



**Report by the Board of Directors of ACS Actividades de Construcción y Servicios, S.A., on the proposed authorisation for the Company to directly or indirectly acquire treasury shares and reduce share capital to retire treasury shares**

Madrid, 21 March 2024

# **REPORT BY THE BOARD OF DIRECTORS OF ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A., ON THE PROPOSED AUTHORISATION FOR THE COMPANY TO DIRECTLY OR INDIRECTLY ACQUIRE TREASURY SHARES AND REDUCE SHARE CAPITAL TO RETIRE TREASURY SHARES**

## **1. PURPOSE OF THIS REPORT**

This report has been issued in compliance with sections 286 and 318 of the revised text of the Spanish Corporate Enterprises Act (the "**Corporate Enterprises Act**") enacted by Royal Legislative Decree 1/2010, of 2 July, and refers to the proposal to delegate the Board of Directors of ACS, Actividades de Construcción y Servicios, S.A. ("**ACS**" or the "**Company**") the power to opt to reduce the share capital in accordance with sections 286 and 318 Corporate Enterprises Act with regard to the treasury shares that the Company holds, the approval of which is submitted for approval to the shareholders at the Annual General Meeting to be held on 9 May 2024, on first call, and the following day, 10 May 2024, on second call, under Item Nine on the Agenda.

## **2. GROUNDS FOR THE PROPOSAL**

The Corporate Enterprises Act, which regulates treasury share transactions in its sections 144 et seq. and 509, allows companies, with certain requirements, to acquire, either directly or through subsidiaries, their own shares and to hold them. To reduce or retire treasury shares that the Company already holds, it may use various legally established procedures, which include retiring the treasury shares or disposing of them on the market.

To choose either of the above options, the market conditions must be taken into account at all times. Therefore, given that it is impossible to know in advance the factors which enable the most appropriate decision to be taken at any given time based on the market conditions, it is proposed to empower the Board (with express powers of substitution) to evaluate and decide these matters as they arise.

As a result, the share capital reduction must be conceived in broad terms, delegating the Board a series of powers that allow it to use the procedures included under the legislation which include: (i) executing or rendering null and void the capital reduction, setting the date or dates for the specific transactions, taking into account internal and external factors that influence the decision; (ii) specifying the amount of each share capital reduction, within the maximum amount established; (iii) determining the purpose and procedure of the capital reduction, allocating it either to restricted reserves or to unrestricted reserves; (iv) amending article 6 of the Company By-laws in each case according to the new share capital amount and the new number of shares; and (vi) in general, adopting any resolutions considered necessary for the retirement of these shares and the concomitant capital reduction, designating the persons who should implement these resolutions.

Likewise, carrying out this capital reduction should be subordinate to carrying out the share capital reduction proposed to the shareholders at the Annual General Meeting as Item Eight on the Agenda, to avoid not being able to carry out that resolution as envisaged.

### **3. PROPOSED RESOLUTION**

Therefore the proposed resolution regarding Item Nine on the Agenda which is submitted for approval by the shareholders at the Company's Annual General Meeting, is the following:

Making the authorisation granted through resolution by the shareholders at the Company's General Meeting held on 5 May 2023 null and void and in accordance with sections 146 et seq. and 509 of the Revised Text of the Corporate Enterprises Act, the Company's Board and the boards of its subsidiaries are authorised, during a period of one year from the date of this meeting, which will be automatically extended for periods of equal duration up to a maximum of five years, unless stipulated otherwise by the shareholders at the General Meeting, and in accordance with the conditions and requirements envisaged in the legal provisions in force at the time, to acquire, at any given time and as many times as deemed advisable and through any of the means admitted by law, with a charge to profit for the year and/or unrestricted reserves, shares of the Company, the nominal value of which when added to those already owned by the Company or by its subsidiaries must not exceed 10% of the share capital in circulation or, where applicable, the maximum amount authorised by the legislation applicable at any given time. The minimum price and the maximum price, respectively, will be the nominal value and the weighted average price on the last trading session before the transactions increased by 20%.

The Company's and the boards of its subsidiaries are also authorised, within the period and on the terms established above to, insofar as possible, acquire shares of the Company through loans, for valuable consideration or otherwise, on market terms, taking into account market conditions and the characteristics of the transaction.

Express authorisation is given for the treasury shares acquired by the Company or its subsidiaries to be earmarked, in full or in part: (i) for sale or redemption; (ii) for payment to workers, employees or directors of the Company or its Group, when they have a right recognised either directly through, or as a result of, exercising the options they hold, for the purposes envisaged in the last paragraph of section 146(1)(a) of the Revised Text of the Corporate Enterprises Act; and (iii) for dividend reinvestment plans or similar instruments.

To retire the treasury shares and delegating the Board to carry this out as indicated below, the Board resolves to reduce the capital, with a charge to profit or unrestricted reserves, in a maximum nominal amount equal to the total nominal value of the treasury shares that the Company directly or indirectly holds on the date this resolution is passed by the Board of Directors.

In accordance with Article 7 of the Company By-Laws, the Board is authorised (with express powers of substitution) to perform this resolution to reduce the share capital, which may be carried out once or several times within a maximum period of five years from the date of this resolution, performing such formalities, taking such steps and providing such authorisations as might be necessary or required by the Corporate Enterprises Act and other applicable provisions. In particular, the Board is authorised, by the deadline and with the limits above, to: (i) set the date or dates for the specific capital reduction or reductions, taking into account market conditions, the share price, the Company's economic-financial position, its cash on hand, its reserves, its business performance and any other matter that is reasonable to consider; (ii) specify the amount of each capital reduction within the established maximum amount; (iii) determine the purpose and procedure for the capital reduction, allocating either restricted reserves or unrestricted reserves, providing such guarantees as might be required and complying with the related legal requirements; (iv) amend Article 6 of the Company By-Laws to reflect the new share capital amount; (v) apply for the delisting of the redeemed shares; and, in general, pass any resolutions as might be necessary to ensure the full effectiveness of the retirement of these shares and the concomitant capital reduction, designating the persons authorised to execute these resolutions.

Carrying out this capital reduction will be subordinate to carrying out the capital reduction through the retirement of treasury shares proposed to the shareholders at the Annual General Meeting under Item 8 on the agenda, so that under no circumstances may it hinder carrying out that resolution.

Madrid, 21 March 2024