



REPORT OF THE AUDIT AND CONTROL COMMITTEE ON STATUTORY AUDITORS' INDEPENDENCE

INTRODUCTION

Article 529 quaterdecies section 4 letter f) of the Consolidated Text of the Spanish Companies Act ("LSC"), concerning the Audit and Control Committee, provides that one of the functions of this body shall be to issue annually, prior to the issuance of the audit report, a report expressing an opinion on whether the independence of the auditors or audit firms is compromised.

In compliance with the provisions of the Law and articles 40.4 letter f) of the Articles of Association and 37.4 section c) of the Regulations of the Board of Directors, the Audit and Control Committee of FOMENTO DE CONTRUCCIONES Y CONTRATAS, S.A. ("FCC") issues this report at its meeting held on 27 February 2024. This report will be published on FCC's website, www.fcc.es, on the occasion of the call to the General Shareholders' Meeting, in order to comply with recommendation 6.a) of the Good Governance Code of Listed Companies.

I - THE ENTITY ON WHICH THIS REPORT IS BASED

At its meeting held on 2 June 2020, the General Shareholders' Meeting resolved, at the behest of the Board of Directors and following the proposal of the Audit and Control Committee, to appoint ERNST&YOUNG S.L. (with registered office in Madrid Calle Raimundo Fernández Villaverde, 65, with tax identification number B78970506, registered in the Companies Register of Madrid, in volume 9.364 general, 8.130 of section 3 of the companies book, folio 68, page 87.690-1 1st entry, and registered in the ROAC with number S-0530) as auditor of the accounts of both FCC and its consolidated group for the financial years 2021, 2022, 2023.

It is noted for the record that the current partner and head of the audit of the FCC Group's Consolidated Annual Accounts is Fernando González Cuervo, being 2023 his third year as auditor of the FCC Group, thus complying with the mandatory rotation of the auditor signing the audit report.

II - CASES OF INCOMPATIBILITY LEADING TO LACK OF INDEPENDENCE

Article 16 of Law 22/2015, of 20 July, on Auditing of Accounts ("LAC"), establishes those circumstances which, if present in the auditor, would mean that he/she would not enjoy sufficient independence in the exercise of his/her duties. These circumstances are as follows:

a) Circumstances arising from personal situations:

1) To be a member of the administrative body, an executive or an attorney-in-fact who has been granted a general power of attorney of the audited entity or who holds positions of employment in the audited entity. This circumstance shall also apply to the person responsible for the economic and financial area and to whoever performs supervisory or internal control functions in the audited entity, regardless of the link they have with the audited entity.

2) Having a significant direct interest in the audited entity deriving from a contract or from the ownership of an asset or the ownership of a right. In any case, such an interest shall be deemed to exist in the event of owning financial instruments of the audited entity or of an entity related to it when, in the latter case, they are significant for any of the parties. For the purposes of this paragraph, interests held indirectly through diversified collective investment undertakings are excepted.



3) To carry out any type of transaction related to financial instruments issued, guaranteed or backed in any other way by the audited entity.

For the purposes of this paragraph, financial instruments held indirectly through diversified collective investment undertakings are exempted.

4) Requesting or accepting gifts or favours from the audited entity, unless their value is insignificant or inconsequential.

b) Circumstances arising from services rendered:

(1a) The provision to the audited entity of accounting services or the preparation of accounting records or financial statements.

2) The provision of valuation services to the audited entity, unless the following requirements are met:

- i. Have no direct effect or a materially insignificant effect, either individually or in the aggregate, on the audited financial statements;
- ii. That the estimate of the effect on the audited financial statements is fully documented in the working papers relating to the audit work.

3) The provision of internal audit services to the audited entity, unless the management body of the audited entity is responsible for the overall internal control system, for determining the scope, risk and frequency of internal audit procedures, for considering and implementing the results and recommendations provided by the internal audit.

4) The provision of legal services simultaneously for the audited entity, unless such services are provided by different legal entities and with different boards of directors, and may not relate to the resolution of litigation on matters that may have a significant effect, measured in terms of materiality, on the financial statements for the audited period or financial year.

5) The provision to the audited entity of services for the design and implementation of internal control or risk management procedures related to the preparation or control of financial information, or the design or implementation of computerised financial information systems used to generate the data included in the audited entity's financial statements, unless the audited entity assumes responsibility for the overall internal control system or the service is provided in accordance with the specifications established by said entity, which must also assume responsibility for the design, implementation, evaluation and operation of the system.

III - ANALYSIS OF STATUTORY AUDITORS' INDEPENDENCE

Notwithstanding the fact that none of the cases of incompatibility set out in the LAC are met, the Audit and Compliance Committee has also analysed other aspects to determine the independence of the company's auditors.

Firstly, the appointment of the auditor complied with the requirements of article 264 LSC and article 22 LAC, having been appointed for an initial period of three years.

Secondly, the Audit and Control Committee meets periodically with the auditors to ensure the effectiveness of their review and to analyse possible situations that could pose a risk to their independence. In this respect,



the external auditor has procedures in place to identify and assess threats that could give rise to incompatibility, as well as the necessary safeguards. At these meetings, the auditor has not reported any circumstances that could have jeopardised its independence.

Thirdly, the Audit and Control Committee has received from the auditor the auditor's declaration of independence, as well as detailed and individualised information on the additional services provided by the auditor, in accordance with the regulations in force.

At the consolidated level of the FCC Group, the fees for audit and related services of Group entities accrued by ERNST&YOUNG amounted to 5,055 thousand euros, and there were no fees billed during the year for other professional services.

As part of its work to ensure the independence of the external auditor, in 2017 the Audit and Control Committee approved a procedure for the prior approval of non-audit services provided by the auditor or members of the network to which it belongs. In this task, the Audit and Control Committee is supported by the Internal Audit General Management in the delegated approval of those services other than those prohibited that do not represent a potential cause of incompatibility. This delegated approval is subsequently ratified by the Audit and Control Committee.

IV - CONCLUSIONS

It follows from the above that there are no objective reasons to question the independence of the external auditor. And in particular:

- None of the cases of incompatibility are met, in accordance with the LAC.
- Prior to the issuance of the audit report, the external auditor received a declaration of independence from FCC.

27 February 2024