

## **REASONED PROPOSAL BY THE BOARD OF DIRECTORS OF ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A. IN RELATION TO THE REMUNERATION POLICY OF DIRECTORS FOR THE REMAINDER OF 2023 AND FOR THE 2024, 2025 and 2026 FINANCIAL YEARS**

In accordance with section 529 novodecies of the consolidated text of the Corporate Enterprise Act, enacted by Royal Legislative Decree 1/2010, of 2 July, and Article 37 of the Articles of Association of ACS ("**ACS**" or the "**Company**"), the Board, following a report from the Remuneration Committee, has prepared this reasoned proposal regarding the *Directors' Remuneration Policy for the remainder of 2023 and for the 2024, 2025 and 2026 financial years* (the "**Policy**"), which will be submitted for approval by the General Meeting.

In accordance with section 217 Corporate Enterprises Act, the Policy determines the remuneration within the system provided for in the Articles of Association and establishes the maximum amount of remuneration that the Company may pay annually to all its directors, both executive and non-executive, which will continue to apply during the Policy unless the General Meeting decides to change it in the future.

The main purpose of approving the Remuneration Policy is to adjust the remuneration of executive directors according to the new Board structure, following the appointment of the new CEO in the General Meeting held on 6 May 2022 and the resignation of the Executive Vice-President in the Board meeting of 23 March 2023.

It draws essentially on the current Policy, the purpose of the amendments introduced being (i) to remove references to the Executive Vice President in the sections "3.A. Fixed Salary", and "B. Long-term savings schemes"; (ii) to adapt the remuneration of the new CEO in sections "3.A. Fixed Salary" (introducing a clarification regarding part of their fixed salary by Hochief if they keep their post as top executive in that company), "D. Annual Bonus" and "4. Directors' Remuneration Policy"; (iii) to adjust the maximum fixed salary that annual bonuses of executive directors may reach in the event of exceeding goals set; (iv) to remove section E.1 on incentive plans from prior policies; as well as (v) to include certain adjustments and technical and minor amendments.

Under section 529 novodecies Corporate Enterprises Act, the Policy will apply from the date of approval by the General Meeting and for the remainder of 2023 and for the 2024, 2025 and 2026 financial years, without prejudice to the fact that it may be changed by the General Meeting complies with the law.

In view of the above and taking into account the previous Report of the Remuneration Committee, the content and grounds for which is assumed by the Board and attached to this proposal, the Board has agreed to submit the new *Directors' Remuneration Policy for the remainder of 2023 and for the 2024, 2025 and 2026 financial years* for approval at the next General Meeting.

# **REPORT ON THE DIRECTORS' REMUNERATION POLICY OF THE MEMBERS OF the ADMINISTRATION COUNCIL FOR THE YEAR 2023, AND FOR the 2024, 2025 and 2026 YEARS SUBMITTED by the Committee on REMUNERATION TO the ADMINISTRATION COUNCIL AND the GENERAL BOARD OF ACTIONS OF ACS, CONSTRUCTION ACTIVITIES AND SERVICES, S.A.**

## **1. Purpose of this report**

Section 529 novodecies, paragraph 1, of the consolidated text of the Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010, of 2 July, amended by Law 5/2021 ("**Law 5/2021**"), established that the remuneration policy for directors of listed public companies will be adjusted as appropriate to the statutory remuneration system envisaged and approved by the shareholders at the Annual General Meeting as a separate item on the agenda.

The proposal for the Board's remuneration policy must include the requisite rationale and must be accompanied by a specific report from the Remuneration Committee. Both documents will be made available to shareholders on the Company's website since the call of the General Meeting, which may also request their delivery or free delivery. The announcement of the call for the General Meeting will mention this right.

The directors' remuneration policy approved will remain in force from the date of its approval and for the following three years at most. Any change or replacement during this period will require prior approval by the General Meeting in accordance with the procedure established for its approval.

Based on the above, this report is issued to comply with section 529 novodecies Corporate Enterprises Act, and includes the rationale, justification and opinion of the Board Remuneration Committee of ACS, Construction Activities and Services, S.A. ("**ACS**" or the "**Company**") on *the Directors' Remuneration Policy for the remainder of 2022 and 2023, 2024 and 2025 (thePolicy)*, which this Committee raised to the Board and the General Meeting.

## **2. POWERS AND REGULATION OF THE BOARD REMUNERATION COMMITTEE.**

The powers and the regime applicable to the Remuneration Committee are regulated in sections 529 decies and 529 fifths Corporate Enterprises Act, 22 bis and 23 of the Articles of Association and 28 of the Board Regulations, and the articles of the Articles of Association and Board Regulation applicable to the Committee are as follows:

*"Article 22 bis.- There will be a Remuneration Committee that will consist exclusively of non-executive directors appointed by the Board, two of which must at least be independent directors. The Chairman of the Committee will be appointed from among the independent directors who form part of it.*

*Without prejudice to the other functions attributed to it by law or the Board Regulations, the Remuneration Committee will have the functions determined by law. "*

*"Article 23.- The Board may establish other specialised committees in addition to the Audit Committee, the Appointments Committee and the Remuneration Committee.*

*Theof the Board Regulations will establish the number of members and regulate the functioning of the Audit Committee, the Appointments Committee, the Remuneration Committee and the specialised committees established by the Board. "*

#### Article 28. The Appointments and Remuneration Committee

*1. The Board will set up a Remuneration Committee to be made up of a Chair and a minimum of two members who will be freely elected and moved, from among its members, by the Board, and who will perform their functions during the four years for which they were appointed. At least two of the members of the Appointments and Remuneration committee will be independent Board members. The members of the Remuneration Committee will be appointed by ensuring that, as a whole, they have the knowledge, skills and experience appropriate to the functions of the Committee, in the various areas that are its competencies, such as the design of policies and remuneration plans for directors and senior executives, all of which favour, in their various aspects, the diversity in the composition of the Committee.*

*2. The Committee Chair will be appointed by the Board from among the independent directors that form part of it. The Committee Chair will act as its spokesman at the Board meetings and, where appropriate, the General Meeting.*

*The Secretary to the Board will attend the Committee's meetings, will act as its Secretary, with entitlement to participate but not to vote, and will write up the Minutes of the meeting, which will be forwarded to all Board members following their approval.*

*3. The call for Committee meetings, which will always include the agenda, will be accompanied by the necessary information, without prejudice to the fact that in certain circumstances it is justified that all or part of the information is provided at the meeting itself. The Audit Committee will be deemed duly convened when the majority of its members are present, and it must pass resolutions by majority vote of those present. The Chair will have the casting vote in the event of a tie. It will meet, following a call from its Chair and at least twice a year, seeking, whenever possible, that Committee meetings take place sufficiently in advance of Board meetings.*

*4. The Remuneration Committee had the following functions:*

*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 the individual remuneration and other contract terms applicable to the executive Board members, and to verify compliance with the policy established.*

*b) Report to the Board on the individual setting of the remuneration of each Director as such within the statutory framework and the remuneration policy, and on the individual determination of the remuneration of each Director for the performance of the executive functions attributed within the framework of the remuneration policy and in accordance with its contract.*

*c) Propose the individual remuneration and other contract terms of the executive directors, and propose the basic terms of the senior executives' contracts on remuneration, in coordination, as necessary, with the Appointments Committee, verifying that they are consistent with current remuneration policies.*

*Long-term plans that may be established in accordance with share value, such as stock option plans.*

*Periodically to review the remuneration policy applied to Board members and senior executives, including share-based remuneration systems and their application, if any, and to provide assurance that individual remuneration is proportionate and in line with the compensation paid to other directors and senior executives of the Company.*

*To verify information on the remuneration of Directors and senior executives contained in corporate documents, including the Annual Report on Director Remuneration.*

*To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the Committee.*

*5. The Appointments Remuneration Committee will consult with the Chair of the Board and the CEO, in particular on matters relating to executive board members.*

*6. Attendance at Committee meetings must be preceded by the sufficient dedication of its members to analyse and assess the information received. The Committee meetings will also encourage constructive dialogue among its members, promoting free expression and supervisory attitude and their analysis, and the Committee Chair must ensure that its members participate freely in the deliberations.*

7. *The Remuneration Committee may call any employee or manager of the Company, and even provide that they appear without the presence of any other executives, and require attendance at its meetings of any third party, although only at the invitation of the Committee Chair and only to discuss those items on the agenda for which they have been summoned to the extent justified by the matter in question. The minutes of the Committee meetings will include the entries and departures of the various guests and, except in specific cases whose proper justification must be included in the minutes themselves, the guests will not attend the deliberation and voting phases of the Committee.*

8. *The Remuneration Committee must establish an effective and regular channel of communication with its regular interlocutors, which will normally correspond to the Committee Chair and, among others, to the Chair of the Board; where appropriate, with the independent director coordinator, if not part of the Committee; and with the management of the Company.*

9. *The Remuneration Committee may have adequate, timely and sufficient access to any information or documentation available to the Company and may seek the advice of external experts when it considers it necessary for the proper performance of its functions. In particular, it should make transparent any relationship or conflict of interest situation affecting external advisers, requesting them to disclose in their service proposals any possible conflicts of interest with the Company or its directors.*

10. *The Company must provide the Remuneration Committee with sufficient resources to enable it to perform its duties. In particular, the Committee will have a regular training plan to facilitate the update of the knowledge of Committee members, with a welcome program being envisaged for its new members.*

11. *The Remuneration Committee will establish an annual work plan that will include the main activities of the Committee during the year. The Committee will also prepare an annual report on its functioning during the year, including, among other matters, the significant activities carried out during the period, reporting on those carried out with the collaboration of external experts.*

12. *Insofar as is necessary, and with the natural adaptations, the functioning of the Audit Committee will be governed by these Rules regulating the functioning of the Board.*

In view of the above, the Company's Remuneration Committee is the competent body for issuing this Policy Report.

### **3. REGIME APPLICABLE TO DIRECTORS' REMUNERATION**

The remuneration of the Company's directors is governed by sections 217 et seq. Corporate Enterprises Act, without prejudice to the specialties as regards listed companies established in sections 529 et seq. Corporate Enterprises Act.

Based on the above legal regime, Article 37 of the ACS Articles of Association stipulates as regards the directors as such that their remuneration system will consist of an annual fixed allocation that will be determined by the Board taking into account the purpose, functions, responsibilities, membership in the Board committees and other objective circumstances that it considers relevant. The maximum amount of the annual remuneration of all Directors in their capacity as such must be approved by the General meeting in the remuneration policy and will remain in force until its modification is approved. As regards executive directors, Article 37 of the Articles of Association stipulates that their remuneration must be in accordance with the remuneration policy approved by the General Meeting and will be included, in detail of all concepts, in the contract to be entered into by each of the executive directors with the Company.

### **4. OPINION OF THE REMUNERATION COMMITTEE**

The main purpose of approving the new Remuneration Policy is to adjust the remuneration of executive directors according to the new Board structure, following the appointment of the new CEO in the General Meeting held on 6 May 2022 and the resignation of the Executive Vice-President in the Board meeting of 23 March 2023.

It draws essentially on the current Policy, the purpose of the amendments introduced being (i) to remove references to the Executive Vice-President in the sections “3.A. Fixed Salary”, and “B. Long-term savings schemes”; (ii) to adapt the remuneration of the new CEO in sections “3.A. Fixed Salary” (introducing a clarification regarding part of their fixed salary by Hochtief if they keep their post as top executive in that company), “D. Annual Bonus” and “4. Directors’ Remuneration Policy”; (iii) to adjust the maximum fixed salary that annual bonuses of executive directors may reach in the event of exceeding goals set; (iv) to remove section E.1 on incentive plans from prior policies; as well as (v) to include certain adjustments and technical and minor amendments.

The Remuneration Committee believes that as regards the directors performing executive functions, the Policy aims to attract, retain and motivate the Company's professionals, so that it can meet its strategic objectives within the highly competitive and globalised framework in which it carries out its activity, establishing the measures and practices that are most appropriate for this purpose.

Based on the above, the Committee considers the changes proposed as regards the current Remuneration Policy to be appropriate, mainly to align its content to the new structure and composition of the ACS Board if Directors.

Also, the Remuneration Committee's Policy proposed to the Board for submission and, if appropriate, approval by the Annual General Meeting, as the guiding framework for the remuneration of directors for the remainder of 2023 and 2024, 2025 and 2026, is, in its opinion, in accordance with the regulations applicable to listed companies, the national and international recommendations on remuneration for directors, and the best practices applied by other comparable companies, in accordance with the criteria of good governance and transparency, and allowing ACS to have an appropriate remuneration policy and in line with the interests of its shareholders.

Based on the above, taking into account applicable law, best practices in good corporate governance and those established in Article 37 of the Articles of Association and Article 28 of the Board Regulations, the ACS Remuneration Committee elevated the Board and the General Meeting to *Directors' Remuneration Policy for Board members for the remainder of 2023 and 2024, 2025 and 2026*.



# DIRECTORS' REMUNERATION POLICY 2023-2026



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## INTRODUCTION

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The Board of ACS, Actividades de Construcción y Servicios S.A. (“ACS”, the “Company” or the “Group”), approved at its meeting on March 23, 2023, following a report from the Remuneration Committee, to submit this remuneration policy to the Board for the rest of fiscal year 2023 and fiscal years 2024, 2025 and 2026 (referred to as the “remuneration policy” or the “policy”) to a binding vote in the next General Meeting, as a separate item on the agenda, pursuant to Article 529 of the consolidated text of the Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010, of July.

This remuneration policy is a continuation of the previous remuneration policy, which was approved by the majority at the General Meeting of 2022 with a vote in Favor by 98.327% of the share capital present and represented, and the changes proposed with respect to the previous policy are essentially aimed at adapting the CEO’s remuneration and the new long-term incentives plan for executive directors.

The proposed remuneration policy, and the Remuneration Committee’s specific report that justifies and motivates the policy, have been available on the Company’s corporate website since the announcement of the General Meeting.

The remuneration and its corresponding amounts included in this policy are understood to be gross amounts, with each director assuming the corresponding withholding or deposit of income tax that may be applicable, which will be borne by them in all cases.

In addition to the remuneration referred to in this policy, ACS Directors may receive remuneration which, where appropriate, may come from other companies in the Group due to their presence on the Board of these companies. Such remuneration will be subject to the corresponding legal and statutory requirements applicable to each of these companies, and they will be duly informed of its receipt by the directors in the corresponding annual report on the remuneration of ACS directors.

# 1. PRINCIPLES OF THE REMUNERATION POLICY

Through this remuneration policy, issued under the provisions of the Articles of Association and the Board Regulations, the aim is to establish the criteria for the remuneration of directors with the aim of guiding the activities of the Board and the Remuneration Committee in this area.

This remuneration policy is intended to remunerate the directors appropriately in accordance with their required qualifications, the responsibility assumed and the dedication given, ensuring that such remuneration is in line with market requirements and sufficient in order to attract and retain directors of the desired profile, but not so high as to compromise the independence of the non-executive directors' criteria.

With regard specifically to the directors who carry out executive duties, the Policy aims to attract, retain and motivate the Company's professionals, so that it can fulfil its strategic objectives within the highly competitive and globalised framework in which it carries out its activities, thus establishing the measures and practices that are most appropriate for this purpose.

In accordance with all of the above, the ACS remuneration system for the rest of 2023 and 2024 to 2026 is based on the following principles:

## Alignment with long-term value creation for shareholders in accordance with ESG principles<sup>1</sup>

- To establish a close link between achieving strategic objectives and contributing value to our shareholders.
- To review the remuneration policy on a regular basis to ensure alignment between achieving results and creating value for the shareholder.
- To take into account any qualifications, if any, that may be included in the external auditor's report and that reduce the Company's results.
- To associate a significant part of the executive directors' remuneration with the achievement of financial, business, value-creation and sustainability objectives in their environmental, social and good governance vectors.

In this regard, in accordance with the 2025 Sustainability Master Plan, ACS aims to drive global sustainability, promoting the transition towards sustainable infrastructures, as a key player in economic development to integrate specialised and diverse talent and a benchmark in good business practices with governance committed to sustainability, in accordance with ESG principles.

In particular, as regards Directors' remuneration, as described in this Remuneration Policy, payment of variable remuneration to directors who perform executive functions in the Company is directly linked to financial and non-financial objectives, which reinforce the Group's commitment to the creation of shared value by establishing specific quantifiable objectives related to profitability, economic value, the environment, human rights, occupational safety, diversity and professional integration, governance in its various components, including business ethics and regulatory compliance, and sustainability in general.

## Talent attraction, retention and motivation

- To offer competitive and fair rewards and benefits to attract and retain the best professionals.
- To consider the evolution of national and international standards, best practices, recommendations and trends in the remuneration of the directors of listed companies.

<sup>1</sup> Refers to Environmental, Social and Governance principles.

<b>Compensation for professional accountability and career paths</b>	<ul style="list-style-type: none"> <li>• To offer extraordinary compensation only when the results justify it.</li> <li>• To appropriately remunerate each director's professional worth, experience, dedication and responsibility.</li> <li>• To ensure that there is no discrimination based on gender, race, ethnic origin, religion or sexual orientation.</li> <li>• To establish a level of transparency in remuneration that is in line with corporate governance best practices with the aim of building trust between shareholders and investors.</li> </ul>
<b>Internal equity and external competitiveness</b>	<ul style="list-style-type: none"> <li>• To offer a remuneration package that is competitive with that of comparable entities on an international scale, both in terms of its structure and its overall size.</li> <li>• To establish amounts that provide sufficient remuneration for the qualifications, dedication and responsibility of the directors.</li> </ul>
<b>Balance between the remuneration elements</b>	<ul style="list-style-type: none"> <li>• To establish a balanced remuneration package for the executive directors, in which a significant part of the total remuneration is variable.</li> </ul>

**WHAT WE DO****Executive Directors**

- Link the payment of remuneration to the Company's results ("pay for performance").
- The weight of the financial metrics to which the variable rate is linked cannot be less than 60% or greater than 80%.
- Align remuneration with the interests of the shareholders and the Company as a whole, so that a part of the variable remuneration is linked to sustainability objectives.
- Long-term incentive plan:
  - A minimum target measurement period of 3 years.
  - Linked to the value of the share and/or delivery of shares.
  - Linked to objectives aligned with the Group's strategic priorities.
- Permanent holding of shares with an equivalent value greater than twice the fixed remuneration.
- As part of the variable remuneration evaluation process, the Remuneration Committee assesses the quality of the results in the long term and any associated risks.
- Recurrent external advice for the purpose of considering market practices as another element to be taken into account in the decision-making process related to the policy's design.

**WHAT WE DON'T DO****Executive Directors**

- There is no guaranteed variable remuneration.
- No discretionary remuneration is granted.
- There are no clauses in force in contracts that establish severance payment, except for the Chief Executive Officer in which the severance payment will be equivalent to two years and will be based on the fixed remuneration plus the amount corresponding to the variable remuneration calculated considering 100% of objectives achieved.
- Stock value hedges received during the retention period are not allowed.
- There is no right to compensation due to change of control.

**Non-Executive Directors**

- Remuneration is in accordance with the responsibilities and duties assumed by each director without compromising the independence of its members.

**Non-Executive Directors**

- They do not participate in pay formulas or systems linked to the Company's performance or personal performance.
- They do not receive their remuneration via the issuance of shares, options or rights over shares or instruments referenced to the value of the share.
- They do not participate in long-term savings systems such as pension plans, retirement systems or other social welfare systems.

## 2. FUNCTIONS ASSUMED BY THE REMUNERATION COMMITTEE

Article 28 of the Board Regulations outlines the responsibilities and functions assumed by the Remuneration Committee, including those relating to the remuneration of directors and senior managers reporting directly to the Board, Executive Committees or Chief Executive Officers.

The following is a summary of how the remuneration Committee intervenes in the decision-making process as regards determining, implementing and reviewing the remuneration policy:

<b>Determining the remuneration policy</b>
<ul style="list-style-type: none"> <li>• It proposes to the Board the directors' remuneration policy for presentation to the General Meeting including the overall maximum amount, items and remuneration amounts.</li> <li>• It proposes to the Board the remuneration policy for senior managers reporting directly to the Board, Executive Committees or Chief Executive Officers.</li> <li>• It draws up a specific report, which it presents to the Board, on the proposal for the director's remuneration policy which is submitted for approval by the General Meeting.</li> </ul>
<b>Application of the remuneration policy</b>
<ul style="list-style-type: none"> <li>• It proposes to the Board the annual remuneration for executive directors, which will include the share of fixed remuneration and variable remuneration linked to the fulfilment of predetermined and quantifiable strategies and objectives, established by the Board, on the proposal of the Remuneration Committee and in line with this remuneration policy, which are linked to actions outlined in the Company's strategic plan.</li> <li>• It reports to the Board on the individual determination of the remuneration of each of the directors in their capacity as such within the framework of the bylaws and the remuneration policy, and on the individual determination of the remuneration of each of the directors for the performance of the executive duties attributed to them within the framework of the remuneration policy and in accordance with the terms of their contracts.</li> <li>• It proposes the metrics and objectives linked to the variable remuneration of executive directors and senior managers reporting directly to the Board, Executive Committees or Chief Executive Officers, considering the possible impact in the long term, the sustainability of the results and any associated risks.</li> <li>• It regularly monitors the fulfilment of the predetermined and quantifiable objectives, aligned with the strategic plan, which must be evaluated to determine the definitive amount of the annual variable remuneration and, where appropriate, the multiannual remuneration of the executive directors and of the above senior managers to whom they may apply.</li> <li>• It assesses the fulfilment of the objectives linked to the variable remuneration of the executive directors and the above senior managers.</li> <li>• The Remuneration Committee is supported in this evaluative role by the Audit Committee, which provides information on the audited results and the verified non-financial reporting status of the Company and the consolidated Group.</li> <li>• It also proposes the annual report on the directors' remuneration.</li> </ul>

### Review of the remuneration policy

- It periodically reviews the remuneration policy, which extends to non-executive directors and executive directors, integrating the comparison with reference companies into this review process, selecting comparable groups of companies to check the adequacy and moderation of the remuneration of their non-executive directors and executive directors with respect to the market.

In carrying out this function, the Remuneration Committee may be advised by independent external consultants and remuneration experts.

In any case, the Committee will ensure that potential conflicts of interest do not have an adverse effect on the independence of the external advice that it is given.

In relation to the process of determining, reviewing and approving the remuneration policy, the reasoned proposal of the remuneration policy must be submitted by the Board and must be accompanied by a specific report from the Remuneration Committee, with both documents made available to shareholders on the ACS website from the date of the call to the General Meeting.

The Board is also responsible for approving, at the proposal of the Remuneration Committee, the terms and conditions of the contracts of the Company's executive directors, within the framework of the remuneration policy approved by the General Meeting (sections 249 and 529 [18] of the Corporate Enterprises Act), with the executive directors abstaining from participating in the deliberation and voting on the resolutions relating to those contracts.

To avoid possible conflicts of interest at the General Meeting, any directors who, following a public request, have been appointed as proxies by a shareholder for the General Meeting, must refrain from exercising the voting rights corresponding to the shares represented in relation to resolutions concerning the remuneration policy, unless they have received voting instructions in this respect.

### 3. REMUNERATION POLICY FOR EXECUTIVE DIRECTORS

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#### Elements of the executive directors' remuneration policy for the performance of their executive duties

Without prejudice to the remuneration that they may receive as members of the Board, the elements that make up the executive directors' remuneration package for the performance of their executive duties are outlined in this section.

#### A. FIXED REMUNERATION

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##### Purpose:

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To compensate for the performance of the executive duties associated with the position, career path and market information from comparable companies.

##### Limits:

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For the performance of their executive duties, the Company's executive directors will receive the following amounts as fixed annual remuneration in 2023, updated annually with the average increase applied to the rest of the Company's workforce in their annual remuneration:

- Executive Chairman: EUR 1,862 thousand.
  - Chief Executive Officer: EUR 1,664 thousand (\*)
  - Director and Secretary General: EUR 1,368 thousand
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- The remuneration of the ACS CEO for his executive duties is currently paid for as long as they also remain the top executive at Hochtief, in a proportion of 30% by Hochtief and 70% by ACS, applying the same rules in terms of annual pension commitments. This distribution percentage across the companies may be changed by resolution of the Boards of both companies.

##### Operation:

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Fixed remuneration is established according to the level of responsibility, leadership and career path, favouring the retention of key professionals and providing sufficient economic independence to balance the importance of other remuneration elements.

The fixed remuneration is paid in cash, on a monthly basis.

#### B. LONG-TERM SAVINGS SYSTEMS

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##### Purpose:

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To offer a complete compensation package that is competitive and in line with market practices in comparable companies.

**Operation:**

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Remuneration, rights and compensation relating to long-term savings systems derive from the contracts signed with each executive director, approved by the Board, the conditions of which were adjusted to the personal, professional and market practice circumstances at the time. ACS is committed to respecting these commitments that have been undertaken and maintaining its best practices policy in future allocations:

**Executive Chairman and Director-Secretary General:**

They are beneficiaries of long-term savings systems that are formalised through collective savings insurance contracts related to compensation in the form of capital since 2004, and which are consolidated while the amounts are paid to the insurance company with which the pension plan is outsourced. Once the contractually agreed retirement age is reached, as is the case, the annual amounts to contribute remain constant in the future.

In 2023, these amounts are EUR 1,362 000 for the Executive Chairman and EUR 657,000 for the Director-Secretary General. These amounts will remain unchanged during this remuneration policy's period of validity.

When the director retires the entire fund contributed up to that point is collected as a lump sum; there is no non-competition agreement, because there is no other remuneration that financially offsets the non-competition (there is no remuneration other than the pension in the event of retirement); and lastly, in the event of death, the director's heirs are entitled to the fund that has been generated.

Once the agreed retirement age has been reached, they must retire should this be required by the Company, meaning that if they fail to do so, the Company would cease its obligation to contribute to the fund and the fund would be reduced by 25% for each year.

**Chief Executive Officer:**

The Chief Executive Officer is the beneficiary of a long-term savings system, being a participant in a pension plan whose maximum contribution is set at 30% of the fixed annual remuneration to be made while the Chief Executive Officer's contractual relationship with the Company is in force and until he/she reaches the legal retirement age, at which time the Chief Executive Officer may receive the entire fund contributed up to that time. In the event of death, the CEO's heirs are entitled to the fund that has been generated.

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## **C. SOCIAL BENEFITS AND OTHER REMUNERATION ELEMENTS**

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**Purpose:**

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To offer a complete compensation package that is competitive and in line with market practices in comparable companies.

**Operation:**

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Executive directors may enjoy remuneration in kind, which is in line with the general policy applicable to the Company's directors. This remuneration may include life insurance, health insurance and dental coverage, and the use of a Company vehicle, among other benefits.

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## D. ANNUAL VARIABLE REMUNERATION

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### Purpose:

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To encourage the fulfilment of the annual financial and non-financial objectives, which are consistent with the Group's strategy and in alignment with the interests of shareholders.

### Limits:

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#### Target

It will be achieved if 100% of the pre-established objectives are met (as a percentage of fixed pay updated with the average raise applied to the rest of the company's staff in the year it is paid out):

- Executive Chairman: 160%
- Chief Executive Officer: 150%
- Director and Secretary General: 127%

#### Maximum

This will be achieved in the event that the pre-established objectives are exceeded. It will be limited to 220% of the fixed remuneration. The fixed remuneration in this case relates to that provided for in section 3.A) of this Policy.

The annual variable remuneration of the executive directors may be reviewed according to their development and consolidation in the position, the evolution of the Company's results, and other factors that the Remuneration Committee may consider appropriate.

Any update to the terms described above will be approved by the Board, on a proposal from the Remuneration Committee. The reasons for such an update will be appropriately reported in the annual report on the directors' remuneration for the corresponding fiscal year.

### Metrics:

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It is linked to the achievement of a combination of concrete, predetermined and quantifiable quantitative and qualitative objectives, which are aligned with the Group's corporate interest and strategy. These objectives may include, among other aspects, economic-financial, business, operational, and/or value-creation metrics, and indicators linked to sustainability in their social, environmental and/or corporate governance vectors.

In particular, the annual variable remuneration scheme will be distributed between financial and non-financial objectives, which must meet the following criteria:

- The financial objectives will be divided into at least two variables referenced to the company's own profitability and the generation of operating cash flows of the company:
  - The most usual metrics to determine the **evolution of the company's profitability** may be net profit (BN) versus budget, return on equity (ROE, ROCE or equivalent measures) and/or the relative evolution of ACS's share in the capital markets (TSR, annual yield, dividend yield, etc.), or a combination of these.

- The financial metrics reflecting the Group's **cash flow generation** capacity should at least include a parameter that the different market agents usually accept as a reference. These may be EBITDA, free cash flow (FFL), net debt evolution or a combination of these.
- Non-financial targets should be aligned with ESG principles and corporate due diligence duties on sustainability and human rights.

These objectives may be established based on specific metrics or global assessment by third parties, in particular prestigious specialised rating agencies, and inclusion in international indexes,<sup>2</sup> in accordance with the materiality analyses carried out by the Group, which may include:

- **Environmental:** metrics related to the commitment to the fight against Climate Change (reduction of GHG emissions, impact investment, etc.), circularity (recycling rates, waste reduction, etc.), sustainable building, and biodiversity.
- **Social:** metrics related to improvements in occupational safety, incorporation of talent, promotion of diversity and/or integration of vulnerable groups,
- **Governance**, in a double sense. On the one hand, metrics aimed at promoting a corporate governance model aligned with the best international standards and the ACS Group's business culture, which includes annual compliance with the objectives of the Global Compliance Management System in its different areas, specifically in matters of professional ethics and training plans in sustainability for employees and suppliers. On the other hand, metrics aimed at compliance with international standards in human rights and social sustainability.

In the event that the objectives are achieved, the financial objectives will have a maximum weight, which, on a proposal from the Remuneration Committee and subsequent approval by the Board, would range between 60% and 80%, with the weight of non-financial targets ranging between 20% and 40%.

In the particular case of the CEO, as the top executive of Hochief, part of his bonus is linked to the performance of Hochief according to its own metrics, so that the full annual bonus meets the rules of not exceeding 220% of the total fixed salary.

### **Operation:**

The Board is responsible, on the proposal of the Remuneration Committee, for approving the metrics and objectives at the beginning of each fiscal year, and evaluating fulfilment of the objectives at the end of each fiscal year.

Each metric, where reasonably possible, has an associated achievement scale. This scale, which is fixed at the beginning of the year, will include: a minimum threshold, below which no incentive will be paid; a target level, which corresponds to the fulfilment of 100% of the pre-established objectives and the payment of the variable annual target remuneration; and, a maximum level, in the event that the objectives are exceeded, which corresponds to the payment of the maximum annual variable remuneration. For intermediate levels, the incentive is calculated by linear interpolation.

In order to calculate the amount of annual variable remuneration, the Remuneration Committee will first consider the degree of compliance and the weighting of each of the objectives individually and then the overall degree of achievement of the objectives as a whole. To this end, the internal rules and procedures established by the Company for its directors for the evaluation of the objectives will apply.

<sup>2</sup> Dow Jones Sustainability Index or ratings agencies such as MSCI, Sustainalytics, Vigeo, etc.

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In this respect, any economic, positive or negative effects arising from extraordinary events that could introduce distortions in the results of the evaluation have been eliminated and the quality of the results in the long term and any associated risks in the annual variable remuneration proposal will be considered.

The annual variable rate may be paid in cash and/or capital instruments.

Once the fiscal year has come to an end, the incentive will be paid in a lump sum or progressively over a period of more than one year.

## **E. MULTIANNUAL VARIABLE REMUNERATION**

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### **Purpose:**

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To encourage sustainable achievement of results in the long term and alignment with the interests of ACS's shareholders and all interest groups.

### **Limits:**

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#### **Maximum**

The General Meeting's approval resolution will establish the maximum number of capital instruments that can be allocated to each of the executive directors.

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### **Metrics:**

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The multiannual variable remuneration may be linked to the economic-financial, business and operational objectives as envisaged in the Group's strategy, the shareholder value-creation objectives, and the non-financial objectives that are linked to the Group's sustainability plans.

Some of the metrics may be assessed in relation to a comparison group composed of competing companies or companies that carry out similar activities.

The weight of non-financial targets will be a maximum of 40%.

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### **Operation:**

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The new multiannual variable remuneration plans must include features that are aligned with best practices and corporate governance recommendations, and also offer the possibility to introduce aspects that will allow further progress in alignment with the recommendations of shareholders and institutional investors.

The objectives measurement period will be at least three years.

The multiannual variable remuneration may be paid in cash and/or may include the delivery of shares, options on shares or remuneration rights linked to the value of shares, provided that the objectives that have been established for that purpose have been met.

The compliance scale, set at the beginning of the multiannual variable remuneration plan, includes a minimum threshold below which no incentive will be paid and a maximum level, if the objectives have been exceeded. For intermediate levels it will be determined by linear interpolation.

The objectives will be approved by the Board at the beginning of the multiannual variable remuneration plan, on the proposal of the Remuneration Committee. The Committee will monitor the objectives on a yearly basis and the degree of achievement will be determined once the multiannual variable remuneration plan is finalised.

Once the level of achievement of the objectives has been determined, any positive or negative economic effects arising from extraordinary events that could introduce distortions in the results of the evaluation will be eliminated

At the end of the objective measurement period, the incentive will be paid in a lump sum or progressively over a period of more than one year. The shares that are issued from the plan, net, as the case may be, of the applicable taxes, may be subject (in whole or in part) to a retention period.

In any event, the Board of Directors, through its Remuneration Committee, will detail in the corresponding Annual Remuneration Report, subject to a consultation vote by the General Meeting of Shareholders each year, the features, conditions and degree of accomplishment of the long-term remuneration plans in force.

In the particular case of the CEO, as the top executive of Hochtief, part of his multi-year bonus is tied to the performance of Hochtief, with metrics set by the company.

#### **Commitment to permanent ownership of shares**

Executive Directors undertake to maintain a number of ACS shares equal to two (2) times their annual gross fixed remuneration over time, as long as they remain on the Board and carry out their executive duties.

For new executive directors, a five-year period is established from the date of appointment to achieve that objective.

### Distribution of remuneration items within the Executive Directors' remuneration package – Pay Mix

The Executive Directors have a fully flexible variable remuneration system, which responds appropriately to the results that have been achieved and, in the event that the minimum compliance thresholds established are not reached, would lead to variable pay being reduced to zero.

The maximum reference amount of the annual variable remuneration is 220% of the fixed remuneration of each executive director, and will only be reached in the event of exceeding the pre-established objectives.

The maximum reference amount of the multiannual variable remuneration will be established for each plan that is initiated in the agreement of the General Meeting, to which it will be submitted for approval.

In any case, the detail of the pay mix for each executive director will be reflected in the corresponding annual report on the directors' remuneration.

### Contractual conditions for executive directors

At present, the contracts of the executive directors are of a commercial nature. They regulate the performance of their duties and responsibilities and include clauses that are typical of this type of contract. These contracts have been proposed by the Remuneration Committee and approved by the Company's Board.

The main clauses in the executive directors' contracts are summarised below:

	Description
<b>Duration</b>	Indefinite (although, at the request of the Company, executive directors may retire after the age of 65).
<b>Notice period</b>	At present, executive directors' contracts do not include any notice period.
<b>Compensation in the event of termination of the contractual relationship</b>	<p>Executive Directors are not entitled to compensation in the event of the termination of their executive duties, except in the case of the Chief Executive Officer, for whom the compensation will be equivalent to two years and will be based on the fixed remuneration plus the amount corresponding to the variable remuneration calculated considering 100% fulfilment of objectives. Compensation will not be payable if the dismissal occurs as a result of wilful or grossly negligent conduct on the part of the Chief Executive Officer in the performance of the CEO's duties, which causes damage or loss to the company.</p> <p>No compensation will be paid out in the event of a change of control.</p> <p>In the event of future additions, the Company may establish a maximum compensation which is equivalent to two annuities of the fixed remuneration.</p>
<b>Commitment to non-competition</b>	There are no non-competition agreements.

<b>Exclusivity</b>	This includes the obligation to provide services exclusively to the Company on a full-time basis and, accordingly, the Executive Directors may not provide services, for their own account or for the account of others, directly or indirectly to third parties outside the ACS Group, without the express agreement of the Company.
<b>Confidentiality</b>	The Board Regulations establish that directors will avoid using the Company's confidential information for private purposes.

### Ex-post control of variable remuneration

The Remuneration Committee will have the competence to propose the cancellation or refund of the payment of variable, short- or long-term remuneration of the beneficiary(/ies) or relevant person(s) to the Board in the event of circumstances arising which justify that the variable remuneration has been earned or paid based on inaccurate or incorrect information or data, or that there have been breaches in the internal corporate regulations or applicable legislation, which are then subsequently proven.

## 4. REMUNERATION POLICY FOR THE DIRECTORS IN THEIR CAPACITY AS SUCH

As regards the remuneration of the directors in their capacity as such, ACS offers a competitive and reasonable remuneration package in relation to the demands of the market and according to their effective dedication, qualification and responsibility.

Directors, in their capacity as such, are remunerated according to their effective dedication, qualification and responsibility. Thus, the amount of remuneration of the directors in their capacity as such is calculated to provide incentives for dedication, which at the same time does not constitute an impediment to their independence.

The remuneration system for directors in their capacity as such for the year will consist of a fixed allowance independent of any payment that may correspond to the executive directors for their executive duties.

In an attempt to make the fixed components of the remuneration as objective as possible, a proposal has been made to maintain the system that is currently in place, which consists of the annual remuneration amount for each director being established based on the positions they hold on the Board, their presence on different Board Committees, and the duties that they each have on each committee.

Below are the elements of the remuneration policy for the directors in their capacity as such:

	<b>Board</b>	<b>Executive Committee</b>	<b>Committees</b>
<b>Chairman</b>	EUR 390,000*	--	EUR 40,000
<b>Vice Chairman</b>	EUR 365,000*	EUR 365,000*	--
<b>CEO</b>	EUR 300,000	-	-
<b>Board Member</b>	EUR 90,000	EUR 60,000	EUR 30,000

*\*The amounts determined for the Chairman, CEO, Vice-Chairman of the Board and Vice-Chairman of the Executive Committee will include any amounts due for presence on Committees other than the Executive Committee; all other amounts will be aggregated.*

ACS has also contracted a liability policy for administrators, managers and staff with duties recognised by ACS.



## 5. REMUNERATION POLICY APPLICABLE TO NEW DIRECTORS

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If new executive directors are hired during the term of this policy and taking into account the corporate interest in ensuring the viability and continuity of corporate management, the Board may, at the proposal of the Remuneration Committee, apply temporary exceptions to this remuneration policy, with it being understood that these exceptions will apply until the next General Meeting where the remuneration policy will be adapted as necessary.

In this regard, the Remuneration Committee and the Board will determine the elements and amounts of the remuneration system applicable to the new executive director, taking into account the duties assigned, responsibilities assumed, professional experience, the market remuneration of that post and any other duties deemed appropriate. This will be duly reflected in the corresponding contract to be signed between ACS and the new executive director.

To facilitate the recruitment of an external candidate, the Remuneration Committee may also propose to the Board the establishment of a special incentive to compensate for the loss of incentives not earned in the previous company on the grounds of dismissal and the consequent acceptance of ACS's offer.

As regards internal promotions, the Committee may, in turn, maintain, cancel and/or compensate pre-existing incentives and other obligations that may be in effect at the time of appointment.

In relation to the social welfare system, new executive directors will be able to participate in defined contribution systems where the annual contribution will be aligned with internal policies and market practices.

The severance payment, that may be agreed upon with the new appointments, will not exceed two fixed remuneration annuities.

If new non-executive members are incorporated into the Board during the period of this remuneration policy, the remuneration system outlined in the previous section "Remuneration Policy for Directors in their capacity as such" will apply to them.

In any case, in the corresponding annual Directors Remuneration Report, the Company will report on these temporary exceptions to this remuneration policy.

## 6. ALIGNMENT OF THE POLICY WITH THE CONDITIONS OF THE COMPANY'S EMPLOYEES

In order to establish the executive directors' remuneration conditions that are outlined in this remuneration policy, the remuneration strategy applicable to the employees of the Company has been taken into account.

In this respect, the remuneration policy applicable to executive directors is aligned with that of the staff, thus paying them for the value they provide to ACS and sharing the following principles:

<b>Total remuneration</b>	<ul style="list-style-type: none"> <li>The remuneration package offered by ACS may consist of fixed, short- and long-term variable components, and in-kind rewards and other social benefits. In any case, fixed remuneration has a relevant weight to the extent that variable remuneration may become zero in certain circumstances. In addition, the amounts and relative weight of the remuneration elements are adapted to local practices in the markets in which ACS operates.</li> </ul>
<b>Equal Pay</b>	<ul style="list-style-type: none"> <li>Non-discrimination based on gender, age, culture, religion or race is guaranteed in the application of the remuneration practices and policies. In this regard, ACS professionals are paid in a manner consistent with the level of responsibility, leadership and performance level within the organisation, thus favouring the retention of key professionals and attracting the best talent.</li> </ul>
<b>Meritocracy and “pay for performance”</b>	<ul style="list-style-type: none"> <li>In line with the Company's remuneration practices, a significant part of the executive directors' total remuneration is variable in nature and its allocation is linked to the achievement of concrete predetermined financial, business and value-creation objectives, which are quantifiable and aligned with ACS's corporate interest.</li> </ul>
<b>Balance between global strategy and local practices</b>	<ul style="list-style-type: none"> <li>ACS's remuneration policy, which is applicable to both executive directors and employees, is designed to be aligned with the Company's strategic plan on a global level. However, the implementation of the policy takes into account the local particularities of the different markets in which ACS operates.</li> </ul>
<b>Values</b>	<ul style="list-style-type: none"> <li>ACS's remuneration policy is designed to attract and retain the best talent, and promote a high-performance culture.</li> </ul>

## 7. MAXIMUM AMOUNT OF DIRECTORS' REMUNERATION

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The amount of remuneration that the Company may pay all of its directors on a yearly basis will be as follows:

- The items outlined in the “Executive Directors’ Remuneration Policy” section above, which remunerate the executive directors for the executive duties that they carry out;
- A total of EUR 4 million for the directors as a whole, in their capacity as such. The establishment of the exact amount to be paid within the above limit and its distribution among the different directors is the responsibility of the Board, taking into account the duties and responsibilities attributed to each director, presence on Committees within the Board and other objective circumstances that may be deemed relevant.

The maximum amount outlined under this heading will remain applicable for the duration of this remuneration policy unless the General Meeting decides to amend it in the future.

## 8. TERM

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This remuneration policy will remain in force for the rest of 2023 from its approval by the General Meeting, and for 2024, 2025 and 2026, without prejudice to any modifications that may be approved at any time by the General Meeting.