X	

48. The head of internal audit shall present an annual work programme to the Audit Committee, report to it directly on any incidents arising during its implementation, and submit an activities report at the end of each year.

	Complies	Partially complies	Explain
	X		

49. The control and risk management policy shall specify at least:
- a) The different types of risks (operational, technological, financial, legal, reputational...) the Company is exposed to, with the inclusion under financial or economic risks of contingent liabilities and other off-balance-sheet risks;
 - b) The determination of the risk level the Company sees as acceptable;
 - c) The measures provided to mitigate the impact of the risks identified, in the event that they were to materialise;
 - d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

See sections: D

	Complies	Partially complies	Explain
	X		

F. Degree of Compliance with the Corporate Governance Recommendations

50. The Audit Committee's role will be as follows:

1. In relation to internal control and reporting systems:

- a) Monitor the preparation and the integrity of the financial information prepared on the Company and, where appropriate, the Group, checking for compliance with legal provisions and the correct application of accounting principles.
- b) Review internal control and risk management systems on a regular basis, so main risks are properly identified, managed and disclosed.
- c) Oversee the independence and effectiveness of the internal audit function; propose the selection, appointment, reappointment and removal of the head of internal audit; propose the resources to be assigned to the internal audit function; receive regular reports back on its activities; and verify that senior management are acting on the conclusions and recommendations of its reports.
- d) Establish and supervise a mechanism whereby staff can report any irregularities, and particularly financial and accounting irregularities they detect in the course of their work anonymously or confidentially.

2. In relation to the external auditor:

- a) Make recommendations to the Board for the selection, appointment, reappointment and removal of the external auditor, and the terms and conditions of his engagement.
- b) Receive regular information from the external auditor on the progress and findings of the audit plan, and check that senior management is acting on its recommendations.
- c) Oversee the independence of the external auditor, to which end:
 - i) The Company will notify any change of auditor to the Spanish Stock Market Commission in the form of a relevant fact, stating the reasons for its decision.
 - ii) The Committee will ensure that the Company and the auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence;
 - iii) The Committee will investigate the issues giving rise to the resignation of any external auditor.
- d) In the case of groups, the group auditor shall be encouraged to assume responsibility for the audits of all the group companies.

See sections: B.1.35, B.2.2, B.2.3 and D.3

	Complies	Partially complies	Explain
	X		

51. The Audit Committee may meet with any Company employee or manager, even ordering their appearance without the presence of any senior manager.

	Complies	Explain
	X	

52. The Audit Committee will report on the following points from Recommendation 8 before any decisions are taken by the Board:

- a) The financial information to be periodically disclosed by the Company given that it is listed on the stock exchange. The Committee shall ensure that intermediate statements are drawn up under the same accounting principles as the annual statements and, to this end, may ask the external auditor to conduct a limited review.
- b) The incorporation or acquisition of special purpose vehicles or entities resident in countries or territories defined as tax havens, as well as any analogous transactions or operations whose complexity may impair the Group's transparency.
- c) Related-party transactions, unless this responsibility has been attributed to another supervision and control Committee.

See sections: B.2.2 and B.2.3

	Cumple	Partially complies	Explain
	X		

53. The Board of Directors shall present the financial statements to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should such reservations or qualifications exist, both the Audit Committee Chairman and the auditors will give a clear account to shareholders of their scope and content.

See section: B.1.38

	Complies	Partially complies	Explain
	X		

54. The majority of the members of the Appointment Committee or of the Appointment and Remuneration Committee, in the case that there is only one, are independent Board Members.

See section: B.2.1

	Complies	Partially complies	Explain
	X		

55. The Appointment Committee shall have the following functions in addition to those stated in earlier Recommendations:

- a) Evaluate the skills, knowledge and experience of the Board, define the roles and abilities required of the candidates to fill each vacancy, and decide the time and dedication necessary for them to properly perform their duties.
- b) Examine or organise, in appropriate form, the succession of the Chairman and Chief Executive Officer, making the pertinent recommendations to the Board so the handover proceeds in a planned and orderly manner.
- c) Report on the senior management appointments and removals which the Chief Executive Officer proposes to the Board.
- d) Report to the Board on the gender diversity issues discussed in Recommendation 14 of this Code.

See section: B.2.3

	Complies	Partially complies	Explain	Not applicable
	X			

56. The Remuneration Committee will consult with the Chairman or Chief Executive Officer, especially on issues involving Executive Board Members and senior executives. Any Board Member may request that the Appointment Committee take into consideration potential candidates considered to be appropriate to fill Board Member vacancies.

	Complies	Partially complies	Explain
	X		

57. The Remuneration Committee shall have the following functions in addition to those stated in earlier Recommendations:

- a) Make proposals to the Board of Directors regarding:
 - i) The remuneration policy for Board Members and senior executives;
 - ii) The individual remuneration of Board Members and other contract conditions;
 - iii) The basic conditions of the contracts of senior executives.
- b) Oversee compliance with the remuneration policy set by the Company.

See sections: B.1.14 and B.2.3

	Complies	Partially complies	Explain	Not applicable
	X			

58. The Remuneration Committee will consult with the Chairman or Chief Executive Officer, especially on issues involving Executive Board Members and senior executives.

	Complies	Explain	Not applicable
	X		

G. Other Information of Interest

If it is considered that there is some principle or matter that is relevant with respect to the practices of corporate governance applied by the Company that has not been covered by the present report, include it below and explain its content.

B.1.7. Iberpistas S.A.C.E and SABA Aparcamientos, S.A., Abertis subsidiaries, are not part of the ACS Group.

B.1.11. The obligations assumed in relation to pension plans are the same as the amounts contributed in this connection, since these obligations have been externalised and transferred to an insurance company. Accordingly, the Group has not assumed any outstanding obligation other than the contribution of the annual premium.

B.1.21 (2). In accordance with the Rules of the Board amended on 25 February 2010, an independent Board Member shall have this power, and for these purposes, Mr. José María Aguirre González has been appointed.

B.1.30. The percentage of absent votes in the Board are not calculated by the number of meetings at which all the Board Members were not present with respect to the total number held, but rather by the number of votes (five) with respect to the total theoretical number (six meetings by 19 Board Members).

C.2.yC.3. In relation to this section, the relevant operations that involved a transfer of resources or obligations between the Company or entities of the Group and significant shareholders of the Company are detailed: In relation to this section, the only transactions between management and Board Members related to the remunerations already detailed in the different sections of the Corporate Governance Report, and specifically sections B.1.11 and B.1.12.:

Management or cooperation agreements:	Terratest Técnicas Especiales, S.A. amounting to EUR 3,417 thousand
Leases:	Fidalsar, S.L. amounting to EUR 615 thousand
Reception of services:	Grupo Iberoestar amounting to EUR 1,000 Fidalsar, S.L. amounting to EUR 43 thousand Terratest Técnicas Especiales, S.A. amounting to EUR 14,896 thousand Indra amounting to EUR 2,268 thousand Zardoya Otis, S.A. amounting to EUR 2,170 thousand
Purchase of goods (unfinished or finished):	Geblasa amounting to EUR 13 thousand
Other expenses:	Unipsa, Correduría de Seguros, S.A. amounting to EUR 71,448 thousand
Provision of services:	Rosán Inversiones, S.L. amounting to EUR 1,968 thousand Grupo Iberoestar amounting to EUR 551 thousand Indra amounting to EUR 1,567 thousand Zardoya Otis, S.A. amounting to EUR 279 thousand
Sale of goods (unfinished or finished):	Indra amounting to EUR 1,906 thousand
Financing agreements: Loans and capital contributions (lender):	Banca March amounting to EUR 54,170 thousand Banco Guipuzcoano amounting to EUR 99,222 thousand
Guarantees given:	Banca March amounting to EUR 67,200 thousand Banco Guipuzcoano amounting to EUR 80,186 thousand
Dividends and other distributed profit:	Fidwei Inversiones, S.L. amounting to EUR 2,911 thousand Lynx Capital, S.A. amounting to EUR 1,538 thousand
Other transactions:	Banca March amounting to EUR 98,054 thousand

The transactions with other related parties include those performed with Grupo Terratest, Fidwei Inversiones, S.L., Lynx Capital, S.A., Indra Sistemas, S.A., Banco Guipuzcoano, S.A., Fidalsar, S.L., Geblasa and Zardoya Otis, S.A. due to their relationship with positions of responsibility in these companies held by Board Members of ACS, Actividades de Construcción y Servicios, S.A.

Also included were the “intermediate premiums” paid to Unipsa (a company related to Banca March), amounting to EUR 71,448 thousand and EUR 54,772 thousand in 2009 and 2008, respectively, although these amounts were not consideration for insurance brokerage services.

All these commercial transactions were carried out on an arm’s length basis in the ordinary course of business and relate to the normal operations of the Group companies.

The transactions performed between ACS consolidated group companies were eliminated in the consolidation process and form part of the normal business of the companies in terms of their company object and conditions. The transactions are performed on an arm’s length basis and the related information is not necessary to fairly present the equity, financial position and results of the Group’s operations.

F. Degree of Compliance with the Corporate Governance Recommendations

On 25 February 2010, two weeks prior to the date of approval of the current Corporate Governance report by the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A., the Company notified the Spanish Exchange Commission (CNMV) a Relevant Fact in which it reported the amendments that the Board of Directors had made in Articles 3, 4, 8, 11, 14, 15, 20, 23 and 24 of the Rules of the Board of Directors, in order to expressly include certain recommendations of the Unified Code of Recommendations for the Good Governance of Listed Companies.

Since these amendments to the Rules of the Board of Directors were approved within 2010, they were unable to be reflected in 2009 Corporate Governance Report. These amendments are literally worded as follows:

Article 3.- Composition and appointments

Within the limits laid down by Article 13 of the Company By-laws in effect and notwithstanding the powers of proposal which, under the legislation in force, may correspond to the shareholders, the Board of Directors shall be responsible for proposing to the General Shareholders’ Meeting both the number of Board Members and the persons, natural or legal, to be appointed. The appointment proposal must specify the proposed Board Members’ condition of executive, proprietary, independent or external.

Furthermore, in the event that vacancies were to arise, the Board of Directors may provisionally fill them from among the shareholders until the next General Shareholders’ Meeting where the definitive choice would be made.

Article 4.- Functions

In accordance with the terms of Article 18 of the Company By-laws in effect, the Board of Directors is responsible for representing the Company and administering its business and for carrying out whatever operations may be involved in its purpose or may be related to it.

In carrying out its functions, the Board of Directors shall act in accordance with company interests and safeguarding the interests of the shareholders.

Particularly, the Board of Directors shall have the following responsibilities, which cannot be delegated:

- Accepting the resignation of Board Members.
- Appointing, discharging and accepting the resignation of the positions of Chairman, Vice-Chairman and Secretary to the Board.
- Appointing, discharging and accepting the resignation of Board Members who must form part of the Committees described herein.
- Delegating to any of their members, wholly or partly, the powers corresponding to the Board, except those which cannot be delegated.
- Preparing the individual and consolidated financial statements and Board Members’ reports and submitting them for approval by the General Shareholders’ Meeting. Also, drawing up an annual consultative report on the Board Member’s remuneration policy, which shall be submitted to the Company’s General Shareholders’ Meeting as a separate item on the Agenda.
- Drawing up the reports, including the Annual Corporate Governance Report, and the proposals which, in accordance with the legislation in force and the Company By-laws, the Board of Directors is responsible for adopting.

G. Other Information of Interest

- Approving the yearly budget.
- Approving the merger, acquisition, division or concentration operations in which the main subsidiary companies of the Group where the Company is parent are interested.
- Approving the block issue of debentures, notes, bonds or similar security by the main companies of the Group where the Company is parent.
- Approving the assignation of rights over the trademark, brands and other intellectual and industrial property rights that belong to the Company or the companies of its Group, whenever they are of financial relevance.
- Annually assessing: the quality and efficiency of its operation; the Chairman and, if appropriate, CEO's performance of their functions, following the issuance of a report by the Appointment and Remuneration Committee; and the operation of the Board of Director's Committees, following the issuance of a report by these Committees.
- Amending these Rules.
- In general, carrying out all the functions which by law, by regulation or in accordance with these Rules, it is responsible for, and to carry out other functions which have been delegated to it by the General Shareholders' Meeting, and empowered, in turn, to delegate only those which have been expressly permitted in the delegation agreement with the General Shareholders' Meeting.

Additionally, the Board of Directors shall be responsible for and may not delegate the responsibility of defining the Company's strategy and the exact organisation required for its performance, as well as the supervision and control of Management in order to assure the fulfilment of the approved objectives. For this purpose, the Board of Directors shall be responsible for approving the following:

1. The Company's general policies and strategies, and specifically:

- The strategic or business plan, as well as the annual management objectives.
- The investment and financing policy.
- The structure of the group of companies.
- Corporate governance and social responsibility policies.
- Senior executive management evaluation and remuneration policies.
- The risk control and management policy and the periodic monitoring of internal information and control systems.
- The policy on dividends and on treasury shares and their limits.
- Related party transactions, following a report prepared by the Audit Committee, unless such transactions meet the following three conditions:
 - a) They are performed in accordance with standard contract conditions;
 - b) They are performed at the general prices or rates set by the supplier of the good or service at issue; and
 - c) The transaction amount does not exceed 1% of the Company's annual revenues.

2. The following decisions:

- The appointment, at the proposal of the Chairman, of senior executives, as well as their compensation clauses.
- The distribution among the Board Members, of the overall remuneration agreed by the General Shareholders' Meeting, and if appropriate, the establishment of supplementary remuneration and other supplementary pay corresponding to Executive Board Members in relation to their functions.

- The financial information to be periodically made public by the Company given that it is listed on the stock exchange.
- Investments or transactions of a strategic nature or of relative importance, except where these are to be approved by the General Shareholders' Meeting.
- The creation or acquisition of special purpose entities or entities residing in territories considered to be tax havens, as well as any other operation or transaction which might diminish the transparency of the Company or Group.
- The establishment and supervision of a mechanism enabling employees to confidentially report any irregularities they know of, and particularly financial and accounting irregularities of special significance, to the Audit Committee, through its Secretary.

Article 8.- Sessions and notice

The Board shall meet whenever it is so required by the Company's interests, prior notice from the Chairman or, in his or her absence, by a Vice-Chairman, either on his or her own initiative or on the request of, at least, two Board Members. In any event, the Board shall meet at least six times a year in order to periodically examine the Group's progress compared to the budgets and previous year.

Notice shall be given by means of letter, telex, telegram, telefax or any other means of written communication that permits verification that it has been received by the different Board Members, including the Agenda.

Except in cases of emergency, to be freely judged by the Chairman, notice must be given at least three days in advance of the date on which the Board Meeting is expected to be held.

The Board of Directors shall meet in the Company offices or in any other place the Chairman may decide and specify in the notice of meeting.

The Board of Directors shall empower one of the independent Board Members to do the following:

1. Request the calling of meetings of the Board of Directors.
2. Request that new items be added to the Agenda of the Board of Director's meeting.
3. State and coordinate the voicing of concerns by independent, proprietary and external Board Members.
4. Direct the evaluation by the Board of Directors of its Chairman.

Article 11.- Term of Appointment for Board Members

Board Members shall hold their position during the six-year term for which they were elected. They may be re-elected one or more times for terms of the same maximum duration.

Should a vacancy exist for any reason, the Board may provisionally fill it from among the shareholders until the next General Shareholders' Meeting, where a definitive appointment shall take place.

The appointment of the Board Members shall expire when the term has ended and the subsequent General Meeting has been held, or following the legal period within which the Meeting is to be held to resolve on whether to approve the financial statements for the previous year.

Notwithstanding the above, proprietary Board Members shall resign when the shareholder they represent fully disposes of his shares by any title.

Article 14.- Dedication, non-competition and use of information

Board Members may not form part of more than five management bodies of companies other than those in the Group of companies in which the Company is the parent, without previous express authorisation from the Board provided on a reasonable basis. For these purposes, companies in the same group shall be considered as a single Company.

G. Other Information of Interest

Board Members cannot, either directly or indirectly, hold positions in companies or firms that are competitors of the Company or of any of the Group companies or provide representation services on behalf of same.

Board Members may not make any use for private purposes of the non-public information of which they have become aware in carrying out their functions as Board Member. Especially, the Board Members, unless expressly authorised by the Board of Directors, may not take advantage, in their own benefit, of the commercial transactions of which they have become aware in carrying out the said functions.

Except in cases of duly authorised allowance in kind, Board Members may not make use of the Company's assets nor take advantage of their position to obtain an advantage regarding assets without satisfying adequate consideration.

Article 15.- Information to Board Members

So as to better perform their tasks, Board Members may request, through the Chairman or through the Secretary to the Board of Directors, the information that he or she may deem necessary, which under special circumstances, may consist in external assistance at the Company's expense.

Article 20.- The Secretary

Following the issuance of a report by the Appointment and Remuneration Committee, the Board of Directors shall appoint a Secretary, who may be a non-member, and who must be a practising lawyer. Apart from the functions laid down by the legislation in force, the Company By-laws and these Rules, the Secretary to the Board of Directors is responsible for ensuring that actions arising from the Company bodies it forms part of comply with the requirements of the law, issuing warnings in this respect and registering them in the Minutes; and ensuring that the Board of Directors bears in mind in its actions the recommendations on good corporate governance of the unified Code in force.

Article 23 -The Audit Committee

In accordance with the provisions set forth in Article 20 bis of the Company By-laws, there shall exist an Audit Committee to be made up of a minimum of three and a maximum of five members who shall be appointed and discharged, from among its members, by the Board of Directors. Under no circumstances may such appointment correspond to whoever is currently performing, or has performed in the three immediately previous years, functions of an executive or industrial nature in the Company. The appointment of the Chairman, also to be made by the Board of Directors, must necessarily correspond to one of the Company's non-executive Board Members and he or she may not remain in the position for a term in excess of four years. They may, nevertheless, be eligible for re-election after one year has elapsed since the end of his or her term of office. He/she shall attend the Committee's meetings, acting as its Secretary, with entitlement to participate but not to vote, and shall write up the Minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.

It shall only be deemed to be set up when the majority of its members attend and it shall adopt its agreements by majority vote of those attending, with the Chairman having the casting vote in the event of an equal number of votes. It shall meet, following prior notice from its Chairman, at least twice a year, coinciding with the initial and final stages of the period when the financial statements of the Company and the consolidated accounts of the Business Group are audited, and always prior to the issue of the corresponding audit reports. Its meetings may be attended, when specially convened, by the Company Auditor, for the purposes of explaining the most significant aspects of the audits conducted.

The Audit Committee shall have the following functions:

- a) Report to the General Shareholders' Meeting on the questions that shareholders may raise there on matters of its competence.
- b) Propose to the Company's Board of Directors, for submission to the General Shareholders' Meeting the appointment of the external auditors referred to under Section 204 of the revised text of the Spanish Corporations Law.
- c) Review and approve significant changes in the accounting policies of the Company and of the subsidiaries comprised within its Business Group and of the Group itself. In addition, in general, liaise with the external auditors to receive information on those issues that could jeopardise their independence and any other matter relating to the proceedings of accounts audit, in addition to any other communications stipulated in the legislation on accounts auditing and on technical auditing standards.
- d) Receive periodic reports from the internal auditing services and supervise its operation; propose the appointment, re-election and termination of its head; assure its independence and efficiency; propose a budget for this service; and verify that senior management takes into account its conclusions and recommendations.
- e) Supervise compliance with internal conduct codes and corporate governance rules.
- f) Be aware of the financial information process and the Company's internal control systems.
- g) Periodically review the risk control and management systems, assuring that they appropriately define the different types of risks (operating, technological, financial, including contingent, legal, and image liabilities, etc.) faced by the Company; define the acceptable risk level and establish the appropriate measures for mitigating the risks identified in the event that such risks were to arise.

- h) Review and report on the estimates made by the Company management and those forming part of its Group of Companies on possible tax and legal contingencies of a significant nature.
- i) Be aware of the results of inspections carried out by official authorities.
- j) Be aware of the information periodically provided to the Stock Market on the Company's accounts.
- k) Previously inform the Board of Directors of any related party transactions to be submitted for its approval.
- l) Any other matters under its competence pursuant to these Rules, which may be especially entrusted to it by the Board of Directors.

Insofar as it be deemed necessary, and with the natural adaptations, the operation of the Audit Committee shall be governed by the provisions of these rules regarding the operation of the Board of Directors.

Article 24.- The Appointment and Remuneration Committee

Likewise, the Board of Directors shall set up an Appointment and Remuneration Committee to be made up of a Chairman and a minimum of two Members who shall be freely elected and moved, from among its members, by the Board of Directors, and who shall perform their functions indefinitely or during the term for which they were elected. The appointment of the Chairman must fall on one of the independent Board Members. The Secretary to the Board of Directors shall attend the Committee's meetings, shall act as its Secretary, with entitlement to participate but not to vote, and shall write up the Minutes of the meeting, which shall be forwarded to all members of the Board of Directors following their approval.

It shall only be deemed to be validly constituted when the majority of its members are present and it shall adopt its resolutions through a majority of those attending. In the event of a tie, the Chairman shall have the casting vote. It shall meet whenever the Chairman convenes a meeting and at least twice a year.

The Appointment and Remuneration Committee has the following tasks:

1. Report on the remuneration system for the Chairman of the Board of Directors and other top executives in the Company. Where appropriate, make the pertinent recommendations to the Board so that the succession of the Chairman and, if applicable, Chief Executive Officer, proceeds in a planned and orderly manner. It will also consult with the Chairman, and if appropriate, the Chief Executive Officer, on any matters within its competence affecting the Company's Executive Board Members and other senior executives.
2. Report on the distribution among the members of the Board of Directors of the overall remuneration agreed upon by the General Shareholders' Meeting, and if applicable, the establishment of supplementary remuneration and other supplementary payments corresponding to Executive Board Members in relation to their functions.
3. Report on the remuneration of Board Members.
4. Report on multi-annual plans that may be set up according to stock value such as stock option plans.
5. Proposed appointment or re-appointment of independent Board Members and report on the proposed appointment of other Board Members and of the Secretary to the Board of Directors. For these purposes, the skills, knowledge, experience and dedication to the good performance of their duties of those proposed as Board Members should be assessed. It shall also report on the proposed early resignation of any Independent Board Members.
6. Proposed appointment of Senior Executives, especially those who will form part of the Group's Management Committee, and the basic conditions of their contracts.
7. Issues relating to gender diversity on the Board of Directors.
8. Any other matters under its competence pursuant to these Rules, which may be especially entrusted to it by the Board of Directors.

The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Appointment and Remuneration Committee as necessary and with the natural adaptations.

The new rules governing these matters included within the Company's internal rules involve compliance with certain recommendations of the Unified Code of Recommendations for the Good Governance of Listed Companies, and particularly paragraphs 17, 18, 26, 30, 31, 42, 44, 50, 51, 52, 54, 55 and 56 of section F of the Company's Corporate Governance Report.

G. Other Information of Interest

With respect to Recommendation 42 of Section F, the following structure of participation of the different categories of Board Members on the Board of Directors and Executive Committee is noteworthy:

Executive Board Members on the Board of Directors:	21.05%
Executive Board Members on the Executive Committee:	28.6%
External proprietary Board Members on the Board of Directors:	47.368%
External proprietary Board Members on the Executive Committee:	42.857%
External independent Board Members on the Board of Directors:	26.3%
External independent Board Members on the Executive Committee:	14.3%
Other external Board Members on the Board of Directors:	5.263%
Other external Board Members on the Executive Committee:	14.3%

This section may include any information, clarification or detail related to the above sections of the report, so far as it is relevant and not repetitive.

Specifically, indicate whether the Company is subject to legislation other than Spanish legislation in matters of corporate governance and, if applicable, include information that the Company is required to supply and which is different to that required in this report.

Binding definition of independent Board Member:

Indicate whether any of the independent Board Members has or has had any relation to the Company, its significant shareholders or managers, which having been sufficiently significant or important, would have caused this Board Member to lose his consideration as an independent in accordance with the definition set forth in section 5 of the Unified Code of Good Governance:

	Yes	No
	X	

Name of the Board Member	Type of relationship	Explanation
Mr. José María Loizaga Viguri	Member of the Board of Directors of Zardoya Otis, S.A.	Zardoya Otis, S.A. is a normal supplier to the construction companies of the ACS Group, without the volume of operations being significant.
Mr. José María Aguirre González	Chairman of Banco Guipuzcoano, S.A.	Banco Santander S.A. is a normal financial service provider for the Group and several of its companies. The business volume is fairly irrelevant.
Mr. Miquel Roca i Junyent	Lawyer	Mr. Roca has served as a lawyer in relation to certain matters which are individually of significance, but not when taken into consideration as a whole.

Date and signature:

This Annual Corporate Governance Report was approved by the Board of Directors of the Company at its session held on

11/03/2010

Indicate if any Board Members voted against or abstained with regard to the approval of this Report.

	Yes	No
		X







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Project Director and Editor
ACS Group

Creation and Design
IMAGIA officina

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