

# **Activity Report of the Remuneration Committee**

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# Activity Report of the Remuneration Committee

## 1. REGULATIONS.

The revised text of the Corporate Enterprises Act [*Ley de Sociedades de Capital*] establishes in its section 529(l) that publicly traded companies must establish a one or two separate Appointments and Remuneration Committees, with section 529(n) of the Corporate Enterprises Act regulating their 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 22a of the Articles of Association, having been elaborated on, through Article 28 of the Board Regulations.

This activity report corresponding to the 2022 period of the ACS Remuneration Committee 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 Technical Guide 1/2019 on appointments and remuneration committees of entities of the CNMV, while also taking into account the best corporate governance practices. The report will be published on the corporate website in advance of the holding of the Ordinary General Shareholders' Meeting by the Company.

## 2. COMPOSITION.

In accordance with Article 22 bis of the Articles of Association and Article 28 of the Board Regulations of ACS, the Remunerations Committee of the Company will be made up of a minimum of two and a Chair. At least two Remuneration Committee members will be Independent Directors and the Chairperson of the Committee will be appointed from among the constituent Independent Directors. In any case, the number of components of the Committee will be determined by the Board directly by express agreement or indirectly upon filling the vacant positions or the appointment of new members.

In 2022, there were no changes to the composition of the Remuneration Committee. On 31 December 2021, it was as follows:

Name	Position	Category	Seniority	
			Date of first appointment on the Board	Date of first appointment on 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
MRS. 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	NON-MEMBER SECRETARY			

**ANTONIO BOTELLA GARCÍA (Chair).** Born in Orihuela on 28 July 1947. He holds a degree in Law from the Universidad de 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 been Professor of Law at the Instituto de Empresa at the Universidad de Oviedo and at the Universidad a Distancia de Albacete.

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

He has also sat on the Boards of Caja Postal de Ahorros (subsequently Argentaria and now part of BBVA), AVIACO (subsequently merged with IBERIA LAE) and ALDESASA, as well as serving as Secretary to the Board in numerous companies. He is a practising Attorney.

**JOSE ELADIO SECO DOMINGUEZ (Member).** Born in Veguellina de Órbigo, Leon, in 1947, He graduated as a Civil Engineer from the Escuela Superior de ICCP de

Madrid [Madrid School of Engineering], specializing in Transportation, Ports and Town Planning.

He began his professional career in 1972 in the public engineering company INECO, where he held various positions until he became International Director. In 1988 he joined RENFE, where he held various positions and 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 Office of the Presidency of RENFE.

He has also acted as Senior Advisor to Oca, Pointec, Collosa, Incosa, National Express-Alsa and Menzies Aviation, and has been Chairman of the Spanish consortium for the concession and operation of the high-speed Río de Janeiro-São Paulo-Campinas railway line in Brazil.

**EMILIO GARCÍA GALLEGO (Member)**. Born in Cabreiró, Orense, in 1947, Qualified as a civil engineer (Madrid 1971), he holds a Law Degree (Barcelona 1982) and has taken doctorate studies at the Universidad Politécnica de Catalunya. 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 (1974-1982) and professor in charge of the doctorate course entitled “Consolidation of soft and weak ground” at the Barcelona School of Architecture (1979-1980).

He has also been an engineer for the River Policing Authority of the Eastern Pyrenees, engineer for Fomento de Obras y Construcciones, representative in the Catalonia region for the company “Grandes Redes Eléctricas, S.A.”, Head of the Ports Service of the Regional Government of Catalonia, Secretary of the Ports Commission of Catalonia and Co-director of the Plan de Puertos de Catalunya, as well as the Director-General for Infrastructure and Transportation of the Xunta de Galicia, Director-General of Transport of the Government of Catalonia, Deputy Director of the Sanitation Board and Deputy Director of the Water Board of the Regional Government, Director-General of Public Works of the Regional Government of Galicia and Chair of the Water Board of Galicia, Chair of the Entity Managing Railway Infrastructures, under the mandate of the Ministry of Development and was in charge of executing the entire High Speed railway infrastructure. He currently works as a freelance Civil Engineer.

**MARÍA SOLEDAD PÉREZ RODRÍGUEZ (Member)**. Born in Madrid in 1943, She holds a Degree in Chemistry and a Degree in Pharmacy from the Universidad Complutense de Madrid.

She has been a university professor in Madrid and a technical advisor for Geblasa, SA, a chemical products import and export company, as well as an associate pharmacist in the

Pharmacy Office of Madrid (Oficina de Farmacia de Madrid). She has been a Board Member of numerous Group subsidiaries (ACS Servicios Comunicaciones y Energía, SL and Dragados, S.A.) and is currently a Board Member of ACS and its subsidiary ACS Servicios y Concesiones, S.L.

**MIGUEL ROCA JUNYENT (Member).** Born in Cauderan, France, in 1940. 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, and a Lifetime Trustee of the Fundación Gala-Salvador Dalí. He is also a Founding Trustee of the Fundación Pro Academia of the Spanish Royal Academy of Jurisprudence and Legislation.

He is a member of the ACS Group's Board since 2002. Board Member at Endesa (2009-2021). He is currently a Board Member at Aguas de Barcelona. Non-Director Secretary of the Board at Abertis Infraestructuras. Non-Director Secretary of the Board at Banco de Sabadell. Non-Director Secretary at TYPESA. Non-Director Secretary at WERFENLIFE. Customer Advocate at the Catalana Occidente Group.

As a whole, the Remuneration Committee members 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 Regulations, 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 remuneration of each Board Member under the articles of association and the remuneration policy, as well as the individual remuneration of each Board Member for performing their executive duties under the remuneration policy and in accordance with their contract,
- c) To propose the individual remuneration and other contractual conditions of executive directors, and to propose the basic conditions of the contracts of senior executives with regard to remuneration, in coordination, as necessary, with the Appointments Committee, verifying that they are consistent with current remuneration policies.
- 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 harm the independence of the eventual advice provided to the Committee.

#### **4. COMPLIANCE OF THE DUTIES.**

##### **4.1. MEETINGS HELD AND ATTENDEES.**

In compliance with Article 28 of the Board Regulations, the Secretary of the Board shall attend Remuneration Committee meetings with voice but not vote, and shall take the minutes, copies of which shall be sent upon approval to each of the Board members.

In addition, the Committee meeting will only be deemed to be convened when the majority of its members attend and agreements will be adopted by majority vote of those attending, with the Chair having the casting vote in the event of a tie.

From 1 January 2022 to 31 December 2022, the Remuneration Committee held meetings with all Committee members personally attending, either in person or remotely, except in one meeting, where one board member was unable to attend, and they delegated their vote to the Chair.

##### **4.2. SIGNIFICANT ACTIVITIES PERFORMED DURING THE 2022 PERIOD.**

The Remuneration Committee has performed the following activities during the 2022 period:

At its meeting of 24 March 2022, the Remuneration Committee reported favourably on the **2020 Annual Directors' Remuneration Report**, prepared in compliance with section 541 of the Corporate Enterprises Act and in the format approved by the CNMV for such proposes, explaining in the meeting the core points of the Report.

In addition, the ACS 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..

In addition, the Committee was informed about the new Remuneration Policy, which is in force from its approval by the General Meeting until 2025. The Committee proposed a new Remuneration Policy to the Board.

Also, the Committee proposed the **remuneration and contract conditions of the new Company CEO to the Board of Directors.**

Lastly, pursuant to Article 28.11 of the Board Regulations, the Committee passed the 2021 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, as established by Article 4 of the Board Regulations, which, in turn, develops section 529(h) of the 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 [*Código de Buen Gobierno de las Sociedades Cotizadas*], the Remuneration Committee prepares this report for the purposes of evaluating its functioning during the 2022 period.

Furthermore, as part of the evaluation of the Board and its Committees, and in line with the provisions in Recommendation 36 of the Code of Good Governance, which states that: *“every three years, the Board will be assisted in its evaluation by an external consultant, the independence of which will be verified by the appointments committee”*, with regard to the evaluation for the 2022 period, ACS was aided by PwC Tax & Legal Services, whose evaluation report concluded in the 2023 period. In this report, PwC Tax & Legal Services concluded that *“the Remuneration Committee also engages in very limited activities essentially directed toward compliance with its legal obligations”*.

With this in mind, and as regards its functioning, the Committee, as set out in the 2022 evaluation report continues to highlight, as a positive aspect, the importance of the Chair of the Board's submissions to fully report on the activity and matters within its remit, on the long-term remuneration plans and, in addition, the importance of providing supplementary training and support for external advisers to its members, in accordance with Articles 28.9 and 10 of the Board Regulations, to allow them to perform their duties better.

## **6. GOOD GOVERNANCE PRACTICAL GUIDES BEING FOLLOWED.**

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

## **7. CONCLUSIONS.**

The ACS Remuneration Committee comprises five board members, all of whom are non-executive board members, with three of them being Independent Board Members, including its Chairperson, by which the composition requirements set forth in section 529(n) of the Corporate Enterprises Act and Recommendation 47 of the Code of Good Governance are met.



Pursuant to Article 27.1 of the Board Regulations, the Remuneration Committee members 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 meeting was personally attended by all of its members, either in person or remotely, except in one meeting, in which a Board Member was unable to attend and delegated their vote to the Chair.

The Committee members have had at their disposal, prior to the meeting, the necessary information as regards the respective items on the Agenda.

Concerning the duties and powers assigned, 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 during the 2022 period as being very positive.

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

This report of the ACS Remuneration Committee for the 2022 period was formulated by the Committee on 23 March 2023, having been unanimously approved by the Board, at its meeting held on 23 March 2023.