



**2023 Activity Report of the Remuneration Committee of
ACS, Actividades de Construcción y Servicios, S.A.**

Madrid, 21 March 2024

TABLE OF CONTENTS

1. STATUTE.	2
2. COMPOSITION.....	2
3. DUTIES.	6
4. COMPLIANCE WITH THE DUTIES.	7
4.1. MEETINGS HELD AND ATTENDEES AT THEM.....	7
4.2. SIGNIFICANT ACTIVITIES PERFORMED IN 2023.	7
5. EVALUATION OF THE FUNCTIONING AND PERFORMANCE OF THE REMUNERATION COMMITTEE.	8
6. GOOD GOVERNANCE PRACTICAL GUIDES BEING FOLLOWED.	8
7. CONCLUSIONS.....	8
8. DATE OF FORMULATION OF THE REPORT BY THE REMUNERATION COMMITTEE AND DATE OF APPROVAL BY THE BOARD.....	9

2023 ACTIVITY REPORT OF THE REMUNERATION COMMITTEE OF ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.

1. STATUTE.

Section 529 terdecies of the revised text of the Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010 of 2 July (the "**Corporate Enterprises Act**") establishes that listed companies must set up a Nominations and Remuneration Committee, and section 529 quindecies Corporate Enterprises Act regulates its composition, operation and powers.

ACS, Actividades de Construcción y Servicios, S.A. ("**ACS**" or the "**Company**") has a Remuneration Committee for which the standards of operation, composition and powers are regulated in Article 22 bis of the Company By-laws, having been elaborated on, through Article 28 of the Board Rules.

This report on the ACS Remuneration Committee's work in 2023 has been prepared in accordance with Recommendation 6 of the Code of Good Governance [*Código de Buen Gobierno*], and in accordance with the recommendations of the CNMV's Technical Guide 1/2019 on nominations and remuneration committees of entities, while also taking into account the best corporate governance practices. The report will be published on the corporate website before the Company's Annual General Meeting is held.

2. COMPOSITION.

In accordance with Article 22 bis of ACS' Company By-laws and Article 28 of its Board Rules, the Company's Remuneration Committee will consist of a minimum of two members and a Chair. At least two members of the Remuneration Committee must be Independent Directors and the Chair of the Committee will be appointed from among its constituent Independent Directors. In any case, the number of members of the Committee will be determined by the Board directly by express resolution or indirectly by filling the vacant positions or appointing new members.

From 1 January 2023 to 5 May 2023, the Remuneration Committee consisted of the following members:

Name	Position	Category	Seniority	
			Date of first appointment to the Board	Date of first appointment to the Committee
MR ANTONIO BOTELLA GARCÍA	CHAIR	Independent	28/04/2015	11/05/2017
MR EMILIO GARCÍA GALLEGO	BOARD MEMBER	Independent	13/11/2014	11/05/2017
MR JOSÉ ELADIO SECO DOMÍNGUEZ	BOARD MEMBER	Independent	13/11/2014	11/05/2017
MS MARÍA SOLEDAD PÉREZ RODRÍGUEZ	BOARD MEMBER	Proprietary	13/11/2014	11/05/2017
MR MIGUEL ROCA JUNYENT	BOARD MEMBER	Other External	14/10/2003	11/05/2017
MR JOSÉ LUIS DEL VALLE PÉREZ	SECRETARY NO MEMBER			

As a consequence of Mr Miguel Roca Junyent's resignation from the Company's Board and the appointment of Ms Lourdes Fraguas Gadea to the Board and its Remuneration Committee, from 5 May 2023 to 31 December 2023, the Remuneration Committee was composed of the following members:

Name	Position	Category	Seniority	
			Date of first appointment to the Board	Date of first appointment to the Committee
MR ANTONIO BOTELLA GARCÍA	CHAIR	Independent	28/04/2015	11/05/2017
MR EMILIO GARCÍA GALLEGO	BOARD MEMBER	Independent	13/11/2014	11/05/2017
MR JOSÉ ELADIO SECO DOMÍNGUEZ	BOARD MEMBER	Independent	13/11/2014	11/05/2017
MS MARÍA SOLEDAD PÉREZ RODRÍGUEZ	BOARD MEMBER	Proprietary	13/11/2014	11/05/2017

MS LOURDES FRAGUAS GADEA	BOARD MEMBER	Independent	05/05/2023	05/05/2023
MR JOSÉ LUIS DEL VALLE PÉREZ	SECRETARY NO MEMBER			

- **ANTONIO BOTELLA GARCÍA (Chair).** Born in Orihuela on 28 July 1947. He holds a degree in Law from the University of Murcia, and he became a State Counsel in 1974.

He served as State Counsel at the Supreme Court, in the Revenue Service Delegation and at the Courts of Oviedo, in the Revenue Service Delegation and at the Courts of Albacete, in the Office of the President of the National Government attached to the Department of Parliamentary Relations, in the Legal Office of the Ministry of Transport, Tourism and Communications, and at the National High Court. He has also served as Technical General Secretary to the Ministry of Transport, Tourism and Communications, and to the Ministry of Agriculture, Fisheries and Food, while also having served as the Junior Secretary of the Ministry of Agriculture and Conservation.

He has also been a Lecturer in Law at the Business Institute of the University of Oviedo and at the Correspondence University of Albacete.

Lastly, he has served on the Boards of Caja Postal de Ahorros (subsequently Argentaria and now part of BBVA), Aviaco (subsequently merged with IBERIA LAE) and Aldesasa, and serving as Secretary to the Board in numerous companies. He is a practising lawyer.

- **EMILIO GARCÍA GALLEGO (Member).** Born in Cabreiroá, Orense in 1947. Qualified as a civil engineer (Madrid 1971), he holds a Law Degree (Barcelona 1982) and has taken doctorate studies at the Polytechnic University of Catalonia. He has also completed the following official courses: Groundwater Hydrology at the School of Industrial Engineers of Barcelona; Management Improvement (1984-85) at the School of Public Administration of Catalonia; Coastal Engineering at the School of Civil Engineering of Catalonia (ETSICCP); and Port Engineering and Oceanographic Engineering at the School of Civil Engineering of Catalonia.

His teaching activity has included the position of professor in charge of the 'Soil Mechanics and Special Foundations' course at the Barcelona School of Architecture (1974-82) and professor in charge of the doctorate course entitled 'Consolidation of soft and weak ground' at the Barcelona School of Architecture (1979-80).

He has also been an engineer for the River Policing Authority of the eastern Pyrenees, engineer for Fomento de Obras y Construcciones, representative for the Catalonia area of the company "Grandes Redes Eléctricas, S.A.", Head of the Ports Service of

the Regional Government of Catalonia and co-director of the Ports Plan of Catalonia, general manager for Infrastructure and Transportation of the Regional Government of Galicia, general manager for Transportation of the Regional Government of Catalonia, and deputy manager of the Water Treatment Council and deputy manager of the Water Board of the Regional Government, general manager of Public Works of the Regional Government of Galicia and chairman of the Water Board of Galicia, chairman of the Entity Managing Railway Infrastructures, adhered to the Ministry of Development and responsible for executing the entire High Speed railway infrastructure, and Chairman of Puertos de Galicia. He currently works as a freelance civil engineer.

- **JOSÉ ELADIO SECO DOMÍNGUEZ (Member)**. Born in Veguellina de Órbigo, León in 1947. He graduated as a Civil Engineer from the Escuela Superior de ICCP de Madrid [Madrid School of Engineering], specialising in Transportation, Ports and Town Planning.

He began his professional career in 1972 in the public engineering company INECO, where he worked in various posts until he became International Director, joining RENFE in 1988, where he also held several positions. In 2000 he was appointed Executive Chair of INECO until 2002, when he was appointed Chair and CEO of AENA, a position he held until 2004, when he was appointed Advisor to the Chair of RENFE.

He has also acted as an advisor to OCA, S.A., Prointec, Collosa, Incosa, National Express-Alsa and Menzies Aviation, and has been Chair of the Spanish consortium for the concession and operation of the Río de Janeiro-São Paulo-Campinas (Brazil) high-speed railroad. He is currently a Senior Advisor at Kearney.

- **MARÍA SOLEDAD PÉREZ RODRÍGUEZ (Member)**. Born in Madrid in 1943. She holds a Degree in Chemistry and a Degree in Pharmacy from the Complutense University of Madrid.

She has been a professor in colleges in Madrid and a technical advisor for Geblasa, S.A., a chemical products import and export company, and an associate pharmacist in the Pharmacy Office of Madrid (Oficina de Farmacia de Madrid). She was director of several Group subsidiaries (ACS Servicios Comunicaciones y Energía, S.L., and Dragados, S.A.) and is also currently director of ACS and its subsidiary ACS Servicios y Concesiones, S.L.

- **MIGUEL ROCA JUNYENT (Member until 5 May 2023)**. Born in 1940 in Cauderan, France. He has a Law degree from the Universitat de Barcelona and has Honorary Doctorates from the Universidades de Educación a Distancia, León, Girona, and Cádiz, the European University of Madrid, and Comillas Pontifical University. He is Chair of the Societat Econòmica Barcelonesa d'Amics del País. Life Sponsor of the Gala-Salvador Dalí Foundation. Founding Trustee of the Pro-Academy Foundation of the Royal Academy of Jurisprudence and Legislation.

He served on the Board of the ACS Group from 2003 to his resignation on 5 May 2023, when he was a director of Aguas de Barcelona, the non-director secretary of the boards of Abertis Infraestructuras, Banco de Sabadell, TYPESA, and WERFENLIFE and the Customer Ombudsman of Grupo Catalana Occidente. He also sat on Endesa's Board from 2009 to 2021.

- **LOURDES FRAGUAS GADEA (Member since 5 May 2023).** Born in Madrid in 1965. She earned a degree in Law and Business Legal Consultancy from Pontifical University of Comillas (ICADE) in 1988. State Counsel since 1992. She has served as State Counsel at the Spanish Ministries of Health and of Finance, at the Spanish Medicines Agency, and at the Court of Justice of the European Union. She also worked in London at the European Medicines Agency (EMA). From 2004 to 2019, she worked as General Secretary and Director of the Legal Department of Farmaindustria; after that, she led the Pharma and Health area of Herbert Smith Freehills and was Global General Counsel of the Italfarmaco Group. She currently sits on the boards of Grupo OESIA, Cofares Diversificación, S.L., and Mirto Corporación Empresarial.

As a whole, the members of the Remuneration Committee have the knowledge and experience required to perform the functions of the Committee. On the corporate website of the Company, detailed information on the Committee members and their professional career is available to shareholders, investors and other interested parties.

3. DUTIES.

The duties of the Remuneration Committee are set out in Article 28 of the Board Rules, as follows:

- a) To report to the Board on policy regarding the remuneration of directors and general managers or other persons discharging senior management functions and reporting directly to the Board, executive committees or Executive Board Members, and to verify compliance with the policy established.
- b) To report to the Board on the individual determination of the remuneration of each director for serving on the Board within the rules set by the Company By-laws and the remuneration policy, and on the individual determination of the remuneration of each Director for carrying out the executive functions attributed within the framework of the remuneration policy and in accordance with the Director's contract.
- c) To propose the individual remuneration and other contractual terms of Executive Directors, and propose the basic terms of the contracts of Senior Executives in matters of remuneration, in coordination, as necessary, with the Nominations Committee, verifying that they are consistent with the remuneration policies in force.

- d) To make proposals for long-term plans that may be established in accordance with share value, such as stock option plans.
- e) To periodically review the remuneration policy applied to Directors and Senior Executives, including share-based remuneration systems and their application, and to ensure that their individual remuneration is proportionate to what is paid to other Directors and Senior Executives of the Company.
- f) To verify the information on remuneration of Directors and members of the management team contained in the various corporate documents, including the Annual Report on Directors' Remuneration.
- g) To ensure that any conflicts of interest will not compromise the independence of any advice ultimately provided to the Committee.

4. COMPLIANCE WITH THE DUTIES.

4.1. MEETINGS HELD AND ATTENDEES AT THEM.

In compliance with Article 28 of the Board Rules, the Secretary of the Board will attend Remuneration Committee meetings with the right to speak but not to vote, and will take the minutes, copies of which, once approved, will be sent to each of the Board members.

Committee meetings be quorate when the majority of its members are present, and it will adopt resolutions by majority vote of the attendees, with the Chair having the deciding vote in the event of a tie.

From 1 January 2023 to 31 December 2023, the Remuneration Committee held meetings with all its Committee members personally attending, either in person or remotely, except in one meeting, where one board member was unable to attend but he delegated his vote to the Chair.

4.2. SIGNIFICANT ACTIVITIES PERFORMED IN 2023.

The Remuneration Committee performed the following activities in 2023:

At its meeting of 23 March 2023, the Remuneration Committee reported favourably on the **2022 Annual Directors' Remuneration Report**, prepared in compliance with section 541 Corporate Enterprises Act and in the format approved by the CNMV for these proposes, explaining the core points of the Report in the meeting.

In addition, the Remuneration Committee was informed by the Secretary about the variable remuneration for the members of the Company's Steering Committee, and after analysing that information, the Committee unanimously resolved to issue a favourable report on the amounts of **variable remuneration corresponding to the members of the Company's Steering Committee**, for approval by the Board.

The Committee was also informed of the new **Remuneration Policy**, which will be in force through 2026. In this regard, the Committee proposed the new Remuneration Policy to the Board of Directors, which was subsequently approved by the Ordinary Shareholders' General Meeting held on 5 May 2023.

Lastly, pursuant to Article 28(11) of the Rules of the Board of Directors, the Committee passed the 2022 Committee Activities Report for subsequent submission to the Board.

5. EVALUATION OF THE FUNCTIONING AND PERFORMANCE OF THE REMUNERATION COMMITTEE.

In compliance with the obligation to evaluate the functioning of the Board and its Committees, under Articles 9 and 27(4)(1) of the Board Rules, which, in turn, elaborates on section 529(h) Corporate Enterprises Act for the improvement of corporate governance, and in the Recommendation 36 of the CNMV's Code of Good Governance for Listed Companies, the Remuneration Committee has drawn up this report to evaluate its performance in 2023.

Furthermore, as part of the evaluation of the Board and its Committees, and in line with Recommendation 36 of the Code of Good Governance, which states that: *“every three years, the board of directors will be assisted in its evaluation by an external consultant, the independence of which will be verified by the Nominations Committee”*, with regard to the evaluation for 2023, ACS was aided by PwC Tax & Legal Services, whose evaluation report concluded in 2024. In that report, PwC Tax & Legal Services concluded that *“the Remuneration Committee also engages in very limited activities essentially geared toward complying with its legal obligations”*.

In this regard and in relation to the functioning of the Committee, as stated in the 2023 evaluation report, the positive aspects highlighted by the Committee members continue to be the proper conduct of Committee meetings, the importance of the Chair's presentations to the Board to fully report on the activities and matters dealt with by the Committee, and the importance of external advisors providing additional training and support to its members to improve the performance of their duties, among other issues, being highly valued.

6. GOOD GOVERNANCE PRACTICAL GUIDES BEING FOLLOWED.

The Remuneration Committee, in the exercise of its functions, follows both the **Code of Good Governance** and the guidelines and recommendations of **CNMV Technical Guide 1/2019** on nominations and remuneration, published on 20 February 2019, while also following the best corporate governance practices.

7. CONCLUSIONS.

On the basis of the above, the Nominations Committee is of the opinion that:

- It comprises five members, all of whom are non-executive Board members, with four of them being Independent Board members, including its Chair, by which the composition requirements under section 529 quincecies Corporate Enterprises Act and Recommendation 47 of the Code of Good Governance are met.
- Pursuant to Article 28(1) of the Board Rules, the members of the Remuneration Committee have, as a whole, the expertise, skills and experience that are appropriate for the Committee's duties, promoting, in their various aspects, diversity in the composition of the Committee.
- The Committee's meetings were personally attended by all of its members, either in person or remotely, except in one meeting, in which a member was unable to attend and delegated his vote to the Chair.
- Before its meetings, the Committee's members had advance access to all the necessary information on the respective items on the Agenda.
- Concerning the duties and powers assigned to it, the Committee considers that it has deliberated and adopted resolutions on the main matters within its remit.

In conclusion, the ACS Remuneration Committee assesses the activities carried out in 2023 as being very positive.

8. DATE OF FORMULATION OF THE REPORT BY THE REMUNERATION COMMITTEE AND DATE OF APPROVAL BY THE BOARD.

This 2023 ACS Remuneration Committee report was formulated by the Committee on 21 March 2024, and was unanimously approved by the Company's Board at its meeting held on 21 March 2024.