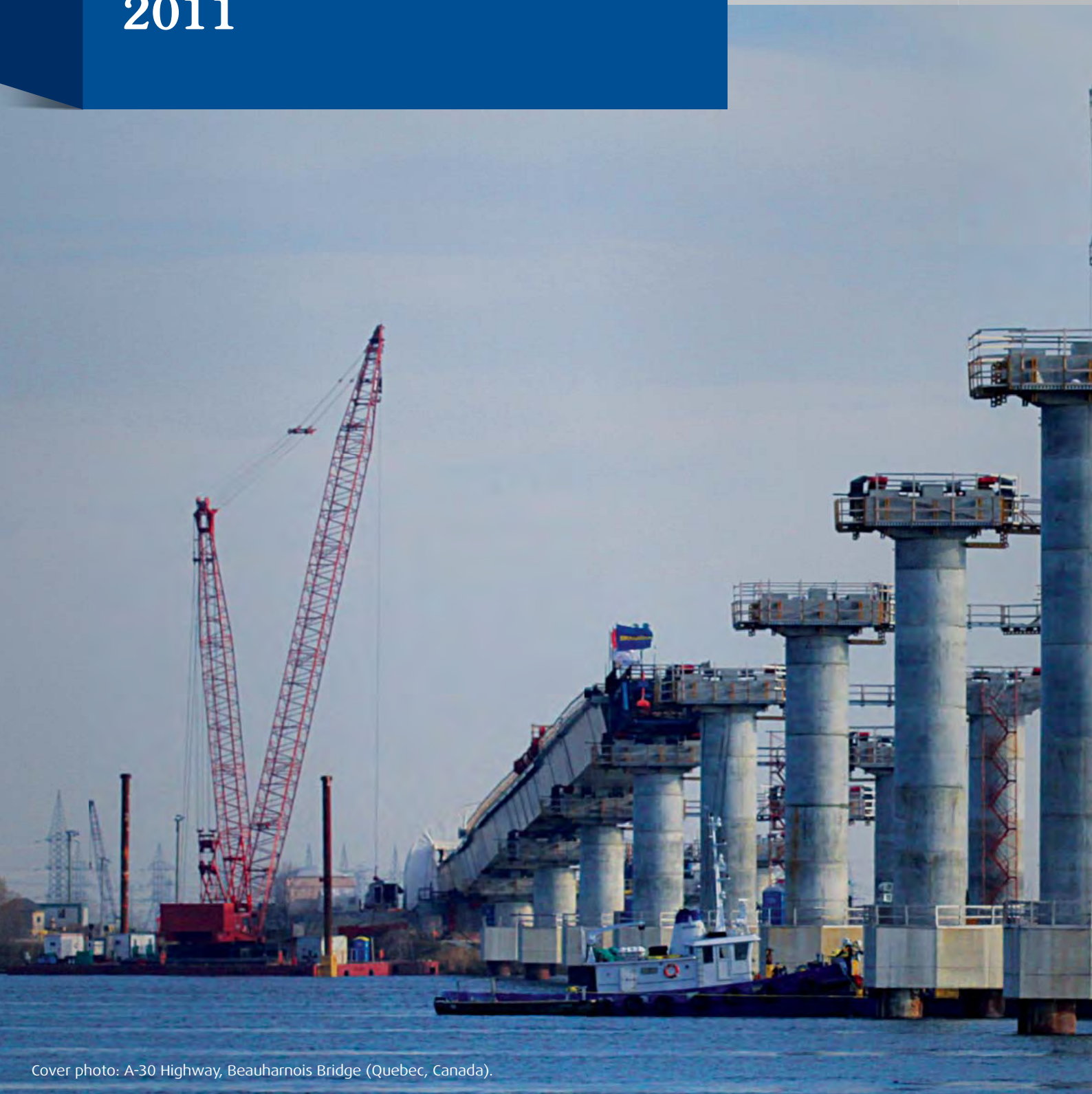
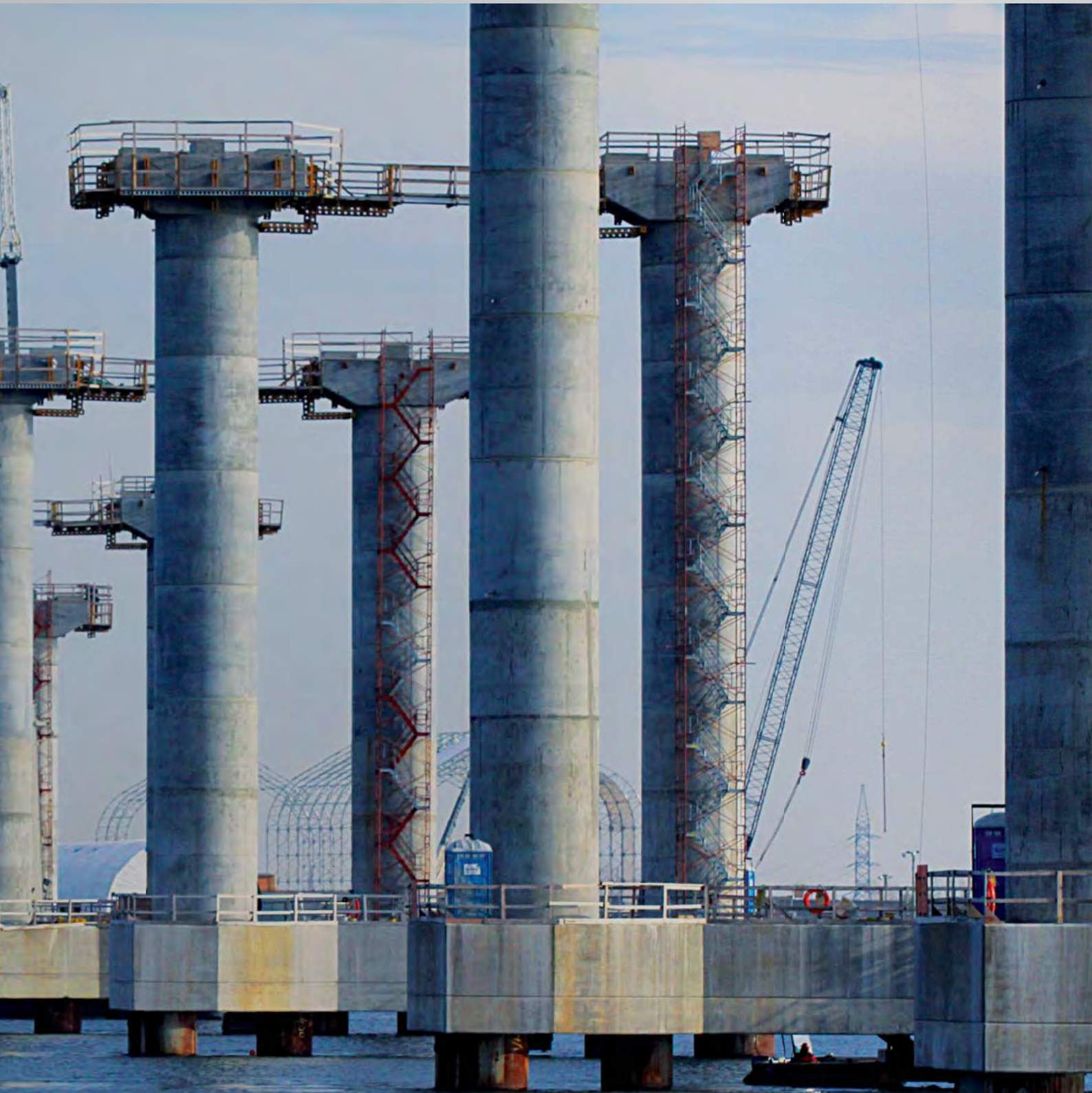


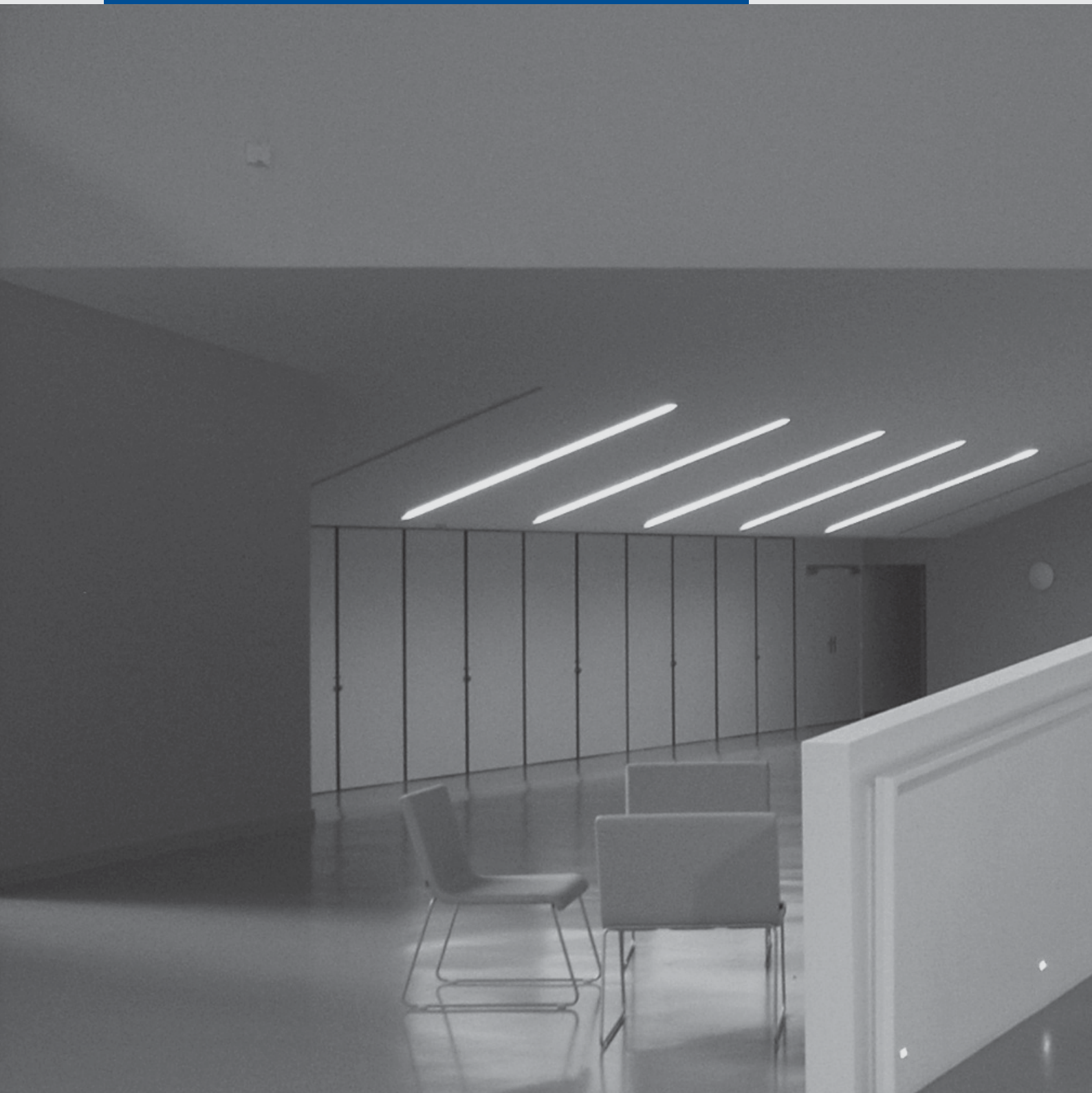
Corporate Governance Report of ACS Group 2011



Cover photo: A-30 Highway, Beauharnois Bridge (Quebec, Canada).



Corporate Governance Report of ACS Group



The Annual Corporate Governance Report forms part of the Directors' Report, in accordance with the provisions of the Spanish Limited Liability Companies Law. The aforementioned Directors' Report is included in the ACS Group's Economic and Financial Report for 2011.



04	A. Ownership Structure
10	B. Structure of the Company Administration
38	C. Related-Party Transactions
42	D. Risk Control Systems
48	E. General Shareholders' Meeting
56	F. Degree of Compliance with the Corporate Governance Recommendations
74	G. Other Information of Interest
78	Supplementary Report

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

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 company name of the shareholder	Number of voting rights	Number of indirect voting rights (*)	% of total voting rights
Corporación Financiera Alba, S.A.	0	57,599,232	18.305
Inversiones Vesán, S.A.	39,397,625	0	12.521
Southeastern Asset Management, Inc	0	23,527,063	7.477
Mr. Alberto Cortina Alcocer	4,840	20,614,100	6.553
Mr. Alberto Alcocer Torra	5,000	20,131,455	6.399
Sayglo Holding, S.L.	0	17,741,012	5.638

Name or company name of the indirect shareholder	Held through: Name or company name of the direct shareholder	Number of voting rights	% of total voting rights
Corporación Financiera Alba, S.A.	Alba Participaciones, S.A.	56,050,975	17.813
Corporación Financiera Alba, S.A.	Balboa Participaciones	1,548,257	0.492
Mr. Alberto Cortina Alcocer	Cinaninvest Holding, S.A.	477,162	0.152
Mr. Alberto Cortina Alcocer	Corporación Financiera Alcor, S.L.	466,440	0.148
Mr. Alberto Cortina Alcocer	Imvernelin Patrimonio, S.L.	19,396,311	6.164
Mr. Alberto Cortina Alcocer	Percacer, S.L.	274,187	0.087
Mr. Alberto Alcocer Torra	Comercio y Finanzas, S.L.	268,704	0.085
Mr. Alberto Alcocer Torra	Corporación Financiera Alcor, S.L.	466,440	0.148
Mr. Alberto Alcocer Torra	Imvernelin Patrimonio, S.L.	19,396,311	6.164
Sayglo Holding, S.L.	Gloysa 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 company name of the Board Member	Transaction date	Description of the transaction
Corporación Financiera Alba, S.A.	07/02/2011	Its ownership interest fell below 20% of the company's share capital.

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 shareholder	Number of voting rights held directly	Number of voting rights held indirectly (*)	% of total voting rights
Mr. Florentino Pérez Rodríguez	0	39,397,625	12.521
Mr. Antonio García Ferrer	100,000	0	0.032
Mr. Pablo Vallbona Vadell	15,500	11,288	0.009
Mr. Agustín Batuecas Torrego	941,088	1,482,853	0.770
Mr. Javier Echenique Landiribar	25,364	0	0.008
Mr. Javier Monzón de Cáceres	4,200	0	0.001
Mr. José Álvaro Cuervo García	0	42,000	0.013
Mr. José María Loizaga Viguri	128,313	0	0.041
Mr. Juan David Grimà Terré	0	0	0.000
Mr. Juan March de la Lastra	11,425	0	0.004
Mr. Julio Sacristán Fidalgo	4,356	0	0.001
Mr. Manuel Delgado Solís	0	0	0.000
Mr. Miguel Roca Junyent	12	0	0.000
Mr. Pedro José López Jiménez	0	1,262,477	0.401
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	278,902	0	0.089

A. Ownership Structure

Name or company name of the indirect shareholder	Held through: Name or company name of the direct shareholder	Number of voting rights held directly	% of total voting rights
Mr. Florentino Pérez Rodríguez	Inversiones Vesán, S.A.	39,397,625	12.521
Mr. Pablo Vallbona Vadell	Ms. Mariona Mercade Campabadall	11,288	0.004
Mr. Agustín Batuecas Torrego	Inversiones Batuecas Torrego S.L.	1,382,853	0.439
Mr. Pedro José López Jiménez	Fidwei Inversiones, S.L.	420,000	0.133
Mr. Pedro José López Jiménez	Lynx Capital, S.A.	342,477	0.109
Mr. Agustín Batuecas Torrego	Inversiones Ceda. S.L.	100,000	0.032
Mr. José Álvaro Cuervo García	Sociedad de Estudios de Estrategia Empresarial, S.A.	42,000	0.013
% of total voting rights in the power of the Board of Directors			19.530

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 company 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	936,430	0	936,430	0.298
Mr. José Luis del Valle Pérez	351,160	0	351,160	0.112

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:

—

A.5. Indicate, if applicable, the relationships of a commercial, contractual or corporate nature existing between holders of significant shareholdings and the Company, and/or Group, excluding those of little significance or deriving from the ordinary course of business or trade:

Name or company name of related entity	Type of relationship	Brief description
Inversiones Vesán, S.A.	Contractual	Rosan Inversiones, S.L., with tax identification number (Spanish CIF) B-78962099; a company wholly owned by Mr. Florentino Pérez Rodríguez has carried out service billing transactions with certain companies of the ACS Group; with Dragados, S.A. for EUR 5,103 thousand; with Moncobra, S.A. for EUR 43 thousand; with Humiclíma, S.A. for EUR 55 thousand and with Clece, S.A. for EUR 234 thousand.

A.6. Indicate whether any shareholders' side agreements affecting the company have been executed between shareholders pursuant to Article 112 of the Securities Market 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 side 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 the Securities Market Law. If so, identify them:

	Yes	No
		X

A. Ownership Structure

A.8. Complete the following table on the Company's treasury shares:

At the end of the reporting period:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
6,375,880	17,232,953	7.503

(*) Held through:

Name or company name of the direct shareholder	Number of direct shares
PR PISA, S.A.U.	17,232,953
Total	17,232,953

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

Notification date	Total number of direct shares acquired	Total number of indirect shares acquired	Total % of share capital
29/06/2011	3,291,887	0	1.046
29/07/2011	846,359	17,232,953	5.477
15/09/2011	3,246,915	0	1.031
Gain/(loss) on treasury shares disposed of in the year (thousands of Euros)			-892

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 General Shareholders' Meeting held on 14 April 2011:

Rendering the previous authorisation granted by means of Resolution adopted by the General Shareholders' Meeting held on 15 May 2010 null and void, and under the conditions and requirements set forth in Article 146 and related provision and in article 509 of the Spanish Consolidated Limited Liability Companies 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 10% 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 a price not exceeding the price at which they are traded at the securities market session on the date of the purchase, or the price authorised by the competent body of the Securities Market or by the Spanish National Securities 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 any 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 any 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 ant-takeover measures in accordance with the provisions of Spanish Law 6/2007.

	Si	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 Bylaws:

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 company 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 deputy chairman	14/10/2003	03/12/2008	General meeting
Mr. Pablo Vallbona Vadell	--	Deputy chairman	05/09/1997	03/12/2008	General meeting
Mr. Agustín Batuecas Torrego	--	Board member	29/06/1999	03/12/2008	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 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. Miguel Roca 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					17

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

Name or company name of the Board Member	Type of Board Member at date of resignation	Resignation date
Mr. Francisco Servando Verdú Pons	Proprietary	30/08/2011
Mr. José María Aguirre Fernández	Independent	29/11/2011

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

Executive Board Members

Name or company 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 Deputy 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		23.529

Proprietary and External Board Members

Name or company name of the Board Member	Committee which proposed the appointment	Name or company name of significant shareholder represented or that proposed his appointment
Mr. Pablo Vallbona Vadell	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 Solis	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		8
Total % of Board		47.059

B. Structure of the Company Administration

Independent External Board Members

Name or company 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). Rey Jaime 1 Economy Award (1992), Economy Award of Castilla León “Infanta Cristina” (1999) and Doctor Honoris Causa by the Universities of Oviedo, León, de 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 Saloman Center (Stern School of Business) of the University of New York and at the Institute of Management, Innovation and Organization of the University of California, Berkeley. Vice-dean of the Schools of Economic and Business Sciences at the Complutense de Madrid and Oviedo Universities, 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 Companies. He is currently a member of the Board of Directors of Bolsas y Mercados Españoles (BME), SONAE Industria and SONAE SGPS, S.A. (Portugal) and a member of the Advisory Council of Privatisation of the Spanish Government.
Mr. José María Loizaga Viguri	Born in Bilbao (1936). He began 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 Southern Europe. In 1980 he founded Banco Hispano Industrial (Grupo BHA) and in 1982 he was appointed Deputy 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, Lácteos G Baquero and Unión Fenosa, etc. He is currently chairman of Cartera Industrial Rea, Bodegas Lan and Deputy Chairman of Zardoya Otis, as well as a Board Member of Elevadores Portugal, Mecalux, etc. He is Commandeur de l’Ordre de Léopold
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 Deputy 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.
D. Miguel Roca Junyent	Born in 1940 in 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. Member of the Board of Directors of Endesa, S.A. Chairman of Fundación Abertis Partner – Chairman of Despacho Roca Junyent.

Total number of independent Board Members	4
Total % of the Board	23.529

Other External Board Members

Name or company 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	5.882

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

Name or company 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 0.401%. 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 share capital.

—

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 Directors 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 his 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 of Board Member	Reason for resignation
Mr. Francisco Servando Verdú Pons	As a result of his appointment as CEO of Bankia
Mr. José María Aguirre González	Due to his death

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

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

B. Structure of the Company Administration

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

Name or company name of the Board Member	Company 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
	Intercambiador de Transportes Avda. de América S.A.	Chairman
	Intercambiador de Transportes Plaza de Castilla S.A.	Individual Representative
	Intercambiador de Transportes Príncipe Pío. S.A.	Individual Representative
Mr. Javier Echenique Landiribar	ACS Servicios. Comunicaciones y Energía S.L.	Board Member
	ACS Servicios y Concesiones S.L.	Board Member
Mr. Javier Múzón de Cáceres	ACS Servicios. Comunicaciones y Energía S.L.	Board Member
	ACS Servicios y Concesiones S.L.	Board Member
Mr. Julio Sacristán Fidalgo	ACS Servicios. Comunicaciones y Energía S.L.	Board Member
	Dragados. S.A.	Board Member
Mr. Manuel Delgado Solís	Dragados. S.A.	Board Member
Mr. Pedro José López Jiménez	ACS Servicios y Concesiones S.L.	Board Member
	ACS Servicios. Comunicaciones y Energía S.L.	Board Member
	Dragados. S.A.	Vice Chairman
	Hochtief Aktiengesellschaft	Board Member
Mr. José Luis del Valle 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. S.A.	Board Member - Secretary
	Hochtief Aktiengesellschaft	Member of Supervisory Board
	Iridium Concesiones de Infraestructuras. S.A.	Board Member
	Urbaser S.A.	Board Member

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 securities markets in Spain and which do not form part of the Company's Group, of which the Company is aware:

Name or company name of the Board Member	Listed Company	Position
Mr. Florentino Pérez Rodríguez	Abertis Infraestructuras. S.A.	Deputy Chairman
Mr. Pablo Vallbona Vadell	Abertis Infraestructuras. S.A.	Board Member
	Corporación Financiera Alba. S.A.	Deputy Chairman
Mr. Javier Echenique Landiribar	Repsol YPF. S.A.	Board Member
	Grupo empresarial Ence. S.A.	Board Member
	Banco Sabadell. S.A.	Deputy Chairman
Mr. Javier Monzón de Cáceres	Indra Sistemas. S.A.	Chairman
Mr. José Álvaro Cuervo García	Bolsas y Mercados Españoles.	Board Member
	Sdad Holding de mdos y stmas fin. S.A.	
Mr. José María Loizaga Viguri	Cartera Industrial Rea. S.A.	Chairman
	Zardoya Otis. S.A.	Deputy Chairman
Mr. Juan March de la Lastra	Corporación Financiera Alba. S.A.	Board Member
	Indra Sistemas. S.A.	Board Member
Mr. Miguel Roca Junyent	Endesa. S.A.	Board Member
Mr. Pedro José López Jiménez	Grupo Empresarial Ence. S.A.	Board Member
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Acerinox. S.A.	Board Member
	Corporación Financiera Alba. S.A.	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 the 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 apply	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	Thousands of euros
Fixed Remuneration	3,169
Variable Remuneration	3,788
Expenses	0
By-law-stipulated directors' emoluments	2,389
Stock options and/or financial instruments	0
Other	0
Total	9,346

B. Structure of the Company Administration

Other benefits	Thousands of Euros
Advances	0
Loans	0
Pension funds and plans: contributions	1,955
Pension funds and plans: obligations assumed	1,955
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 the companies of the Group:

Nature of remuneration	Thousands of euros
Fixed Remuneration	448
Variable Remuneration	0
Expenses	0
Bylaw-stipulated directors' emoluments	889
Stock options and/or financial instruments	0
Other	1
Total	1,338

Other benefits	Thousands of 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 Member:

Classes of Board Members	By company	By group
Executive directors	7,562	681
Proprietary and External Board Members	1,022	414
Independent External Board Members	637	50
Other External Board Members	125	193
Total	9,346	1,338

d) In relation to profit attributed to the parent:

Total Board Members' remuneration (thousands of euros)	10,684
Total Board Member remuneration/profit attributed to the parent (%)	1.1

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

Name or company name	Position
Mr. Juan Luis García-Gelabert Pérez	Director of Investments of Dragados. S.A.
Mr. Alfonso Aguirre Díaz-Guardamino	Legal Manager of ACS Servicios Comunicaciones y Energía, S.L.
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	Sole-director of Vías y Construcciones, S.A.
Mr. Gustavo Tunell Ayuso	Canada Director of Dragados, S.A.
Mr. Javier López Sánchez	Director of Building Dragados, S.A.
Mr. Raúl Llamazares de la Puente	CEO of Initec, Intecsa and Makiber.
Mr. José María Castillo Lacabex	General Manager of Imesapi, S.A.
Mr. José Luis López Molinillo	Director of ACS, Actividades de Construcción y Servicios, S.A.
Mr. Antonio Gómez Zamora	General Manager of Cobra Energía.
Mr. Eugenio Llorente Gómez	Chairman and CEO of the Industrial Services area.
Mr. José Ignacio Legorburo Escobar	International and Investments Director of Vías y Construcciones, S.A.
Mr. José María Aguirre Fernández	General Manager of Tecsa, Empresa Constructora, S.A.
Mr. Ricardo Martín de Bustamante Vega	European Director of Dragados, S.A.
Mr. Jesús García Arias	General Manager of Semi.
Mr. Cristobal González Wiedmaier	Finance Manager of ACS Servicios Comunicaciones y Energía, S.L.
Mr. Maximiliano Navascues Redondo	Director of Contracts and Technical Services 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 the Construction, Concessions and Environmental area.
Mr. Carlos Abilio Pérez	General Manager of Waste Treatment of Urbaser, S.A.
Mr. Manuel García Buey	Chairman and CEO of Iridium, Concesiones de Infraestructuras, S.A.
Mr. Javier Polanco Gómez-Lavin	Chairman of Urbaser, S.A.
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. Vicente Prados Tejada	General Manager of CYMI and Masa.
Mr. Manuel Andrés Martínez	General Manager of Urban Services of Urbaser, S.A.
Mr. Adolfo Valderas Martínez	General Manager of Iridium, Concesiones de Infraestructuras, S.A.
Mr. José Luis Celorrio García	General Manager of Maetel.
Mr. José Alfonso Nebrera García	General Manager of ACS Servicios Comunicaciones y Energía. S. L.
Mr. Juan Enrique Ruiz González	Chairman of Sice Tecnologías y Sistemas.
Mr. Jose Antonio Fernández García	General Manager of Grupo ETRA.
Ms. Cristina Aldámiz-Echevarría González de Durana	Director of Investments and Management Control of ACS Actividades de Construcción y Servicios, S.A.
Mr. Salvador Myro Cuenco	Development Manager of Iridium, Concesiones de Infraestructuras, S.A.
Mr. Ricardo Franco Barbera	Director for Eastern USA of Dragados, S.A.
Mr. Ángel Medina Trigo	General Manager of Initec.
Mr. Alfonso Costa Cuadrench	Director for Poland of Dragados, S.A.
Mr. José María López Piñol	General Manager of Urbaser, S.A.
Mr. Pedro Ascorbe Trian	Chairman of Dragados Off Shore, S.A.
Mr. Alejandro Ganga Bottegheiz	Director for Western USA of Dragados, S.A.
Mr. Alejandro Mata Arbide	Administration Manager of ACS, Actividades de Construcción y Servicios, S.A.
Mr. Carlos Gerez Pascual	Director of Machinery of Dragados, S.A.
Mr. Carlos Vela García	Deputy Chairman of Services.
Mr. Luis Nogueira Miguelsanz	Secretary General of the Construction, Concessions and Environmental Areas.
Mr. Juan Mata Arbide	General Manager of Flota Proyectos Singulares, S.A.
Mr. Epifanio Lozano Pueyo	Corporate General Manager of ACS Servicios Comunicaciones y Energía, S.L.
Mr. Víctor Luis Alberola Ruipérez	Director of Civil Works of Dragados, S.A.
Mr. José Antonio López-Monis Plaza	International Director of Dragados, S.A.
Mr. Ramón Jiménez Serrano	General Manager of Proyectos Integrados de Cobra Gestión de Infraestructuras, S.A.
Mr. Santiago García Salvador	General Manager of Geocisa.
Mr. José Antonio Pérez Pérez	General Manager of Maessa.
Mr. Andrés Sanz Carro	Secretary General of Sociedad Española de Montajes Industriales, S.A. (SEMI).
Mr. Juan José Farjul Pastrana	General Manager of Cobra.
Mr. Ignacio Segura Suriñach	General Manager of Dragados, S.A.
Mr. Enrique Pérez Rodríguez	CEO of Cogesa.
Total senior management remuneration (thousands of euros)	27,352

B. Structure of the Company Administration

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

Number of beneficiaries	9	
	Board of Directors	General Meeting
Body authorising the clause	X	
	Sí	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 is proposed by the Board at the proposal of the Appointment and Remuneration Committee. Each year the full amount is submitted at the Annual General Meeting for approval by the shareholders within the resolution relating to the distribution of profit.

This matter is regulated in the last three paragraphs of Article 34 of the Bylaws, which provide the following: The Board of Directors shall be jointly entitled to a remuneration, in addition to the fees and allowances agreed by the General Shareholders' Meeting, for statutory participation, not in excess of ten percent of net profit, which may only be subtracted from such profit having covered considerations for the reserve stipulated by law and, where relevant, by the bylaws, and having disbursed to shareholders a dividend of at least four percent of the paid-up capital for each share.

It is expressly authorized that compensation for any or all of the members of the Board of Directors, and the management personnel both of the Company and of the companies belonging to the same Group, may consist of the issue of shares in the Company or of stock options in such Company or of stock which may be pegged to the value of such shares, in accordance with the terms and conditions as laid down by the General Shareholders' Meeting by means of appropriate agreement and pursuant to the legally established requirements.

The Board of Directors shall decide upon the manner of distributing amongst its members, including a modified amount, the remuneration that jointly corresponds to them under the provisions of this Article.

In accordance with Article 16 of the Rules of the Board of Directors, it shall be the Board of Directors, subject to a report from the Remuneration Committee, which determines the definitive distribution of the overall amount that may correspond, in addition to the periods in which payment is made. Additionally, in accordance with Article 24 of these Rules, the Appointment and Remuneration Committee has the responsibility of reporting to the Board of Directors on the following:

1. The remuneration system for the Chairman of the Board of Directors and other senior executives in the Company.
2. The distribution among the members of the Board of Directors of the overall remuneration agreed upon by the shareholders at the Annual General Meeting, and if applicable, the establishment of supplementary remuneration and supplementary payments corresponding to executive directors in relation to their functions.
3. Remuneration of Board Members.
4. Multi-annual plans that may be set up according to stock value such as stock option plans.

Mark whether the Board in full shall take decisions.

	Yes	No
At the request of the Deputy-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.1.15. Indicate whether the Board of Directors approves a detailed remuneration policy and specify the issues it deals with:

	Yes	No
	X	

	Yes	No
The amount of the fixed components, itemised where necessary, of Board and Board committee attendance, with an estimate of the fixed annual payment they give rise to	X	
Variable pay items	X	
Main features of the provision systems, and estimates of their 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 shareholders at the Annual General Meeting as a separate item 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	

Matters addressed in the remuneration policy

The consultative report on the Board Members' remuneration policy shall be submitted to the vote of the shareholders as a separate item on the agenda at the Annual General Meeting to be held on 30 and 31 May 2012, on the first and second call, respectively.

Articles 4 and 16 of the Rules of the Board of Directors provide that the Board shall approve an annual report on the remuneration policy setting out the criteria and rationale used to determine the remuneration of the Board Members, which shall be submitted to the shareholders at the Annual General Meeting.

The 2011 report on the Board Members' remuneration policy shall be published this year separately from the Group's Annual Report. In addition to an itemised breakdown of the Board Members' remuneration, this report shall include the Board Members' remuneration policy for 2012.

Role of the Remuneration Committee

In accordance with Article 24 of the Rules of the Board of Directors, the Appointment and Remuneration Committee has drafted the policy contained in the report on the Board Members' remuneration policy for 2011. It was submitted for the approval of the Board of Directors at its meeting held on 22 March 2012.

B. Structure of the Company Administration

Were external advisors used?

Identity of external advisors

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 company name of the Board Member	Company name of the significant shareholder	Position
Mr. Florentino Pérez Rodríguez	Inversiones Vesán, S.A.	Director
Mr. Pablo Vallbona Vadell	Corporación Financiera Alba, S.A.	Deputy Chairman
Mr. Juan March de la Lastra	Corporación Financiera Alba, S.A.	Board Member
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 company name of the related Board Member	Name or company name of the related significant shareholder	Description of relationship
Mr. Pablo Vallbona Vadell	Corporación Financiera Alba, S.A.	Deputy chairman of banca march S.A., Main shareholder of Corporación Financiera Alba, S.A.
Mr. Juan March de La Lastra	Corporación Financiera Alba, S.A.	Deputy 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 Florentino Pérez, Director Of Inversiones Vesán, S.A.
Mr. Manuel Delgado Solís	Percacer, S.A.	Lawyer
Mr. Manuel Delgado Solís	Imvernelin Patrimonio, S.L.	Lawyer
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Corporación Financiera Alba, S.A.	Member of the board of directors 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	

Description of amendments

Amendment of Articles 9 and 23 of the Rules of the Board of Directors, which shall be worded as follows:

Article 9. Quorum of attendance

The Board shall be deemed to be constituted when a majority of the shareholders are either present or represented at the meeting.

Without prejudice to attendance obligations, Directors who are unable to attend a meeting in person may be represented and cast a vote through another Director. This proxy must be in writing and must be delivered to the Chairman in the form of a letter, telegram, telex or fax or any other written means that allows its reception by this addressee to be verified.

Nevertheless, the Board may meet without having called a meeting if all its members are present or represented and they unanimously agree to holding a meeting of the Board and to the meeting agenda.

Article 23. The Audit Committee

In accordance with the provisions of Article 20 b of the Company Bylaws, there shall be an Audit Committee 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 fall to anyone who currently performs or who has carried out tasks of an executive or labour-related nature in the Company during the three immediately preceding years. At least one of the members of the Audit Committee shall be independent and shall be appointed on the basis of his or her knowledge and experience in accounting or auditing or both. The Chairman's appointment, also to be carried out by the Board of Directors, shall necessarily correspond to one of the Company's non-executive Directors, who may not remain in such position for a period in excess of four years, although he may, nevertheless, be re-elected after the term of one year has elapsed from the moment of termination. The Secretary to the Board of Directors shall attend the Committee's meetings and 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 as constituted when the majority of its members are present and 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 when convened by the Chairman and, at least twice a year, coinciding with the initial and final stages of the audit of the Company's financial statements and of the consolidated financial statements of its Business Group and always prior to issuing the corresponding audit reports. Meetings may be attended, when specially summoned, by the Auditor of the Company for the purposes of explaining the most significant aspects in the audits carried out.

The Audit Committee shall have the following functions:

1. Report to the General Shareholders' Meeting on the questions presented therein on matters of their authority.
2. Monitor the effectiveness of the company's internal control, internal audit, and if applicable, risk management systems, and discuss any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms.
3. Oversee the preparation and presentation of the regulated financial information.
4. Propose to the Company's Board of Directors, for submission to the General Shareholders' Meeting, the appointment of auditors or audit firms in accordance with applicable law.
5. Establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter which may compromise their independence and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in Spanish legislation regarding auditing accounts and technical auditing standards. In any case, auditors and audit firms shall annually furnish the committee with written confirmation of their independence from the company or directly and indirectly related companies, in addition to reporting any additional services of any type presented to these companies by the aforementioned auditors or firms, or related individuals or companies, in accordance with the provisions of current Spanish legislation.
6. Annually and prior to the issuance of the auditors' report, issue a report expressing an opinion on the independence of the auditors or audit firms. In any case, this report shall give an opinion on any of the above referred to additional services provided.
7. Review and inform on the estimates made by Company management and of those companies comprised within its Group of Companies with respect to possible significant tax and legal contingencies.
8. Be aware of the results of inspections conducted by official entities.
9. Be aware of the information periodically provided to the Stock Market on the company's accounts.
10. Previously inform the Board of Directors of any related party transactions to be submitted for its approval.
11. Any other matters for which it is responsible in accordance with the provisions of these Rules, or which may be especially entrusted to it by the Board of Directors or attributed to it under current Spanish legislation

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

B. Structure of the Company Administration

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 appointment of Board Members is regulated in the following articles of the Rules of the Board of Directors, which are worded as follows:

Article 3. Composition and appointments

Within the limits laid down by Article 13 of the Company Bylaws 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 among the shareholders until the next General Shareholders' Meeting where the definitive choice would be made.

Article 4. Functions (...) 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, Deputy 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 directors' 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 Report on Corporate Governance, and the proposals which, in accordance with the legislation in force and the Company Bylaws, the Board of Directors is responsible for adopting.
- 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 dominant.
- Approving the block issue of debentures, notes, bonds or similar security by the main companies of the Group where the Company is dominant.
- 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, to carry 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.

Article 11. Term of appointment for Board Members

Board Members shall hold their positions 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 directors shall resign when the shareholder they represent fully disposes of his shares by any title.

Article 17. The Chairman

The Board shall elect a Chairman from among its members, who, in addition to the functions that may correspond in accordance with the legislation in force, the Company Bylaws and these Rules, shall perform the tasks corresponding to his or her condition as the Company's maximum executive manager, within the guidelines laid down by the General Shareholders' Meeting, the Board of Directors and the Executive Committee.

The Chairman shall enjoy the broadest powers for performing his or her tasks and, except due to legal prohibition, may delegate such powers, totally or partially, to other Board Members and the Company's management staff and, in general, whoever he or she deems expedient or necessary.

Article 18. The Deputy Chairmen

Likewise, the Board may elect from among its members one or two Deputy Chairmen who shall substitute the Chairman in cases of delegation, absence or illness and, in general, perform all the tasks that may be entrusted to them by the Chairman, the Executive Committee and the Board of Directors.

Substitution of the Chairman shall take place by chronological order of the Deputy Chairmen's appointment, in the absence of such order, by order of seniority and, lastly, by order of greater to lesser age.

Article 19. The Chief Executive Officer

The Board may appoint a Chief Executive Officer, delegating him the powers deemed expedient except those which, by law or Company Bylaws, cannot be delegated.

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 Bylaws 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 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

B. Structure of the Company Administration

for which they were elected. The appointment of the Chairman must fall on one of the independent Board Members. Its meetings shall be attended by the Secretary to the Board of Directors, with entitlement to participate but not to vote, who shall act as its Secretary, 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, prior notice from its Chairman, 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 directors 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.

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

Re-election of board members

Board members shall hold their positions during the six-year term for which they were elected. They may be re-elected for terms of the same maximum duration.

Should a vacancy exist for any reason, the Board of Directors 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 Directors shall resign when the shareholders they represent fully disposes of his shares by any means.

Removal of board members

The removal of Board Members is regulated in the following articles of the Rules of the Board of Directors, which are worded as follows:

Article 3. Composition and appointments

Within the limits laid down by Article 13 of the Company Bylaws 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 among the shareholders until the next General Shareholders' Meeting where the definitive choice would be made.

Article 4. Functions (...) 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, Deputy Chairman and Secretary to the Board.

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

Article 11. Term of appointment for Board Members

Board Members shall hold their positions 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.

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

In accordance with Article 11 of the Rules of the Board of Directors, the proprietary directors shall resign from the Board of Directors when the shareholder they represent fully disposes of his shares by any title.

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 the accumulation of powers in a single person:

	Yes	No
	X	

B. Structure of the Company Administration

Measures to limit risks

The Chairman of the Board, Mr. Florentino Pérez Rodríguez, is also CEO, and has been 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 chief executive officer 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 the 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 the 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
	<input checked="" type="checkbox"/>	

Explanation of the rules

In accordance with the Rules of the Board of Directors, an independent Board Member shall have this power, and for these purpose, Mr. Miguel Roca Junyet has been appointed to replace Mr. José María Aguirre González, who recently passed away.

B.1.22. Are higher majorities, other than a legal majority, required in any type of decision?:

	Yes	No
		<input checked="" type="checkbox"/>

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:

—

B.1.23. State whether there are specific requirements, other than those related to Board Members, to be nominated as Chairman.

	Yes	No
		<input checked="" type="checkbox"/>

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

	Yes	No
		<input checked="" type="checkbox"/>

B.1.25. Indicate if the Company Bylaws or 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 Bylaws or the Rules of the Board of Directors establish a limited mandate for independent Board Members:

		Yes	No
			X
Maximum number of mandate years		0	

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, which has enabled it to increase the number of women with executive responsibilities in the Group.

In 2009 Ms. Sabina Fluxá Thienemann was appointed as a member of the Board of Directors.

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, and if so, explain them briefly.

Without prejudice to the obligation to attend, the Board Members who are unable to attend a meeting in person may be represented and cast a vote through another Board Member. This delegation must be 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. Structure of the Company Administration

B.1.29. Indicate the number of meetings that the Board of Directors has held during the year. Additionally, indicate the number of meetings held during the year 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 by the different Board committees:

Number of meetings of the Executive or Representative Committee	9
Number of meetings of the Audit Committee	5
Number of meetings of the Appointment and Remuneration Committee	4
Number of meetings of the Appointment Committee	0
Number of meetings of the Remuneration Committee	0

B.1.30. Indicate the number of meetings held by the Board of Directors 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	4.545

B.1.31. Indicate whether the individual and financial consolidated 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, if any, established by the Board of Directors to prevent the individual and consolidated financial statements it prepares from being presented at the General Shareholders' Meeting without a qualified auditors' 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 auditors' interpretation of the accounts. The foregoing is in accordance with Article 20 bis of the Company Bylaws. It is considered that the 2011 auditors' reports on ACS Actividades de Construcción y Servicios, S.A. and the ACS Group will be favourable, as they were in 2009 and 2010.

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:

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 Bylaws 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.

	Yes	No
Does the Appointment Committee report the appointment?	X	
Does the Appointment Committee report the dismissal?	X	
Does the Board in full approve the appointment?	X	
Does the Board in full approve the dismissal?	X	

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

	Yes	No
	X	

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

In regard to the auditor, Article 23 of the Rules of the Board of Directors provides that the duties of the Audit Committee shall be as follows:

- Monitor the effectiveness of the company’s internal control, internal audit, and if applicable, risk management systems, and discuss any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms.
- Oversee the preparation and presentation of the regulated financial information.
- Propose to the Company’s Board of Directors, for submission to the General Shareholders’ Meeting, the appointment of auditors or audit firms in accordance with applicable law.
- Establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter which may compromise their independence and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in Spanish legislation regarding auditing accounts and technical auditing standards. In any case, auditors and audit firms shall annually furnish the committee with written confirmation of their independence from the company or directly and indirectly related companies, in addition to reporting any additional services of any type presented to these companies by the aforementioned auditors or firms, or related individuals or companies, in accordance with the provisions of current Spanish legislation.

B. Structure of the Company Administration

- Annually and prior to the issuance of the auditors' report, issue a report expressing an opinion on the independence of the auditors or audit firms. In any case, this report shall give an opinion on any of the above referred to additional services provided.
- Review and inform on the estimates made by Company management and of those companies comprised within its Group of Companies with respect to possible significant tax and legal contingencies.
- Be aware of the results of inspections conducted by official entities.

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 that there were disagreements with the outgoing auditor, explain the contents thereof:

	Yes	No
		X

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

	Yes	No
	X	

	Company	Group	Total
Amount paid for work performed other than audit work (thousands of euros)	669	3,248	3,917
Amount paid for work performed other audit work/Total amount invoiced by the auditors' firm (%)	76.570	27.580	30.960

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	10	10

	Company	Group
Number of years audited by the current auditing firm/number of years that the Company has been audited (%)	45.5	45.5

B.1.40. Indicate the shareholdings of members of the Company's Board of Directors in entities that have the same, analogous or complementary kind of activity 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 company name of the Board Member	Name of the object Company	% ownership	Position or function
Mr. Florentino Pérez Rodríguez	Abertis Infraestructuras, S.A.	0.000	Deputy chairman
Mr. Antonio García Ferrer	Ferrovial, S.A.	0.000	-
Mr. Pablo Vallbona Vadell	Abertis Infraestructuras, S.A.	0.001	Board Member
Mr. Javier Monzón de Cáceres	Indra Sistemas, S.A.	0.094	Chairman
Mr. Juan March de la Lastra	Indra Sistemas, S.A.	0.005	Board Member
Mr. Julio Sacristán Fidalgo	Abertis infraestructuras, S.A.	0.000	-
Mr. Pedro José López Jiménez	Grupo Terratest	45.000	Chairman (through Fapindus, S.L.)
Mr. Santos Martínez-Conde Gutiérrez-Barquín	Enagas, S.A.	0.002	-
	Indra Sistemas, S.A.	0.002	-
	Ferrovial, S.A.	0.001	-
	Endesa, S.A.	0.000	-
	Repsol YPF, S.A.	0.001	-
	Gas Natural SDG, S.A.	0.001	-
	Abertis Infraestructuras, S.A.	0.001	-
	Telefonica, S.A.	0.001	-
	Iberdrola, S.A.	0.001	-
Fomento de Construcciones y Contratas, S.A.	0.004	-	
Mr. José Luis del Valle Perez	Técnicas Reunidas, S.A.	0.002	-
	Admirabilia, S.L.	0.000	Board Member
	Trebol Internacional, B.V.	0.000	Board Member
	Del Valle Inversiones S.A.	33.330	Director Acting Severally
	Sagital, S.A.	5.100	-

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

	Yes	No
	X	

Detail of procedure

Article 15 of the Rules of the Board of Directors expressly provides that Board Members have the right to request and obtain information and advice required to carry out their functions. The information that they consider necessary is to be requested through the Chairman or Secretary of the Board, and under special circumstances, may consist of external advice at the Company's expense.

B. Structure of the Company Administration

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 administrative bodies with sufficient time:

	Yes	No
	X	

Detail of procedure

Article 15 of the Rules of the Board of Directors expressly provides that Board Members have the right to request and obtain information and advice required to carry out their functions. The information 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 arise and be unavoidable, it must be reported to the Board of Directors and recorded in the Minutes of the first Board meeting that takes place. Shares, stock options or derivative options that refer to the value of the share of which they are holders, either directly or indirectly, must also be reported to the Company as soon as possible, and at the latest, within five days.

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 of taking part in the voting on these 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 had been filed against him for any of the crimes set forth in Article 124 of the Spanish Public Limited Liabilities 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 shall continue to hold office.

	Yes	No
		X

Decision taken

Reasonable explanation

B.2. Committees of the Board of Directors

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

Executive Committee

Name	Position	Type
Mr. Florentino Pérez Rodríguez	Chairman	Executive
Mr. José María Loizaga Viguri	Deputy Chairman	Independent
Mr. Antonio García Ferrer	Member	Executive
Mr. Javier Echenique Landiribar	Member	Proprietary
Mr. Juan March de la Lastra	Member	Proprietary
Mr. Pablo Vallbona Vadell	Member	Proprietary
Mr. Pedro José López Jiménez	Member	Other External

Audit Committee

Name	Position	Type
Mr. José María Loizaga Viguri	Chairman	Independent
Mr. José Álvaro Cuervo García	Member	Independent
Mr. Julio Sacristan 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. José María Loizaga Viguri	Chairman	Independent
Mr. Javier Echenique Landiribar	Member	Proprietary
Mr. Julio Sacristán Fidalgo	Member	Proprietary
Mr. Miguel Roca Junyent	Member	Independent
Mr. Pablo Vallbona Vadell	Member	Proprietary

B. Structure of the Company Administration

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

	Yes	No
Monitor the preparation and 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 regularities they detect in the course of their work anonymously or confidentially	X	
Make recommendations to the Board for the selection, appointment, reappointment and removal of the external auditors, and the terms and conditions of his engagement	X	
Receive regular information from the external auditor on the progress and findings of the audit plan and check the senior management are acting on its recommendations	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 made up of the Chairman of the Board of Directors, who shall act as its Chairman, and by the Deputy Chairman or both Deputy Chairmen, in the event that these positions had been appointed, by Board Members appointed by the Board of Directors for such purpose, and by the Secretary to the Board of Directors, with entitlement to participate but not to vote, who shall act as its Secretary.</p> <p>The Executive Committee shall meet as often as it is convened by its Chairman, on his or her own initiative or on request by, at least, two of its members. It shall be deemed to be set up when the majority of its members attend, present or represented, and unless the legislation in force, the Company Bylaws or these Rules provide otherwise, it shall adopt its agreements by majority vote of those attending, present or represented.</p> <p>The Executive Committee shall have, by delegation of the Board of Directors, all the powers that correspond to it except those which, by law or bylaw, cannot be delegated. Nevertheless, the Board of Directors may pass on knowledge of and the decision upon any matter of its competence, and on its part, the Executive Committee may subject the decision on any matter to the Board of Directors, which even though a matter of its competence, deems necessary or expedient for the Board to decide upon.</p> <p>Insofar as it were deemed necessary, and with the natural adaptations, the operation of the Executive Committee shall be governed by the provisions of these rules regarding the operation of the Board of Directors.</p>
Audit Committee	<p>In accordance with the provisions of Article 20 b of the Company Bylaws, there shall be an Audit Committee 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 cannot fall to anyone who currently performs or who has carried out tasks of an executive or labour-related nature in the Company during the three immediately preceding years. At least one of the members of the Audit Committee shall be independent and shall be appointed on the basis of his or her knowledge and experience in accounting or auditing or both. The Chairman's appointment, also to be carried out by the Board of Directors, shall necessarily correspond to one of the Company's non-executive Directors, who may not remain in such position for a period in excess of four years, although he may, nevertheless, be re-elected after the term of one year has elapsed from the moment of termination. The Secretary to the Board of Directors shall attend the Committee's meetings and 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 as constituted when the majority of its members are present and 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 when convened by the Chairman and, at least twice a year, coinciding with the initial and final stages of the audit of the Company's financial statements and of the consolidated financial statements of its Business Group and always prior to issuing the corresponding audit reports. Meetings may be attended, when specially summoned, by the Auditor of the Company for the purposes of explaining the most significant aspects in the audits carried out.</p> <p>The provisions set forth in these rules regarding the operation of the Board of Directors shall be applied to the Audit Committee 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 indefinitely or during the term for which they were elected. The appointment of the Chairman must fall on one of the independent Board Members. Its meetings shall be attended by the Secretary to the Board of Directors, with entitlement to participate but not to vote, who shall act as its Secretary, 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 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, prior notice from its Chairman, at least twice a year.</p> <p>Insofar as it were deemed necessary, and with the natural adaptations, the operation of the Appointment and Remuneration Committee shall be governed by the provisions of these rules regarding the operation of the Board of Directors.</p>

B. Structure of the Company Administration

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

Committee name	Brief description
Executive or Representative Committee	The Executive Committee shall have, by delegation of the Board of Directors, all the powers that correspond to it except those which, by law or bylaw, cannot be delegated. Nevertheless, the Board of Directors may pass on knowledge of and the decision upon any matter of its competence, and on its part, the Executive Committee may subject the decision on any matter to the Board of Directors, which even though a matter of its competence, deems necessary or expedient for the Board to decide upon.
Audit Committee	<p>The Audit Committee shall have the following functions:</p> <ol style="list-style-type: none"> 1. Report to the General Shareholders' Meeting on the questions presented therein on matters of their authority. 2. Monitor the effectiveness of the company's internal control, internal audit, and if applicable, risk management systems, and discuss any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms. 3. Oversee the preparation and presentation of the regulated financial information. 4. Propose to the Company's Board of Directors, for submission to the General Shareholders' Meeting, the appointment of auditors or audit firms in accordance with applicable law. 5. Establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter which may compromise their independence and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in Spanish legislation regarding auditing accounts and technical auditing standards. In any case, auditors and audit firms shall annually furnish the committee with written confirmation of their independence from the company or directly and indirectly related companies, in addition to reporting any additional services of any type presented to these companies by the aforementioned auditors or firms, or related individuals or companies, in accordance with the provisions of current Spanish legislation. 6. Annually and prior to the issuance of the auditors' report, issue a report expressing an opinion on the independence of the auditors or audit firms. In any case, this report shall give an opinion on any of the above referred to additional services provided. 7. Review and inform on the estimates made by Company management and of those companies comprised within its Group of Companies with respect to possible significant tax and legal contingencies. 8. Be aware of the results of inspections conducted by official entities. 9. Be aware of the information periodically provided to the Stock Market on the company's accounts. 10. Previously inform the Board of Directors of any related party transactions to be submitted for its approval. 11. Any other matters for which it is responsible in accordance with the provisions of these Rules, or which may be especially entrusted to it by the Board of Directors or attributed to it under current Spanish legislation.
Appointment and Remuneration Committee	<p>The Appointment and Remuneration Committee has the following tasks:</p> <ol style="list-style-type: none"> 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 directors 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. <p>Insofar as it were deemed necessary, and with the natural adaptations, the operation of the Appointment and Remuneration Committee shall be governed by the provisions of these rules regarding the operation of the Board of Directors.</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	<p>The Board Committees are regulated in Articles 19, 20 and 20 bis of the Bylaws and Article 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website www.grupoacs.com.</p> <p>The specific rules relating to the Executive Committee are set forth in Article 22 of the Rules of the Board of Directors.</p>
Appointment and Remuneration Committee	<p>The Board Committees are regulated in Articles 19, 20 and 20 bis of the Bylaws and Article 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website www.grupoacs.com.</p> <p>The specific rules relating to the Executive Committee are set forth in Article 24 of the Rules of the Board of Directors.</p>
Audit Committee	<p>The Board Committees are regulated in Articles 19, 20 and 20 bis of the Bylaws and Article 21 to 24 of the Rules of the Board of Directors. Both documents are available on the corporate website www.grupoacs.com.</p> <p>The specific rules relating to the Executive Committee are set forth in Article 23 of the Rules of the Board of Directors.</p>

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 company objects 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 Spanish Limited Liability Companies Law 27 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 interests between themselves, or their most direct relatives, and the Company, in all cases notifying the Board of Directors of the existence of such conflict in the event that they could not be avoided, a written record of which shall be made in the Minutes of the first Board Meeting held. Furthermore, they must notify the Company, in the shortest possible term, and in all cases, within the five following days, of the shares, stock options or derivatives referring to the share value which may be held, directly or indirectly, either by the Board Members themselves and by their most direct relatives.

Board Members must notify the Company of the most significant changes that take place in their professional circumstances, and especially, those affecting the qualities taken into account for appointing them as such. Furthermore, they shall notify the Company of any legal or administrative proceedings which, on account of their importance, may seriously affect the Company's reputation.

Board Members shall abstain from taking part in the discussions and from casting their vote on those matters where they have a private interest, which will be expressly registered in the Minutes.

Article 14 on non-competition and use of information provides that 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 authorization from the Board provided on a reasonable basis. For these purposes, companies in the same group shall be considered as a single company. Board Members may not hold, neither directly or indirectly, positions in companies or organisations in competition against the Company or against any company of its Group nor provide services of representation for them.

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, Board Members, unless expressly authorized by the Board of Directors, may not take advantage, in their own benefit, of the commercial operations of which they have become aware in carrying out the said functions.

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

2. Additionally, there are Rules of Conduct in the Securities 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 17 July 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 rule of Conduct in the Stock Market, informing the Spanish National Securities Market (CNMV) of this on 31 July 2003. At its meeting held on 1 July 2004, the Board of Directors unanimously resolved to approve a number of amendments to the Rules of Conduct in the Stock Market which was reported to the CNMV on 2 July 2004.

In general, the Rules apply to the members of the Board of Directors, members of the Group Management Committee and to those Company agents and staff who carry out activities that may have an essential bearing on the price of the Company's shares. It also applies to Company representatives or staff and to external advisers who, with respect to a specific operation, are aware of privileged or reserved information regarding the Company's stocks.

The Monitoring Unit provided for in these Rules shall have, updated and made available to the securities market's supervising authorities, a list of Company Board Members, representatives and staff, in addition to external advisers, who are generally or specifically subject to these Rules. Both inclusion in, and exclusion from, such list shall be notified in writing to the affected parties by the Chairman of the Monitoring Body.

The regulations laid down by these Rules shall be applicable with regard to shares, stock options and similar contracts that grant entitlement to subscribe or acquire Company stock or whose basis consists of its shares, convertible or non-convertible debentures, bonds, notes, subordinated debt and, in general, any kind of financial instrument issued by the Company or, where relevant, by components of its Business Group.

C. Related-Party Transactions

All persons who, in accordance with the provisions of Article 1, are subject to these Rules, must abstain from conducting or preparing to conduct any type of action that distorts the free formation of prices on the stock market. and must abstain from using, whether in their own benefit or in benefit of third parties, any kind of privileged or relevant information relating to the stock market which they may have obtained in the performance of their functions in or for the Company

All members of the Board of Directors, Company representatives and staff who has information that could be deemed as privileged and which refers to the transferable securities and financial instruments issued by the Company itself or by components of its Business Group, has the obligation to safeguard it, notwithstanding his or her obligation to communicate and collaborate with the legal and administrative authorities in the terms provided for by law.

In the stages of study or negotiation of any kind of legal or financial operation that may significantly influence the quotation of the securities referred to in Article 2 herein, the Company's managers of such operations shall be obliged to:

- a) Limit knowledge of the information strictly to those persons, internal or external to the organisation, whose participation is essential.
- b) For each operation, maintain a register of documents including the names of the persons referred to in the above section and the date on which each of them knew the information.
- c) Expressly warn the persons included in the register on the nature of the information and their duty to confidentiality and the prohibition of its use
- d) Set up security measures for the safe-keeping, filing, access, reproduction and distribution of the information.
- e) Monitor the evolution of the market in transferable securities or financial instruments relating to the operation in process in addition to the news broadcast by the media, whether specialized in economic information or not, which may affect them.
- f) In the event that abnormal evolution were to take place in contracted volume or negotiated prices and there existed reasonable indication that such evolution were happening as a consequence of premature, partial or distorted notification of the operation, those responsible for the operation must immediately report to the General Secretary and Secretary to the Board so that he or she may issue without delay a relevant fact that informs, clearly and precisely, of the state at which the operation in process currently lies or which contains an advance of the information to be provided.

The persons subject to these Rules who carry out any kind of operation on transferable securities or financial instruments issued by the Company must comply with the following duties:

- a) Report in writing to the Company, through the Chairman of the Monitoring Body, on any type of sale or purchase or acquisition of option rights operation, carried out in their own benefit which bears a relation to the securities that represent these Rules' objective scope of application. Operations carried out by spouses shall be deemed equivalent to operations carried out by individuals themselves, unless they only affect their personal or exclusive assets in accordance with the rules governing their matrimonial property, as shall those carried out by children not of legal age or handicapped persons under the parental control of the person under obligation or by companies controlled, directly or indirectly by them or by intermediate persons. Exempt from this obligation to inform are those operations where there has been no participation at all by the person subject to these Rules by being ordered by the institutions which the affected party has entrusted the management of his portfolio in an established way. In this case, it shall be sufficient that he notifies the Chairman of the Monitoring Body of the existence of the portfolio management contract and the name of the management agency.

- b) Report, in full detail, upon request by the Chairman of the Monitoring Body, on the operations carried out independently and related with the securities representing these Rules' objective scope of application.
- c) Give notification in writing to the Chairman of the Monitoring Body, at the moment of accepting the position of Board Member, Company representative or staff member subject to these Rules, of a list of the securities of the Company or of the Group institutions that he or she owns, directly or indirectly, through controlled companies or intermediate persons or institutions or which act of a common accord, in addition to those which belong to their children below legal age or to handicapped persons under the parental control of the obligated individual or to his or her spouse, unless in the last of these cases they belong to his or her private and exclusive assets in accordance with the rules governing their matrimonial property. Furthermore, they must notify, also in writing, the existence of any established portfolio management contract and the name of the management agency.
- d) Submit to the Monitoring Body, through its Chairman, any doubt regarding the application of these Rules, with the obligation to abstain from any activity until they have the corresponding response to the consultation presented.

Notwithstanding the above, when operations on securities or financial instruments issued by the Company are conducted by Board Members, they must also notify the Stock Markets where the securities are listed and the National Securities Committee (CNMV), under the terms stipulated by law.

The Secretary to the Monitoring Body shall conserve, duly filed and ordered, the communications, notifications and any other action relating to these Rules, safeguarding the confidentiality of such file, and may at any time request of the persons subject to these Rules confirmation of the balance of securities and financial instruments that may be extracted from their file.

It is the responsibility of the Monitoring Body, through its Chairman, to determine and update which persons are subject to these Rules. For the purposes of the provisions of these Rules, the Monitoring Body shall be made up of the Secretary to the Board of Directors, who shall act as Chairman, by the General Corporate manager and by the Director of Administration, who shall act as its Secretary.

Non-compliance with the standards of conduct comprised within these Rules, insofar as their content is a development of the provisions of the stock market regulation and discipline standards, they may give rise to the corresponding administrative penalties and other consequences arising from the legislation that may apply. Insofar as they affect Company staff, they shall be considered professional misconduct.

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. Non-operating risks includes, with particular importance, those related to control and risk management systems related to the disclosure of financial information onto the market. The latter are included in the Supplementary Report to the Annual Corporate Governance Report on the items stipulated in Article 61 bis of the Spanish Securities Market Law.

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 on-going 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:

- 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.
- Development of specific actions for activities that so require, depending on the effect of the impact and 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

D. Risk Control Systems

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.
- The risk arising from changes in interest rates, in which 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 the job 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 do 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 personal income tax 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.

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.

The Hochtief Group, which has been fully consolidated by the ACS Group since 1 June 2011, has defined a risk control policy which adapts to its business activity. The detail of these policies and systems is include in the 2011 Annual Report on pages 121 to 129, which is available on the webpage web www.hochtief.com

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

All the risk control systems operated correctly, enabling them to be managed appropriately, without any relevant effect on the operating and strategic performance of the Group or its equity.

Risk arising in the year

Decrease in construction business in Spain.

Related circumstances

The financial crisis in Europe, and particularly in Greece and Spain.

Operation of the control systems

The ACS Group projected this drop in domestic activity in recent years, and has increased its international activity in all activity areas, noteworthy in 2011 being the high backlog as a result of the inclusion of the Hochtief Group in the ACS Group.

D. Risk Control Systems

Risk arising in the year

Liquidity of public clients.

Related circumstances

The financial crisis in Spain.

Operation of control systems

The ACS Group has created systems enabling detailed information on the client's position to be obtained. These enable risk to be monitored by the committees in each activity area for the management of working capital and to prevent or minimize negative effects in the Group's financial statement.

Risk arising in the year

Those relating to the Hochtief Group activity and explained in its Annual Report.

Related circumstances

Mainly those arising from its subsidiary Leighton in Australia (see Hochtief Annual Report).

Operation of control systems

Risk management is an integral part of the Hochtief Group management system which enables it to identify such risk, guaranteeing the continuity of its operations and assuring the Group's development.

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 on-going 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.

In accordance with the Company Bylaws 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.

In relation to this item, on 30 August 2011, the Executive Committee of the Board of Directors approved a new General Conduct Code, which inter alia, involves the implementation of an ethics channel enabling any person to report irregularities observed at any of the ACS Group companies (see attached Supplementary Report to the Annual Corporate Governance Report on aspects provide in Article 61 of the Spanish Securities Market Law)

Lastly, at its meeting held on 16 December 2010, the Board of Directors agreed to adhere to the Code of Good Tax Practices.

E. General Shareholders' Meeting

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

		No
		X
	% quorum differing from the quorum required under the CL 102 for general cases	% de 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 adopting resolutions and the system provided under the Spanish Limited Liability Companies Law, and if so, explain this difference.

	Yes	No
		X

Describe differences as compared to the Spanish Limited Liabilities Companies Law.

—

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

There are no rights different from those provided by the Spanish Limited Liability Companies 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 Shareholders' 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 Shareholders' 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 Bylaws expressly includes the possibility of shareholders casting their vote from outside the General Meeting. Since the Ordinary Shareholders' Meeting hold 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 the Chairman of the Board of Directors. Detail, in this event, the measures to be adopted 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 General Shareholders' Meeting By-Laws during the year.

Amendments of Articles 3, 5, 9, 11 and 13 of the General Shareholders' Meeting By-Laws, which are to be worded as follows:

Article 3. Ordinary General Meeting.

1. The Ordinary General Shareholders' Meeting, previously called for this purpose, shall meet once a year, within the first calendar semester, to audit the company's management, and to approve, where appropriate, the accounts of the foregoing period and decide upon the distribution of results.
The Ordinary General Shareholders' Meeting shall be valid even if called or held out of term.
2. Of the profits obtained in each period, once the value of the legal reserve and all other issues that are legally established have been covered and the appropriate amount for minimum dividend of one per cent of shares with no vote according to the ruling in Article 6 of the Company's By-laws has been put aside, the Shareholders General Meeting can apply what it deems as convenient to a voluntary reserve and any other consideration legally permitted. The rest, where applicable, will be destined to the distribution of dividends in the quantity that the Shareholders General Meeting agrees between the ordinary shareholders in proportion to the capital value of each share and the statute remuneration due to the Board as set out in the next paragraph, with prior compliance to all legal requisites.
3. The Shareholders General Meeting will treat the Board of Directors as fellow members when, in addition to the expenses and allowances that the Shareholders General Meeting agree, in the concept of statute participation a remuneration that will not exceed ten per cent of net profits, that can only be paid once all legal reserves have been attended to and as well as all statutory dispositions and the acknowledgment of a dividend of at least four percent of paid in capital per share.
4. It is expressly authorized that the remuneration to all, or some of the members of the Board of Directors, to the management personnel of the Company, as well as the companies that belong to the Group, can be interpreted in the presentation of shares of the company or in option rights over shares and can be referenced to the value of said shares in the form, terminology, and conditions that are fixed by the Shareholders General Meeting through the appropriate agreement respecting the established legal requirements.
5. The Board of Directors will determine among its members the way that the remuneration, which has been approved by fellow members of the Shareholders General Meeting, will be distributed.
6. In the case where the Shareholders General Meeting has approved the payment of dividends, the Administrators will set the location; the period and the way that payments are made. The distribution of the amounts to dividend accounts may be agreed by the Board of Directors according to legally established conditions.

E. General Shareholders' Meeting

7. The non-reclaimed dividends will be prescribed to the Company within a period of five years from the date of issue.
8. A separate vote shall be taken on each agenda item. Additionally, a separate vote shall be taken on the appointments or ratifications of Board members, which shall be voted on individually, and on proposed amendments to the Company Bylaws, which shall be voted on Article by Article or by substantially independent groups of Articles.

Article 5. Call of the General Meeting.

Ordinary or Extraordinary General Shareholders' Meetings shall be convened by the Chairman of the Board of Directors or in his absence by a Deputy Chairman, or by the Secretary, by means of notice published in the Official Bulletin of the Mercantile Registry and on the Company's website, at least one month before the date stipulated for it to be held, or in any other manner and time period laid down under current Spanish legislation.

The announcement shall stipulate the date of the meeting date at first call and all matters to be discussed, in addition to particulars specified in the legislation in force. The announcement will include the date of the meeting on the first call and all items to be dealt with, as well as any notices established by the current legislation.

Shareholders with shares representing at least five percent of the share capital may request that a supplement to the call notice of the General Shareholders' Meeting be published including one or more items to be put on the Agenda. This right is required to be exercised by authenticated means and is required to be received at the registered office within five days following publication of the notice of the meeting. Supplements to the notice should be published at least fifteen days prior to the date set for the meeting.

In the case of attendance at the Meeting via telematic means duly guaranteeing the identity of the subject, the notice of the meeting shall state the deadlines, manners, and methods for exercising the shareholders' rights by the Board of Directors to enable the Meeting to progress in an organized manner. Specifically, the Board of Directors may determine that the opinions and proposed resolutions that, according to the law, the shareholders attending the meeting via telematic means plan to make should be sent to the company prior to the time at which the Meeting is held. Replies to any of the above shareholders who exercise their right to information during the meeting, shall be provided in writing within seven days following the date of the meeting. The announcement shall stipulate the date of the meeting date at first call and all matters to be discussed, in addition to particulars specified in the legislation in force.

Article 9. Judicial Summons.

If the General Shareholders' Meeting is not called within the period established by law or the Company's Bylaws, the meeting may be convened upon the request of any shareholder, by the corresponding Commercial Court Judge for the area in which the company has its registered office and after a hearing of the directors.

Should the directors fail to attend to the request to convene a General Shareholders' Meeting made by the minority in a timely manner, a meeting may be called by the Commercial Court Judge for the area in which the company has its registered office after a hearing of the directors.

In the event of the request for a court summons, judges shall hand down a judgement within one month from the date of the request and if agreed, freely appoint the chairman and secretary of the meeting. A judge's decision to order a meeting to be called may not be appealed. The costs relating to the court summons shall be borne by the company.

In the event of the death or resignation of the majority of the members of the Board of Directors, if there are no substitutes, any shareholder may request the Commercial Court Judge for the area in which the company has its registered office to call a General Shareholders' Meeting for the purpose of appointing directors.

In addition, any of the members who continue to hold office may call a General Shareholders' Meeting for this sole purpose.

Article 11. Special reporting means

1. The company shall meet its reporting obligations by any technical, computer or telematic means, without prejudice of the shareholders' right to request the information in printed form.
2. The website shall have at least the following content:
 - a) The Company's Articles of Association.
 - b) The By Laws of the Shareholders General Meeting.
 - c) The By Laws of the Board of Directors and the By Laws of the Board of Directors.
 - d) The Annual Report and the internal conduct rules.
 - e) The Corporate Governance Report.
 - f) The documents relating to the notices of Ordinary and Extraordinary Shareholders General Meetings, with information on Agendas, proposals made by the Board of Directors, as well as any other relevant information that may be needed by shareholders in order to cast their vote, within the period made out by the current rulings.
 - g) Information on the progress of the General Meetings celebrated and in particular on the composition of the General Meeting at the time of its constitution, adopted agreements stating the number of votes cast, and the direction of the votes cast on each proposal included in the Order of the Day, within the period established by the current rulings.
 - h) The channels of existing communication between the company and the shareholders, in particular, the pertinent explanations relating to the shareholders right to information, pointing out the postal and electronic postal addresses that the shareholders can be contacted at.
 - i) The ways and procedures to confer representation at the Shareholders General Meeting, according to the specifications established through existing valid rulings.
 - j) The ways and procedures for the carrying out remote voting according to the rules laid out by this system including, wherever necessary, the forms to accredit the attendance, and the right to vote via telematics means at the Shareholders General Meetings.
 - k) The relevant events, according to stipulated articles, in the current ruling.
 - l) The composition of the Board of Directors, and in relation to each Board Member: his professional profile; other Boards of Directors of which he is a member; whether he is an executive and proprietary director, and the shareholder which he represents; or whether he is an independent or executive director; the date on which he was appointed and, if applicable, re-elected; and the company shares or share options to which he holds title.

E. General Shareholders' Meeting

3. An Electronic Shareholders' Forum shall be provided on the company's website, which can be accessed with the appropriate guarantees by both individual shareholders and any voluntary associations that may be formed, in order to facilitate communication prior to the holding of General Shareholders' Meetings. The Forum may be used to post proposals sought to be submitted as a supplement to the agenda included in the call notice of the General Shareholders' Meeting, solicitation of support for such proposals, initiatives to reach the percentage required to exercise a minority right as provided in Spanish law, and voluntary proxy offers or solicitations.

Shareholders may form specific and voluntary associations to exercise their rights and to best defend their common interests. Shareholders' Associations are to be registered in the special register created for this purpose in the Spanish National Securities Market Commission.

The rules of operation of the Electronic Shareholders' Forum approved by the Board of Directors shall be made available on the Company's website, and compliance with these rules shall be mandatory for shareholders.

In order to access the Forum and use its applications, such shareholders and voluntary associations of shareholders must log on as a "Registered User" "evidencing both their identity and their status as a shareholder of the company, under the terms and conditions described on the Company's website using the corresponding registration form.

Access to the Forum by Registered Users is subject at all times to maintaining status as a shareholder of the Company, or as a voluntary association of shareholders duly established and registered.

4. The Board of Directors is responsible for the contents of the information to be furnished on the website, in accordance with the stipulations provided by the Spanish Ministry of Economy and Finance, or the express authorisation of the Spanish National Securities Market Commission.

Article 13. Constitution Special Circumstances.

1. In order for Ordinary and Extraordinary General Shareholders' Meetings to be able to validly agree upon capital increases or reductions or any other amendment of the Company Bylaws, the elimination or limitation of the right of first refusal of new shares, the transformation, merger or division of the Company, the assignment en bloc of assets and liabilities or the transfer of the registered office to a foreign country, shareholders representing at least fifty percent of subscribed share capital with a right to vote must be present or represented at first call.
2. In the second session it will be sufficient for twenty five percent to reach agreement based on aforementioned capital amounts.

When shareholders that representing less than fifty percent of the subscribed capital with a right to vote agree are present, the agreements referred to in the previous section will be adopted validly only on a favourable vote of two thirds of the present capital or represented at the Shareholders General Meeting.

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

Attendance information					
Date of The General Meeting	% attending in person	% in representation	% remote voting		Total
			Electronic Vote	Other	
14/04/2011	20.550	54.410	0.000	0.000	74.960

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

Annual General Meeting held on 14 april 2011

The proposals of the Board regarding item 1 on the Agenda were approved by a majority: a) Approval of the financial statements: 235,861,030 votes in favour (representing 99.99914 % of the shares present or represented), 1,001 abstentions (representing 0.00042% of the shares present or represented) and 1,016 votes against (representing 0.00043 % of the shares present or represented); and b) distribution of profits: 235,861,818 votes in favour (representing 99.99948% of the shares present or represented), 1,001 abstentions (representing 0.00042% of the shares present or represented) and 228 votes against (representing 0.00010 % of the shares present or represented).

Item 2 on the Agenda, 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 2010 as well as the Report on the Amendments to the Rules of the Board of Directors. Since this was a simple acknowledgement, it was not taken to a vote.

Item 3 on the Agenda , for solely advisory purposes, approve the 2010 Report on the Remuneration of the Board of Directors, which in accordance with the provisions of Article 4 of the Rules of the Board of Directors, is to be submitted for consideration by this General Shareholders' Meeting, was approved by a majority vote: 209,303,216 vote (representing 88.81647% of the shares present or represented), 12,808,942 abstentions (representing 5.43539 % of the shares present or represented) and 13,545,957 votes against (representing 5,74814% of the shares present or represented).

Item 4 on the agenda, Approval of the management of the Board of Directors in 2010, was approved by a majority: 235,648,656 votes in favour (representing 99.90910% of the shares present or represented), and 211,413 abstentions (representing 0.08963% of the shares present or represented) and 2,978 votes against (representing 0.00126% of the shares present or represented).

Item 5 on the agenda, Ratification, dismissal and appointment, where applicable, of Directors, was approved by a majority vote with: 210,397,782 votes in favour (representing 89.20337% of the shares present or represented), 13,171,326 abstentions (representing 5.58431 % of the shares present or represented) and 1,293,939 votes against (representing 5.21232% of the shares present or represented).

E. General Shareholders' Meeting

Item 6 on the agenda, Appointment of auditors of both the company and the group', was approved by a majority vote with: 235,823,656 votes in favour (representing 99.98330% of the shares present or represented) 36,947 abstentions (representing 0.01566% of the shares present or represented) and 2,444 votes against (representing 0.00104% of the shares present or represented).

Item 7 on the agenda, Authorisation to acquire shares in the Company for consideration, was approved by a majority with: 234,619,867 votes in favour (representing 99.47292 % of the shares present or represented), 181,429 abstentions representing 0.07692 % of the shares present or represented) and 1,061,751 votes against (representing 0.45016% of the shares present or represented).

Item 8 on the agenda, Amendment of Articles 8, 14, 16, 20 (bis), 24, 25, 29,33 and 37 of the Bylaw, was approved by majority vote with: 235,522,318 votes in favour (representing 99.85554% of the shares present or represented), 339,890 abstentions (representing 0.14410% of the shares present or represented) and 839 votes against (representing 0.00036% of the shares present or represented).

Item 9 on the agenda, Amendment of Articles 3, 5, 9, 11 and 13 of the Shareholders' General Meeting By-laws, was approved by majority vote with: 235,700,403 votes in favour (representing 99.93104% of the shares present or represented), 161,577 abstentions representing 0.06850% of the shares present or represented) and 1,067 votes against (representing 0.00045% of the shares present or represented).

Item 10 on the agenda, Delegation of powers for the execution and formalisation of resolutions", was approved by majority vote with: 235,859,344 votes in favour (representing 99.99843% of the shares present and represented), 3,514 abstentions (representing 0.00149% of the shares present or represented) and 189 against (representing 0.00008% 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 Shareholders' 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 Bylaws", "Shareholders' General Meeting Bylaws", "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 2003-2011 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.

- The Bylaws 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 y E.1, E.2

	Complies	Explain
	X	

- 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 y C.7

	Complies	Partially complies	Explain	Not applicable
				X

- 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
	X		

- 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	Explain
	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:

- a) Appointment or ratification of Directors, with separate voting on each candidate;
- b) Changes to the Bylaws, with votes taken on all articles or groups of articles that are materially different.

See section: E.8

Complies	Partially complies	Explain
X		

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

See section: E.4.

Complies	Explain
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 maximizing 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
X		

8. The core components of the Board's mission shall be to approve the Company's strategy, authorise the organizational 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 executives' 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

F. Degree of Compliance with the Corporate Governance Recommendations

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: B.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 securities market.

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.

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 follow three conditions are simultaneously fulfilled:

1st They are governed by standard contracts applied on an across-the-board basis to a large number of clients;

2nd They are performed at the general prices or rates set by the supplier of the good or service at issue;

3rd 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 section : B.1.1

	Complies	Explain
		X

There are currently 17 Board members, which is a number comprised within the 11 to 21 member limit provided in Article 13 of the Bylaws, and is accordance with the Spanish Limited Liability Companies Law. To date, this was considered to be most appropriate number in consideration of the needs and characteristics of the company with respect to the structure of the shareholder body.

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	Partially complies	Explain
	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:

1° In large cap companies where few or no equity stakes attain the legal threshold or significant shareholdings, despite the considerable sums actually invested.

2° In companies with a plurality of shareholders represented on the Board but not otherwise related.

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

	Complies	Explain
	X	

F. Degree of Compliance with the Corporate Governance Recommendations

- 13. The number of independent Board Members shall represent at least a third of all Board Members.**
See section: B.1.3

	Complies	Explain
		X

It is to our understanding that the distribution of the different types of Shareholders (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 18% to 5%.

- 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 a 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.1.4

	Complies	Partially complies	Explain
	X		

- 15. When women Board Members are few or non-existent, 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
	X			

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 and 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:

- a) Adhere to the spirit and letter of laws and their implementing regulations, including those issued by regulatory agencies;
- b) Comply with the Company Bylaws, General Shareholders' Meeting Bylaws, Rules of the Board of Directors and any other related rules;
- c) 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

Complies	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		

F. Degree of Compliance with the Corporate Governance Recommendations

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's Committees, on the basis of the reports furnished thereby.

See section: B.1.19

Complies	Explain
X	

23. All Board Members shall be entitled to receive any additional information they require on matters within the Board's competence. Unless the Bylaws or Rules of the Board of Directors indicate otherwise, such requests should be addressed to the Chairman or Secretary.
See section: B.1.42

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.1.41

	Complies	Explain
	X	

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		

26. The companies shall require their Board Members to devote sufficient time and effort to perform 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		

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 co-optation, 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		

F. Degree of Compliance with the Corporate Governance Recommendations

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 securities market;
- c) Indication of the Board Member’s classification as executive, proprietary or independent, as the case may be. In the case of proprietary Directors, 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 comprise 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 Directors before the expiry of the statutory term for which they were appointed, as mandated by the Bylaws, 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	

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 Limited Liability Companies 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.

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			

F. Degree of Compliance with the Corporate Governance Recommendations

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 Director 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			

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 committee attendance, 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 Directors 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 company and executive Director.

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
	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
	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
	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 point 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 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
	X		

F. Degree of Compliance with the Corporate Governance Recommendations

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;
 - iv) Contributions on the Director's behalf to defined-contribution pension plans; or any increase in the Director'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 Directors 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		

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 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 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	

F. Degree of Compliance with the Corporate Governance Recommendations

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 risk (operational, technological, financial, legal, reputational, etc.) 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 section: D

Complies	Partially complies	Explain
X		

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

1st 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 report backs 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.

2nd 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 are acting on its recommendation.
- c) Oversee the independence of the external auditor, to which end:
 - i) The company will notify any change of auditor to the Spanish National Securities 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 securities market. 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.

F. Degree of Compliance with the Corporate Governance Recommendations

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 assumed by another supervision and control Committee.

See section: B.2.2 and B.2.3

Complies	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 Committee chairman and the auditors will give a clear account to shareholders of their scope and content.

See section: B.I.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, of 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.1.11 and B.1.12. 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.

In addition to those mentioned in the above sections, the Board Members with executive functions and the Group's senior management has been granted stock options. The cost recognised in relation to these stock options in 2011 amounted to EUR 1,808 thousand.

This amount relates to the proportion of the value of the plan at the date on which it was granted.

The cost relating to options granted to senior management members in 2011 amounted to EUR 6,091 thousand. This amount relates to the proportion of the value of the plan at the date on which it was granted.

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. Miguel Roca Junyent 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 (fourteen) with respect to the total theoretical number (nine meetings by 19 Board Members).

C.2. and C.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 3,059 thousand
Leases:	Fidalsar, S.L. amounting to EUR 200 thousand
Reception of services:	Fidalsar, S.L. amounting to EUR 62 thousand Terratest Técnicas Especiales, S.A. amounting to EUR 5,467 thousand Indra , amounting to EUR 5,709 thousand Zardoya Otis, S.A., amounting to EUR 1,112 thousand
Other expenses:	March Unipsa, Correduría de Seguros, S.A., amounting to EUR 43,137 thousand
Provision of services:	Rosán Inversiones, S.L. , amounting to EUR 5, 435 thousand Grupo Iberostar, amounting to EUR 1,052 thousand Indra, amounting to EUR 3,472 thousand
Financing agreements: loan and capital contributions:	Banca March, amounting to EUR 91,280 thousand Banco Sabadell, amounting to EUR 1,332,919 thousand
Guarantees:	Banca March, amounting to EUR 42,730 thousand
Dividends and other distributed profit:	Fidwei Inversiones, S.L. , amounting to EUR 861 thousand Lynx Capital, S.A., amounting to EUR 702 thousand Fidalsar, S.L., amounting to EUR 1,025 thousand
Other transactions:	Banca March, amounting to EUR 100,753 thousand

Banca March is considered to be a significant shareholder given that it is a shareholder of Corporación Financiera Alba, S.A., the main direct shareholder of ACS, Actividades de Construcción y Servicios, S.A. Banca March has performed typical transactions relating to its ordinary course of business such as granting loans, providing guarantees for bid offers and/or the execution of works, confirming and non-recourse factoring to several ACS Group Companies.

The Iberostar Group is listed because it is a direct shareholder of ACS, Actividades de Construcción y Servicios, S.A. which has provided tourism and travel agency services to the ACS Group companies as part of its normal business operation. The ACS Group has mainly providing air-conditioning services in hotels owned by Iberostar.

Rosan Inversiones, S.L. is listed because its Chairman and CEO has a significant ownership interest through Inversiones Vesán, S.A., and has received services by certain Group companies relating to a construction agreement, of which the Board was notified at the date the contract was entered into and subsequently amended.

In relation to transactions with other related parties, these are listed due to the relationship of certain Board Members of ACS, Actividades de Construcción y Servicios, S.A. with companies in which they are either shareholders or have a senior management position. In this regard, the transactions with Fidalser, S.L., Terratest Técnicas Especiales, S.A., Fidwei Inversiones, S.L. and Lynx Capital, S.A. are listed due to the relationship of the Board Member Pedro López Jiménez with these companies. The transactions with Indra are listed due to the company's relationship with Javier Monzón. The transactions with Geblasa are listed due to its relationship with the Board Member of Julio Sacristán, the transactions with Zardoya Otis, S.A. due to its relationship with the Board Member José María Loizaga. The transactions with Banco Sabadell are listed due the bank's relationship with Javier Echenique. The transactions with Unipsa, Compañía de Seguros, S.A. are listed due to the company's relationship with Banca March, although in this case the figures listed are intermediate premiums paid by ACS Group companies, rather than considerations for insurance brokerage services.

Other transactions relate exclusively to Banca March. Banca March, as a financial institution and in the ordinary course of business, provides different financial services to ACS Group companies amounting to a total EUR 100,753 thousand, and in this case they relate to 'confirming' lines of credits for suppliers.

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.

B.1.40. Mr. José Luis del Valle Pérez is a Board Member of Admirabilia, S.L. and Trebol Intemacional, B.V. which are accounted for in the ACS Group by the equity method.

G. Other Information of Interest

F. Degree of compliance with the corporate governance recommendations

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	23.53%
Executive Board Members on the Executive Committee	28.57%
External proprietary Board Members on the Board of Directors	47.05%
External proprietary Board Members on the Executive Committee	42.86%
External independent Board Members on the Board of Directors	23.53%
External independent Board Members on the Executive Committee	14.29%
Other external Board Members on the Board of Directors	5.26%
Other External Board Members on the Executive Committee	14.29%

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 Board Member	Type of relationship	Explanation
Mr. José María Loizaga Viguri	Board Member 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. Miguel Roca 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 meeting held on

22 March 2012

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

	Yes	No
		X

Supplementary Report

Supplementary report to the 2011 annual corporate governance report 2011 presented by the board of directors of ACS, Actividades de Construcción y Servicios, S.A. Pursuant to the provisions of article 61 bis of the securities market law.

Securities that are not traded on a regulated EU market, indicating the different classes of shares, if any, and the rights and obligations conferred for each class of shares.

No securities have been issued by the Company which are traded on a market other than the EU market.

Any restrictions on the transferability of securities and voting rights.

In accordance with Article 8 of the Company's Bylaws, the shares are represented by means of book entries under the conditions and requirements laid down by current Spanish legal provisions. There are no statutory restrictions on the transferability of shares representing the company's share capital.

Since the company is listed, in order to acquire a percentage equal to or higher than 30% of its share capital or voting rights, a takeover bid is required to be launched under the terms provided in Article 60 of the Spanish Securities Market Law 24/1988 and Royal Decree 1066/2007 of 27 June.

There are no specific restrictions on voting rights, although, in relation to attendance rights, Article 23 of the Bylaws provides that *"The General Meeting comprises all those that hold at least one-hundred shares, either present or represented. The owners or holders of fewer than one hundred shares may pool their shares in order to reach such number and may be represented either by one of them or by another shareholder who alone possesses the requisite number of shares required to form part of the General Meeting"*.

Rules for amending the Company's Bylaws.

The procedure for amending the Bylaws is regulated by Article 29 and generally, Article 285 and the subsequent Articles of the Spanish Consolidated Limited Liability Companies Law, approved by Spanish Royal Legislative Degree 1/2010, of July 2, which require approval by the General Shareholders' Meeting, with the attendance quorums and if applicable, majorities provided in Articles 194 and 201 of the aforementioned Law.

Such resolutions are required to be adopted by simple majority, except where under section 2 of the aforementioned Article 201 of the Consolidated Limited Liability Companies Law, such resolutions are required to be adopted by means of the vote in favour of two thirds of the share capital present or represented when the shareholders present or represented hold less than fifty percent of the subscribed share capital with a right to vote. The simple majority necessary to approve a resolution shall require the vote in favour of half plus one of the shares with voting rights present or represented at the meeting.

Significant resolutions adopted by the Company which enter into force are amended or are terminated in the event of the takeover of the Company following a tender bid, and the ensuing effects.

There are no significant contracts giving rise to the aforementioned circumstance.

Agreements between the Company and its directors, managers or employees establishing severance payments for resignation, unfair dismissal or termination of their contracts due to a takeover bid.

Pursuant to sections B.1.13 and G of the 2011 Annual Corporate Governance Report, there are a total of 9 senior management members in the different ACS Group companies, including executive board members, whose contracts provide for the cases described under this heading with maximum severance payments of up to five years' salary.

Description of the main features of the system of internal control and risk management over the financial reporting process.

1. Company's control environment

1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective SICFR (ii) its implementation (iii) and its supervision.

The financial reporting control system is part of the overall internal control system of the ACS Group and is a system developed to provide reasonable assurance regarding the reliability of the financial information published. The Board of Directors is responsible for this system and has delegated the monitoring of the control system to the Audit Committee in accordance with its rules.

In accordance with Article 4 of its rules, the Board is empowered to approve "the financial information to be periodically made public by the Company given that it is listed on the stock exchange". Also according to the same article, the Board of Directors shall be responsible for, and may not delegate the responsibility of, inter alia, "preparing the individual and consolidated financial statements and directors' reports and submitting them for approval at the General Shareholders' Meeting".

The Management committee is responsible for designing, implementing and maintaining the system of internal control over financial reporting (SICFR). Within the Management Committee, the Corporate General Management is responsible for defining, updating and monitoring the system to ensure that it operates effectively.

The head of each business area designs, checks and updates the system taking into account its own needs and characteristics. General Corporate Management validates these designs and their operation to guarantee that the aims set to assure the reliability of the financial information reported are met.

In relation to the above, in accordance with Article 23 of the Rules of the Board of Directors, the Audit Committee is responsible, inter alia for the following:

- *"Monitor the effectiveness of the company's internal control, internal audit, and if applicable, risk management systems, and discuss any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms".*
- *"Oversee the preparation and presentation of the regulated financial information".*

Additionally, in 2011 Hochtief was integrated into the ACS Group. This company is listed on the German Stock Exchange and in turn, holds a controlling ownership interest in Leighton, which is listed on the Australian stock exchange. Both have implemented their own risk and internal control management system in accordance with the laws regulating these companies. Additional information on these systems can be found in their 2011 annual reports and is available on www.hochtief.com and on www.leighton.com.au.

1.2. The departments and/or mechanisms, if any, in charge of: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) implementing procedures so this structure is communicated effectively throughout the company, with particular regard to the financial reporting process.

Supplementary Report

In accordance with the Rules of the Board of Directors, the Appointment and Remuneration Committee under this Board is responsible, inter alia, for nominating Senior Executives, and particularly those who are to be a member of the Group's management Committee, and proposing the basic conditions of their contract.

Corporate General Management in the case of ACS, Actividades de Construcción y Servicios, S.A and the CEO or Chairman in the case of the different business areas, is responsible for the organisational structure.

Code of conduct, approving body, dissemination and instruction, principles and values covered, body in charge of investigating breaches and proposing corrective or disciplinary action.

The ACS Group has a General Code of Conduct adopted by the Board of Directors on 15 March 2007, which was last updated by agreement of the Executive Committee of the Board of Directors on 30 August 2011. This code has been disseminated and is accessible via the Group's web page.

In this regard, paragraph 4.2.5 of, the General Code of Conduct emphasises the principle of transparency. The Code stipulates that "specifically, it will ensure the reliability and completeness of the financial information which, in accordance with applicable law, is publicly supplied to the market. In particular, the accounting policies, control systems and monitoring mechanisms defined by the ACS Group in order to identify relevant information shall be identified, prepared and communicated in due time and form".

"Additionally, the Board of Directors and other governing bodies shall periodically ensure the effectiveness of the internal control system over financial information reported to the markets".

To ensure compliance with the General Code of Conduct, resolve incidents or concerns about its interpretation and take the measures required to ensure the best compliance, the above Code provides for the creation of a General Code of Conduct Monitoring Committee to be composed of three members appointed by the Board of Directors of the ACS Group following their nomination by the Appointment and Remuneration Committee.

This Monitoring Committee has been assigned the following functions:

- Promote the dissemination, knowledge of and compliance with the code in each and every one of the Group companies.
- Establish the appropriate channels of communication to ensure that any employee can seek or provide information regarding compliance with this code, ensuring the confidentiality of complaints processed at all times.
- Interpret the regulations derived from the Code and supervise their implementation.
- Ensure the accuracy and fairness of any proceedings commenced, as well as the rights of persons allegedly involved in possible breaches.
- Define the cases in which the scope of the Code should be extended to third parties that are going to maintain business or trade relations or with the ACS Group.
- Gather data on levels of compliance with the Code and disclose the specific related indicators.
- Develop an annual report on its actions, making the recommendations it deems appropriate to the Board of Directors through the Audit Committee.

Whistle-blowing' channel, for the reporting to the Audit Committee of any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organisation, stating whether reports made through this channel are confidential.

In accordance with the foregoing, the General Code of Conduct has established an Ethics Channel allowing any person to report irregularities observed in any of the ACS Group companies, or behaviour that fails to comply with the rules provided in the General Code of Conduct.

For this purpose, there are two channels of communication:

- E-mail: canaletico@grupoacs.com
- A postal address: Ethics Channel
Grupo ACS
Avenida de Pío XII, nº 102
28036 Madrid, Spain

In any case, the General Code of Conduct ensures the confidentiality of all the complaints received by the Secretary General through these channels.

Since the introduction of this communication channel in September 2011, three cases were processes and resolved in the same year, and a query was also answered.

Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating SIFCR, which address, at least, accounting rules, auditing, internal control and risk management.

In regard to training and refresher courses, the ACS Group believes that continuous training for its employees and managers both at the corporate level and at the Group company level is important. Relevant and up-to-date training on regulations that affect financial reporting and internal control is considered to be necessary to ensure that the information reported to the markets is reliable and in accordance with the law in force.

Therefore within the Group's scope of consolidation, a group of approximately 1,100 employees working in the economic-financial area have received approximately 25,700 hours of training in finance, accounting, consolidation, auditing, internal control and risk management in 2011.

2. Risk assessment in financial reporting

2.1. Which are the main features of the risk identification process, including risks of error or fraud, with regard to:

- If the process exists and is documented.
- If the process covers all financial reporting objectives, (existence and occurrence; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), if it is updated and how often.
- The existence of a process for identifying the scope of consolidation, taking into account, inter alia, the possible existence of complex corporate structures, and instrumental or special purpose entities.
- If the process takes into account the effects of other types of risks (operational, technological, financial, legal, reputational, environmental etc.) to the extent that they affect the financial statements.
- Which of the company's governing bodies monitors the process.

Supplementary Report

The ACS Group has established a risk management system documented through a risk map, in accordance with the recommendations of the Unified Code of Corporate Governance.

The Risk Map includes the identification, assessment, classification, valuation, management and monitoring of risks at both the Group level and the level of the operating units. In light of the above, the risks identified are as follows:

- Operating risks.
- Non-operating risks.

This system is explained in section D of the IAGC in the description of the general risk policy of the ACS Group.

Within the *non-operating risks*, in addition to financial risks (liquidity, exchange rate, interest rate, credit and equity) noteworthy are those relating to the reliability of financial information.

Within this assessment of the risks associated with the SICFR, the ACS Group has a procedure enabling it to identify and determine the scope of such risks and to identify all subgroups and relevant divisions, as well as operational or significant support processes in each of the subgroups or divisions on the basis of their materiality and of the risk factors intrinsic in every business.

The materiality criteria are set: on the one hand from a quantitative point of view on the basis of the latest consolidated financial statements and depending on different parameters: revenue, the volume of assets and the profit before taxes; and on the other hand; and from a qualitative point of view based on various criteria such as fraud or accounting risk based on estimates or criteria that be more subjective. In practice, this means being able to determine which of the accounting headings on both the balance sheet income statement are material, as well as other relevant financial information. The processes and sub-processes with an impact on them are also identified.

This assessment is performed on an annual basis and based on the companies which are added to or removed from the Group's scope of consolidation. This scope is reviewed quarterly.

The Corporate General Management of the ACS Group is responsible for updating the scope of the system of internal control over financial reporting, and informing the different business areas, the external auditor and the internal auditor thereof.

Beginning in 2011, for each process and sub-process included within the scope of consolidation, the Group has identified the risks that can specifically affect financial reporting taking into account all of the financial reporting objectives (existence and occurrence; integrity; assessment; rights and obligations; and presentation and disclosure, and taking into account the different categories of risk contained in section D of the IAGC to the extent that they affect financial reporting

3. Control activities

3.1. Procedures for reviewing and authorising financial information and the description of the SICFR to be disclosed to the market, indicating the corresponding lines of responsibility, as well as documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgements, estimates, evaluations and projections.

Prior to their approval by the Board of Directors and to their publication, the General Corporate Management submits both the yearly and quarterly financial statements as well as periodic public information to the

Audit Committee, highlighting those impacts which are of most relevance and those aspects which whose contents or component are based more on accounting opinions or assumptions for the purpose of calculating estimates, provisions, etc.

Prior to the publication of the financial statements, those responsible for each line of business are required review the information reported for the purposes of consolidation in their respective areas of responsibility.

The report of the description of the SICFR is performed by the Corporate General Management, in collaboration with all affected departments, and is presented for review and approval by the Audit Committee.

All business areas which are relevant for the purpose of financial reporting have different controls to ensure the reliability of the financial information. These controls are currently documented differently depending on activity area and in accordance with the internal processes historically used, as well as the reporting systems which are used as the basis for preparing the financial information.

Beginning in 2011, the Group has begun to document all the control processes and related activities in a systematic and uniform manner, for all the companies included within the scope of the system of internal control over financial information.

This documentation is based on the following:

- 1) Analysis of the financial statements of the relevant companies following the procedure and taking into account the criteria to be used to identify the scope of the SICFR and the material headings within these financial statements.
- 2) Definition of processes and sub-processes which may have a material effect on the financial information, documented through a flowchart and a description of key activities.
- 3) Identification for each process or sub-processes, of the controls established to mitigate the financial reporting risks and those responsible for this control, under a common methodology.

The processes considered to be within this scope include the closing the accounts, reporting and consolidation, as well as the specific review of relevant trial estimates, valuations and projections.

3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key company processes regarding the preparation and publication of financial information.

Following a policy of decentralisation and independence of each of its lines of business, the ACS Group does not have a centralised management of information systems, but rather each one of business areas manages these resources based on the particularities of each line of business. This is not an obstacle hindering each of the business areas from defining its policies, standards and procedures for internal control over the reporting systems and security management.

Access to the information systems is managed in accordance with tasks assigned to each job position, and each company defines its users' profiles for accessing, modifying, validating or consulting information following a criterion of segregation of duties.

Management of access and of the flows of approval is defined in the relevant procedures, as well as the responsibilities of those responsible for management and control.

Supplementary Report

The control mechanisms for the recovery of information and information systems are defined in the corresponding continuity plans.

Therefore, there are processes for the storage and backup of copies in different places with contingency plans that require the use of safety deposit boxes.

Each Group company establishes the required security measures against leakage or loss of information depending on the level of confidentiality.

There are procedures in place to ensure that the installed software cannot be changed without specific permission. The main information systems have protection against viruses, trojans, etc. and updated elements to prevent intrusion in the information systems.

3.3. Internal control policies to oversee the monitoring of activities outsourced to third parties, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

Within the ACS Group, the outsourced work which might materially affect the financial statements is very limited.

In any case, when the ACS Group outsources work to third parties it ensures the technical training, independence and skills of the subcontractor. In the case of the use of independent experts, the Group has introduced control mechanisms in order to validate their findings.

Within the ACS Group, noteworthy given their possible impact on the financial statements are the independent experts hired to assess the value of ownership interests in strategic companies owned by the Group.

4. Information and communication

4.1. A specific unit tasked with defining and updating accounting policies and resolving any queries or disputes arising as a result of their interpretation, maintaining a fluent dialog with the people responsible for operations in the organisation, as well as an up-to-date accounting policies manual that is communicated to the units through which the entity operates.

The Corporate General Management through the Administration Department is responsible for defining and updating the accounting policies and responding to questions and doubts arising from the implementation of the applicable accounting regulations. This can be done in writing and replies to queries are made as quickly as possible depending on their complexity.

The Group has an accounting policies manual that is in line with the International Financial Reporting Standards (IFRS) as adopted by the European Union. This manual is applicable to all companies included in the Group's scope of consolidation and to its joint ventures and associates.

In cases where the ACS Group does not have control but does have a significant influence, the required adjustments and reclassifications are made to the associate's financial statements in order to assure that the accounting criteria is uniform with that of the rest of the Group.

Group companies can have their own manual as long as it does not contradict what is indicated in the Group's manual so as to be able to ensure the uniformity of the accounting policies of ACS.

4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning SICFR.

Reporting to the Corporate General Management of the ACS Group is carried out in accordance with the following guidelines:

- 1) Reporting frequency
Annually, once the meeting schedule of the Executive Committee and the Board of Directors had been set, the reporting dates and type of information to be reported is sent to the various heads of the divisions/Group companies.
- 2) Type of reporting
Depending on the reporting period (monthly / quarterly / half-yearly / annual) the information to be reported varies and is detailed.
- 3) Reporting format
The information to be sent to the Administration Department (Corporate General Management) by the different business areas is reported using the Cognos Consolidator consolidation program (mainly for the balance sheet and income statement), and various Excel templates parameterized and automated for the aggregation and elaboration of different information, usually of an off balance sheet and management nature.

For the preparation of the consolidated statements, all business areas must report any changes in the scope of consolidation of their business area prior to the end of the month. As this information is sent from the 3rd to the 6th of each month, the file includes the parameterisation of the consolidation system which specifically includes the scope of consolidation affecting the whole of the ACS Group.

- 4) Internal control reporting model
The ACS Group has defined a reporting system for the key controls within the framework of the system of internal control over financial reporting, in which each area responsible for its implementation, monitoring and verification is required to send the Group's General Corporate Management Group a report detailing its operations during the period.

This reporting is expected to be implemented in 2012 on a half-yearly basis, at the same time as the publication of the interim half-yearly financial statements of the ACS Group.

Supplementary Report

5. Supervision of the operation of the system

5.1. SICFR monitoring activities performed by the Audit Committee, including an indication of whether the entity has an internal audit function whose competencies include supporting the audit committee in its role of monitoring the internal control system, including SICFR during the period and the procedure by which the area responsible for performing the assessment reports its results, if the entity has an action plan detailing possible corrective measures and whether their impact on the financial statements has been taken into consideration.

The Internal Audit unit of the ACS Group is carried out through the Internal Corporate Audit department and the auditors of the different business areas of the Group. The members of this unit generally perform solely this function, without combining it with others.

The management of the Corporate Internal Audit unit is included in the organisational structure as a body hierarchically subordinated to the Corporate General management and functionally subordinated to the Audit Committee of the Board of Directors. It has no hierarchal or functional link to the Business Areas. Therefore, the appointment/dismissal of the head of this unit is at the proposal of the Audit Committee. In turn, the management of internal audits of the parents of the Group's different business areas depends on the Chairman and/or CEO of these areas and functionally on the Corporate Internal Audit Management.

Each year the Group's management committee proposes the annual audit plan to be approved by the Audit Committee. This work plan integrates the internal audits of the Group companies.

- Audits of specific projects (work contracts, services, etc.).
- Audits of branches or geographic areas within a company.
- Audits of processes or specific areas (working capital, purchases, etc.).
- Audits of companies or groups of companies.

The functions assigned to the Internal Audit Management are as follows:

- Review the implementation of policies, procedures and standards established in the Group, as well as the operations and transactions performed.
- Identify faults or errors in the systems and procedures, indicating causes, issuing suggestions for improvement in the internal controls established and monitoring recommendations adopted by the management of the different business areas.
- Review and assess the reliability of the internal control systems over economic and financial reporting.
- Assess the adequacy, usefulness, and reliability and safeguard the information reported by the Group as well as the organisation of the systems which prepare and process this information.
- Report any anomalies or irregularities identified, recommending the best corrective actions and following up on the measures taken by the management of the different business areas.

5.2. A discussion procedure whereby the auditor (in accordance with the NTA), the internal audit unit and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the company's senior management and its Audit Committee or Board of Directors. Also report any action plan in place to correct or mitigate weaknesses observed.

In accordance with the Rules of the Board of Directors the Audit Committee has the following functions:

- *Monitor the effectiveness of the company's internal control, internal audit, and if applicable, risk management systems, and discuss any significant weaknesses in the internal control system identified during the performance of the audit with the auditors or audit firms.*
- *Establish the appropriate relationships with auditors or audit firms for the purpose of receiving information on any matter which may compromise their independence and any other matter relating to the process of auditing the accounts, in addition to any other communication laid down in Spanish legislation regarding auditing accounts and technical auditing standards.*

The Corporate Internal Audit is responsible for overseeing the appropriate follow-up to the recommendations and significant aspects arising from the same, including the SICFR.

Periodically, the Director of Corporate Internal Audit submits a summary of the reports already drafted and the status of the Work Plan to the Audit Committee.

Each year the Director of Corporate Internal Audit submits an Activity Report to the Audit Committee containing a summary of the activities carried out and reports drafted in the year, and explaining those included in the Annual Work Plan which have not been conducted, as well as an inventory of the recommendations and suggestions contained in the various reports.

As a result of their work, both the Corporate Internal Audit department and the internal auditors of the Group companies issue a written report that summarises: the scope of work, situations identified, action plan including calendar and those responsible for correcting the situations identified, opportunities for improvement and, in if appropriates, comments on the audits. These reports are sent to the head of the Business Area and to the Corporate General Management.

The Audit Committee holds meetings with the external auditor on a regular basis and, in any case, whenever there is a review of the interim financial statements for the first and second half of the year prior to their approval, and prior to the meeting held by the Board of Directors to prepare the annual individual financial statements of the parent, and the consolidated statements of the ACS Group. Additionally, it holds formal meetings to plan the work of external auditors for the current year as well and to report the results that have been obtained in the preliminary review prior to the end of the financial year.

6. If the SICFR information reported to the markets has been subjected to review by the external auditor, in which case the entity should include the related report. Otherwise, the related reasons should be reported.

The SICFR has not been subject to review by the external auditor since such a review is not compulsory.

The other information contained in the Annual Corporate Governance Report which is part of the Management Report has not been subject to review by the external auditor as only the accounting information contained in these reports is subject to review.



Project Director and Editor
ACS Group

Creation and Desing
IMAGIAoficina.es

Photos
ACS Group Archives