

# 6. CORPORATE GOVERNANCE

6.1 GENERAL SHAREHOLDERS' MEETING

6.2 BOARD OF DIRECTORS





# 6. CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE OF THE ACS GROUP

The ACS Group, following the latest recommendations of the reference entities, such as the National Securities Market Commission and best practices in corporate governance, has adopted a governance model consisting of the following bodies:

### GENERAL SHAREHOLDERS' MEETING

The General Meeting is the highest body of expression of the Company's intentions and decisions, adopted in accordance with the provisions of the Bylaws, binding for all shareholders. It is responsible for approval of the Annual Accounts, implementation of the profits and approval of the social management. It is also responsible for the appointment and dismissal of directors, as well as any other functions that may be determined by Law or by the Bylaws.

### BOARD OF DIRECTORS

The Board has the broadest powers to represent the company and to administer it as a supervisory and control body for its activity, but also to directly assume the responsibilities and decision-making regarding business management. It submits its management to the approval of the General Shareholders' Meeting.

### DELEGATED COMMITTEES OF THE BOARD

EXECUTIVE COMMITTEE	AUDIT COMMITTEE	APPOINTMENTS COMMITTEE	REMUNERATION COMMITTEE
Delegated committee of the Board of Directors that may exercise all powers of the Board of Directors except those that cannot be delegated or those that the Board advocates as being within its competence.	Delegated committee of the Board of Directors responsible for the accounting and risk management functions, including supervision of compliance with corporate governance rules, internal Codes of Conduct and Sustainability Policy.	Delegated committee of the Board of Directors responsible for proposing the appointment of Directors and the Secretary General of the Board, appointment of Senior Managers and gender diversity issues in the Board of Directors.	Delegated committee of the Board of Directors responsible for control of the remuneration of directors and senior managers.

The ACS Group's governance model, as well as the composition, functioning and functions of government bodies, are developed in the Group's internal regulations.

The Group also has regulations on mechanisms for detecting, determining and resolving potential conflicts of interest between the company and/or its group, and its directors, senior management or significant shareholders.

## ACS GROUP GOVERNANCE REGULATIONS



**Company bylaws**



**Rules of conduct  
in the stock market**



**Diversity  
policy**



**Rules of Procedure  
of the General  
Shareholders' Meeting**



**Rules of procedure  
of the Board  
of Directors**



## 6.1. GENERAL SHAREHOLDERS' MEETING

ACS, Actividades de Construcción y Servicios, S.A., parent company of the ACS Group, is a corporation registered in Spain whose share capital, as of December 31, 2020, amounted to EUR 155,332,297, represented by 310,664,594 shares, with a nominal value of EUR 0.5 per share, fully subscribed and disbursed, all of them in a single class and with the same rights.

The General Shareholders' Meeting is the highest body of expression of the Company's intentions and decisions, adopted in accordance with the provisions of the Bylaws and the Rules of Procedure of the General Shareholders' Meeting, binding for all shareholders, even those absent, disagreeing and abstaining.

The General Shareholders' Meeting is composed of all holders of at least one hundred shares, present or represented. Owners or holders of less than one hundred shares can be grouped to reach that number, representing themselves or another shareholder holding only the number of shares necessary to form part of the General Shareholders' Meeting.

The announcement of the summons for the General Shareholders' Meeting shall be published simultaneously in the Official Gazette of the Commercial Registry, on the company's website and on the website of the National Securities Market Commission, stating all the regulations governing the following matters:

- Addendum to the meeting announcement and submission of new agreement proposals.
- Attendance and voting rights and shareholder registration.
- Voluntary representation.
- Appointment or revocation of the representative and notification to the company, both in writing and electronically.
- Conflict of interest of the representative.
- Public request for representation and exercise of voting rights by directors in the event of a public request for representation.
- Remote early voting.
- Special information instruments: corporate website and electronic shareholders' forum.

From the same day of publication of the announcement of the General Shareholders' Meeting and until the fifth day before, including that scheduled for holding the meeting on first call, shareholders may request in writing any information or clarifications that they deem accurate or may ask in writing the questions they deem pertinent to matters covered by the agenda, as well as in



relation to information accessible to the public that had been provided by the company to the national securities market commission since the last general meeting or the report from the statutory auditor. The Board of Directors shall be obliged to provide written information until the day of the general meeting.

All of these requests for information may be carried out by sending a request to the registered office, sending it to the company by post or electronically or remotely. Valid requests for written information, clarifications or questions and replies provided in writing by the Board of Directors shall be included on the company's website.

In addition to written requests for information, during the General Meeting, the shareholders of the Company may verbally request information or clarification they deem appropriate on matters on the agenda or in relation to information accessible to the public that the Company has provided to the National Securities Market Commission since the holding of the last General Shareholders' Meeting, or the report from the Company's audit officer. If it is not possible to satisfy the shareholder's right at that time, the Board of Directors shall be obliged to provide written information within seven days of the termination of the General Meeting.

From the publication of the meeting announcement and until the holding of the general meeting, the company will continuously publish on its website [www.grupoacs.com](http://www.grupoacs.com) the following information that any shareholder may, likewise, examine in the registered office, or obtain immediately and free of charge:

- All documents or agreements to be voted on or considered by the general meeting, in particular reports from directors, auditors and independent experts.
- The system and forms for the issuance of the vote by representation, the forms for the delegation of the vote and the means to be used so that the company can accept an electronic notification of the representations conferred.
- Procedures and forms established for the issuance of remote voting.

The measures taken by the Group to encourage attendance at the General Shareholders' Meeting are reflected in the attendance percentages.

	2016	2017	2018	2019	2020
<b>Total Quorum</b>	70.00%	64.45%	61.51%	66.63%	53.72%
<b>Quorum of shareholders present</b>	6.85%	1.90%	1.59%	1.05%	0.93%
<b>Quorum of shareholders represented</b>	63.15%	62.54%	59.91%	65.57%	52.80%



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## 6.2 BOARD OF DIRECTORS

The composition of the Board of Directors is based on a principle of proportionality, whereby the interests of all ACS shareholder groups are represented within the Board.

The mission of independent and external directors is to represent the interests of floating capital within the Board of Directors.

The General Shareholders' Meeting is responsible, upon request by the Board of Directors, for setting both the exact number of members of the Board and the appointment of people to hold those positions. As of December 31, 2020, the ACS Board of Directors

was composed of 16 members. The Company understands that the composition of the Board of Directors is adequate to represent the interests of shareholders, both majority and minority. In this regard, it should also be considered that a significant part (three out of four) of the other external directors are directors who, while, because the legal regulation for exceeding the maximum period of 12 years prevents them from being independent, are considered to be directors who, in accordance with their personal and professional capacities, can perform their functions without being conditioned by relations with the company or its group, its significant shareholders or its senior management.



Composition of the ACS Board of Directors  
1. Management Bodies



Annual Corporate Governance Report

### FUNCTIONS

The Board of Directors assumes the functions of representation and administration of the company, as the highest supervisory and control body for its activity. It includes among its non-delegable functions, among others<sup>1</sup>, the following:

- Investment and financing policy.
- Definition of the structure of the group of companies.
- Corporate Governance Policy.
- Sustainability Policy.
- Approval of financial information.
- Strategic or Business Plan, management objectives, and annual budgets.
- Senior management remuneration and performance evaluation policy.
- Risk management and control policy, including fiscal risks, and oversight of internal information and control systems.
- Dividend policy, as well as the policy related to equity or shares.
- Related operations, except in those cases provided for by the Rules of Procedure.
- Determination of the Company's fiscal strategy.

Principles governing the composition of the Board and its functioning can be reviewed in the Corporate Governance Report prepared annually by the ACS Group.

<sup>1</sup> The full list of non-delegable functions can be found in Article 5 of the Rules of Procedure of the Board of Directors.

During the 2020 financial year, an analysis of the responsibilities of the members of the Board of Directors was prepared, the results of which are reflected in the following matrix of competences:

## MATRIX OF COMPETENCES OF THE BOARD OF DIRECTORS

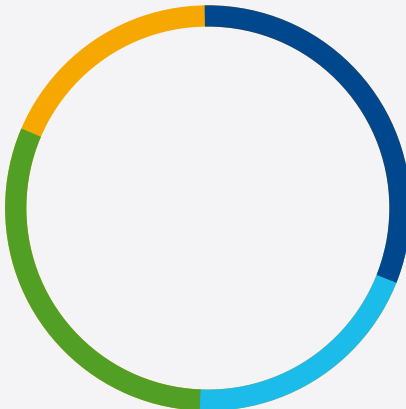
	Executive Chairman	CEO	Vice-Chairman	Board Member 1	Board Member 2	Board Member 3	Board Member 4	Board Member 5	Board Member 6	Board Member 7	Board Member 8	Board Member 9	Board Member 10	Board Member 11	Board Member 12	Board Member 13
<b>EXPERIENCE</b>																
Sectorial	•	•	•	•		•		•	•		•	•		•	•	•
International	•	•				•	•		•		•			•	•	•
Academic	•				•		•	•	•	•			•	•		
Public Administration	•				•		•	•		•	•	•		•	•	•
<b>KNOWLEDGE</b>																
Accounting and finance	•	•	•	•		•	•		•		•	•				•
Risks	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Operations	•	•	•	•				•			•				•	
Legal and fiscal					•	•	•		•			•		•		•
Technology and digital Transformation		•				•										•
Human Resources	•	•	•			•		•		•	•		•	•	•	•

### BOARD COMPOSITION



● WOMEN 3  
● MEN 13

### BOARD COMPOSITION BY TYPE OF DIRECTOR

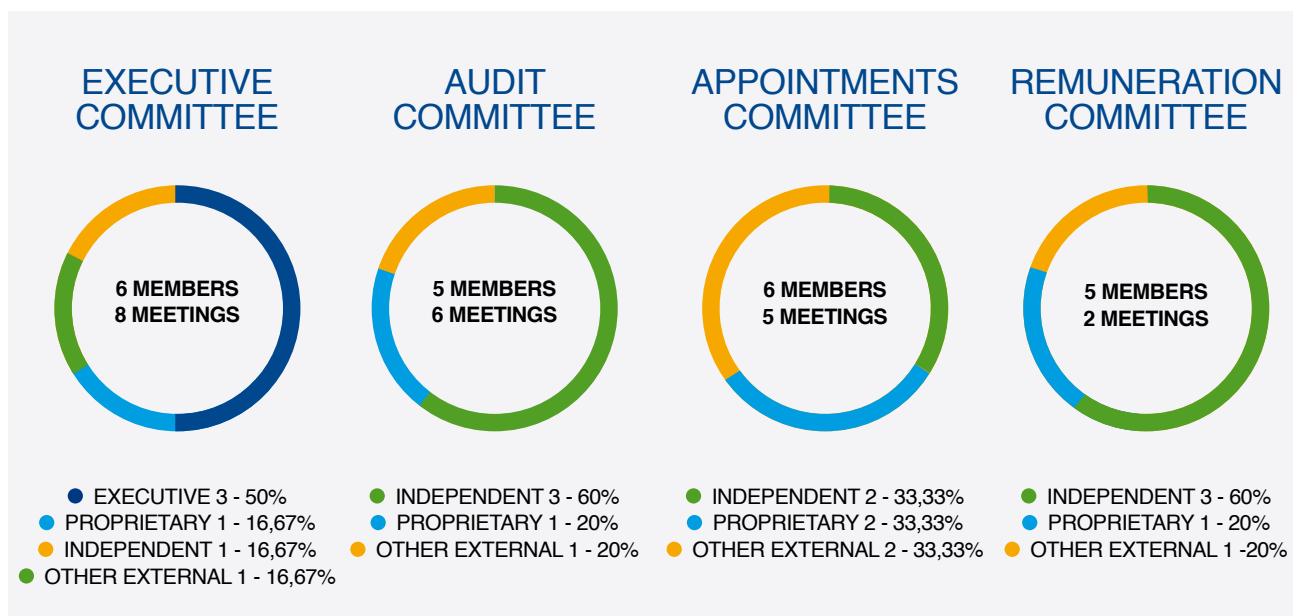


● EXECUTIVE - 31%  
● PROPRIETARY - 19%  
● INDEPENDENT - 31%  
● OTHER EXTERNAL - 19%



## 6.2.1. DELEGATED COMMITTEES

The specific and detailed functions of each of the Delegated Committees of the ACS Group Board of Directors are described in Title 4 of the ACS Group Rules of Procedure of the Board of Directors.



## 6.2.2. REMUNERATION OF THE BOARD OF DIRECTORS

The remuneration of the Board Members is defined by a general policy approved by the Board in full, in accordance with the recommendations of the Remuneration Committee.

The details of the remuneration received by the Governing Body, as well as the criteria for its determination, are published in the Annual Remuneration Report.

During the 2020 General Shareholders' Meeting, the Board's remuneration was approved with 96.26% of the votes cast in favor.



	Number	% over total
Votes cast	169.047.032	53,72%
Opposing votes	4.403.272	2,61%
Votes in favour	162.730.608	96,26%
Abstention	1.913.152	1,13%

### 6.2.3. GOOD GOVERNANCE

In the 2020 financial year, the ACS Group's parent company has continued to develop the work of adapting its internal regulatory body to monitor the recommendations of the Code of Good Governance of listed companies. The degree of monitoring can be found in point G. of the Corporate Governance Report which forms part of and is attached to this Consolidated Management Report.

