



TECNICAS REUNIDAS

**REPORT ON THE OPERATION OF THE
AUDIT AND CONTROL COMMISSION**

FISCAL YEAR 2023



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REPORT ON THE OPERATION OF THE AUDIT AND CONTROL COMMISSION FOR FISCAL YEAR 2023

1. INTRODUCTION

Pursuant to the provisions of Articles 13.5 of the Board of Directors Regulations in effect at Técnicas Reunidas, S.A. (the “**Company**” or “**Técnicas Reunidas**”) and 7.4 of the Audit and Control Commission Regulations, and in order for the Board to be able to complete the annual evaluation of its operation and that of its Commissions, as set forth in Article 529 nonies of the recast text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July (the “**Capital Companies Act**”), Recommendation 36 of the Good Governance Code of Listed Companies (the “**GGC**”) establishes that the evaluation of the Commissions shall be based on the report they submit to the Board of Directors.

Based on the foregoing, at its meeting on February 28, 2024, the Técnicas Reunidas, S.A. Audit and Control Commission issued this report on its operation during the 2023 fiscal year, which includes the information provided for in the CNMV Technical Guideline 3/2017 on audit commissions (“**Technical Guideline 3/2017**”, which will be at the disposal of its shareholders, investors and other interested parties on the Company’s website (www.tecnicasreunidas.es) as of the call for the Ordinary General Meeting of Shareholders, as set forth in Recommendation 6 of the GGC.

2. COMMISSION REGULATION AND PRACTICAL GUIDELINES BEING FOLLOWED

The Company’s Audit and Control Commission is regulated in Article 29 of the Company’s Bylaws, Article 13 of the Board of Directors’ Regulations and in the Técnicas Reunidas Audit and Control Commission Regulations, which include the basic principles and recommendations as concerns the Commission’s composition, duties and operation as set forth in the GGC Recommendations and in Technical Guideline 3/2017. In particular, this Report includes the information provided for in part 2, section 9, paragraph 79 of Technical Guideline 3/2017.

The current version of said corporate texts is published for consultation on the Company’s corporate website (www.tecnicasreunidas.es) under “Organization Rules” which can be found in the “Corporate Governance” section which is in turn found under the “Shareholders and Investors” tab.

3. COMPOSITION

In compliance with Article 29 of the Company's Bylaws, Article 13 of the Board of Directors' Regulations and Article 3 of the Audit and Control Commission Regulations, the Commission must be comprised of at least three (3) and a maximum of five (5) directors, appointed by the Board of Directors from among its non-executive directors, a majority of whom must be independent directors.

Likewise, at least one (1) of the independent directors on the Commission shall be appointed taking into account their knowledge and experience in accounting, auditing, risk assessment, both financial and non-financial, or all of these. In any case, as a whole, the members of the Commission shall have relevant technical knowledge in relation to the sector of activity that the Company belongs to.

What is more, pursuant to the aforementioned articles and Article 4.1 of the Commission Regulations, the President of this Commission shall be elected from among the independent directors on the Commission and must be replaced following a term of four (4) years. The same person may be re-elected after a period of one (1) year has elapsed from the date of their cessation.

There was no variation in the composition of the Audit and Control Commission at any time during fiscal year 2023 and, therefore, the composition between January 1, 2023 and December 31, 2023, was as follows:

Director	Office	Category	Date of appointment as a member of the Commission
Mr. Ignacio Sánchez-Asiain Sanz	President	Independent	May 6, 2022
Mr. Pedro Luis Uriarte Santamarina	Member	Other non-executive	June 28, 2022
Mr. José Manuel Lladó Arburúa	Member	Proprietary	June 28, 2022
Mr. José Nieto de la Cierva	Member	Independent	June 28, 2022
Ms. Petra Mateos-Aparicio Morales	Member	Independent	June 31, 2022
Non-Board Member Secretary: Ms. Laura Bravo Ramasco.			

Acting as Secretary of the Commission is Ms. Laura Bravo Ramasco, the Secretary of the Company's Board of Directors.

The professional profiles of the members of the Commission are as follows:

- Ms. Petra Mateos-Aparicio Morales (member) is an independent non-executive director who was appointed through co-option by means of a Board resolution passed on February 29, 2016. Her appointment was ratified at the Ordinary General Meeting of Shareholders on June 29, 2016 and she was re-elected by the Ordinary General Meeting of Shareholders on June 25,

2020. Moreover, she was designated as a member and President of the Commission on July 31, 2018 until the session held on May 12, 2022, after which she became a member thereof. She was re-elected to said office on June 28, 2022.

Mrs. Mateos Aparicio holds a PhD “cum laude” in Economics and Business Administration from the Complutense University of Madrid and Tenured Professor of Financial Economics. Vice-President of the Spain-United States Chamber of Commerce since July 2011 and Director of nicaja Banco since February 2014 to February 2023. She was a director of Banco CEISS from 2014 until its merger with Unicaja in September 2018. She was Executive President of Hispasat (2004-2012), Non-executive President of Hisdesat (2005-2011), Director of Hispamar Satélites (Brazil) and Director of Xtar Llc (United States) between 2005 and 2012. She was an independent director of Solvay (Brussels) from 2009 to 2013 and between 1983 and July 1985 she was Director of Iberia and Banco Exterior de España, where she worked as Joint Managing Director between 1985 and 1987. She has extensive academic experience as Tenured Professor of Financial Economics at the Department of Business Economics and Accounting of the Faculty of Economics and Business Studies of the UNED and Tenured Professor of Financial Economics at the University College of Financial Studies (CUNEF) (1982-2015). She has also been a member of the National Board of Directors of the Spanish Institute of Financial Analysts (IEAF) 2011-2017 and member of the Board of ANECA during the period 2009-2015.

Notable among the distinctions she has received are the Knight of the Order of the Legion of Honor of the French Republic (2011); Business Leader of the Year (2010), awarded by the Spain-United States Chamber of Commerce; Entrepreneur of the Year (2010), awarded by the Brazil-Spain Chamber of Commerce; the Women Together Foundation Award (2009), awarded by the United Nations Economic and Social Council (ECOSOC); Female Executive of the Year (2009) of the Spanish Federation of Female Executives; and Doctor Honoris Causa by the Camilo José Cela University (2021). His most recent book, "Corporate Finance", written in collaboration with Brealey, Myers, Marcus and Mateos (McGraw-Hill and UNED, 2010), is an important contribution to decision making in finance

- Mr. Ignacio Sánchez-Asiaín (President of the Commission since the session held on May 12, 2022) has been an independent non-executive director since his appointment through a resolution passed at the Ordinary General Meeting of Shareholders on June 25, 2020.

Mr. Sánchez-Asiaín holds a bachelor's degree in Economics and Business Administration from the University of Deusto and an MBA specialized in Financial Intermediation from the Wharton School - University of Pennsylvania.

Professionally, Mr. Sánchez-Asiáin Sanz has been a stock market analyst at Prescott Ball & Turben, European Project Manager, member of the European Senior Advisory Board and Senior Advisor of Iberia at Oliver Wyman & Co., Director of International Business Development, General Director of Private Banking, General Director of Systems and Operations and member of the Steering Committee of the BBVA Group, General Director of Bilbao Bizkaia Kutxa (BBK), Corporate General Director of Kutxabank, CEO of Banco Popular and President of Gorbertia Órganos de Gobierno and Dilitrust Iberoamérica, S.L. He has also been member of the Board of Directors of Gobertia Global, Gorbertia CEE, Gorbertia España y Gorbertia Perú.

Currently, Mr. Ignacio Sánchez-Asiáin Sanz is President of Tradeslide Trading Tech, Ltd. and Sapiens Market EU Sociedad de Valores, S.A., and member of the Board of Directors of Tradeslide Ventures, Ltd. and Weguest, S.L.

- Mr. Pedro Luis Uriarte Santamarina (member) has been an independent non-executive director since his appointment through a resolution passed at the Ordinary General Meeting of Shareholders on June 22, 2011. He was re-elected by the General Meeting of Shareholders on June 25, 2020; and appointed a member of the Commission on February 28, 2012, an office to which he was re-elected on June 28, 2022.

Mr. Uriarte Santamarina holds a bachelor's degree in Economics and Law from the University of Deusto in Bilbao. He has a total of 54 years of professional experience, having worked in the industrial sector (9 years), finance (23 years), consulting (16 years), I&D&i (2 years) and in Public Administration (4 years). He has been a professor for more than seven (7) years at the University of Deusto in Bilbao, teaching subjects related to business transformation and advanced management. He has also collaborated with several business schools (Deusto Business School, IESE, ESADE, etc.). He was Vice-President (1997) and CEO (1994) of the Board of Directors at BBV and BBVA until 2001, Vice-President of the Board of Directors of Telefónica S.A. and Counselor of Economics and Finance (1980-1984) of the first Basque Government. He is also the Founder and Executive President of Economía, Empresa, Estrategia, S.L. (2002-present) and Second Vice-President of NTT Data Europe & Latam S.L.U. Lastly, he is a director and advisor for several companies and cooperates with several educational and social activities.

- Mr. José Manuel Lladó Arburúa (member) has been a proprietary director as proposed by Araltec, S.L. since May 10, 2006. He was re-elected as a director at the Ordinary General Meeting of Shareholders on June 25, 2020; and designated a member of the Commission on July 28, 2020. He was re-elected to this office on June 28, 2022.

Mr. Lladó Arburúa holds a Bachelor of Science in Business Administration (BSBA) from Georgetown University and an MBA from the University of

Chicago. In his professional career, he has been manager of the corporate division of Citibank N.A. (1986-1990), General Director of the Chase Manhattan Bank, with responsibility of Global Market Sales for Spain and Assistant Deputy General Director of Banesto, with responsibility over the International and Treasury area. He has been a director of CESCE, Managing Director and Founder of Ideon Financial Solutions, Founding Partner, President and Director of Summa Investment Solutions, Founding Partner and President of Borrox Finance, as well as member of the Board of Directors of Raisin Technology Europe, S.L. (previously, Choice Financial Solutions, S.L.), Fintonic Servicios Financieros, S.L. and Ideon North America (subsequently, Choice). He is member of the Board of Directors of Aragonesas Promoción de Obras y Construcciones, S.L. and of León Valores, S.A., SICAV, as well as Director and President of Layar Castilla, S.A., Summa Investment Solutions, S.A. and Araltec, S.L.

- Mr. José Nieto de la Cierva (member) has been an independent non-executive director since his appointment through a resolution passed at the Ordinary General Meeting of Shareholders on June 27, 2018. He was re-elected by the General Meeting of Shareholders on June 28, 2022. Moreover, he was appointed member of the Commission on July 31, 2018; an office to which he was re-elected on June 28, 2022

Mr. Nieto de la Cierva has a bachelor's degree in Economics Sciences and Business Administration from the Complutense University of Madrid. He has developed his professional career in the private sector as a member of the consulting department of KPMG Spain, JP Morgan Group, Director of the Chase Manhattan Bank and General Director of Corporate Banking of the Chase Manhattan Bank in Spain between 1998 and 2002. Later, he joined to Banesto, where he was Deputy General Director of Company Banking and General Director of Wholesale Banking. He has also held positions at Banca March Group, where he was President of Banco Inversis, CEO of Banca March, director and member of the Audit Commission of Corporación Financiera Alba, director and member of the Executive Commission of Ebro, director of Consulnor and director of Aegon España. He has also been Deputy General Director of Banco Sabadell between 2018 and 2022. Currently, he is President of Kenta Capital.

All the Commission members have the necessary knowledge, skills, experience and dedication to perform their duties. In particular, the members of the Audit and Control Commission as a whole have knowledge and experience in accounting, auditing, finance, internal oversight, financial and non-financial risk management, sustainability as well as the industrial sector.

Furthermore, it is worth mentioning that Mr. Ignacio Sánchez-Asiaíán Sanz, Mr. Pedro Luis Uriarte Santamarina, Mr. José Manuel Lladó Arburúa and Mr. José Nieto de la Cierva are also members of the Risk Management Commission, which fosters coordination between both commissions.

Detailed information on the members of the Commission and their professional background is available to shareholders, investors, and other interested parties on the Company's website.

As explained above, throughout fiscal year 2023, the Commission was entirely comprised of non-executive directors, most of whom were independent directors, including its President as set forth in Article 529 quaterdecies.1 of the Spanish Corporate Enterprises Act. All of its members were appointed by the Board of Directors, particularly the President, taking into account the Commission's duties and ensuring that its composition meets the various diversity criteria including those related to the knowledge, skills, professional experience, competencies, personal abilities, gender and sectoral knowledge of its members.

4. COMMISSION COMPETENCIES AND ACTIVITIES CARRIED OUT DURING FISCAL YEAR 2023

Article 13.2 of the Board of Directors Regulations and Article 5 of the Audit and Control Commission Regulations establish the duties of the Audit and Control Commission, without prejudice to any other duties that may be assigned by the Board of Directors.

What follows is a list of the Commission's competences as allocated in the various corporate texts, indicating the most important actions in fiscal year 2023 in relation to them:

Regarding the monitoring of financial and non-financial information:

- a) Report to the General Meeting of Shareholders on matters within its scope and, in particular, on the result of the audit, explaining how the audit has contributed to the integrity of the financial information and the role that the Commission has played in this process.
- b) Supervise and evaluate the process of preparation and presentation of the mandatory financial and non-financial information relating to the Company and, where appropriate, to the Group, including the periodic financial and non-financial information that, as a listed company, the Company must provide to the markets and their supervisory bodies, ensuring that the intermediate accounts are prepared under the same accounting criteria as the yearly financial statements, always relying on the direct collaboration of the external and internal auditors, and presenting where appropriate, recommendations or proposals to the Board of Directors aimed at safeguarding their integrity.
- c) Ensure that the yearly financial statements that the Board of Directors presents to the General Meeting of Shareholders are prepared in accordance with accounting regulations. In those cases in which the statutory auditor has included any reservations in their audit report, the President of the Audit and Control Commission shall clearly explain at the General Meeting the opinion of the Commission on its content and scope,

making a summary of said opinion available to the shareholders at the time of publication of the notice of the General Meeting, together with the rest of the proposals and reports of the Board.

In relation to the supervision of internal control and internal audit:

- d) Periodically supervise the effectiveness of the Company's internal control and internal audit, as well as discuss with the statutory auditor the significant weaknesses of the internal control system detected during the audit, all without compromising its independence. For such purposes, and where appropriate, they may submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up.
- e) In relation to the information and internal control systems: (i) know and supervise the internal control systems of the Company, check their adequacy and integrity and review the appointment or replacement of those responsible; (ii) ensure in general that the policies and systems established in matters of internal control are applied effectively in practice; (iii) review compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria; and (iv) ensure the independence and effectiveness of the internal audit function, proposing the selection, appointment and removal of the person in charge of the internal audit service, as well as proposing the budget for said service, approving the orientation and the annual work plan, ensuring that its activity is mainly focused on the relevant risks of the Company (including reputational risks), receiving periodic information on its activities and verifying that senior management takes into account the conclusions and recommendations of its reports.
- f) Supervise the unit responsible for internal audit duties that ensures the proper functioning of the information and internal control systems.

The head of the unit who is responsible for internal audit duties will present their annual work plan to the Audit and Control Commission for approval, inform it directly of its execution, including possible incidents and limitations to the scope that may arise in its development, as well as the results and the follow-up of its recommendations, and submit an activities report at the end of each fiscal year.

- g) Set up and supervise a mechanism that enables employees and other persons associated with the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially significant irregularities, including those affecting finances and accounting, or of any other sort, related to the Company and detected therein or in its Group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications may be made anonymously, respecting the rights of the whistleblower and the reported party.

In relation to the statutory auditor:

- h) Submit to the Board of Directors the proposals for the selection, appointment, re-election and replacement of the statutory auditor, taking responsibility for the selection process in accordance with the provisions of the applicable regulations, as well as the conditions of their hiring and for this purpose, they must:
 - 1. Define the procedure for the selection of the auditor, and
 - 2. Issue a reasoned proposal containing at least two (2) alternatives for the selection of the auditor, except in the case of the re-election thereof.
- i) Regularly collect information from the auditor on the audit plan and its execution, in addition to preserving its independence in the exercise of their duties.
- j) Establish the appropriate relationships with the external auditor to receive information on those matters that may pose a threat to its independence, in particular as regards the discrepancies that may arise between the statutory auditor and the Company's management, for examination by the Commission, and any others related to the process of carrying out the auditing of accounts and, where appropriate, the authorization of services other than those prohibited in the terms provided in the applicable regulations, as well as those other communications provided for in the legislation of auditing of accounts and in auditing standards.
- k) In any event, in accordance with the provisions of the regulations governing the activity of the auditing of accounts and other auditing standards, the external auditors must provide an annual declaration of their independence in relation to the Company or entities linked to it directly or indirectly, as well as detailed and individualized information on the additional services of any kind provided and the corresponding fees received from these entities by the external auditor or by the persons or entities linked to it.
- l) Provide an annual report, prior to issuing the account audit report, expressing an opinion on whether the independence of the statutory auditors or audit firms is compromised. This report must contain the reasoned assessment of the provision of each and every additional service referred to in the previous point, both individually and as a whole, other than the legal audit and in relation to the regime of independence or the regulations governing the activity of auditing accounts. This report shall be published on the Company's website sufficiently in advance of the Ordinary General Meeting of Shareholders.
- m) In relation to the external auditor: (i) in the event of resignation of the external auditor, examine the circumstances that led to it; (ii) ensure that the remuneration of the external auditor for their work does not compromise their quality or independence; (iii) ensure that the Company

communicates the change of auditor as other relevant information to the Spanish National Securities Market Commission and accompanies it with a statement on the eventual existence of disagreements with the outgoing auditor and, if there were any, their content; and (iv) ensure that the external auditor holds an annual meeting with the full Board of Directors to report on the work carried out and on the developments of the Company's accounting and risk situation.

- n) Supervise compliance with the Audit contract, ensuring that the opinion on the annual accounts and the main contents of the Audit report are drafted clearly and accurately, as well as to evaluate the results of each Audit and, likewise, to ensure that the Company and the external auditor comply with the rules in force on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, the other rules established to ensure the independence of the auditors.
- o) Make a final assessment of the auditor's performance and how it has contributed to the quality of the Audit and the integrity of the financial information.

In relation to the supervision of risk control and management:

- p) Monitor and assess the effectiveness of financial and non-financial risk management and control systems related to the Company and, where appropriate, the Group, including operational, technological, legal, social, environmental, political and reputational issues or those related to corruption.
- q) Directly supervise the internal risk control and management duties.
- r) Re-evaluate, at least annually, the list of the most significant financial and non-financial risks and assess their level of tolerance, proposing their adjustment to the Board of Directors, as the case may be.
- s) Hold, at least annually, a meeting with the heads of the business units in which they explain the business trends and associated risks.
- t) To be informed of the tax policies applied by the Company. In this regard, to receive information from the person responsible for tax matters on the tax policies applied, at least prior to the preparation of the annual financial statements and the filing of the corporate income tax return and, when relevant, on the tax consequences of corporate transactions whose approval is submitted to the Board of Directors.
- u) Control and supervise compliance with the risk control and management policy, directly or through one or more sub-commissions created for this purpose.

The Audit and Control Commission will perform the duties provided for in this section in coordination with the Risk and Management Commission, as necessary.

In relation to the supervision of corporate governance, internal codes of conduct and sustainability:

- v) Supervise compliance with the Company's policies and rules regarding corporate governance as well as the Company's internal codes of conduct. In particular, the Audit and Control Commission shall: (i) supervise compliance with the Internal Code of Conduct for Securities Markets, these Regulations, Audit and Control Commission Regulations, if applicable, other internal codes of conduct and, in general, of the Company's governance rules, making the necessary proposals for their improvement and ensuring that the corporate culture is aligned with its purpose and values; (ii) supervise the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisers and other stakeholders. It will also monitor the way in which the Company communicates and relates to small and medium shareholders; and (iii) periodically evaluate and review the Company's corporate governance system, in order for it to fulfill its mission of promoting the corporate interest and take into account, as appropriate, the legitimate interests of the remaining stakeholders.
- w) Supervise compliance with the policies and rules of the Company regarding environmental and social sustainability. In particular, the Audit and Control Commission shall: (i) periodically evaluate and review the Company's corporate social responsibility and sustainability policy in environmental and social matters, in order for it to fulfill its mission of promoting social interest and take into account, as appropriate, the legitimate interests of the remaining stakeholders; (ii) supervise that the Company's practices in environmental and social matters conform to the strategy and policy established; and (iii) supervise and evaluate the relationship processes with the different stakeholders.

Other duties:

- x) Supervise the organization and operation of the Company's Regulatory Compliance system and area.
- y) Prior to their approval by the General Meeting of Shareholders or the Board of Directors, inform on related-party transactions and supervise the internal procedure established by the Company regarding the transactions whose approval may have been delegated in accordance with applicable regulations.

- z) Inform the Board of Directors, prior to agreeing on the corresponding decisions, on all matters provided for by Law, the Bylaws and the Board of Directors Regulations and, in particular, on:
- a. The financial information and management report, which will include mandatory non-financial information that the Company must periodically make public, when applicable.
 - b. The creation or acquisition of interests in entities of special purpose or domiciled in countries or territories that are considered tax havens.
 - c. The economic conditions and accounting impact and, if appropriate, proposed exchange ratio of structural and corporate modification operations that the Company intends to undertake.
 - d. Any other general or specific functions involving reports and proposals that are entrusted by the Board of Directors or that are established by the regulations in force at any time.

Likewise, Articles 13.5 of the Board of Directors Regulations and 7.4 of the Audit and Control Commission Regulations state that the Commission must prepare an annual report on its operation, highlighting the main incidents, if any, as regards its duties. In addition, when the Commission deems it appropriate, it will include in said report proposals to improve the Company's governance rules.

As regards its organization and operation, the Commission has its own Regulations, as required by Section 2 of Technical Guideline 3/2017.

In accordance with the foregoing, the Audit and Control Commission carried out the following activities during fiscal year 2023:

1. In relation to supervision of financial and non-financial information

- The individual and consolidated financial statements corresponding to fiscal year 2022 were reported favorably by the Commission at its meeting held on February 28, 2023 for consideration and, where appropriate, formulation by the Board of Directors.

Likewise, the external co-auditors, Deloitte, S.L. (Deloitte) and PricewaterhouseCoopers S.L. (PwC), stated on the one hand that they had not detected significant risks in addition to those identified in the planning process and submitted during a previous meeting in November and updated in December 2022. On the other hand, they confirmed that no disagreements or limitations of scope had arisen during the co-auditing process, considering the distribution of work between both external auditors as balanced.

- At its meeting held on February 28, 2023, the Commission agreed unanimously to submit the proposal for the application of the results for the fiscal year ended on December 31, 2022 to the Board of Directors.

At this same meeting, the Commission reviewed the Annual Financial Report as well as the Annual Non-Financial Information Statement, both corresponding to fiscal year 2022, which are part of the 2022 Consolidated Management Report.

- Moreover, and in accordance with the foregoing, it supervised the preparation of the statement to be sent to the CNMV, stating that the Commission would submit a favorable report to the Board of Directors regarding the Annual Financial Report for fiscal year 2022 for its approval and delivery to the CNMV.
- At its meetings, the Commission has supervised various issues related to financial and non-financial information and, among others: (i) submission of the information at the close of the fiscal year; (ii) the situation of the Group's treasury; (iii) submission of financial reports to analysts; (iv) analysis of fiscal risks and submission of reports from the tax department; (v) submissions from the regulatory compliance department and (vi) information about Group subsidiaries.

2. Regarding the supervision of internal control and internal audit

In the session held on January 31, 2023, the internal auditor provided the Commission with the Internal Audit Report for 2022, which included the following lines of action: (i) monitoring of the 2021 recommendations of the supervision processes by Corporate Human Resources with regard to subsidiaries; (ii) subsidiary auditing; (iii) reviewing rights in negotiations with third parties; and (iv) technical analyses of supplier/subcontractor economic solvency. At that same meeting, the internal auditor presented the internal auditing department budget for fiscal year 2023 to the Commission.

On the other hand, the Internal Auditing Director submitted the Internal Audit Plan to the Commission at its meeting on March 30, 2023, for the purpose of detailing the internal audit planning for 2023. It highlighted the factors taken into consideration which included, among others, the list of risks or critical components in the financial information subject to estimates and value judgements, and the criteria used by internal auditing to establish priorities for the most relevant risks and needs with the Commission monitoring it.

Likewise, at its meeting held on September 26, 2023, the internal auditor presented the Audit Management Report to the Commission, including: (i) a review of the elements of the risk map; (ii) the estimate processes and internal oversight system; (iii) the review of project working capital; (iv) the assets through contractual modifications under negotiation with clients; (v) the assets under claim in negotiations with suppliers and subcontractors and dispute processes; (vi) the recovery of tax assets; and (vii) rights under negotiation with third parties, informing on the monitoring of expected receivables and the change order recovery and claims objectives plan, among other matters.

Furthermore, at the meeting on June 22, 2023, the Commission unanimously agreed to submit to the Board of Directors for approval the Internal Information System and Information Management Procedure pursuant to Spanish Law 2/2023, of 20 February, regulating the protection of people reporting regulatory violations and corruption matters, as well as the designation of a party responsible for said internal information system, considering the various options.

Finally, the Commission has been periodically informed about the Company's Internal Control over Financial Reporting System (ICFR).

3. Regarding the statutory auditor

At its meeting on February 28, 2023, the Commission received statements of independence from both auditing firms, Deloitte and PWC, as well as the draft opinions on the yearly financial statements corresponding to fiscal year 2022, which were issued without reservations and later submitted to the Board of Directors. The co-auditors appeared at said meeting to explain the scope and approach to the audit corresponding to fiscal year 2022 as well as the key matters involved.

To this end, the Commission has periodically supervised the progress of the external audit work, with the external auditors appearing, where appropriate, to report on issues such as: (i) identified adjustments and reclassifications; (ii) project estimates; (iii) review of the ICFR; (iv) main effects of the period contemplated by the audit and their breakdown; (v) analysis and progress of the main projects; (vi) situation of litigations and arbitrations, as well as the fiscal situation; (vii) planning of the audit work and (viii) periodic public information related to the first six months of 2023 (after reception by the Commission of an opinion from the external auditors on the limited review of this six-month information and after the auditor has submitted the most important events that occurred in the first quarter of 2023 to the Commission).

At the same time, at its meeting held on July 27, 2023, the Commission again heard from the Company's external auditors who explained the conclusions of the limited half-year review of the financial statements.

On the other hand, at the meeting on November 14, 2023, the external auditors presented the plan for their audit work, the most significant audit risks and the proposed fees for the external audit for fiscal year 2024.

Moreover, at the meeting on December 19, 2023, the external auditors presented their preliminary work and the most significant aspects of the audit for fiscal year 2023. The most significant aspects highlighted by the external auditors included, among others, the evolution of the main projects in the first nine months of fiscal year 2023, the primary revenue as of September 2023, the situation of disputes and arbitration and monitoring of fiscal aspects, as well as the Group's financial situation as concerns its liquidity and solvency.

4. Regarding the supervision of risk management and control

The Commission has been periodically informed of various matters within its sphere of competence, among others, the following:

- At the meeting on January 31, 2023, the party responsible for Regulatory Compliance informed the Commission of the Annual Regulatory Compliance Report corresponding to fiscal year 2022, which, among others, included aspects such as the training and communication objectives, the Whistleblowing Channel, the development of Compliance duties at foreign subsidiaries and relevant incidents reported for the purposes of criminal risks.

Moreover, at the Commission meeting on March 30, 2023, the party responsible for Regulatory Compliance offered an executive summary of the work done by this area for 2023, highlighting the following, among others: (i) the annual activities and objectives plan; (ii) the annual training and communication plan; (iii) the annual Criminal Compliance Management System audit plan; and (iv) the annual budget for fiscal year 2023.

Likewise, during fiscal year 2023, the party responsible for Regulatory Compliance periodically informed the Commission of its monitoring of the annual Criminal Compliance Management System plan with aspects such as the annual training and communication plan and the Criminal Compliance Management System resources.

Finally, at the meeting on December 19, 2023, the party responsible for Regulatory Compliance presented the following to the Commission: (i) the Audit Report on the Criminal Compliance Management System Design; (ii) the AENOR Audit Report on maintenance of UNE 19601 certification; (iii) the first draft update to the Group's Code of Conduct; and (iv) the 2024 reporting calendar for the Criminal Compliance Management System.

- On the other hand, at the meeting on October 19, 2023, the Commission agreed to submit the Sponsorships, Donations and Patronage Policy to the Board of Directors for approval. Finally, the Commission presented a review at this meeting of the Internal Information System Management Committee Statute.
- Moreover, the Commission has been informed at different meetings by the Director of Finance of aspects including: (i) the year-end forecasted result for fiscal year 2022; (ii) the forecasted net treasury, debt and balance; (iii) the updated 2023-2024 plan; (iv) the updated tax situation; (v) the projected two (2)-year cash flow; (vi) the opportunity for new business; (vii) the 2023-2025 economic and company operations plan; (viii) monitoring of progress on fiscal compliance under standard UNE 19602; (ix) the plan to increase the guarantee capacity during fiscal year 2023; (x) the half-yearly accounts; the analysts' note; (xi) the monitoring and budget plan in accordance with the SEPI Feasibility plan; (xii) year-end forecasts for fiscal year 2023; and (xiii)

relevant auditing matters as of the end of December 2023, such as obligations deriving from standard UNE 19602 on tax compliance which establishes the requirement of having a tax compliance body, among others.

- Finally, the Commission also received the Tax Report which presented: (i) the evolution of tax risks; (ii) the keys to taxation in Spain and the rest of the world as of September 2023; and (iii) a summary table of the tax risks as of December 2022.

5. In relation to the follow-up of the Commission's own action plans

At each session, the Commission reviewed compliance with the 2022 Annual Plan of the Audit and Control Commission.

At its last meeting, the Commission unanimously reviewed and approved the meetings schedule for 2024, as well as the annual activity plan of the Audit and Control Commission for fiscal year 2024, which establishes the matters to be dealt with by the Commission in each meeting.

6. Other activities

The Commission unanimously approved its operations report for fiscal year 2022 and agreed to submit it to the Board of Directors.

It also stated that during fiscal year 2023 there were no deviations with respect to the procedures adopted by the Company and that the Board of Directors was not informed of any irregularities in matters within the competence of the Commission, as evidence of such does not exist.

5. MEETINGS HELD DURING THE FISCAL YEAR, NUMBER OF ATTENDEES AND OTHER PEOPLE WHO APPEARED

In accordance with the provisions of Article 13 of the Board Regulations and Article 7 of the Audit and Control Commission, the Commission will meet at least eight (8) times a year in ordinary meetings to review the periodic financial information that must be sent to the corresponding authorities, as well as the information that the Board of Directors must approve and include in its annual public documentation. Furthermore, said rules establish that the Commission shall also meet whenever convened by its President, who must do so whenever the Board of Directors or its President requests that the Audit and Report Commission issue a report or adopt proposals and, in any event, whenever requested by any of the members of the Audit and Control Commission or is convenient for the proper performance of their duties.

Moreover, the members of the management team or staff of the Company and its Group shall be obliged to attend the meetings of the Audit and Control Commission and to provide their collaboration and access to the information available to them when the Commission so requests. The Commission may also request their attendance without the presence of any other director. The Audit

and Control Commission may also require the attendance of the account auditors at its meetings.

In addition, in accordance with the provisions of Article 13.7 of the Board Regulations and Article 10 of the Audit and Control Commission Regulations, and in line with the recommendations of Technical Guideline 3/2017, the Audit and Control Commission may seek the advice of external experts when it deems it necessary for the proper fulfillment of its duties.

During the period from January 1 to December 31, 2023, the Audit and Control Commission met ten (10) times, having been convened by the Secretary by order of the President of the Commission, through individual communication to each of its members and well enough in advance of Board of Directors meetings.

All the members of the Commission personally attended all the meetings held throughout the fiscal year, either in person or remotely.

Date	Type of meeting	Attendance
January 31, 2023	In-person/remotely	Five (5)
February 28, 2023	In-person/remotely	Five (5)
March 30, 2023	In-person/remotely	Five (5)
April 19, 2023	In-person/remotely	Five (5)
June 22, 2023	In-person/remotely	Five (5)
July 27, 2023	In-person/remotely	Five (5)
September 26, 2023	In-person/remotely	Five (5)
October 19, 2023	In-person/remotely	Five (5)
November 14, 2023	In-person/remotely	Five (5)
December 19, 2023	In-person/remotely	Five (5)

Besides attendance by its members and Secretary, the Audit and Control Commission meetings were attended by the people listed below following an invitation by the Commission President in order to discuss certain items on the Agenda for which their presence was strictly necessary without attending the deliberation and voting phases of Commission meetings. All of these people's entries and exits are recorded in the meeting minutes, entirely in accordance with the provisions of Technical Guideline 3/2017:

- Mr. Eduardo San Miguel González de Heredia, CEO.
- Mr. Javier Díaz Hevia, Chief Financial Officer.
- Mr. José Manuel Honorato Vallejo, Head of Regulatory Compliance.
- Mr. José María González Velayos, Director of Internal Auditing.

- Mr. Federico Fernández-Paniagua Fernández, Head of the Tax Department.
- Mr. Antonio Sánchez-Covisa Martín-González, Mr. Antonio Albalá Moriana, external auditors from Deloitte and Mr. Fernando Pindado Rubio and Mr. Alfredo Arias Paradelo, external auditors from PwC.

Furthermore, the Commission President, in cooperation with the Secretary, channeled and facilitated the necessary information to all other Commission members sufficiently in advance so they could analyze it before the meetings were held.

Likewise, the Commission President encouraged constructive dialogue among members during the meetings, fostering freedom of expression and an attitude of analysis among all members, ensuring their free participation in all deliberations.

6. OPINION OF THE COMMISSION ON THE INDEPENDENCE OF THE STATUTORY AUDITOR

In relation to the independence of the external auditors, the Commission has received from Deloitte and PwC written confirmation of its independence from the Audit and Control Commission, as well as the information regarding the non-audit services that the external auditors provided to the Company and its Group during the 2023 fiscal year. This statement expressly states that the auditors have not encountered any of the causes of incompatibility established for that purpose in the Law on Account Auditing during fiscal year 2023 and, in view of the information available, the Commission has not identified factors that endanger the independence of auditors Deloitte and PwC.

In accordance with the foregoing, the Commission issued the corresponding report on independence provided for by Article 529 quaterdecies.4.f) of the Spanish Corporate Enterprises Act, which was published on the Company's corporate website prior to the Ordinary General Meeting of Shareholders held on June 28, 2023, pursuant to the provisions of Recommendation 6 GGC.

7. EVALUATION

During the 2023 fiscal year, the evaluation process corresponding to the 2022 fiscal year of the Board of Directors and its Commissions was carried out with the assistance of the external advisor KPMG. It was verified that the consultant was not the same one that advises the Company on the appointments of directors or senior executives or on compensation systems and whose independence has been verified by the Appointments and Remuneration Commission.

The following areas were evaluated:

- The quality and efficiency of the operation of the Board of Directors.

- The operation and composition of its Commissions.
- Diversity in the composition and competencies of the Board of Directors.
- The performance of the President of the Board of Directors and the Secretary of the Board.
- The performance and contribution of each director, paying special attention to the heads of the various Board Commissions.

As regards the methodology used, the evaluation of the different Commissions was based on the report submitted by them to the Board of Directors, and for the evaluation of the Board of Directors, on the report submitted by the Appointments and Remunerations Commission. Moreover, as part of the process, KPMG held various interviews with all the members of the Board and its Secretary.

During the evaluation process, the following aspects, among others, were very positively reviewed: the high technical qualifications and professional experience of the members of the Board, the fluid and transparent communication between members of the Board, the work climate and collaboration observed among the directors, the trust observed in the management team and the immense appreciation for and trust in the executive secretary.

In particular and with respect to the Audit and Compliance Commission, the directors rated its operation during the fiscal year as positive and determined that it had performed its duties appropriately. As concerns the actions included in the action plan, the main recommendation from the directors referred to continuing to improve planning of meetings and of the matters to be handled throughout the year.

As a result of the Board's evaluation, an action plan was established with suggestions for improvement, including actions in the areas of meeting organization and procedures (i.e. holding a monographic Board Meeting on strategy each year, maintaining greater contact with members of senior management and preparing a financial and non-financial risk map), the composition of the Board (moving forward to this end on updating and improving competencies and diversity), and director training. In mid-2023, the Commission reviewed the Action Plan and recalled the goals included in it.

8. CONCLUSIONS

Based on all matters set forth in this Report, the Company's Audit and Control Commission has evaluated its composition and operation during fiscal year 2023 positively, considering that:

- The composition of the Commission has been adjusted to the provisions of the Spanish Corporate Enterprises Act, its internal rules as well as the

Recommendations from the GGC, with members having the necessary and appropriate knowledge and experience to properly perform their duties and for the sector of activity to which the Company belongs, with the majority of its members being independent directors.

- The Commission has met more frequently than that established in Article 13 of the Board Regulations and Technical Guideline 3/2017 and whenever necessary in view of the matters to be discussed at the meeting.
- All the Commission meetings were attended by all of the members, who attended physically at the meeting place or remotely using electronic means.
- The Commission members always had the necessary information with regard to the items on the agenda subject of analysis and discussion available to them prior to the meetings so they could exercise their duties properly in an informed manner. Likewise, when necessary, the Commission has been advised by external experts.
- The Commission has regularly collected information from the external auditor and verifier with regard to strategy and auditing and verification plans, as well as their execution.
- Finally, the Commission has deliberated on and passed resolutions on the matters within its competence in an informed manner and after discussions in which there has been a constructive dialogue and critical attitude, favoring the diversity of opinions, as provided for in Technical Guideline 1/2017. Likewise, when necessary, the Commission has been advised by external experts following verification in all cases by the Commission that there were no conflicts of interest that may compromise their independence of judgement.

In accordance with the foregoing, it can be concluded that the Audit and Control Commission has complied with the rules set forth in the Law and its internal rules regarding composition, frequency of meetings, attendance and informed participation of its members, and the Commission has also dealt with the matters within its competence, and its activity during the 2023 fiscal year has been very positively evaluated.

This Report on the operation of the Audit and Control Commission during the 2023 fiscal year was prepared by the Commission on February 28, 2024, having been submitted by the Company's Board of Directors at its meeting held on February 28, 2024.