



**Explanatory report issued by the Board of Directors of  
ACS Actividades de Construcción y Servicios, S.A.,  
concerning nominations to the Company's Board**

Madrid, 21 March 2024



## **EXPLANATORY REPORT ISSUED BY THE BOARD OF DIRECTORS OF ACS ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A., CONCERNING NOMINATIONS TO THE COMPANY'S BOARD**

### **I. PURPOSE OF THE REPORT**

This report was issued by the Board of ACS, Actividades de Construcción y Servicios, S.A. ("ACS" or the "Company") at its meeting of 21 March 2024, in compliance with section 529 decies of the Revised Text of the Spanish Corporate Enterprises Act [*Ley de Sociedades de Capital*] enacted by Royal Legislative Decree 1/2010 of 2 June, which requires the preparation of an explanatory report to evaluate the abilities, experience and qualities of Board Members in the context of the proposals to re-elect members of the Board that are submitted for approval at the Company's Annual General Shareholders' Meeting, scheduled for 9 May 2024 at first call and 10 May 2024 at second call, under Item Four on the Agenda.

When preparing this report, the Board took into account the proposals and reports that the Nominations Committee has issued with regard to the reelection of the candidates, which are attached as **Appendices** and include the information required by the terms of Article 11 of the Company's Shareholders' General Meeting By-laws. The Board of Directors accepts in every aspect the proposals and reports of the Nominations Committee.

In accordance with section 529(decies) Corporate Enterprises Act and of Article 3.2 of the Rules of the Company's Board, the re-election of Javier Echenique Landiribar and Mariano Hernández Herrero to the Board, registered in the category of Proprietary Board Members, is submitted to the General Shareholders' Meeting, at the proposal of the Company's Board and following a proposal by the Nominations Committee, which under section 197 Corporate Enterprises Act, must be voted on separately.

In accordance with the proposals referred to above, the number of members of the Board will remain 15.

The Board considers that, with these re-elections, it will continue to have the skills, knowledge and experience necessary to best fulfil the duties entrusted to it.

Pursuant to section 518(e) Corporate Enterprises Act, this report contains information concerning the identity, curriculum and category of the Board Members proposed for reelection, and will be published, together with the attached reports of the Nominations Committee, on the Company's website ([www.grupoacs.com](http://www.grupoacs.com)) as part of the documentation relating to the General Meeting.

### **II. RE-ELECTION OF JAVIER ECHENIQUE LANDIRÍBAR TO ACS'S BOARD UNDER THE CATEGORY OF PROPRIETARY BOARD MEMBER.**

#### **Professional profile and experience**

Born in Isaba, Navarre in 1951. Graduate in Economic and Actuarial Sciences.



He has been Director - General Manager of Allianz-Ercos and General Manager of the BBVA Group, Deputy Chair of Banco Sabadell and Director of Grupo Empresarial ENCE, S.A. He is currently a Director of ACS and Dragados, S.A. and Deputy Chair and Coordinating Director of Telefónica, S. A. He also sits on the boards of Telefónica Audiovisual Digital, S.L.U., and Grupo Calcinor, S.L. He is a member of the Advisory Board of Telefónica Spain, and of the McKinsey Advisory Council and is Chair of the Advisory Board of Banco Sabadell Guipuzcoano.

Javier Echenique Landiribar sits on the Boards of Trustees of the Fundación Novia Salcedo and Fundación Altuna Trusts.

### **Board Member Category**

As regards his qualification on ACS's Board, Javier Echenique Landiribar is currently a Proprietary Board Member in the Company, representing the significant shareholder Corporación Financiera Alcor, S.A., in accordance with section 529 duodecies (3) Corporate Enterprises Act.

### **Assessment of experience, competence and achievements**

Javier Echenique Landiribar's education and expertise and the experience that he has acquired during his professional career, his knowledge of the operations of ACS and its business activities, as well as the positive assessment of the performance of his duties during his most recent term of office, both as a member of the Board of Directors, as well as of the Executive Committee and the Nominations Committee, certify that he meets the necessary requirements and has the competence to hold the position of Proprietary Director of the Company, as he is not subject to any grounds of incompatibility, prohibition or conflict of interest that might prevent his re-election.

Therefore, based on the Report from the Nominations Committee and taking into account especially his background in Economics and Actuarial Sciences and his extensive experience within the ACS Group, the Board considers that Javier Echenique Landiribar has the appropriate experience, skills and merits to hold the position of Proprietary Director of the Company.

### **Proposal:**

To re-elect Javier Echenique Landiribar, a Spanish national, an adult, an economist by profession, to the Board, with the category of Proprietary Director, for the four-year term under the Articles of Association, following a report from the Nominations Committee.

## **III. RE-ELECTION OF MARIANO HERNÁNDEZ HERREROS TO ACS'S BOARD UNDER THE CATEGORY OF PROPRIETARY BOARD MEMBER.**

### **Professional profile and experience**

Born in Torrelavega, Cantabria in 1943. Mariano Hernández Herreros holds a degree in Medicine and Surgery from Complutense University, where he specialised in Psychiatry.



He has spent his entire career as a psychiatrist at the López-Ibor clinic and is the author of numerous works in scientific publications and of papers at international conferences. He has sat on the boards of Grupo Dragados, Iberpistas, S.A. and Autopistas Aumar, S.A.

In addition to sitting on ACS's Board, he also serves on the boards of Dragados, S.A., and ACS, Servicios y Concesiones, S.L.

### **Board Member Category**

With regard to his category as a Member of the Board of ACS, under section 529 duodecies (3) Corporate Enterprises Act, Mariano Hernández Herreros is considered a Proprietary Director due to representing the significant shareholder Rosan Inversiones, S.L.

### **Assessment of experience, competence and achievements**

Mariano Hernández Herreros' education and expertise and the experience that he has acquired during his professional career, his knowledge of the operations of ACS and its business activities, as well as the positive assessment of the performance of his duties during his most recent term of office, both as a member of the Board of Directors and of the Nominations Committee, certify that he meets the necessary requirements and has the competence to hold the position of Proprietary Director of the Company, as he is not subject to any grounds of incompatibility, prohibition or conflict of interest that might prevent his re-election.

Therefore, based on the Report from the Nominations Committee and taking into account especially his training and his experience in the ACS Group, the Board considers that Mariano Hernández Herreros has the appropriate experience, skills and merits to hold the position of Proprietary Director of the Company.

### **Proposal:**

“To re-elect Mariano Hernández Herreros, a Spanish national, an adult, a physician by profession, to the Board, with the category of Shareholder-Nominated Director, for the four-year term under the Articles of Association, following a report from the Nominations Committee”.

## **IV. THE NOMINEES' CONTRIBUTION TO DIVERSITY ON THE BOARD**

In preparing this Report, ACS's Board took into account the criteria considered by the Nominations Committee in its reports regarding the re-elections of the Directors proposed to the Shareholders' General Meeting, assessing in this regard both the individual suitability of each of the Directors and the evaluation of how they have performed their positions to date and the appropriate diversity of the Board as a whole, so that the re-elections proposed contribute to the plurality of backgrounds, expertise, professional experience, gender and skills that best serve ACS's Board in fully carrying out its duties, all within the framework of the selection criteria and procedures established in the Board's Rules, taking into account the complexity of the Group, the

different jurisdictions in which it operates and the need for the Board to have the necessary independence to carry out its duties.

In this regard, ACS's Board, with the support and collaboration of the Nominations Committee, maintains a policy regarding renewals on the Board of Directors that is based on balancing the principles of representativeness with those of diversity and independence, taking into account national and international good governance recommendations, and in this regard, it particularly ensures, in ratifications and re-elections, the appropriate stability in the composition of the Board of Directors and its Committees, to maintain the necessary suitability of the Board of Directors as a whole, preserving the experience and knowledge of those who have been exercising the position of Board Member.

Currently, the percentage of independent directors is more than 53%, thus representing a majority on the Board, and the percentage of female directors is 40%, thus complying with the recommendations of the Good Governance Code for listed companies and best corporate governance practices.

Based on the above, the Board positively values keeping the nominees on the Board as Proprietary Directors, given their contributions and the experience accumulated through their proven ability to manage ACS and its Group, which have contributed significantly to the efficient functioning of both the Board and the Committees they sit on.

Madrid, 21 March 2024

## **APPENDIX I**

### **REPORT OF THE NOMINATIONS COMMITTEE ON THE PROPOSAL TO RE-ELECT JAVIER ECHENIQUE LANDIRÍBAR TO THE BOARD AS A PROPRIETARY DIRECTOR**

#### **1. Introduction**

Under section 529 decies (6) of the revised text of the Corporate Enterprises Act enacted by Royal Legislative Decree 1/2010 of 2 July, and Article 3 of the Rules of the Board of ACS, Actividades de Construcción y Servicios, S.A. ('ACS' or the 'Company'), proposals by the Board for the appointment or re-election of members of the Board who are not Independent Directors must be preceded by a report from the Nominations Committee.

For these purposes, the Nominations Committee has taken into account the current composition of the Board, considering that the Board as a whole has the appropriate expertise, skills and experience to effectively attend to the operations of ACS and its Group, along with other diversity criteria, having reached a figure of 53.33% Independent Directors and 40% women on the Board, all complying with national and international best practices in matters of good governance.

Therefore, with the proposed re-elections, the Board has, given the different profiles of its members, full capacity to make autonomous and independent decisions in the interest of the Company.

#### **2. Professional profile and experience**

Born in Isaba, Navarre in 1951. Graduate in Economic and Actuarial Sciences.

He has been Director - General Manager of Allianz-Ercos and General Manager of the BBVA Group, Deputy Chair of Banco Sabadell and Director of Grupo Empresarial ENCE, S.A. He is currently a Director of ACS and Dragados, S.A. and Deputy Chair and Coordinating Director of Telefónica, S. A. He also sits on the boards of Telefónica Audiovisual Digital, S.L.U., and Grupo Calcinor, S.L. He is a member of the Advisory Board of Telefónica Spain, and of the McKinsey Advisory Council and is Chair of the Advisory Board of Banco Sabadell Guipuzcoano.

Javier Echenique Landiribar sits on the Boards of Trustees of the Fundación Novia Salcedo and Fundación Altuna Trusts.

#### **3. Date of appointment to ACS's Board and subsequent re-elections**

Javier Echenique Landiribar was appointed to ACS's Board on 20 May 2004 and was subsequently re-appointed on 25 May 2009, 5 May 2016 and 8 May 2020.

#### **4. Membership on other boards**

Javier Echenique Landiribar serves on the Board of Dragados, S.A., and is Deputy Chair and Director of Telefónica, S.A., He also sits on the boards of Telefónica Audiovisual Digital, S.L.U., and Grupo Calcinor, S.L. He is also a member of the Advisory Board of Telefónica Spain, and of McKinsey's Advisory Council and is Chair of the Advisory Board of Banco Sabadell Guipuzcoano.

#### **5. Shares held in the Company and any options on them**

Javier Echenique Landiribar directly holds 49,057 ACS shares.

#### **6. Board Member Category:**

As regards his qualification on ACS's Board, Javier Echenique Landiribar is currently a Proprietary Board Member in the Company, representing the significant shareholder Corporación Financiera Alcor, S.A., in accordance with section 529 duodecies (3) Corporate Enterprises Act.

#### **7. Assessment of suitability**

The Nominations Committee has assessed the suitability of Javier Echenique Landiribar, taking into account the matrix of competencies of the Board and, essentially, his commercial and professional honour, his knowledge and experience with his consequent contribution to the diversity of the Board as a whole, and his previous performance in the position last term and thus his contribution to the good governance of the Company. It also particularly valued his background in economics and his extensive experience within the ACS Group, and his membership on the boards of other important listed companies.

The Committee therefore considers that Javier Echenique Landiribar meets the necessary conditions of suitability for the post of Board Member, in accordance with the above matrix of competencies, taking into account the legal requirements in this respect and the selection criteria and procedures established in the Board Rules and in the Diversity Policy approved by the Board, also taking into consideration the recommendations of good governance in this matter.

In turn, taking into account the requirement of dedication to the post of Director, the Nominations Committee has analysed the candidate's other occupations, considering that Javier Echenique Landiribar has sufficient availability and dedication to continue to properly perform his duties as Director of the Company.

#### **8. Favourable report**

As a result of the above, and in view of the current needs of ACS's Board, the Nominations Committee considers that Javier Echenique Landiribar has the appropriate knowledge, experience and merits to hold the position of Proprietary Board Member, and therefore it has resolved to submit its favourable report to the Board on the proposal to re-elect Mr Echenique Landiribar to the Board for a four-year term of office, with the category of Proprietary Board Member.



In Madrid, on 21 March 2024.



## **APPENDIX II**

### **REPORT OF THE NOMINATIONS COMMITTEE ON THE PROPOSAL TO RE-ELECT MARIANO HERNÁNDEZ HERREROS TO THE BOARD AS A PROPRIETARY DIRECTOR**

#### **1. Introduction**

Under section 529 decies (6) of the revised text of the Corporate Enterprises Act enacted by Royal Legislative Decree 1/2010 of 2 July, and Article 3 of the Rules of the Board of ACS, Actividades de Construcción y Servicios, S.A. ('ACS' or the 'Company'), proposals by the Board for the appointment or re-election of members of the Board who are not Independent Directors must be preceded by a report from the Nominations Committee.

For these purposes, the Nominations Committee has taken into account the current composition of the Board, considering that the Board as a whole has the appropriate expertise, skills and experience to effectively attend to the operations of ACS and its Group, and to keep its members' profiles diversified, in this regard having reached a figure of 53.33% Independent Directors and 40% women on the Board, thus complying with national and international best practices in matters of good governance.

Therefore, with the proposed re-elections, the Board has, given the different profiles of its members, full capacity to make autonomous and independent decisions in the interest of the Company.

#### **2. Professional profile and experience**

Born in Torrelavega, Cantabria in 1943. Mariano Hernández Herreros holds a degree in Medicine and Surgery from Complutense University, where he specialised in Psychiatry.

He has spent his entire career as a psychiatrist at the López-Ibor clinic and is the author of numerous works in scientific publications and of papers at international conferences. He has sat on the boards of Grupo Dragados, Iberpistas, S.A. and Autopistas Aumar, S.A.

In addition to sitting on ACS's Board, he also serves on the boards of Dragados, S.A., and ACS, Servicios y Concesiones, S.L.

#### **3. Date of appointment to ACS's Board and subsequent re-elections**

Mariano Hernández Herreros was elected to ACS's Board on 5 May 2016 and was subsequently re-elected on 8 May 2020.

#### **4. Membership on other boards**

Mariano Hernández Herreros serves on the boards of Dragados, S.A., and ACS, Servicios y Concesiones, S.L.

#### **5. Shares held in the Company and any options on them**

Mariano Hernández Herreros directly holds 2,064 ACS shares.

#### **6. Board Member Category:**

With regard to his category as a Member of the Board of ACS, under section 529 duodecies (3) Corporate Enterprises Act, Mariano Hernández Herreros is considered a Proprietary Director due to representing the significant shareholder Rosan Inversiones, S.L.

#### **7. Assessment of suitability**

The Nominations Committee has assessed the suitability of Mariano Hernández Herreros, taking into account the matrix of competencies of the Board and, essentially, his commercial and professional honour, his knowledge and experience with his consequent contribution to the diversity of the Board as a whole, and his previous performance in the position last term and thus his contribution to the good governance of the Company, especially appreciating his training in medicine and his extensive experience in the ACS Group.

The Committee therefore considers that Mariano Hernández Herreros meets the necessary conditions of suitability for the post of Board Member, in accordance with the above matrix of competencies, taking into account the legal requirements in this respect and all in the context of the selection criteria and procedures established in the Board Rules and in the Diversity Policy approved by the Board, also taking into consideration the recommendations of good governance in this matter.

In turn, taking into account the requirement of dedication to the post of Director, the Nominations Committee has analysed the candidate's other occupations, considering that Mariano Hernández Herreros has sufficient availability and dedication to continue to properly perform his duties as Director of the Company.

#### **8. Favourable report**

As a result of the above, and in view of the current needs of ACS's Board, the Nominations Committee considers that Mariano Hernández Herreros has the appropriate knowledge, experience and merits to hold the position of Proprietary Board Member, and therefore it has resolved to submit its favourable report to the Board on the proposal to re-elect Mr Hernández Herreros to the Board for a four-year term of office, with the category of Proprietary Board Member.

In Madrid, on 21 March 2024.