

BASE PROSPECTUS DATED 9 MAY 2023



**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.**  
*(Incorporated as a limited liability company (sociedad anónima) in the Kingdom of Spain)*

**€1,500,000,000**

**Euro Medium Term Note Programme**

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This base prospectus (the "**Base Prospectus**") has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**"). The Central Bank only approves this Base Prospectus as meeting the requirements of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

Such approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus nor as an endorsement of the quality of the notes that are the subject of the Base Prospectus. Investors should make their own assessment as to the suitability of investing in such notes.

This Base Prospectus is valid for twelve months from its date and its approval relates only to the issue of Notes under the Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus by ACS, Actividades de Construcción y Servicios, S.A. (the "**Issuer**" or "**ACS**") during the period of twelve months after the date hereof which are to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"). The regulated market of Euronext Dublin (the "**regulated market of Euronext Dublin**") is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**").

Application has been made to Euronext Dublin for the notes (the "**Notes**") issued under the Programme to be admitted to the official list of Euronext Dublin (the "**Official List**") and trading on the regulated market of Euronext Dublin.

References in the Base Prospectus to the Notes being "listed" (and all related references) shall mean that such Notes have been admitted to listing on the Official List of Euronext Dublin and admitted to trading on its regulated market or a regulated market for the purposes of MiFID II. This document may be used to list Notes on the regulated market of Euronext Dublin pursuant to the Programme. The Programme provides for Notes to be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €1,500,000,000 (or its equivalent in other currencies, subject to increase as provided herein). The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the applicable Final Terms, save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency indicated in the applicable Final Terms (as defined below) and save that the minimum denomination of each Note admitted to trading on a regulated market situated or operating within the European Economic Area (the "**EEA**") and/or offered to the public in an EEA state in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Notice of the aggregate nominal amount of Notes, interest payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under

"Terms and Conditions of the Notes") of Notes will be set out in the Final Terms (as defined herein) which, with respect to Notes to be listed on Euronext Dublin, will be delivered to the Central Bank. Copies of the Final Terms relating to Notes which are listed on Euronext Dublin or offered in circumstances which require a prospectus to be published under the Prospectus Regulation will be available free of charge, at the website of the Issuer ([www.grupoacs.com](http://www.grupoacs.com)) and at the specified office of each of the Paying Agents (as defined under "Terms and Conditions of the Notes").

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011, as amended (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

The Issuer has been assigned a long-term credit rating of BBB- (stable outlook) by S&P Global Ratings Europe Limited ("**S&P**"). S&P is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

**A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

*Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.*

*Potential investors should note the risks described in summary form regarding certain Spanish tax implications and procedures in connection with an investment in the Notes (see "Risk Factors – Risks Relating to the Notes – Risks in relation to Spanish Taxation" and "Taxation – Taxation in Spain"). Noteholders must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Notes.*

#### **Arranger**

### **SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING**

#### **Dealers**

<b>BBVA</b>	<b>BayernLB</b>
<b>BNP PARIBAS</b>	<b>BofA Securities</b>
<b>CaixaBank</b>	<b>Citigroup</b>
<b>Crédit Agricole CIB</b>	<b>Deutsche Bank</b>
<b>Goldman Sachs Bank Europe SE</b>	<b>HSBC</b>
<b>IMI – Intesa Sanpaolo</b>	<b>ING</b>
<b>J.P. Morgan</b>	<b>Mediobanca</b>
<b>NATIXIS</b>	<b>NatWest Markets</b>
<b>Santander Corporate and Investment Banking</b>	<b>Société Générale Corporate &amp; Investment Banking</b>

**UniCredit**

9 May 2023

## IMPORTANT NOTICES

### ***Responsibility for this Base Prospectus***

ACS, Actividades de Construcción y Servicios, S.A. (the "**Issuer**") accepts responsibility for the information contained in this Base Prospectus and any applicable Final Terms or Drawdown Prospectus and declares that the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### ***Final Terms/Drawdown Prospectus***

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or supplemented in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below.

### ***Other relevant information***

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme, the issue and offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

For the avoidance of doubt, unless otherwise stated, information contained in websites and third-party materials referred to in this Base Prospectus is not incorporated by reference into this Base Prospectus.

### ***Unauthorised information***

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any supplement hereto, or any Final Terms or Drawdown Prospectus or any document incorporated herein by reference. Neither the delivery of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### ***Restrictions on distribution***

The distribution of this Base Prospectus and any Final Terms or Drawdown Prospectus, as the case may be, and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to U.S. tax law

requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms or Drawdown Prospectus, as the case may be, constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms or Drawdown Prospectus, as the case may be, shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

### ***Programme limit***

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €1,500,000,000 and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

### ***Certain definitions***

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the EEA, references to "**U.S. \$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**AUSS**" are to Australian dollars and references to "**€**", "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### ***Language***

The language of the prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

### ***Prohibition of Sale to EEA Retail Investors***

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II, or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

### ***Prohibition of Sale to UK Retail Investors***

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

### ***Product classification pursuant to Section 309B of the Securities and Futures Act 2001 of Singapore***

The Final Terms in respect of any Notes may include a legend entitled "*Singapore Securities and Futures Act Product Classification*" which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "SFA"). The Issuer will make a determination and provide the appropriate written notification to "relevant persons" in relation to each issue about the classification of the Notes being offered for the purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

### ***Ratings***

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation or (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

### ***Stabilisation***

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

### **MiFID II PRODUCT GOVERNANCE/TARGET MARKET**

The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593, as amended (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

### **UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET**

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

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## OVERVIEW

*This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this overview.*

<b>Issuer:</b>	ACS, Actividades de Construcción y Servicios, S.A.
<b>Risk Factors:</b>	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under " <i>Risk Factors</i> " below.
<b>Description:</b>	Euro Medium Term Note Programme.
<b>Arranger:</b>	Société Générale
<b>Dealers:</b>	Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Bayerische Landesbank, BNP Paribas, BofA Securities Europe SA, CaixaBank, S.A., Citigroup Global Markets Europe AG, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC Continental Europe, ING Bank N.V., Intesa Sanpaolo S.p.A., J.P. Morgan SE, Mediobanca – Banca di Credito Finanziario S.p.A., Natixis, NatWest Markets N.V., Société Générale and UniCredit Bank AG and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
<b>Fiscal Agent:</b>	Société Générale Luxembourg
<b>Listing Agent:</b>	The Bank of New York Mellon SA/NV, Dublin Branch which is acting solely in its capacity as listing agent for the Issuer (and not on its own behalf) in connection with the application for admission of the Notes to the Official List of Euronext Dublin and trading on its regulated market.
<b>Final Terms or Drawdown Prospectus:</b>	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as completed by the relevant Final Terms or, as the case may be, as supplemented and/or amended in the relevant Drawdown Prospectus.
<b>Listing and Trading:</b>	Application has been made to the regulated market of Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market. The Programme also permits Notes to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
<b>Clearing Systems:</b>	Euroclear Bank SA/NV (" <b>Euroclear</b> ") and/or Clearstream Banking SA, Luxembourg (" <b>Clearstream, Luxembourg</b> ") and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
<b>Initial Programme Amount:</b>	Up to €1,500,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. From time to time the Issuer may increase this amount.
<b>Issuance in Series:</b>	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount

of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

**Forms of Notes:**

Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

**Currencies:**

Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Status of the Notes:**

The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and in the event of insolvency (*concurso*) of the Issuer (unless they qualify as subordinated debts under Article 281 of the restated text of the Spanish Insolvency Law, approved by Royal Legislative Decree 1/2020, of 5 May (*texto refundido de la Ley Concursal, aprobado por el Real Decreto Legislativo 1/2020, de 5 de mayo*) or equivalent legal provision which replaces it in the future and subject to any legal and statutory exceptions) will rank *pari passu* without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future. See Condition 4 (*Status*).

**Issue Price:**

Notes may be issued at any price, as specified in the relevant Final Terms or Drawdown Prospectus. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

**Maturities:**

Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of



investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

**Redemption:**

Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms or Drawdown Prospectus. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms or Drawdown Prospectus.

**Optional Redemption:**

Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms or Drawdown Prospectus, as further described in Conditions 8(c) (*Par redemption at the option of the Issuer*), 8(d) (*Make-Whole redemption at the option of the Issuer*) and 8(f) (*Redemption at the option of Noteholders (Investor Put)*) respectively. In each case, the Notes will be redeemed at the Redemption Amount specified in the relevant Final Terms.

**Residual Maturity Redemption:**

Notes may be redeemed within the last three months (in the case of Notes with a maturity of not more than ten years) or within the last six months (in the case of Notes with a maturity of more than ten years) before their stated maturity at the option of the Issuer (in whole but not in part) to the extent (if at all) specified in the relevant Final Terms or Drawdown Prospectus, as further described in Condition 8(i) (*Residual Maturity Call Option*).

**Substantial Purchase Event Redemption:**

In addition, if the relevant Final Terms or Drawdown Prospectus so specifies, the Issuer shall have the option, in the event of a Substantial Purchase Event, to redeem or purchase the relevant Notes at par plus accrued interest, as further described in Condition 8(h) (*Redemption following a Substantial Purchase Event*).

**Redemption on Change of Control:**

In addition, if the relevant Final Terms or Drawdown Prospectus so specifies, Noteholders shall have the option, in the event of a Put Event, to require the Issuer to redeem or purchase the relevant Notes at par plus accrued interest, as further described in Condition 8(g) (*Redemption or Purchase at the option of the Noteholders on a Put Event (Change of Control Put)*).

**Tax Redemption:**

Except as described above, early redemption will only be permitted for tax reasons as described in Condition 8(b) (*Redemption and Purchase - Redemption for tax reasons*).

**Interest:**

Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate.

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association,

Inc. or the latest version of ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), as specified in the relevant final terms, each as published by ISDA (or any successor) on its website (<http://www.isda.org>), on the date of issue of the first Tranche of the Notes of such Series; or

(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

**Denominations:**

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s). No Notes may be issued under the Programme which have a minimum denomination of less than €100,000 (or nearly equivalent in another currency) in the case of Notes to be admitted to trading on a regulated market as defined in Article 4, paragraph 1, point 21 of Directive 2014/65/EU (as amended), or in so far as required by all applicable legal and/or regulatory and/or central bank requirements. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms or Drawdown Prospectus, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Cross Default:**

The Notes will have the benefit of a cross default as described in Condition 11 (*Events of Default*).

**Negative Pledge**

The Notes will have the benefit of a negative pledge provision as described in Condition 5 (*Negative Pledge*).

**Taxation:**

Payments in respect of Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Spain or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer will (subject as provided in Condition 10 (*Taxation*) and as described below) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required.

**Information requirements under Spanish Tax Law:**

Under Spanish Law 10/2014 and Royal Decree 1065/2007 as amended by Royal Decree 1145/2011, income obtained in respect of the Notes will not be subject to withholding tax in Spain, provided that the Fiscal Agent provides the Issuer with certain information relating to the Notes, in a timely manner. See "*Taxation – Taxation in Spain – Information about the Notes in Connection with Payments*".

If the Fiscal Agent fails to provide the Issuer with the required information described under "*Taxation – Taxation in Spain –*

*Information about the Notes in Connection with payments*", the Issuer may be required to withhold tax (as at the date of this Base Prospectus, at a rate of 19 per cent.) and may pay income to Noteholders in respect of the relevant Notes net of such applicable withholding tax.

None of the Issuer, the Arranger, the Dealers, the Fiscal Agent, Euroclear or Clearstream, Luxembourg assumes any responsibility therefor.

**Governing Law:**

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law. Condition 4 (*Status*) is governed by Spanish law.

**Enforcement of Notes in Global Form:**

In the case of Global Notes, individual investors' rights against the Issuer will be supported by a Deed of Covenant dated 9 May 2022, a copy of which will be available for inspection at the specified office of the Fiscal Agent.

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom, EEA Retail Investors, UK Retail Investors, the Kingdom of Spain, Japan, Italy, Ireland, Singapore and Switzerland, see "*Subscription and Sale*".

## RISK FACTORS

*Prospective investors should read the entire Base Prospectus. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

*The Issuer believes that the following factors may affect their ability to fulfil its obligations under Notes issued under the Programme.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme as at the date of this Base Prospectus, but the inability of the Issuer to pay any amounts due on or in connection with any Notes or the Deed of Covenant, may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the information set out elsewhere in this Base Prospectus and reach their own view prior to making any investment decision.*

*Under the circumstances described below, potential investors may lose the value of their entire investment or part of it.*

*Each potential investor in Notes must determine the suitability of an investment in the Notes in light of its own circumstances. In particular, each potential investor should:*

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to this Base Prospectus;*
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;*
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;*
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and*
- (v) be able to evaluate (either alone or with the help of their financial, accounting, legal and tax advisers) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.*

*In this section, material risk factors are illustrated and discussed, including the Issuer's business risks, legal and regulatory risks and economic and market risks, as well as risks relating to the structure of a particular issue of Notes, risks related to interest payments, other risks relating to Notes and risks related to the market generally. The Issuer's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. These factors are presented in categories where the most material risk factors in a category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.*

*Investing in Notes issued under the Programme involves certain risks. Prospective investors should consider, amongst other things, the following:*

## **Risks Relating to the Issuer**

### **Risks Relating to the Issuer or its Industrial Sector**

#### **Current state of the global economy**

As at the date of this Base Prospectus, although adverse economic risks have moderated somewhat compared to the last quarter of 2022, the outlook for 2023 remains uncertain. Some of the downside risks that have been pointed out by analysts include severe health outcomes in China that has held back the economic recovery, Russia's war in Ukraine could escalate, and tighter global financing conditions could worsen debt distress. Financial markets could also suddenly reprice in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress. More than a year after Russia launched its war of aggression against Ukraine (24 February 2022), it has become apparent that the economic consequences of this crisis have been relevant not only for the two countries directly involved but also for the rest of the world. The conflict had an inflationary impact by strongly affecting energy prices and stressing raw materials and food markets. In this context, central banks in most economies increased their policy rates to address high inflation and mitigate the risk it becomes embedded in price- and wage-setting behaviours. Despite major economies doing somewhat better than initially expected, as they have not fallen into a generalised stagflation process, it is still too early to tell whether they will achieve a soft landing in a context of strong interest rate hikes. Geopolitical tensions and the COVID-19 pandemic have further weighed on cross-border trade and global value chains. Rising antagonism between the US and China in particular have resulted in trade restriction measures and the adoption of industrial policies in technology-intensive sectors (i.e., semiconductors). Changing trade patterns could deliver significant economic costs. Increasing barriers to international trade could make resource allocation less efficient, with harmful effects for productivity growth. Rising trade restrictions and/or higher trade policy uncertainty would lead to increased global economic fragmentation. These developments are taking place in a context in which global trade has lost dynamism in the last decade and its growth is not expected to regain traction. Several economic and policy factors explain the slowdown of global trade during the last decade: the benefits from trade-facilitating levers seem to have been largely exhausted; the marginal benefits of technological progress in transportation and communication, which facilitated the geographical dispersion of productive processes, are reaching diminishing returns; further offshoring is being restrained by a stabilisation of the share of manufacturing in high-income nations and by a decline in the share of intermediate goods in imports for emerging countries, as the latter are increasingly relying on their own industrial base to provide inputs; in addition, in some key emerging economies, notably China, an increasing share of services in the economy and a reduced integration in global value chains contribute to the decline in trade openness.

The forecast of low growth in 2023 reflects the rise in central bank rates to fight inflation—especially in advanced economies—as well as the war in Ukraine.

New reductions of the size of central bank balance sheets and rises in interest rates are expected. Inflationary risk remains largely linked to developments in energy markets in the near term, but a tight labour market in various regions in the world could lead to stronger than expected wage pressure. This could generate second-round effects on inflation, so that prices become sticky and resilient to downward pressure. The position of China will be a central concern. Supporting Russia seems to be now incompatible with friendly relations with western countries and it would affect international trade to a greater extent. In addition, Western countries might make strategic security an overriding imperative of their economic policy. The crisis could lead to increased military spending. A likely consequence of the focus on defence is that all members will be expected to fully meet their financial commitment to spend 2% of Gross Domestic Product ("GDP") on national defence. Given the global need for fiscal consolidation, increased defence budgets could reduce public infrastructure spending in Western countries in the medium to long term. This could have a negative impact on the construction industry. These effects are not likely to be offset by increased demand arising from war reconstruction needs for those companies not operating in the countries involved in the conflict.

During March 2023, financial markets experienced a considerable increase in volatility. Fears of contagion following the collapse of Silicon Valley Bank and Signature Bank and the rescue plan for First Republic Bank in the United States were compounded by the forced merger between Swiss banks Credit Suisse and UBS. This volatility spread to the rest of the financial sector, affecting not only equity markets but also the credit default swaps of many banks as well as the credit spreads on senior bonds, subordinated bonds and, in particular, hybrid instruments. This created fears of a systemic risk in the financial system and exerted significant pressure on the direction of central banks' monetary policies. In this context, monetary

authorities may face the dilemma of pausing rate hikes and withdrawing liquidity from the system, which could be detrimental to the effectiveness of anti-inflation policies. In this regard, central banks are faced with the need to look at three objectives: controlling inflation, achieving stability in the financial system, and avoiding a deep recession, which might be difficult to fulfil simultaneously.

The possibility of developing new business in the sectors in which the Group operates depends on the economic and financial capacity of its potential customers, which are in both the public and private sectors. A significant part of the Group's sales is related to construction of civil works. Consequently, a relevant proportion of customers are central and regional governments. From this perspective, the availability of governmental funds to undertake new infrastructure projects and to maintain existing ones is linked to public budgets. Transport concessions revenue, another of the Group's relevant sources of income, depends on the mobility of passengers and goods. These variables are closely connected with the growth of income in the different markets in which the Group operates directly or through subsidiaries. Given that both the health of public finances and traffic on motorways depends significantly on the rate of GDP growth, the Group's activity is intrinsically reliant on the state of the economies in which it operates. In addition, the Group could be negatively affected by changes in expectations regarding the materialization of different programmes dedicated to infrastructure in the world, as a result of geopolitical tensions. In this vein, the Euro-zone, the Council and the European Parliament reached consensus on the Multiannual Financial Framework, as well as on the Next Generation Programme and a political agreement on the Recovery and Resilience Facility ("**RRF**") was reached. In the United States, the new Biden administration had managed to push through a large fiscal stimulus package in the amount of U.S.\$1.9 trillion. The current context of geopolitical conflicts could call into question the materialization of these programmes and, consequently, the extent to which the Group can benefit from them.

The business performance of the Group is closely connected with the economic development of the countries and regions in which the Group carries out its activities. The business operations, as well as the financial condition and the results of operations of the Group, may be adversely affected if the global economic environment deteriorates, particularly in those zones where there is a greater concentration of the Group's business. With high levels of global indebtedness, a pullback in risk appetite could trigger a sharp tightening of global financial conditions. Increased inflationary pressures and the associated uncertainty surrounding how intense and protracted the process of interest rate hikes will be could trigger capital outflows.

The risks and points raised in this section have been assessed and included based on the following sources and others mentioned below:

- European Commission, "Winter 2022 European Economic Forecast" Institutional Paper 194 February 2023" which can be found at: [https://economy-finance.ec.europa.eu/system/files/2023-02/ip194\\_en\\_1.pdf](https://economy-finance.ec.europa.eu/system/files/2023-02/ip194_en_1.pdf)
- IMF, International Monetary Fund "World Economic Outlook Update. January 2023. "Inflation Peaking amid Low Growth" which can be found at: <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

The materiality of the Group's operational risk is essentially concentrated in a group of few developed countries: 93% of the Group's sales and 91% of its backlog are concentrated in five countries on three continents (United States, Australia, Spain, Canada, and Germany). Regarding the economic situation and expectations in these countries, the following should be noted:

In the United States, which accounted for 56% of 2022 Group's sales and 49% of its backlog as at 31 December 2022, GDP growth in 2023 is expected to be even lower than in 2022. According to the Board of Governors of the Federal Reserve System ("**Monetary Policy Report, 3 March 2023**") available at [https://www.federalreserve.gov/monetarypolicy/files/20230303\\_mprfullreport.pdf](https://www.federalreserve.gov/monetarypolicy/files/20230303_mprfullreport.pdf), the evolution of GDP during 2022 has shown remarkable volatility, reflecting strong fluctuations in some demand categories of the economic activity such as net exports and investment. Consumer spending increased at a good pace, supported by savings accumulated during the pandemic, but developments in manufacturing output were weaker and the housing sector contracted in response to high mortgage rates. The size of the Federal Reserve's balance sheet decreased as this institution reduced its securities holdings. In addition, recent interest rate hikes have had a negative impact on funding activity. Issuance of leveraged loans and speculative grade corporate bonds slowed substantially, while issuance of investment grade bonds also

declined, albeit more moderately. Bank lending to corporations has been also slowing down. In this context, while corporate credit quality remains strong, indicators of future defaults have risen. On the household side, mortgage originations continued to decline sharply, although consumer loans and credit cards did not. Even with labour demand remarkably strong, the labour force has been slow to recover, leaving a significant labour shortage compared to pre-pandemic levels. This has been contributed to by a higher-than-expected wave of retirements based on demographic trends, as well as slower population growth, which in turn reflects higher mortality due to COVID and lower immigration rates during the pandemic period. The labour market remains tight, with robust job gains, the unemployment rate at historically low levels, and nominal wage growth slowing but still elevated.

In Australia, a market which accounted for 19% of 2022 Group's sales and 25% of its backlog as at 31 December 2022, although the economy expanded strongly over 2022, the growth in activity moderated in the second half of the year. The outlook continues to be for slower GDP growth this year and next. According to the Bank of Australia ("**Statement on Monetary Policy – February 2023**" available at <https://www.rba.gov.au/publications/smp/2023/feb/pdf/statement-on-monetary-policy-2023-02.pdf>), the effects of higher interest rates, the rapidly increasing cost of living and declining real wealth are all expected to weigh on demand in the period ahead. Real growth in consumption has been much slower, reflecting strong growth in prices. On the real estate market, the change in dwelling investment figures was positive but followed a significantly slower pace than in previous years. National housing prices have declined. Housing market turnover as well as rental vacancy rates has also fell in most capital cities over the past year. Housing credit growth has recently decreased, and it is expected to decline further, as commitments for new housing loans have fallen of late. Regarding the labour market, although the increase in net arrivals from abroad following the reopening of the international border has boosted labour force growth in Australia, it remains tight. The unemployment rate has remained around its lowest level in almost 50 years. Broader measures of labour underutilisation are also around multi-decade lows. Labour demand remains strong. Although labour supply has expanded to meet some of this strong demand, many firms report difficulties in finding suitable labour. Wages growth has picked up, particularly in the private sector, consistent with the tight labour market. In relation to prices development, the forecast decline in inflation in Australia is subject to a number of uncertainties. Although goods inflation is expected to ease in line with the easing of global cost pressures, the timing and pace of this could differ from the expected trajectory. Price- and wage-setting behaviour could become more sensitive to strong demand and high inflation, given that households and firms may be more attentive to rising costs when inflation is high for a time. Longer term inflation expectations remain anchored, but it is possible they could move higher. If that were to occur, it would make the task of bringing inflation down harder.

In Canada, which accounted for 6% of 2022 Group's sales and 4% of its backlog as at 31 December 2022, growth is expected to stall through the middle of 2023. The pace of economic growth in Canada is slowing, but demand continues to exceed supply. The Central Bank of Canada is forecasting that on an annual average basis, growth of gross domestic to slow to about 1% in 2023. According to its "**Monetary Policy Report January 2023**" (available at <https://www.bankofcanada.ca/wp-content/uploads/2023/01/mpr-2023-01-25.pdf>) the level of potential output has been revised up by less than gross domestic product. The economy is estimated to have been in greater excess demand in the second half of 2022 than previously projected. This is consistent with stronger labour demand. As a result, the projection begins with more excess demand and more domestic price pressures. Inflation is expected to decline in the near future, moving closer to the Canadian central bank's targets. Past falls in supply-side commodity prices and slower demand growth in response to monetary policy tightening will put downward pressure on inflation. For food and shelter services, inflation remains particularly high. This is because ongoing cost pressures are boosting food prices, while falling house prices are being offset by rising mortgage interest costs. The pullback in housing activity that began in 2022 is expected to continue over the near term. House prices are projected to decline further, particularly in markets that saw significant increases during the pandemic. Growth in business investment is expected to be slow over 2023. Slowing demand, elevated borrowing costs and increased uncertainty about future economic conditions weaken investment outside the oil and gas sector in 2023. Growth in new construction and housing resales will likely pick up by the second half of 2023, supported by low inventories and strong demand from immigration. Regarding the labour market, monetary policy appears to be slowing the demand for labour. Employment growth has been weaker in sectors that are sensitive to changes in the interest rate, including manufacturing, construction and trade. However, the labour market is still tight across a broad range of measures, suggesting that it remains above maximum sustainable employment. The number of job vacancies also remains high. Firms continue to have difficulties finding workers, which reflects strong labour demand, the impacts of an aging population and shortages of available workers with the desired skills.

The EU economy continues to be beset by challenges. Core inflation is at best slowly easing. Both consumers and businesses continue to face high energy costs and continued inflationary pressures on other goods, which will weaken consumption in the short term. Supply bottlenecks eased, but insufficient demand is increasingly limiting production. While remaining at a relatively high level, the percentage of industry managers quoting shortage of material and/or equipment, or shortage of labour force as factors limiting production. Regarding the labour market, only a marginal abatement in labour shortages is expected, signalling a continuous tightness in the EU labour market at the beginning of the year. Difficulties in recruiting, labour shortages and job vacancy rates - can be expected to motivate firms to hoard labour in the face of a temporary slowdown. Later in 2023, with economic activity slightly picking up as of spring, an increase in the number of hours worked should be followed by increased headcounts. Opposite forces are at play in the first half of 2023. Powerful headwinds are still dragging domestic demand. Namely, while inflation is moderating, it remains high, and consumers and businesses continue to face high energy costs. The cumulative impact of past monetary tightening is starting to weigh on lending activity. With core inflation still trending up, monetary policy tightening is set to be more forceful than previously assumed, especially affecting sectors that are more sensitive to interest rates, like construction. Heterogeneity across Member States remains elevated. The adjustment to the high interest rate environment could prove challenging. In a context of rising core inflation, tight labour markets and subdued activity, the exact calibration of the additional tightening needed to stem inflation will be a difficult balancing act. As the ECB and other EU central banks are expected to continue increasing their key interest rates and reducing further the size of their balance sheets, heavily indebted firms and households may be subject to heightened stress, which could spill-over to the banking sector. Tensions may also arise among some non-bank financial institutions. Especially in 2024, upside risks to inflation prevail, as price pressures may turn out broader and more protracted than expected in the baseline if wage growth were to settle at above-average rates for a sustained period.

In Spain, which accounted for 9% of 2022 Group's sales and 9% of its backlog as at 31 December 2022, the resilience of the economy was underpinned by the strong rebound in tourism over the summer season and dynamism of private consumption, also supported by positive labour market developments. Overall, GDP growth is set to reach a figure well below 2% in 2023. The private savings accumulated during the pandemic and recent pension increases were expected to support consumption, however the slowdown in household spending appears to be borne out, at least partially, by slower spending on services and, in particular, on leisure and hospitality. Meanwhile, spending on goods appears to have performed somewhat better. The main housing investment indicators point to a continuation of the weakness observed in this demand component in recent quarters. Both housing construction indicators and home sales have been declining in recent times. In addition, a fiscal policy characterised by the adoption of new taxes, the raising of tax rates and the accentuating of the progressiveness level of the tax system, could have a negative impact on the supply of savings, investment, and labour supply. The contribution of net exports to output growth has been negative in recent quarters. In a context of weakening domestic demand, the slowdown in goods imports appears to have been more pronounced than the slowdown in exports. International tourism is expected to continue to recover. The implementation of the Recovery and Resilience Plan investment should support investment spending. Factors that may weigh negatively on output in the future include the impact of the protracted tightening of financial conditions for households and firms and weakening labour market dynamics.

In Germany, which accounted for 3% of 2022 Group's sales and 4% of its backlog as at 31 December 2022, the increase in real terms of the GDP in 2022 was just 1.8%. In 2023, despite the improvement in confidence, the economy is expected to suffer another mild decline during this year as energy prices for households are still increasing and government support is expected to take place at the end of the first quarter. Meanwhile export growth is set to slow down dragged by weak foreign demand. The pressure on corporate margins from sharp increases in producer prices has been depressing the outlook for equipment investment, and higher building and borrowing costs are expected to weigh on construction. In 2023, the pass-through of elevated wholesale energy price growth is expected to be mitigated by the caps on gas and electricity prices, although these remain at historically high levels. However, still rising producer costs are set to keep core inflation high. The labour market remains tight, but wage growth has so far continued to trail inflation. Overall, the change in real GDP is expected to be positive but rather modest in 2023.

#### ***Risks related to unexpected adjustments and cancellations of projects***

The Group's project portfolio is exposed to unexpected adjustments and cancellations. The agreements entered into by the Group's companies to carry out their projects are usually entered into for periods of more than two years. This increases the risk of early cancellation of these agreements. Furthermore, in



certain circumstances the Group's companies may not be entitled to compensation for early termination. In addition, the scope of the agreed work as part of a project may change. This may lead to an increase in costs in connection with the project as well as to reduced profits or to losses.

During 2022, the ACS Group's operating companies were awarded a significant number of projects, among which, the expected investment for the Group is more than €1 billion for one project, between €500 million and €1 billion for four projects, between €300 million and €500 million for nine projects, between €200 million and €300 million for nine projects. In twenty projects the expected investment is between €100 million and €200 million. Any cancellations of or changes in projects as well as changes in the corporate strategy of the clients of the Group may negatively affect its project portfolio, which may have a material adverse effect on the results of operations and the profit of the Group.

## **Risks in Relation to the Construction Business Sub-Unit**

### ***Risks in relation to public sector infrastructure projects and civil works***

Fiscal policy has been the first line of defence against the COVID-19 crisis as fiscal authorities have the most appropriate and powerful instruments to ensure the income of the agents. Indeed, fiscal responses in affected countries have been swift and sizable in many advanced economies where the Group operates. These policies were essentially implemented through public spending and loans guaranteed by the public sector. Subsequently, the energy crisis triggered by the Russian-initiated war in Ukraine exacerbated a generalised inflationary process that had already begun as a result of the pandemic's disruption of supply chains. In this context, governments embarked on further public spending policies. Essentially these new fiscal measures took the form of subsidising energy products to households and reducing VAT on certain foodstuffs. All these fiscal policies have led to an increase in public debt levels. In the case of Spain, the lack of deflation of the progressive income tax rate, and the positive impact of higher prices on the VAT tax base has resulted in an increase in fiscal revenue. This, together with the introduction of new taxes, has partly offset the impact of higher public spending. The inflationary process, by increasing nominal GDP which operates as the denominator in the public debt ratio, contributes to reducing this indicator. Despite this, public debt-to-GDP levels are currently high by historical standards and fiscal consolidation measures are required in most of the developed countries in which the Group operates, This represents a risk with respect to future levels of orders that the construction division may receive. The recent massive use of public-private partnership ("PPP") schemes by numerous countries across five continents as a way of procuring public services and infrastructure assets has recently mitigated these risks. However, this circumstance could change in the future because of a modification in the political and social consideration of the recourse to PPP schemes.

Should governments' budget allocations for infrastructure projects be further reduced, or not be increased, or should new decisions be made leading to a delay in, or cessation of, public infrastructure projects already awarded to the Group, this could have a material adverse effect on the business, the financial condition and the results of operations of the Group. In 2022, the Construction Business Sub-Unit represented 93.5% of the Group's revenue and 95.8% of the Group's backlog (namely the number of agreed orders and contracts which have not yet been completed).

### ***The Group may be adversely affected by raw material and energy shortages or price fluctuations***

The Group is exposed to changes in the prices of its key inputs: raw materials, such as steel, cement and gravel; energy (e.g., diesel and electricity); as well as prices for project-related services sourced from third parties. The Group takes prices of raw materials, energy, and project-related services into consideration in the bidding process and strives to pass on price fluctuations of input materials to the customer or strives to fix prices. The price risk associated with raw materials is usually not hedged by the Group and the Group may not be able to pass on increased raw material and energy costs to its customers or subcontractors. Therefore, increases in the prices of raw materials and other input materials and services typically have the greatest impact on the Group's sales and also, but to a lesser extent, on its results of operations. In particular, an increase in the oil price, after years of prices that have been well below the long-term average, could have an adverse effect on the Group's operating costs, particularly in relation to the Group's contract mining activities.

Moreover, during 2021 and 2022, key building materials and cement suppliers have raised prices by unprecedented double-digit percentage rates, aiming at passing on significant raw material, transport and energy cost inflation. In the face of significant increases in the prices of inputs required for public works,

rebalancing may be necessary, and it may require special government regulations. In this context, there is a risk that the rules on price revision for public works set limits in terms of the contract award price. As a result, the revision may be insufficient to cover the entire mismatch. These rules may also include minimum increases in the price of inputs for rebalancing to apply. In addition, there is a risk that price increases caused by some of its components may be excluded in the calculation of the price review. Finally, these rules may limit the period for calculating price increases. This may result in partial compensation of cost overruns for builders.

Additionally, resource availability is a significant issue for procurement at ACS. The Group is faced with growing scarcity of basic materials such as gravel and sand. The shortage may result in supply bottlenecks, consequently delaying projects as well as increasing prices of available materials.

The realization of any of these risks could have a material adverse effect on the Group's business, cash flows, financial condition, and results of operations.

#### ***Risks resulting from delays and cost increases in the construction industry***

Large construction projects carried out by the Group are exposed to specific risks, such as claims relating to building defects, or cost increases regarding materials, machinery and labour, as well as factors generally influenced by the economic environment. Even though some agreements include price adjustment clauses, it is not always possible to eliminate or reduce these risks.

The COVID-19 crisis challenged the maintenance of material supply chains (including raw materials like sand, concrete and some extractive materials) and some of these problems intensified following the outbreak of war in Ukraine with the resulting geopolitical tensions. Moreover, labour markets in a number of countries are under considerable stress. In this context, construction activity may be affected.

If sub-contractors of the Group fail to meet project deadlines or the agreed budget, this may lead to delays and additional costs in the construction which may then further lead not only to a delay in payment receipts but also to fines or a cancellation of the agreement by the Group's customers. Furthermore, the Group's reputation as a construction company could be damaged. Such increases in costs, decreases in earnings and potential reputational damage to the Group could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

#### ***Cyclical nature of the residential construction industry***

In general, the construction industry is of a cyclical nature and depends on investments carried out by the public sector as well as the private sector.

Investments in residential building are affected by a series of factors, such as demographic trends, which may be particularly negative in the coming years: they include the availability of financing for developers and the ability of homebuyers to meet mortgage costs. This capacity depends in turn on the wage level and the evolution of the employment rate. The outlook for the residential construction sector is not homogeneous by country and subject to economic conditions and some uncertainties. In those regions in which the Group is active there could be a worsening of demographic developments, labour market conditions, the evolution of the mortgage markets and the supply of bank credit. Furthermore, the spread of remote working in many enterprises can significantly affect the demand for office space in the medium term which could negatively impact on non-residential construction activity.

An unfavourable environment for investment in global construction projects in the private sector may be revealed as a result of weak demand in a period when several economies are facing a soft landing. In addition, after years of ultra-expansionary monetary policies, the abrupt shift towards a tight monetary policy, with rising interest rates and withdrawal of liquidity by reducing central banks' balance sheets, could have a negative impact on the mortgage market. In this context, demand for housing would be reduced. This would have a material adverse effect on the business operations, the financial condition and the results of operations of the Group.

## **Risks in Relation to the Concessions Business Sub-Unit**

### ***Risks resulting from the need to review the portfolio of concessions***

The Group aims to renew its portfolio of concessions on an ongoing basis. At the end of year 2022 the Group (through Iridium) had a portfolio of 48 concessions, of which 85% were already in operation, 13% were under construction and 2% in other situations. Among these projects, 37 were transport concessions, including highways, railways and transfer stations. In addition, Iridium had invested in 11 concession projects including hospitals, police stations, prisons and parking. Should the Group not be awarded new concessions with which to replace the concessions previously sold, or concessions remaining in the portfolio which will expire or will terminate or be withdrawn, income from the sales as well as the income from the operation of concessions could decline. This could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

### ***Risks related to revenues from the operation of concessions***

The ordinary income realised by the Group from the operation of infrastructure concessions depends in part on the fee revenue from the relevant concession. Any option to increase such revenue above the agreed amount may be restricted or limited and the fees may be reduced by the relevant public authority during the term of the concession. The income from the operation of infrastructure concessions carried out by the Group may depend on the number of users of the infrastructure underlying the concession – in addition to the fee rates – which in turn depends on demand. In the context of reduced traffic, because of weak demand caused by an economic recession, revenues from concessions will be lower than initially expected. If the number of users of the infrastructure operated by the Group or its availability for use, respectively, is lower than the number of users or the availability for use initially provided for in the economic plans and financial budgets, or if the fees initially used as a basis in the economic plans and financial budgets are reduced, this could have material adverse effects on the business, the financial condition and the results of operations of the Group.

### ***The Group operates in a regulated industry and, in particular, environmental laws could increase the Group's costs***

The Group must comply with applicable environmental regulations established by local, regional, national and EU bodies which regulate the Group's activities. The technical requirements imposed by environmental regulations are gradually becoming more costly, complex, and stringent. These laws may impose strict liability in the event of damage to natural resources or threats to public safety and health. Strict liability may mean that the Group is held liable for environmental damage regardless of whether it has acted negligently, or that it owes fines whether or not damage exists or is proven. The relevant authorities may impose fines or sanctions or may revoke and refuse to grant authorisations and permits because of a breach by the Group of applicable regulations.

The entry into force of new laws, the imposition of new or more stringent requirements or a stricter application of existing regulations may increase the Group's costs or impose new responsibilities, leading to lower earnings and liquidity available for its activities. Breaching any of these regulations could result in reputational damage, which, in addition to the impact of any regulatory changes, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

### ***During their initial years of operation, the Group's concessions may generate little or no cash***

During the initial years of a concession, the costs of financing often consume a large proportion of a concession's available cash flows, leaving little or no cash available for distribution. Furthermore, it is possible that the Group's cash flow projections for a concession will not be met, and that the concession may therefore take longer than expected to generate a profit or may never do so. Such a shortfall of cash may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

## **Risks in the Services Business Unit**

### ***Risk of a reversal in the outsourcing trend that could reduce the customer base***

The Group's activities in the Services Business Unit depend, to a large extent, on the continuation of the current trends in the public and private sectors to outsource services that are not the focus or core of the

relevant entity's activity or business. Should this tendency decline or reverse, this could have a material adverse effect on the business and the results of operations of the Group. Given that, in 2022, 89% of this Business Unit's activity was concentrated in Spain, a greater stress on Spanish public finances, with the end of the moratorium on tax rules in the European Union, could have a negative impact on the demand for the services offered by this Unit.

In addition, as a result of an increase in working remotely in many companies, the activity of facility management for office buildings could be negatively affected, this activity being one of the sources of revenue of the Services Business Unit.

#### ***Limited term of the concessions and service agreements***

A large part of the income of the Services Business Unit is generated through concessions regarding the provision of services as well as service agreements entered with private companies and public authorities. At the end of 2022, the backlog (namely the number of agreed orders and contracts which have not yet been completed) for both types of services was 19 months. Once a concession expires, the Group must participate in another tender procedure to renew the relevant concession. Similarly, the Group frequently competes with other companies to renew private agreements after their expiry. Furthermore, concessions and agreements with private entities are subject to numerous conditions and obligations, with the failure to fulfil such conditions or obligations potentially leading to a termination of the concessions or cancellation of the agreements.

Regarding concessions for public services, the public authorities in specific countries are entitled to unilaterally amend or cancel concession agreements. Please see "*- Risk of termination or early withdrawal of the concessions by public authorities*" above for more information on the risk of a termination or early withdrawal of concessions.

Should the Group be unable to maintain or renew the concessions and the service agreements it currently has been awarded, or should the Group not be awarded new concessions or service agreements, this could have a material adverse effect on the business, the financial condition, and the results of operations of the Group.

#### ***Risks associated with price fluctuations***

In the past, the regulator had established measures aimed at the de-indexation of contracts with the Spanish public administration. As a result, in periods of inflationary tension such as the current one, the profitability margins of the companies in the Services Unit may be negatively affected.

### **Risks Related to the Overall Business of the Group**

#### ***Risks due to legal claims***

Claims may be asserted against the Group based on accidents occurring or errors made during the implementation of construction works and projects, the operation of concessions by the Group or during the provision of services. Such claims may relate to injuries or deaths of human beings, damage to facilities and accessories or environmental damage. They may be based on alleged acts or omissions of the Group and/or of its sub-contractors.

Additionally, the Group is required to provide commercial guarantees to clients in respect of the proper functioning of construction works carried out by it. A failure of any such works to perform as specified could result in claims being made against the Group under the relevant guarantee(s). Any such claim could materially adversely affect the business, financial condition, or results of operations of the Group, and could furthermore have a materially adverse effect on the Group's reputation.

The Group typically takes out insurance policies and tries to stipulate limits on liability in the contracts to which it is a party, with a view in each case to mitigate the risk of a claim under any such guarantee. However, the insurance taken out by the Group and contractual liability limits may not provide sufficient coverage to the Group with regard to the consequences of the circumstances described above and the corresponding liability claims. Furthermore, indemnifications granted to the Group by sub-contractors may be ineffective to the extent that the relevant sub-contractors do not have sufficient insurance coverage of their own, or the necessary resources to satisfy the claims made against them by the Group. On the other hand, the Group may decide that no insurance covering the above risks will be taken out or may not be able to take out the insurance on a reasonable basis or ensure that each agreement will include appropriate

indemnifications. Even if any insurance coverage exists, the liability claims could exceed the amount insured or lead to an increase in insurance premiums.

All of the above could have a material adverse effect on the business, the financial condition or the results of operations of the Group. For more information see section "*Description of the Issuer - Litigation*". Additionally, should an outcome of the proceedings described in this Base Prospectus prove unfavourable to the interests of the Group, this could have an adverse effect on the financial condition and the results of the Issuer.

#### ***Risks in relation to derivative transactions***

The Group has entered into derivative transactions, including transactions on interest rate, currency and equity. The notional volume of outstanding derivatives on 31 December 2022 in the group amounted to €3,936 million, with €1,393 million corresponding to interest rate swaps (IRS), €1,537 million to forex derivatives and €1,006 million to other derivative instruments. Derivative markets are in the process of being reformed. In Europe, this reform has led to the adoption of Regulation 648/2012, known as the European Market Infrastructure Regulation ("**EMIR**"). EMIR introduces new requirements to improve transparency and reduce risks associated with the derivatives market. EMIR came into force on 16 August 2012, although the main requirements are being progressively implemented. As at the date of this Base Prospectus, EMIR requires, *inter alia*, all EU derivatives market participants who enter into any form of derivative transaction, including (amongst others) derivative transactions on interest rate, currency and equity, to report all derivative transactions to a trade repository and implement new risk-mitigation techniques (including timely confirmation of transactions, portfolio reconciliation, dispute resolution and daily valuation). EMIR also requires, with respect to certain entities, the clearing through a central counterparty of over-the-counter derivatives that are subject to a mandatory clearing obligation, and the exchange of collateral for all non-cleared over-the-counter derivative transactions.

Compliance with the requirements imposed by EMIR which apply to the Group and with the requirements arising from any other derivatives regulations to which it could be subject could be burdensome, giving rise to additional expenses that may have an impact on the Group's financial condition. Additionally, such regulations could increase the cost of conducting hedging activities. Non-compliance with such requirements applicable under EMIR or under any other derivatives regulations to which the Group could be subject could constitute an offence under the Spanish Securities Markets Act which could result in the imposition of fines by the relevant supervisory authority.

Additionally, although the corporate management of the Group establishes counterparty selection criteria based on the quality of credit of the financial institutions, which translates into a portfolio of entities of high quality and solvency, the Group is exposed to the risk of breach by its counterparties in transactions involving financial derivatives.

#### ***Risk of competition***

All of the Group's business units operate in highly competitive sectors which require considerable use of human, material, technical and financial resources. The companies competing with the various subsidiaries and business units of the Group may have greater technical and financial resources available than those available to the Group or may be more experienced or have better knowledge of the markets in which the Group operates or in which it intends to expand. Other companies may also be willing to accept lower margins and would therefore be able to submit a technologically better offer at the same price or a similar offer at a lower price than the Group.

For these reasons, it could become more difficult for the Group to be awarded new projects, concessions and agreements. Likewise, the Group could find itself compelled to accept construction and other projects, concessions, and agreements, or providing services at lower margins than in the past. This could have a material adverse effect on its business, financial condition, and results of operations.

#### ***Legal risks related to licensing and approvals***

In order to be able to carry out specific projects, the Group may have to obtain approvals, licences, certificates and other permits from the competent authorities in specific project phases. There can be no assurances that the Group will be able to obtain the relevant approvals at all, or on a timely basis, or that it will be able to fulfil the requirements for such approvals in all cases. This could lead to delays, which could

have a material adverse effect on the business, the financial condition and the results of operations of the Group.

***The Group could be adversely affected by violations of anti-bribery and corruption laws***

Over the years an increasing number of anti-bribery and corruption laws and regulations have been approved worldwide and now apply in a significant number of countries and territories where the Group conducts its business. These laws and regulations are amended from time to time and their scope and reach may change. Such anti-bribery and corruption laws and regulations generally prohibit companies and their intermediaries from granting financial or other advantages to officials or others for the purpose of obtaining or retaining business. The Group operates in many parts of the world that have experienced governmental corruption to some degree and, in certain circumstances, compliance with anti-bribery and corruption laws may conflict with local customs and practices. In addition, some of the jurisdictions in which the Group operates or may operate in the future lack a developed legal system, or may have failed to implement and enforce such laws and regulations, and consequently may have high levels of corruption. In this scenario, the Group's continued international expansion and development of joint venture relationships with local contractors and local agents increases the Group's risk of being exposed to violations of such anti-bribery and corruption regulations by its local partners or agents.

If the Group, its employees, agents, partners, subcontractors or suppliers breach any such laws, the Group could suffer, in addition to reputational damage, from criminal or civil penalties or other sanctions, including fines; denial of export privileges; injunctions; asset seizures; debarment from government contracts; termination of existing contracts; revocations or restrictions of licenses; criminal fines; or imprisonment of key personnel, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***Risks due to tax disputes***

There are at least two sources of tax risks. On the one hand, there is risk arising from changes in tax legislations that could not be foreseen at the time when investment decisions were adopted. This could affect the achievement of the investment return objectives if the tax factor was relevant. Moreover, changes in tax laws could jeopardise the effective use of tax credits, generating a deviation in the cash flow for the payment of taxes. On the other hand, the Issuer is established in Spain, but the Group also operates in 61 tax jurisdictions through a number of subsidiaries and affiliates which must operate in compliance with the applicable tax regulations in their jurisdictions. In this regard, although the corporate tax policy of ACS determines that a prudent tax practice must be followed, the interpretation of the tax laws in different tax jurisdictions could trigger material tax disputes or legal proceedings, such that claims could materially adversely affect the business, financial condition, or results of operations of the Group.

***The Group requires an amount of cash to service its debt, and its ability to generate sufficient cash depends on many factors beyond its control.***

At 31 December 2022, gross debt maturities up to 31 December 2024 amounted to €3,591 million. This figure includes credits and bilateral loans, leasing, bonds and debt obligations, project finance, accrued interest, intra-group debt and other banking debt. The Group's ability to make payments on its debt and to fund working capital, capital expenditure and research and development will depend on its future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitiveness, market, legislative, regulatory, and other factors, many of which are beyond the Group's control, as well as the other factors discussed in these "Risk Factors".

In addition, the Group faces a refinancing risk. As a result of the application of new international financial regulations ("**Basel III**"), and in order to recover investor confidence, major banks are immersed in a process to strengthen their balance sheets by means of reducing assets and increasing capital, a process known as deleveraging.

Basel III's rules respond to the need to strengthen regulation, supervision and management of risks in the banking sector and constitute a set of measures meant to improve the banking sector's ability to absorb shocks deriving from economic and financial stress, so as to improve the risk management and governance of financial institutions. However, in the event that financial tensions and synchronised deleveraging arise on a large scale with relation to international banks, this could lead to a global credit crunch which would

affect the liquidity of governments, businesses and families, undermining economic growth and global recovery.

Dependence on bank credit is greater for European companies than that of North American companies and consequently they seem more exposed to such a contingency. Specifically, in the Group, a process of this nature would require the implementation of a procedure for substituting financing sources, given that, as at the date of this Base Prospectus, most of its total gross debt corresponds to bank credit. The Group, which is using not only Euro Commercial Paper instruments but also Negotiable European Commercial Paper instruments in its financial strategy, is exposed to risk as a result of a potential global credit crunch, which could cause economic or financial loss to the Group.

The Group's default on interest due or debt repayment could result in a cross-acceleration or cross-default in payment obligations under its other financing agreements and outstanding debt instruments. A default, as well as any resulting cross-default, could result in a number of adverse consequences including significant increases in interest rates as well as other financing costs. In addition, a default may entitle the respective counterparty to accelerate the Group's payment obligations and make all payments immediately due and payable or, in case of the general counter indemnity, entitle the relevant sureties to require additional collateral. If any of these events occur, ACS may be unable to obtain alternative debt or equity financing to refinance their debt obligations on acceptable terms, or at all. Should any of these risks materialise, this could have a material adverse effect on the Group's business prospects, results of operations and financial condition. Furthermore, the sureties are entitled to refuse the issue of bonds at any time and for any reason.

In addition, certain subsidiaries of the Group may require external financing and/or refinancing of existing external financing. They may be restricted from paying dividends or making other distributions to ACS in certain jurisdictions within which some subsidiaries operate. Should such financing and/or refinancing not be available or not be available at favourable commercial terms, significant monetary contributions (such as equity injections or shareholder loans) by the Group to such subsidiaries and shareholdings or any other form of assistance by the Group in connection with such financing and/or refinancing may be required. Furthermore, ACS may face additional risk that in order to refinance its debt, it could be required to agree to more onerous covenants, which would further restrict its business operations.

#### ***Risks arising from supplier agreements and the sub-contracting of services***

In carrying out construction works and projects, operating concessions, and the services it offers, the Group relies on external manufacturers of equipment and sub-contractors. In the event that it is impossible for the Group to sub-contract specific services or to acquire equipment and materials complying with the relevant plans, quality standards, specifications and cost objectives, this may affect the scheduled commissioning of concessions or a satisfactory provision of services to clients. Therefore, there is a risk of contractual penalties, cancellations of agreements and liability claims, which could have a material adverse effect on the financial condition and the results of operations of the Group.

#### ***Risks related to the Group's presence in emerging markets***

In 2022, 1.82% of sales were generated in emerging markets: in Latin America (including Mexico), 1.07%; and in Asia (excluding Japan and Hong-Kong) 0.76%. These emerging markets are exposed to political and legal risks which are present to a greater degree than in Europe, North America (excluding Mexico) and Australia. These risks include the risk of nationalisation and expropriation of private assets, political and social instability, frequent changes in the general legal conditions and government policy as well as changes in tax policy and price control. These markets also face a higher risk of macro-economic instability and volatility than the markets in the industrialised nations, which may lead to restrictions in foreign currency transactions, in repatriating profits and importing investment goods. These risks could have a material adverse effect on the business, the financial condition and the results of operations of the Group.

#### ***The Group's operations are subject to extensive regulation, including environmental, health and safety and other regulations, as well as the need to manage relationships with NGOs, local communities, and others***

As part of its normal course of operation and development activities, the Group has expended significant resources, both financial and managerial, to comply with governmental and environmental regulations including permitting requirements and will continue to do so in the future. However, it is possible that

future regulatory developments, such as increasingly strict environmental protection laws, regulations, and enforcement policies, and claims for damages to property and persons resulting from the Group's operations, could result in additional substantial costs and liabilities, restrictions on or suspension of its activities and delays in the exploration and development of its properties.

The Group operates in different businesses and jurisdictions with increasing environmental law and regulation requirements, which have in turn become increasingly complex and strict. The applicable regulations may provide for liability regardless of fault for any damage caused to natural resources or for a mere threat to public health and safety without having caused any actual environmental damage. Such liability, regardless of fault, may lead to liability for environmental damage irrespective of whether it was caused negligently or whether several persons are jointly responsible for the damage. Irrespective of who is personally liable under civil law or, if applicable, criminal law, entities of the Group may also be considered liable.

Failure to comply with applicable environmental, health and safety laws can result in injunctions, damages, suspension or revocation of permits and imposition of penalties. There can be no assurance that the Issuer has been or will be at all times in complete compliance with such laws or permits, that its compliance will not be challenged or that the costs of complying with environmental and health and safety laws and permits, current and future, will not materially or adversely affect the Group's future cash flow, results of operations and financial condition.

A stricter application of the environmental laws or regulations, the entry into force of new laws, the discovery of currently unknown environmental contamination or the introduction of new or stricter requirements for obtaining licences and approvals could have a material adverse effect on the business, the financial condition, or the results of operations of the Group.

As a consequence of public concern about the perceived ill effects of infrastructure development, particularly in developing countries, the Group's operations face increasing public scrutiny. The international standards on social responsibility, community relations and sustainability, against which the Group benchmarks its operations, are becoming increasingly stringent and extensive over time: adherence to them is increasingly scrutinised by regulatory authorities, citizens' groups, and environmental groups, as well as by investors and financial institutions. In addition, the Group operates in several countries where ownership of rights in respect of land and resources is uncertain and where disputes in relation to ownership or other community matters may arise.

These disputes are not always predictable and may cause disruption to the Group's operations or development plans. The Group's operations can also have an impact on local communities, including the need, from time to time, to relocate or resettle communities or infrastructure networks such as railways and utility services. Failure to manage relationships with local communities, governments, and non-governmental organisations ("NGOs") may harm the Group's reputation as well as its ability to bring development projects into production. For example, in Guatemala, the Group has faced criticism and legal challenges from various NGOs and environmental groups in connection with the impact of the diversion of certain sections of the Cahabón river on indigenous peoples during the various phases of construction of the Renacer hydroelectric project.

In addition, the costs and management time required to comply with standards of social responsibility, community relations and sustainability, including costs related to resettlement of communities or infrastructure, have recently increased substantially, and are expected to further increase over time.

Adverse publicity generated by criticism from NGOs, trade unions or others related to development projects generally, or the Group's operations specifically, could have an adverse effect on the Group's reputation and financial condition and may impact the relationship with the communities in which the Group operates. Such groups may install road blockades, apply for injunctions for work stoppage, make criminal complaints to local authorities, or file lawsuits for damages. Such complaints, regardless of whether they have any substance or basis in fact or law, may have the effect of undermining the confidence of the public or a regulator in the Group and may adversely affect the price of the Notes, the Group's ability to raise capital, or the Group's prospects of obtaining the regulatory approvals necessary for advancement of some or all of its development plans or operations.



### ***Risks related to technological changes***

The technologies used in the different sectors in which the Group operates are subject to fast and continued development. Increasingly complex technological solutions, which are continuously evolving, are used in these sectors. Should the Group be unable to react appropriately to the current and future technological developments in the sectors in which it carries out its activities, this could have material adverse effects on the business, the financial condition, and the results of operations of the Group.

### ***Risks related to the cancellation of projects and termination or early withdrawal of concessions by public authorities***

The Group performs its concessional activities worldwide through projects such as, for example: highway transport concessions; bus and train transfer stations; bridges; tunnels; energy concessions and storage projects; hospitals and other public-private partnerships; and contract mining. The conduct of those concessional activities by the Group, including their commercial operation, depends on public authorities' decisions and authorisations. The public authorities in those countries in which the Group has been awarded concessions may unilaterally cancel, suspend, terminate or withdraw such concessions on the grounds of public interest, the existence of material changes in economic conditions, or environmental concerns.

The Group generally aims to carry out its activities in industrialised countries in which this risk is typically lower. However, there can be no assurances that the public authorities in those jurisdictions in which the Group operates will not make decisions that adversely affect the business of the Group by not authorising the exploitation of a particular project for any reason or by adversely changing the legislative and/or regulatory framework in which the Group operates.

If a public authority cancels a project of the Group prior to or after the start-up of its exploitation, or if it terminates or provisionally or definitively withdraws a concession awarded to the Group, the Group may have a claim for compensation against that public authority. However, such compensation ultimately awarded to the Group may be insufficient, and should this be the case, it would have a material adverse effect on the business, financial condition and results of operations of the Group.

### **Risks Related to Shareholdings of the Group**

#### ***Risks related to sectors, geographical markets, indebtedness and litigation***

Material amendments to the legal provisions applicable to the operating sectors of companies in which the Group holds shares and to the operating risks of these companies, as well as the specific risks related to the countries and regions in which they operate, could affect their market value, and have a material adverse effect on the future financial condition and the results of operations of the Group.

Any failure to fulfil payment obligations by the companies in which the Issuer holds shares, an increase of the borrowing costs of these companies as a consequence of higher liabilities or material fluctuations in interest rates, or clear cost increases as a consequence of any litigation in connection with the operation of their business activities, as well as corporate actions, could have a material adverse effect on the financial condition and the results of operations and the distribution of dividends of these companies. This could also have a material adverse effect on the financial condition and the results of operations and the profitability of the Group.

As an example, as at 31 December 2022, the Issuer held a 30% stake in Abertis Holdco, S.A., which held 98.7% of Abertis, S.A ("**Abertis**"), while its subsidiary Hochtief held a 20% stake minus one share in Abertis Holdco, S.A. A significant deviation in Abertis' profitability levels could lead to a lower amount of dividends received by the Group, whereby Abertis' dividends become a non-negligible share of the Group's cash-flow.

For more information see "*Description of the Issuer – Shareholding in Abertis*".

#### ***Strategy of growth by acquisitions***

The acquisition of companies with a strong presence in strategically important markets for the Group as well as the acquisition of shareholdings in listed companies, which operate in equally strategically important sectors for the Group, have been a decisive factor in the Group's growth strategy.

In the case of an economic slowdown, the opportunities for growth through acquisitions depend essentially on whether the Group is able to recognise strategic investment opportunities and whether it has its own funds and the external funds required to carry out an intended investment, in particular considering the possibility of a lending environment of restrictions in the jurisdictions in which the Group is active. If this were not the case, this could have material adverse effects on the business, the financial condition and the results of operations of the Group.

### ***The Group is exposed to cybersecurity risks***

The Group may be affected by threats and vulnerabilities in connection with information, control systems, or information and communications systems used by the Group, or by any consequences of unauthorised access to or the use, disclosure, degradation, interruption, modification or destruction of information or information systems, including the consequences of acts of terrorism. Any material uninsured losses and reputational damage caused by any cybersecurity breaches may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

### ***Interest rate risk***

Variations in interest rates modify the reasonable value of those assets and liabilities that accrue a fixed interest rate as well as the future flows of assets and liabilities referenced against a variable interest rate. The objective of the management of interest rate risk is to achieve equilibrium in the structure of debt in order to reduce subsequent volatility on the Group's consolidated income statement. The Group hedges its transactions through derivative transactions that mitigate part of these risks; however, there is no assurance as to the effectiveness of such measures. As of 31 December 2021, approximately 71% of the Group's total medium- and long-term gross debt was at a fixed rate.

## **Risks Relating to the Notes**

### ***Risks in Relation to Spanish Taxation***

Under Spanish Law 10/2014, of 26 June and Royal Decree 1065/2007, as amended by Royal Decree 1145/2011, income payments in respect of the Notes will be made without withholding tax in Spain provided that the Issuer provides, pursuant to Spanish law, certain information at the relevant time in the Spanish language regarding the Notes to the Spanish tax authorities. The Issuer and the Fiscal Agent have arranged certain procedures to facilitate the collection of information concerning the Notes. The Issuer will withhold Spanish withholding tax from any payment in respect of any outstanding principal amount of the Notes (as applicable) as to which the required information has not been provided at the relevant time and will not gross up payments in respect of any such withholding tax. The Agency Agreement (as defined herein), provides that the Fiscal Agent will, to the extent applicable, comply with the relevant procedures to facilitate the collection of information concerning the Notes. The procedures may be modified, amended or supplemented, to, among other reasons, reflect a change in applicable Spanish law, regulation, ruling or interpretation thereof or to reflect a change in applicable clearing system rules or procedures or to add procedures for one or more new clearing systems. See "*Taxation — Taxation in Spain*". None of the Issuer, the Arranger, the Dealers the Fiscal Agent, Euroclear or Clearstream, Luxembourg assumes any responsibility therefor.

Royal Decree 1065/2007, as amended by Royal Decree 1145/2011, provides that any payment of interest made under securities originally registered in a non-Spanish clearing and settlement entity recognised by Spanish legislation or by the legislation of another Organisation for Economic Co-operation and Development ("OECD") country will be made with no withholding or deduction from Spanish taxes provided that the relevant information about the Notes is received by the Issuer. In the opinion of the Issuer, payments in respect of the Notes will be made without deduction or withholding of taxes in Spain provided that the relevant information about the Notes is submitted by the Fiscal Agent to it, notwithstanding the information obligations of the Issuer under general provisions of Spanish tax legislation, by virtue of which identification of Spanish investors may be provided to the Spanish tax authorities.

Notwithstanding the above, in the case of Notes held by Spanish resident individuals (and, under certain circumstances, by Spanish entities subject to Corporate Income Tax) and deposited with a Spanish resident entity acting as depositary or custodian, payments in respect of such Notes may be subject to withholding by such depositary or custodian at the current rate of 19 per cent.

If the Spanish tax authorities maintain a different opinion as to the application by the Issuer of withholding to payments made to Spanish residents (individuals and entities subject to Corporate Income Tax), the Issuer will be bound by that opinion and, with immediate effect, will make the appropriate withholding and the Issuer will not, as a result, pay additional amounts.

### ***Risks relating to the Insolvency Law***

The restated text of the Insolvency Law approved by Royal Legislative Decree 1/2020, of 5 May (*Texto refundido de la Ley Concursal*) ("**Insolvency Law**") (which has been recently amended to implement the restructuring framework required by Directive (EU) 2019/1023 of the European Parliament and of the Council and other important changes to the insolvency proceedings in Spain) regulates pre-insolvency and court insolvency proceedings, as opposed to out-of-court liquidation, which is only available when the debtor has sufficient assets to meet its liabilities.

The Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (*administradores concursales*) within one month from the last official publication of the court order declaring the insolvency in the Spanish Official Gazette, (ii) provisions in a contract granting one party the right to suspend, modify or terminate by reason only of the other's insolvency or the filing of a pre-insolvency communication (as stated in Article 585 of the Insolvency Law) will not be enforceable, and (iii) accrual of unsecured interest (whether ordinary or default interest) shall be suspended from the date of the declaration of insolvency and any amount of interest accrued up to such date shall become subordinated. In the case of secured ordinary interests, (a) these shall be deemed as specially privileged up to the value effectively covered by the relevant security, and (b) interests shall keep accruing after the declaration of insolvency up to the lower of the limit of the secured amount and the value effectively covered by the relevant security, and only if a contingent credit for secured ordinary interests that may accrue after the declaration of insolvency is included in the statement of claim to be sent to the insolvency administrator (as per the Supreme Court judgment dated 20 February 2019). In the case of secured default interests, (a) those accrued prior to the insolvency declaration shall be deemed as specially privileged up to the value effectively covered by the relevant security, and (b) they shall not accrue after the declaration of insolvency, in accordance with Article 152.2 of the Insolvency Law.

The Insolvency Law, in certain instances, also has the effect of modifying or impairing creditors' rights even if the creditor, either secured or unsecured, does not consent to the amendment. Secured and unsecured dissenting creditors may, among others, be written down or stayed (for up to 10 years in case of composition proposals), converted into a different financial instrument or equity of the refinanced or insolvent debtor as well as any other company, converted into participating loans (*préstamos participativos*), exchanged for assets or rights of the insolvent or refinanced debtor not only once the insolvency has been declared by the judge as a result of the approval of a creditors' agreement (*convenio concursal*), but also as a result of a restructuring plan that has been judicially sanctioned (*homologado*) without insolvency proceedings having been previously opened (e.g., restructuring plans which satisfy certain requirements and are validated by the judge), in both scenarios (i) to the extent that certain qualified majorities are achieved and (ii) unless some exceptions in relation to the kind of claims or creditor apply (which would not be the case for the Notes). Any payments of interest in respect of debt securities will be subject to the subordination provisions of Article 281.1 of the Insolvency Law.

The majorities regime envisaged for a creditors' arrangement depends on (i) the type of the specific measure which is intended to be imposed (e.g., extensions, debt reductions, debt for equity swaps, etc.), and (ii) on the part of claims to be affected (i.e. secured or unsecured, depending on the value of the collateral as calculated pursuant to the rules established in the Insolvency Law). In no case shall subordinated creditors be entitled to vote upon a creditors' agreement during the insolvency proceedings, and accordingly, shall be always subject to the measures contained therein, if passed by the relevant majorities. For these purposes, liabilities held by those creditors considered specially related persons (*personas especialmente relacionadas*) with the insolvent debtor would not be taken into account for the purposes of calculating the majorities required for the approval of a composition agreement.

On the other hand, all creditors that could be affected by a restructuring plan would be entitled to vote it, grouped in classes of creditors and subject to the fact cross-class cram-down is now available under the Insolvency Law.

As such, certain provisions of the Insolvency Law could affect the ranking of the Notes or claims relating to the Notes on an insolvency of the Issuer or in case of approval of a restructuring plan.

### ***Conflicts of interest – Calculation Agent***

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders (including where a Dealer acts as a calculation agent), including with respect to certain determinations and judgements that such Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

### ***There is no active trading market for the Notes***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of Euronext Dublin, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

### ***The Notes may be redeemed by the Issuer prior to maturity***

Notes may be redeemable prior to maturity at the Issuer's option in certain circumstances, and an optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when their cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### ***Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes may bear interest at a rate that may convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

### ***Fixed Rate Notes***

Investment in Notes which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant tranche of Notes.

### ***Risks relating to Floating Rate Notes***

Investment in Notes which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Notes but there will be a periodic adjustment (as specified in the relevant Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Notes may be volatile if changes, particularly short-term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Notes upon the next periodic adjustment of the relevant reference rate. Should the reference rate be at any time negative, it could, notwithstanding the existence of the relevant margin, result in the actual floating rate be lower than the relevant margin.

***Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future.***

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmark Regulation or UK Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(m) (*Benchmark Discontinuation*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event (as defined in the Conditions) occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used.

This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser

(as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

***The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes***

The use of risk-free rates - including those such as the Sterling Overnight Index Average ("**SONIA**"), the Secured Overnight Financing Rate ("**SOFR**") and €STR, as reference rates for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference risk-free rates issued under this Programme. The Issuer may in the future also issue Notes referencing SONIA, the SONIA Compounded Index, SOFR, the SOFR Compounded Index or €STR that differ materially in terms of interest determination when

compared with any previous Notes issued by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. If the relevant risk-free rates do not prove to be widely used in securities like the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing indices that are more widely used.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR, €STR or any related indices.

***Risk-free rates may differ from LIBOR and other inter-bank offered rates in a number of material respects and have a limited history***

Risk-free rates may differ from The London Interbank Offered Rate ("**LIBOR**") and other inter-bank offered rates in a number of material respects. These include (without limitation) being backwards-looking, in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For

example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 11 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest Rate payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

***The administrator of SONIA, SOFR or €STR or any related indices may make changes that could change the value of SONIA, SOFR or €STR or any related index, or discontinue SONIA, SOFR or €STR or any related index***

The Bank of England, the Federal Reserve, Bank of New York or the European Central Bank (or their successors) as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index) or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR, or timing related to the publication of SONIA, SOFR or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

## INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. an English translation of the audited consolidated annual accounts (including the English translations of the auditors' report thereon and notes thereto) (pages 1-198 of the pdf) and pages 259-260 of the consolidated Directors' report of the Issuer (pages 556-557 of the pdf) in respect of the year ended 31 December 2022 (the "**2022 Consolidated Annual Accounts**");  
[https://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/06\\_junta\\_general\\_accionistas/2023/4%20Cuentas%20Consolidadas\\_ENG.pdf](https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/06_junta_general_accionistas/2023/4%20Cuentas%20Consolidadas_ENG.pdf)
2. an English translation of the audited consolidated annual accounts (including the English translations of the auditors' report thereon and notes thereto) (pages 1-207 of the pdf) and pages 234-235 of the consolidated Directors' report of the Issuer (pages 440-441 of the pdf) in respect of the year ended 31 December 2021 (the "**2021 Consolidated Annual Accounts**");  
[https://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/06\\_junta\\_general\\_accionistas/2022/4%20Cuentas%20Consolidadas\\_ENG.pdf](https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/06_junta_general_accionistas/2022/4%20Cuentas%20Consolidadas_ENG.pdf)
3. the 2022 Result Report and the 2022 Result Presentation are deemed to be incorporated in to, and form part of, this Base Prospectus. These documents are available on the issuer website, section Shareholders & Investors, Quarterly Results;  
[https://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/04\\_resultados\\_trimestrales/2022/ACS%20Results%20Report%202022.pdf](https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/04_resultados_trimestrales/2022/ACS%20Results%20Report%202022.pdf)  
[https://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/04\\_resultados\\_trimestrales/2022/ACS%20Results%20Presentation%202022.pdf](https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/04_resultados_trimestrales/2022/ACS%20Results%20Presentation%202022.pdf)
4. the Terms and Conditions of the Notes as set out on pages 34-72 of the Base Prospectus dated 9 May 2022 relating to the Programme (the "**2022 Conditions**");  
[https://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/10bis%20Bonos%20015/ACS%20EMTN%202022%20Update%20-%20Base%20Prospectus%20%28Final%20Version%29.pdf](https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/10bis%20Bonos%20015/ACS%20EMTN%202022%20Update%20-%20Base%20Prospectus%20%28Final%20Version%29.pdf)
5. the Terms and Conditions of the Notes as set out on pages 31-59 of the Base Prospectus dated 6 May 2021 relating to the Programme (the "**2021 Conditions**");  
[https://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/10bis%20Bonos%20015/ACS%20EMTN%202021%20Update%20-%20Base%20Prospectus%20%28Final%20Version%29%20265636-260250194-46%20v0.2.pdf](https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/10bis%20Bonos%20015/ACS%20EMTN%202021%20Update%20-%20Base%20Prospectus%20%28Final%20Version%29%20265636-260250194-46%20v0.2.pdf)
6. the Terms and Conditions of the Notes as set out on pages 30-58 of the Base Prospectus dated 15 May 2020 relating to the Programme (the "**2020 Conditions**");  
[https://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/10bis%20Bonos%20015/Base%20Prospectus%20ACS%20%28Approval%29%20.pdf](https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/10bis%20Bonos%20015/Base%20Prospectus%20ACS%20%28Approval%29%20.pdf)
7. the Terms and Conditions of the Notes as set out on pages 31-57 of the Base Prospectus dated 9 May 2019 relating to the Programme (the "**2019 Conditions**");  
[https://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/10bis%20Bonos%20015/Octubre\\_2017\\_todos/ACS%20EMTN%20Update%202019%20Base%20Prospectus%20%28Approval%20version%29%20237809-3-32%20v0.4.pdf](https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/10bis%20Bonos%20015/Octubre_2017_todos/ACS%20EMTN%20Update%202019%20Base%20Prospectus%20%28Approval%20version%29%20237809-3-32%20v0.4.pdf)
8. the Terms and Conditions of the Notes as set out on pages 30-54 of the Base Prospectus dated 4 May 2018 relating to the Programme (the "**2018 Conditions**");  
[https://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/10bis%20Bonos%20015/Octubre\\_2017\\_todos/ACS%20EMTN%20Update%202018%20%E2%80%93%20Base%20Prospectus%20NEW%20FINAL%20FOR%20APPROVAL%20.pdf](https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/10bis%20Bonos%20015/Octubre_2017_todos/ACS%20EMTN%20Update%202018%20%E2%80%93%20Base%20Prospectus%20NEW%20FINAL%20FOR%20APPROVAL%20.pdf)



9. the Terms and Conditions of the Notes as set out on pages 26-49 of the Base Prospectus dated 9 May 2017 relating to the Programme (the "**2017 Conditions**");  
[https://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/10bis%20Bonos%202015/Octubre\\_2017\\_todos/2\\_1\\_Programa%20EMTN\\_folleto%20informativo\\_julio\\_2014.pdf](https://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/10bis%20Bonos%202015/Octubre_2017_todos/2_1_Programa%20EMTN_folleto%20informativo_julio_2014.pdf)
  10. the Terms and Conditions of the Notes as set out on pages 26-48 of the Base Prospectus dated 9 May 2016 relating to the Programme (the "**2016 Conditions**");  
[http://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/10bis%20Bonos%202015/acs\\_emtn\\_update\\_2016\\_-\\_programme\\_base\\_prospectus.pdf](http://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/10bis%20Bonos%202015/acs_emtn_update_2016_-_programme_base_prospectus.pdf)
  11. the Terms and Conditions of the Notes as set out on pages 26-48 of the Base Prospectus dated 21 July 2015 relating to the Programme (the "**2015 Conditions**");  
[http://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/10bis%20Bonos%202015/acs\\_emtn\\_update\\_2015\\_-\\_programme\\_base\\_prospectus.pdf](http://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/10bis%20Bonos%202015/acs_emtn_update_2015_-_programme_base_prospectus.pdf)
- ; and
12. the Terms and Conditions of the Notes as set out on pages 26-48 of the Base Prospectus dated 1 July 2014 relating to the Programme (the "**2014 Conditions**").  
[http://www.grupoacs.com/ficheros\\_editor/File/03\\_accionistas\\_inversores/10bis%20Bonos%202015/acs\\_emtn\\_programme\\_base\\_prospectus\\_final\\_version.pdf](http://www.grupoacs.com/ficheros_editor/File/03_accionistas_inversores/10bis%20Bonos%202015/acs_emtn_programme_base_prospectus_final_version.pdf)

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at the registered office of the Issuer and have been filed with Euronext Dublin. Any information contained in or documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on any website included in this Base Prospectus does not form part of this Base Prospectus. Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

### **Supplements**

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to supersede statements contained in this Base Prospectus (or any earlier supplement) or in a document which is incorporated by reference in this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

## FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the Issuer and the relevant Notes or (2) by a registration document (the "**Registration Document**") containing the necessary information relating to the Issuer, a securities note (the "**Securities Note**") containing the necessary information relating to the relevant Notes and, if necessary, a summary note.

## FORMS OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking SA, Luxembourg ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### **Temporary Global Note exchangeable for Permanent Global Notes**

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership provided, however, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global

Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**") if either of the following events occurs:

- (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- (b) any of the circumstances described in Condition 11 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

#### **Temporary Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as

to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

#### **Permanent Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes if either of the following events occurs:

- (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
- (b) any of the circumstances described in Condition 11 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

### **Rights under Deed of Covenant**

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

### **Legend concerning United States persons**

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

*"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."*

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may complete any information in this Base Prospectus.*

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.*

### 1. Introduction

- (a) *Programme:* ACS, Actividades de Construcción y Servicios, S.A. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €1,500,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms.
- (c) *Agency Agreement:* The Notes are the subject of an amended and restated issue and paying agency agreement dated 9 May 2023 (the "**Agency Agreement**") between the Issuer, Société Générale Luxembourg as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (d) *Deed of Covenant:* The Notes have the benefit of a deed of covenant dated 9 May 2022 executed and delivered by the Issuer in relation to the Notes (the "**Deed of Covenant**").
- (e) *The Notes:* All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

### 2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:
  - "**2006 ISDA Definitions**" means, in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series) as published by ISDA (copies of which may be obtained from ISDA at [www.isda.org](http://www.isda.org));
  - "**2021 ISDA Definitions**" means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Notes of such Series, as published by ISDA on its website ([www.isda.org](http://www.isda.org));
  - "**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

**"Additional Financial Centre(s)"** means the city or cities specified as such in the relevant Final Terms;

**"Business Day"** means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and
- (c) in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Final Terms, any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

**"Business Day Convention"**, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day save in respect of Notes for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;



**"Calculation Agent"** means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

**"Calculation Amount"** has the meaning given in the relevant Final Terms;

**"Coupon Sheet"** means, in respect of a Note, a coupon sheet relating to the Note;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
- (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
  - (iii) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
  - (iv) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
  - (v) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
  - (vi) if **"30/360"** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

**"Y<sub>1</sub>"** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**"Y<sub>2</sub>"** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**"M<sub>1</sub>"** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30";

- (vii) if "30E/360" or "Eurobond Basis" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

if "30E/360 (ISDA)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified in the relevant Final Terms;

"**Early Termination Amount**" means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified under "Redemption Amount" in the relevant Final Terms, or as determined in accordance with these Conditions;

"**Equity**" means the share capital subscribed and paid in, plus issue premiums, plus reserves, plus translation differences, plus net profit and loss, plus the figure for minority interests, less interim dividends paid during the year, calculated by reference to the most recent publicly available audited consolidated financial statements of the Issuer;

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (as at the date of the Base Prospectus, Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any person which takes over administration of that rate);

"**Exchangeable Bonds**" means Relevant Indebtedness that confers on the holder the right (the "**Exchangeable Bond Right**") to exchange such Relevant Indebtedness for, or convert such Relevant Indebtedness into, or otherwise purchase, subscribe or acquire, any Exchange Securities and/or receive a cash payment determined by reference to the market value of such Exchange Securities and where the relevant Security Interest is limited (directly or indirectly and whether by a Security Interest in respect of any rights under a call option or similar arrangement or stock lending or similar arrangement) to:

- (a) one time the maximum number of such Exchange Securities that would be required to be delivered to holders on exercise of the Exchangeable Bond Right (or by reference to which any such cash payment is to be calculated), any rights or entitlements (including in respect of dividends or distributions) in respect of such Exchange Securities and rights as against any custodian or similar entity in respect thereof; and/or
- (b) rights as against any paying agent or similar entity in respect of the Exchangeable Bonds over or in respect of amounts held by such agent or other entity for payment in respect of the Exchangeable Bonds; and/or
- (c) the shares in the capital of any special purpose financing vehicle which issues the Exchangeable Bonds; and/or
- (d) such other assets or rights as may be determined by the relevant trustee, *comisario* or such other person responsible for making such determinations in accordance with the terms and conditions of the Exchangeable Bonds;

"**Exchange Securities**" means for the purposes of the definition of Exchangeable Bonds, any shares of any company (excluding shares of the Issuer itself), and shall include any depositary or other receipts or certificates representing any such shares of such company;

"**Final Redemption Amount**" means, in respect of any Note (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified in the relevant Final Terms;

**"First Interest Payment Date"** means the date specified in the relevant Final Terms;

**"Fixed Coupon Amount"** has the meaning given in the relevant Final Terms;

**"Guarantee"** means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

**"Hochtief Group"** means Hochtief Aktiengesellschaft and its consolidated Subsidiaries;

**"Indebtedness"** means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

**"Interest Amount"** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**"Interest Commencement Date"** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**"Interest Determination Date"** has the meaning given in the relevant Final Terms;

**"Interest Payment Date"** means the First Interest Payment Date and any other date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date (or, if the Notes are redeemed on any earlier date, the relevant redemption date);

"**ISDA**" means the International Swaps and Derivatives Association, Inc. (or any successor);

"**ISDA Definitions**" has the meaning given in the relevant Final Terms;

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Material Subsidiary**" means, at any relevant time, a Subsidiary of the Issuer (other than the Hochtief Group):

- (a) whose total assets or gross revenues (or, where the Subsidiary in question is obliged by applicable law to prepare consolidated accounts, whose total consolidated assets or gross consolidated revenues) at any relevant time represent no less than 10 per cent. of the total consolidated assets or gross consolidated revenues, respectively, of the Issuer and its Subsidiaries, as calculated by reference to the then latest consolidated audited annual accounts or consolidated semi-annual reports of the Issuer and the latest annual accounts or semi-annual reports of each relevant Subsidiary (consolidated or, as the case may be, unconsolidated) prepared in accordance with International Financial Reporting Standards, provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest consolidated audited annual accounts or consolidated semi-annual reports of the Issuer relate, then for the purpose of applying each of the foregoing tests, the reference to the Issuer's latest consolidated audited annual accounts or consolidated semi-annual reports shall be deemed to be a reference to such accounts or reports as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors of the Issuer for the time being after consultations with the Issuer; or
- (b) to which is transferred all or substantially all of the assets and undertaking of a Subsidiary which, immediately prior to such transfer, is a Material Subsidiary.

"**Margin**" has the meaning given in the relevant Final Terms;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or its Make-Whole Redemption Amount, as may be specified in the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, (i) its principal amount or (ii) such percentage of its principal amount (expressed as an amount per Calculation Amount) as may be specified in the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Ordinary Course of Business**" means (i) construction of all types of public and private works and all types of industrial, commercial and financial activities and operations directly or indirectly related to said construction work; (ii) the development, construction, restoration, and sale of urban development works and all types of buildings destined for industrial, commercial or residential use on a proprietary or non-proprietary basis; (iii) the execution of all types of study, advising, technical assistance and, in general, all kinds of services relating to construction and the real estate business; (iv) maintenance and upkeep of works and installations and the execution of urban, industrial, energy, logistics, port and passenger transport services; (v) the activities carried on by the company Xfera Móviles, S.A.; (vi) the promotion, development, construction and operation of infrastructure and service concessions; and (vii) any other activity contemplated by the constitutive documents of the Issuer or relevant Material Subsidiary from time to time;

"**Participating Member State**" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

**"Payment Business Day"** means:

- (a) if the currency of payment is euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**"Permitted Security Interest"** means:

- (a) any Security Interest in existence on the Issue Date to the extent that it secures Indebtedness outstanding on such date;
- (b) any Security Interest arising by operation of law or in the Ordinary Course of Business of the Issuer or any of its Material Subsidiaries which does not materially impair the operation of the relevant business;
- (c) any Security Interest to secure Project Finance Debt;
- (d) any Security Interest over or affecting any Exchangeable Bonds; and
- (e) any Security Interest that does not fall within paragraphs (a), (b), (c) or (d) above and that secures Indebtedness which, when aggregated with Indebtedness secured by all other Security Interests permitted under this paragraph, does not exceed 10 per cent. of the Equity of the Issuer (or its equivalent in other currencies);

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Project Finance Assets"** means the assets (including, for the avoidance of doubt, shares (or other interests)) of a Project Finance Entity;

**"Project Finance Entity"** means any entity in which the Issuer or any of its Subsidiaries holds an interest whose only assets and business are constituted by: (i) the ownership, creation, development, construction, improvement, exploitation or operation of one or more of such entity's assets, or (ii) shares (or other interests) in the capital of other entities that satisfy limb (i) of this definition;

**"Project Finance Debt"** means any Relevant Indebtedness:

- (a) incurred by a Project Finance Entity in respect of the activities of such entity or another Project Finance Entity in which it holds shares (or other interests); or
- (b) any Subsidiary formed exclusively for the purpose of financing a Project Finance Entity,

where, in each case, the holders of such Relevant Indebtedness have no recourse against the Issuer or any of its Subsidiaries (or its or their respective assets), except for recourse to (y) the Project Finance Assets of such Project Finance Entities; and (z) in the case of (b) above only, the Subsidiary incurring such Relevant Indebtedness;

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Rate"** means EURIBOR, SONIA, SOFR or €STR as specified in the relevant Final Terms (where relevant, in respect of the currency and period specified in the relevant Final Terms);

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**"Relevant Financial Centre"** has the meaning given in the relevant Final Terms;

**"Relevant Indebtedness"** means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any listing authority, stock exchange or quotation system in respect of negotiable securities (including, without limitation, any over-the-counter securities market); and

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**"Relevant Time"** has the meaning given in the relevant Final Terms;

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

**"Specified Currency"** has the meaning given in the relevant Final Terms;

**"Specified Denomination(s)"** has the meaning given in the relevant Final Terms;

**"Specified Office"** has the meaning given in the Agency Agreement;

**"Specified Period"** has the meaning given in the relevant Final Terms;

**"Subsidiary"** means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (a) 50 per cent or more of the Voting Rights of which is at the relevant time directly or indirectly owned or controlled by the first Person; or
- (b) whose affairs and policies at such time the first Person controls or has the power to control, whether by ownership of Voting Rights, share capital, contract, the power to appoint and remove the majority members of the board of directors or others governing body or otherwise; or
- (c) whose financial statements are at such time, in accordance with applicable law and generally accepted accounting principles, consolidated with the first Person's financial statements;

**"Talon"** means a talon for further Coupons;

**"T2"** means the real time gross settlement system operated by the Eurosystem, or any successor system;

**"TARGET Settlement Day"** means any day on which T2 is open for the settlement of payments in euro;

**"Treaty"** means the Treaty establishing the European Union, as amended; and

**"Voting Rights"** means the right generally to vote at a general meeting of shareholders of the relevant entity (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency) or to elect the majority of the members of the board of directors or other governing body of the relevant entity.

(b) *Interpretation:* In these Conditions:

- (i) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (ii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;



- (iii) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 10 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (iv) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (v) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vi) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (vii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

### 3. **Form, Denomination and Title**

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

### 4. **Status**

The Notes constitute direct, general, unconditional, unsubordinated and (subject to Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and in the event of insolvency (*concurso*) of the Issuer (unless they qualify as subordinated debts under Article 281 of the restated text of the Spanish Insolvency Law, approved by Royal Legislative Decree 1/2020, of 5 May (*texto refundido de la Ley Concursal, aprobado por el Real Decreto Legislativo 1/2020, de 5 de mayo*) (the "**Spanish Insolvency Law**") or equivalent legal provision which replaces it in the future and subject to any legal and statutory exceptions) will rank *pari passu* without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future.

*In the event of insolvency (concurso) of the Issuer, under the Spanish Insolvency Law, claims relating to the Notes (which are not subordinated pursuant to article 281 of the Spanish Insolvency Law) will be ordinary credits (créditos ordinarios) as defined in the Spanish Insolvency Law. Ordinary credits rank below credits against the insolvency estate (créditos contra la masa) and credits with a privilege (créditos privilegiados). Ordinary credits rank above subordinated credits and the rights of shareholders.*

*Accrued and unpaid interest due in respect of the Notes at the commencement of an insolvency proceeding (concurso) of the Issuer will qualify as subordinated credits. Accrual of interest on the Notes shall be suspended as from the date of any declaration of insolvency (concurso) in relation to the Issuer.*

### 5. **Negative Pledge**

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that none of its Material Subsidiaries (other than the Hochtief Group) will, create or permit to subsist any Security Interest (other than a Permitted Security Interest) upon the whole or any part of its present

or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

## 6. Fixed Rate Note Provisions

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

## 7. Floating Rate Note Provisions

- (a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be (other than in respect of Notes for which SONIA, SOFR and/or €STR or any related index is specified as the Reference Rate in the relevant Final Terms) determined by the Calculation Agent on the following basis:
  - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

- (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
  - (A) one rate shall be determined as if the relevant period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (B) the other rate shall be determined as if the relevant period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

***provided, however, that*** if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean of such quotations; and
- (v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; ***provided, however, that*** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

- (A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (B) the Designated Maturity (as defined in the ISDA Definitions), if applicable, is a period specified in the relevant Final Terms;
- (C) the relevant Reset Date (as defined in the ISDA Definitions) unless otherwise specified in the relevant Final Terms, has the meaning given to it in the ISDA Definitions; and
- (D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
  - (1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

*provided, however, that* if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

- (E) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Compounding is specified to be applicable in the relevant Final Terms and:
  - (1) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms;
  - (2) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or
  - (3) if Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;
- (F) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Averaging is specified to be applicable in the relevant Final Terms and:
  - (1) if Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of

Applicable Business Days (as defined in the ISDA Definitions) specified in relevant Final Terms;

- (2) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Overnight Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Final Terms; or
  - (3) if Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and
- (G) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift (as defined in the ISDA Definitions) shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms;
- (ii) references in the ISDA Definitions to:
    - (A) "**Confirmation**" shall be references to the relevant Final Terms;
    - (B) "**Calculation Period**" shall be references to the relevant Interest Period;
    - (C) "**Termination Date**" shall be references to the Maturity Date; and
    - (D) "**Effective Date**" shall be references to the Interest Commencement Date.
  - (iii) If the Final Terms specify "2021 ISDA Definitions" as being applicable:
    - (A) "**Administrator/Benchmark Event**" shall be disappplied; and
    - (B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".
- (e) *Interest – Floating Rate Notes referencing SONIA (Screen Rate Determination)*
- (i) This Condition 7(e) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Final Terms as being "SONIA".
  - (ii) Where "SONIA" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.

(iii) For the purposes of this Condition 7(e):

"**Compounded Daily SONIA**", with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

"**d**" means the number of calendar days in:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**d<sub>o</sub>**" means the number of London Banking Days in:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**i**" means a series of whole numbers from one to **d<sub>o</sub>**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last London Banking Day in such period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling **p** London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling **p** London Banking Days prior to such earlier date, if any, on which the Notes are due and payable).

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n<sub>i</sub>**" for any London Banking Day "**i**", in the relevant Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day "**i**" up to, but excluding, the following London Banking Day;

"**Observation Period**" means, in respect of an Interest Period, the period from, and including, the date falling "**p**" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "**p**" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "**p**" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"p" for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or if no such period is specified, five London Banking Days;

"**SONIA Reference Rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"**SONIA<sub>i</sub>**" means the SONIA Reference Rate for:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the London Banking Day falling "p " London Banking Days prior to the relevant London Banking Day "i"; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant London Banking Day "i".

*For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.*

- (iv) If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), the Calculation Bank determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to Condition 7(m) (*Benchmark Discontinuation*), be:
  - (A) the sum of (A) the Bank of England's Bank Rate (the "Bank Rate") prevailing at close of business on the relevant London Banking Day and (B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
  - (B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, (a) the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors), or (b) if this is more recent, the latest determined rate under (A).
- (v) Subject to Condition 7(m) (*Benchmark Discontinuation*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(e), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(f) *Interest – Floating Rate Notes referencing SOFR (Screen Rate Determination)*

- (i) This Condition 7(f) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Final Terms as being "SOFR".
- (ii) Where "SOFR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (iii) For the purposes of this Condition 7(f):

"**Benchmark**" means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 7(f).

*Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.*

*If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 7(f)(iv) below will apply.*

"**Business Day**" means any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

"**Compounded SOFR**" with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

"**d**" is the number of calendar days in:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

"**d<sub>o</sub>**" is the number of U.S. Government Securities Business Days in:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.



"**i**" is a series of whole numbers from one to  $d_0$ , each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period,

to and including the last US Government Securities Business Day in such period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling "**p**" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "**p**" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes are due and payable);

"**n<sub>i</sub>**" for any U.S. Government Securities Business Day "**i**" in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "**i**" to, but excluding, the following U.S. Government Securities Business Day ("**i+1**");

"**Observation Period**" in respect of an Interest Period means the period from, and including, the date falling "**p**" U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "**p**" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling "**p**" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or if no such period is specified, five U.S. Government Securities Business Days;

"**SOFR**" with respect to any U.S. Government Securities Business Day, means:

- (a) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or
- (b) Subject to Condition 7(f)(iv) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFR<sub>i</sub>**" means the SOFR for:

- (a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling "**p**" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "**i**"; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant U.S. Government Securities Business Day "**i**"; and

**"U.S. Government Securities Business Day"** means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (iv) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (a) will be conclusive and binding absent manifest error;
- (b) will be made in the sole discretion of the Issuer; and
- (c) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

**"Benchmark"** means, initially, Compounded SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

**"Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

- (a) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;
- (b) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or
- (c) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (B) the Benchmark Replacement Adjustment;

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the issuer or its designee as of the Benchmark Replacement Date:

- (a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (b) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

- (c) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (a) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (b) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (a) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

**"ISDA Fallback Adjustment"** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**"Reference Time"** with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

**"Unadjusted Benchmark Replacement"** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (v) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 7(f)(iv) above will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 17 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 7(f) and
  - (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.
- (vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(f), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(g) *Interest – Floating Rate Notes referencing €STR (Screen Rate Determination)*

- (i) This Condition 7(g) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination

is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Final Terms as being "€STR".

- (ii) Where "€STR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.
- (iii) For the purposes of this Condition 7(g):

"**Compounded Daily €STR**" means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{€STR}_i \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

"**d**" means the number of calendar days in:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**D**" means the number specified as such in the relevant Final Terms (or, if no such number is specified, 360);

"**d<sub>0</sub>**" means the number of TARGET Settlement Days in:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

the "**€STR reference rate**", in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate ("**€STR**") for such TARGET Settlement Day as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

"**€STR<sub>i</sub>**" means the €STR reference rate for:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or

- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant TARGET Settlement Day "i".

"i" is a series of whole numbers from one to "d<sub>0</sub>", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

- (a) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or
- (b) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

**"Interest Determination Date"** means, in respect of any Interest Period, the date falling "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Notes are due and payable);

**"n<sub>i</sub>"** for any TARGET Settlement Day "i" in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day "i" up to (but excluding) the following TARGET Settlement Day;

**"Observation Period"** means, in respect of any Interest Period, the period from (and including) the date falling "p" TARGET Settlement Days prior to the first day of the relevant Interest Period (and the final Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "p" TARGET Settlement Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Notes become due and payable; and

**"p"** for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or, if no such period is specified, five TARGET Business Days.

- (iv) Subject to Condition 7(n) (*Benchmark Discontinuation*)), if, where any Rate of Interest is to be calculated pursuant to Condition 7(g)(ii) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the European Central Bank on its website, as determined by the Calculation Agent.
- (v) Subject to Condition 7(n) (*Benchmark Discontinuation*)), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(g)(v), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(h) *Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*

This Condition 7(h) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and "Index Determination" is specified in the relevant Final Terms as being applicable.

Where "Index Determination" is specified in the relevant Final Terms as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\frac{(\text{Compounded Index End}}{\text{Compounded Index Start}} - 1) \times \frac{\text{Numerator}}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

"**Compounded Index**" shall mean either the SONIA Compounded Index or the SOFR Compounded Index, as specified in the relevant Final Terms;

"**d**" is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

"**End**" means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"**Index Days**" means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

"**Numerator**" means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

"**Relevant Decimal Place**" shall, unless otherwise specified in the Final Terms, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index, in each case rounded up or down, if necessary (with 0.000005 or, as the case may be, 0.0000005 being rounded upwards);

"**Relevant Number**" is as specified in the applicable Final Terms, but, unless otherwise specified shall be five;

"**SONIA Compounded Index**" means the Compounded Daily SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

"**SOFR Compounded Index**" means the Compounded Daily SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source; and

"**Start**" means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

Provided that a Benchmark Event has not occurred in respect of the relevant Compounded Index, if, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Final Terms and as if Compounded Daily SONIA or Compounded Daily SOFR (as defined in Condition 7(e) or Condition 7(f), as applicable) had been specified instead in the Final Terms, and in each case "Observation Shift" had been specified as the Observation Method in the relevant Final Terms, and where the Observation Shift Period for the purposes of that definition in

Condition 7(e) or Condition 7(f) (as applicable) shall be deemed to be the same as the Relevant Number specified in the Final Terms and where, in the case of Compounded Daily SONIA, the Relevant Screen Page will be determined by the Issuer. For the avoidance of doubt, if a Benchmark Event has occurred in respect of the relevant Compounded Index, the provisions of Condition 7(m) (*Benchmark Discontinuation*) shall apply.

- (i) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (j) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (k) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (l) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (m) *Benchmark Discontinuation:* Other than in the case of a U.S. dollar-denominated floating rate Note for which the Reference rate is specified in the relevant Final Terms as being "SOFR", if a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with this Condition 7(m)) and, in either case, an Adjustment Spread, if any (in accordance with this Condition 7(m)) and any Benchmark Amendments (in accordance with this Condition 7(m)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, or the Noteholders for any determination made by it pursuant to this Condition 7(m).

If (i) the Issuer is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(m) prior to the relevant Interest Determination Date, the Reference Rate applicable to the immediate following Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest



Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Interest Period. For the avoidance of doubt, any adjustment pursuant to this Condition 7(m) (*Benchmark Discontinuation*) shall apply to the immediately following Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 7(m).

If the Independent Adviser and the Issuer agree that:

- (A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in this Condition 7(m)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(m) in the event of a further Benchmark Event affecting the Successor Rate; or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(m)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 7(m) in the event of a further Benchmark Event affecting the Alternative Rate.

If the Independent Adviser and the Issuer agree (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(m) and the Independent Adviser and the Issuer agree (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 7(m), without any requirement for the consent or approval of relevant Noteholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(m)).

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(m) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 17 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

- (A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(m); and
- (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith

in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, the Fiscal Agent, the Calculation Agent, the other Paying Agents and the Noteholders.

As used in this Condition 7(m):

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or
- (C) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

**"Alternative Rate"** means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 7(m) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

**"Benchmark Amendments"** has the meaning given to it in Condition 7(m).

**"Benchmark Event"** means:

- (i) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (ii) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or
- (iii) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (v) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, such Reference Rate is or will, by a

specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market; or

- (vi) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmark Regulation, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii), (iv) or (v) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date.

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense under Condition 7(m).

**"Relevant Nominating Body"** means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**"Successor Rate"** means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

## 8. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 9 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Spain or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and

- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised international standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 8(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 8(b).

- (c) *Par redemption at the option of the Issuer:* If the Par Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at their principal amount on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at their principal amount plus accrued interest (if any) to such date).
- (d) *Make-Whole redemption at the option of the Issuer:* If the Make-Whole Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at their Make-Whole Redemption Amount on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at their Make-Whole Redemption Amount plus accrued interest (if any) to such date).

The "**Make-Whole Redemption Amount**" will be the higher of:

- (i) the principal amount of the Notes; and
- (ii) the product of the principal amount of the Notes and the price, expressed as a percentage of the principal amount of the Notes (rounded to four decimal places with 0.00005 being rounded upwards), at which the then current yield on the Notes on the Reference Date would be equal to the current yield (determined by reference to the middle market price) at the Reference Time on the Reference Date of the relevant Benchmark Security plus the Make-Whole Margin, as determined by the Calculation Agent,

provided however that, if the Optional Redemption Date (Call) occurs on or after the Par Redemption Date (if specified in the relevant Final Terms), the Make-Whole Redemption Amount will be the principal amount of the Notes.

The "**Benchmark Security**", the "**Reference Time**", the "**Make Whole Margin**" and the "**Par Redemption Date**" will be specified in the relevant Final Terms, provided however that, if "Linear Interpolation" is specified as applicable in the relevant Final Terms, the current yield of the

Benchmark Security shall be determined by linear interpolation (calculated to the nearest one twelfth of a year) of the yield of the two Benchmark Securities specified in the Final Terms.

The "**Reference Date**" means the date which is the third London Business Day prior to the date fixed for redemption.

- (e) *Partial redemption*: If the Notes are to be redeemed in part only on any date in accordance with Condition 8(c) (*Par redemption at the option of the Issuer*) or Condition 8(d) (*Make-Whole redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 8(c) (*Redemption at the option of the Issuer*) or Condition 8(d) (*Make-Whole redemption at the option of the Issuer*), as the case may be, shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Redemption at the option of Noteholders (Investor Put)*: If the Investor Put is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 8(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 8(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 8(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (g) *Redemption or Purchase at the option of the Noteholders on a Put Event (Change of Control Put)*: If the Change of Control Put is specified in the relevant Final Terms as being applicable, and if at any time while any Note remains outstanding a Change of Control occurs (a "**Put Event**"), each holder of the Notes shall have the option (unless, before the giving of the Put Event Notice (as defined below), the Issuer shall have given notice under Condition 8(b) (*Redemption for tax reasons*) to redeem the Notes) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) any of its Notes at their principal amount together with (or, where purchased, together with an amount equal to) interest accrued to but excluding the Put Date (as defined below). Such option (the "**Put Option**") shall operate as set out below.

If a Put Event occurs then, within 14 days of the occurrence of the Put Event, the Issuer shall give notice (a "**Put Event Notice**") to the Noteholders in accordance with Condition 17 (*Notices*) specifying the nature of the Put Event and the procedure for exercising the Put Option.

In order to exercise the Put Option, the holder of a Note must, during the period commencing on the occurrence of a Put Event and ending 60 days after such occurrence or, if later, 60 days after the date on which the Put Event Notice is given to Noteholders as required by this Condition 8(f) (the "**Put Period**"), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put

Option Notice in accordance with this Condition 8(f), may be withdrawn; provided, however, that if, prior to the relevant Put Date, any such Note becomes immediately due and payable or payment of the redemption moneys is improperly withheld or refused on the Put Date, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 8(f), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

The Issuer shall at its option redeem or purchase (or procure the purchase of) the Notes the subject of each Put Option Notice given under this Condition 8(f) on the date (the "**Put Date**") which is seven days after the expiration of the Put Period unless previously redeemed or purchased and cancelled.

For the purposes of this Condition 8(f):

A "**Change of Control**" shall have occurred if one or more individuals or legal entities, acting individually or in concert, acquires control of the Issuer; and for the purposes of these Conditions "**control**" shall mean (i) the acquisition or control of more than 50 per cent. of the voting rights or (ii) the right to appoint and/or remove all or the majority of the members of the board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise and "**controlled**" shall be construed accordingly. For the avoidance of doubt, any agreement or action in concert by two or more Existing Shareholders of the Issuer that does not give rise to a mandatory Takeover Bid under Spanish law shall not be, or be deemed to be, a Change of Control except when any such parties have previously launched a Takeover Bid but in doing so acquired (combined with their existing stake) less than 50 per cent. of the voting rights;

"**Existing Shareholders**" means the shareholders who appear as significant shareholders of the Issuer in the registry of significant shareholders of the *Comisión Nacional del Mercado de Valores* on the Issue Date of the relevant Series of Notes; and

"**Takeover Bid**" means any offer by one or more persons to acquire all of the issued and outstanding share capital of the Issuer.

- (h) *Redemption following a Substantial Purchase Event*: If a Substantial Purchase Event (as defined below) is specified in the relevant Final Terms as being applicable and a Substantial Purchase Event has occurred, then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 17, redeem or purchase (or procure the purchase of), at its option, the Notes comprising the relevant Series in whole, but not in part, in accordance with these Conditions at any time, in each case at their principal amount, together with any accrued and unpaid interest up to (but excluding) the date of redemption or purchase.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

A "**Substantial Purchase Event**" shall be deemed to have occurred if at least 85 per cent. of the aggregate principal amount of the Notes of the relevant Series originally issued (which for these purposes shall include any further Notes of the same Series issued subsequently) is purchased by the Issuer or any of its Subsidiaries in accordance with Condition 8(j) (and in each case is cancelled in accordance with Condition 8(k)).

- (i) *Residual Maturity Call Option*: If a Residual Maturity Call Option is specified in the relevant Final Terms as being applicable, the Issuer may, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 17 (which notice shall specify the date fixed for redemption (the "**Residual Maturity Call Option Redemption Date**")), redeem the Notes comprising the relevant Series, in whole but not in part, at their principal amount together with any accrued and unpaid interest up to (but excluding) the date fixed for redemption, which shall be no earlier than (i) three months before the Maturity Date in respect of Notes having a maturity of not

more than 10 years or (ii) six months before the Maturity Date in respect of Notes having a maturity of more than ten years.

For the purpose of the preceding paragraph, the maturity of not more than ten years or the maturity of more than ten years shall be determined as from the Issue Date of the first Tranche of the relevant Series of Notes.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

- (j) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (h) above.
- (k) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (l) *Cancellation:* All Notes so redeemed or purchased shall be cancelled and may not be reissued or resold.

## 9. **Payments**

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law without involving, in the opinion of the Issuer, any adverse tax consequences to the Issuer.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10 (*Taxation*)) any law implementing an intergovernmental approach thereto.

No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
  - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such

missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void*: If the relevant Final Terms specifies that this Condition 9(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 8(b) (*Redemption for tax reasons*), Condition 8(c) (*Redemption at the option of the Issuer*), Condition 8(d) (*Make-Whole redemption at the option of the Issuer*), Condition 8(f) (*Redemption at the option of Noteholders (Investor Put)*), Condition 8(g) (*Redemption or Purchase at the option of the Noteholders on a Put Event (Change of Control Put)*), Condition 8(h) (*Redemption following a Substantial Purchase Event*), Condition 8(i) (*Residual Maturity Call Option*) or Condition 11 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days*: If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 12 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.



10. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Spain or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
- (i) by or on behalf of a holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
  - (ii) to, or to a third party on behalf of, a holder who could have been able to avoid such deduction or withholding by presenting a certificate of tax residence and/or such other document evidencing its tax residence required by the competent tax authorities or in relation to whom the Issuer does not receive any relevant information about the Notes (including due to any failure by the Fiscal Agent to provide the information required by Royal Decree 1065/2007) as may be required in order to comply with Spanish tax disclosure obligations applicable at that time; or
  - (iii) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

Notwithstanding anything to the contrary in this Condition, none of the Issuer, any paying agent or any other person shall be required to pay any additional amounts with respect to any withholding or deduction imposed on or in respect of any Note pursuant to Section 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended ("FATCA"), any treaty, law, regulation or other official guidance implementing FATCA, or any agreement between the Issuer, a paying agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA.

- (b) *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Kingdom of Spain, references in these Conditions to the Kingdom of Spain shall be construed as references to the Kingdom of Spain and/or such other jurisdiction.

11. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes within 7 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 14 days of the due date for payment thereof; or
- (b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or
- (c) *Cross-default of Issuer:*
  - (i) any Indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;

- (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described);
- (iii) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

**provided that** the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above have occurred equals or exceeds €25,000,000 (or its equivalent in any other currency or currencies); or

- (d) *Insolvency etc:* (i) the Issuer or any of its Material Subsidiaries is insolvent or bankrupt or unable to pay its debts, or is declared or a voluntary request has been submitted to a relevant court for the declaration of insolvency or bankruptcy, (ii) an administrator or liquidator of the Issuer or of the whole or any part of the undertaking, assets and revenues of the Issuer is appointed (or application for any such appointment is made), or (iii) the Issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any guarantee of any Indebtedness given by it; or
- (e) *Winding up etc:* an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries, or the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Noteholders; or
- (f) *Distress:* a distress, attachment, execution or other legal process for an amount equal to or in excess of €25,000,000 (or its equivalent in any other currency or currencies) is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any of its Material Subsidiaries and is not discharged or stayed within 30 days; or
- (g) *Enforcement of charges:* any mortgage, charge, pledge, lien or other encumbrance present or future securing an amount equal to or in excess of €25,000,000 (or its equivalent in any other currency or currencies), created or assumed by the Issuer or any of its Material Subsidiaries becomes enforceable or any step is taken to enforce it (including by the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person); or
- (h) *Suspension:* the Issuer or any of its Material Subsidiaries stops, suspends or threatens publicly to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries; or
- (i) *Illegality:* it is or becomes unlawful for the Issuer to perform or comply with any one or more of its obligations under or in respect of any of the Notes; or
- (j) *Analogous event:* any event occurs which under the laws of the Kingdom of Spain has a similar effect to any of the events referred to in the foregoing paragraphs of this Condition 11,

then any Noteholder of the relevant Series in respect of such Notes may, by written notice to the Issuer, declare that such Notes or Note (as the case may be) and (if the Notes or Note are or is interest-bearing) all interest then accrued but unpaid on such Notes or Note (as the case may be) shall be forthwith due and payable, whereupon the same shall (to the extent permitted by applicable Spanish law) become immediately due and payable at its Early Termination Amount, together with all interest accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary.

*The Spanish Insolvency Law provides, among other things, that: (i) any claim may become subordinated if it is not reported to the insolvency administrators (administradores concursales)*

*within one month from the last official publication of the court order declaring the insolvency (if the insolvency proceeding is declared as abridged, the term to report may be reduced to fifteen days) in the Spanish Official Gazette (Boletín Oficial del Estado), (ii) actions deemed detrimental for the insolvent estate of the insolvency debtor carried out during the two year period preceding the date of its declaration of insolvency may be rescinded, (iii) provisions in a contract granting one party the right to terminate by reason only of the other's insolvency may not be enforceable, and (iv) accrual of interest (other than interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall be suspended as from the date of the declaration of insolvency and any amount of interest accrued up to such date and unpaid (other than any interest accruing under secured liabilities up to an amount equal to the value of the asset subject to the security) shall become subordinated.*

12. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

13. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

14. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer shall at all times maintain a Fiscal Agent;
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

15. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the

request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however*, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

16. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

17. **Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and, if the Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, a leading newspaper having general circulation in Ireland or published on the website of Euronext Dublin or, in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

Notwithstanding the above, while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with this Condition on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) or published on the website of Euronext Dublin.

18. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer,

(b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

19. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

20. **Governing Law and Jurisdiction**

- (a) *Governing law*: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law. Condition 4 (*Status*) is governed by Spanish law.
- (b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England*: Condition 20(b) (*English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 20 (*Governing law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Service of process*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

## **USE OF PROCEEDS**

The net proceeds resulting from each issue of Notes will be applied by the Issuer for general corporate purposes. If, in respect of a particular issue, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms in respect of each Tranche of Notes, duly completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the [Notes] (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**[UK MiFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any distributor should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II, or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act ("**EUWA**"), or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**[Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore)(as modified or amended from time to time, the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are [*"prescribed capital markets*

products "]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

**Final Terms dated [•]**

**ACS, Actividades de Construcción y Servicios, S.A.**  
Legal Entity Identifier (LEI): 95980020140005558665  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**  
**€1,500,000,000**  
**[Euro Medium Term Note Programme]**

**PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 9 May 2023 [and the supplemental Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8.4 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus.]

[Terms used herein shall be deemed to be defined as such for the purposes of the [2022/2021/2020/2019/2018/2017/2016/2015/2014] Conditions (the "**Conditions**") incorporated by reference in the Base Prospectus dated 9 May 2023. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 8.4 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 9 May 2023 [and the supplemental Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation, save in respect of the Conditions which are set forth in the base prospectus dated [9 May 2022/6 May 2021/15 May 2020/9 May 2019/4 May 2018/9 May 2017/9 May 2016/21 July 2015/1 July 2014] and are incorporated by reference in the Base Prospectus.]

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [is] [are] available for viewing on the website of Euronext Dublin at [www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin) and at the Issuer's website at [www.grupoacs.com](http://www.grupoacs.com) [and] during normal business hours at [address] [and copies may be obtained from [address]].

For the purposes of this provision, the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of 14 June 2017, as amended. <sup>2</sup>

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]*

- |    |  |  |
|----|--|--|
| 1. | Issuer:  | ACS, Actividades de Construcción y Servicios, S.A.   |
| 2. | [(i) Series Number:]                             | [•]  |
|    | [(ii) Tranche Number:]                           | [•]  |
|    | [(iii) Date on which the Notes become fungible:] | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as |

<sup>2</sup> *When preparing Final Terms prepared in relation to an issuance of Notes to be listed on a non-regulated market, Prospectus Regulation references are to be removed.*



- referred to in paragraph [20] below [which is expected to occur on or about [•].]
3. Specified Currency or Currencies: [•]
  4. Aggregate Nominal Amount: [•]
    - [(i)] [Series]: [•]
    - [(ii)] Tranche: [•]
  - Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
  5. (i) Specified Denominations: [•]
    - (ii) Calculation Amount: [•]
  6. (i) Issue Date: [•]
    - (ii) Interest Commencement Date: [[•]/Issue Date/Not Applicable]
  7. Maturity Date: [*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
  8. Interest Basis: [[•] per cent. Fixed Rate]
 

[•] month [EURIBOR/SONIA/SOFR/€STR]+/- [•] per cent. Floating Rate]

(see paragraph [14/15] below)
  9. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•]/[100] per cent. of their nominal amount. (*N.B. Redemption amount cannot be less than 100 per cent.*)
  10. Change of Interest or Redemption/Payment Basis: [*Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not Applicable*]
  11. Put/Call Options: [Investor Put]
 

[Issuer Call]

[Change of Control Put]

[Substantial Purchase Event]

[Residual Maturity Call Option]

[Not Applicable]

[See paragraph 15/16/17/18 below)]
  12. [(i)] Status of the Notes: Senior
    - [(ii)] [Date [Board] approval for issuance of Notes] obtained: [•]

*(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

13. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date
  - (ii) Interest Payment Date(s): [•] in each year
  - (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
  - (iv) Broken amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
  - (v) Day Count Fraction: [Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis]
14. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period: [•]
- (Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
- (ii) Specified Interest Payment Dates: [•]
- (Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
- (iii) [First Interest Payment Date]: [•]
  - (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
  - (v) Additional Business Centre(s): [Not Applicable/[•]]
  - (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
  - (vii) Party responsible for calculating the Rate(s) of Interest and/or [•] shall be the Calculation Agent

Interest Amount(s) (if not the [Fiscal Agent]):

- (viii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Banks: [•]
  - Reference Rate: [EURIBOR/SONIA/SOFR/€STR/SONIA Compounded Index/SOFR Compounded Index]
  - Observation Method: [Lag / Observation Shift]
  - Lag Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days London Banking Days /Not Applicable]
- (NB: A minimum of 5 should be specified for the Lag Period, unless otherwise agreed with the Calculation Agent)*
- Observation Shift Period: [5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days London Banking Days /Not Applicable]
- (NB: A minimum of 5 should be specified for the Observation Shift Period, unless otherwise agreed with the Calculation Agent)*
- D: [360/365/[ ] / [Not Applicable]
  - Index Determination [Applicable/Not Applicable]
  - SONIA Compounded Index [Applicable/Not Applicable]
  - SOFR Compounded Index [Applicable/Not Applicable]
  - Relevant Decimal Place [•] [5/7] (unless otherwise specified in the Final Terms, be the fifth decimal place in the case of the SONIA Compounded Index and the seventh decimal place in the case of the SOFR Compounded Index)
  - Relevant Number of Index Days [•] [5] (unless otherwise specified in the Final Terms, the Relevant Number shall be 5)
  - 
  - Interest Determination Date(s): [The first Business Day in the relevant Interest Period]/ select where Interest Determination Date has the meaning specified in Condition 7(e), 7(f) or 7(g) [•] [London Banking Days/U.S. Government Securities Business Days/TARGET Settlement Days] prior to each Interest Payment Date.]
  - Relevant Screen Page: [•]
  - Relevant Time: [•]

- Relevant Financial Centre: [•]
- (ix) ISDA Determination: [Applicable/Not Applicable]
- (If not applicable delete the remaining sub-paragraphs of this paragraph)*
- ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
  - Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(v)] above and as specified in the ISDA Definitions].
  - Compounding: [Applicable/Not Applicable]
- (If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Compounding Method: [Compounding with Lookback  
Lookback: [•] Applicable Business Days  
[Compounding with Observation Period Shift  
Observation Period Shift: [•] Observation Period Shift Business Days  
Observation Period Shift Additional Business Days: [•] / [Not Applicable]]  
[Compounding with Lockout  
Lockout: [•] Lockout Period Business Days  
Lockout Period Business Days: [•]/[Applicable Business Days]]
  - Averaging: [Applicable/Not Applicable]
- (If not applicable delete the remaining sub-paragraphs of this paragraph)*
- [Averaging Method: [Averaging with Lookback  
Lookback: [•] Applicable Business Days  
[Averaging with Observation Period Shift  
Observation Period Shift: [•] Observation Period Shift Business days  
Observation Period Shift Additional Business Days: [•]/[Not Applicable]]  
[Averaging with Lockout  
Lockout: [•] Lockout Period Business Days  
Lockout Period Business Days: [•]/[Applicable Business Days]]
  - Index Provisions: [Applicable/Not Applicable]

*(If not applicable delete the remaining subparagraphs of this paragraph)*

- Index Method: Compounded Index Method with Observation Period Shift  
Observation Period Shift: [•] Observation Period Shift Business days  
Observation Period Shift Additional Business Days: [•] / [Not Applicable]
- (x) Linear Interpolation Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation *(specify for each short or long interest period)*
- (xi) Margin(s): [+/-][•] per cent. per annum
- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [Actual/Actual (ICMA/ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis]

**PROVISIONS RELATING TO REDEMPTION**

15. Par Call Option [Applicable/Not Applicable]  
*[If not applicable, delete the remaining subparagraphs]*
- (i) Optional Redemption Date(s) (Call): [Any date, beginning on, and including, the Issue Date and ending on, but excluding, the Maturity Date/specify other]
  - (ii) If redeemable in part:
    - (a) Minimum Redemption Amount: [•] per Calculation Amount
    - (b) Maximum Redemption Amount: [•] per Calculation Amount
  - (iii) Notice period: [•]
16. Make-Whole Call Option [Applicable/Not Applicable]  
*[If not applicable, delete the remaining subparagraphs]*
- (i) Optional Redemption Date(s) (Call): [Any date, beginning on, and including, the Issue Date and ending on, but excluding, the Maturity Date/specify other]
  - (ii) Make Whole Redemption Amount(s) of each Note:
    - [(a) Benchmark Security(ies): *[Insert applicable Benchmark Security(ies)]*
    - [(b) Reference Time: [•]

- [(c) Make Whole Margin: [•] per cent.  
 [(d) Par Redemption Date: [•]  
 [(e) Linear Interpolations: [Applicable/Not Applicable]  
 [(f) Calculation Agent: [•]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount  
 (b) Maximum Redemption Amount: [•] per Calculation Amount
- (iv) Notice period: [•]
17. Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]  
 (ii) Optional Redemption Amount(s) (Put) of each Note: [•] per Calculation Amount  
 (iii) Notice period: [•]
18. Substantial Purchase Event [Applicable/Not Applicable]
19. Residual Maturity Call Option [Applicable/Not Applicable]
20. Final Redemption Amount of each Note [•] per Calculation Amount
21. Redemption Amount
- Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [•]/[Not Applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

22. Form of Notes: Bearer Notes:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
23. New Global Note: [Yes] [No]

24. Additional Financial Centre(s): [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(v) relates]
25. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

**THIRD PARTY INFORMATION**

[Relevant third-party information] has been extracted from [specify source]. [The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of  
**ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.**

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Listing: [Application [has been/will be] made by the Issuer (or on its behalf) for the Notes to be admitted to listing on [the *Official List of Euronext Dublin* /[\*]] with effect from [\*].]
- (ii) Admission to Trading: [Application [has been/will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*the regulated market of Euronext Dublin*] with effect from [\*]/Not Applicable.]
- (When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*
- (ii) Estimate of total expenses related to admission to trading: [\*]

### 2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

*(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in financing, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]*

### 3. [Fixed Rate Notes only – YIELD

- Indication of yield: [\*]
- [The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]*

### 4. OPERATIONAL INFORMATION

- Trade Date: [\*]
- ISIN: [\*]
- Common Code: [\*]
- Delivery: Delivery [against/free of] payment



Names and addresses of additional Paying Agent(s) (if any): [Not Applicable/[•]]

[Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

5. **DISTRIBUTION**

- (i) Method of Distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
  - (A) Names of Dealers [Not Applicable/*give names*]
  - (B) Stabilisation Manager(s), if any: [Not Applicable/*give names*]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/*give names*]
- (iv) U.S. Selling Restrictions: [Reg S Compliance Category [1/2]; TEFRA C/TEFRA D]

6. **RATINGS**

[The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[Standard & Poor's: [•]]

[Moody's: [•]]

[Fitch: [•]]

[[Other]: [•]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

***[Option 1 - CRA established in the EEA and registered under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority]/[European Securities and Markets Authority] .

***Option 3 - CRA established in the EEA, not registered under the CRA Regulation and not applied for registration***

*[Insert legal name of particular credit rating agency entity providing rating]* is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 4 - CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation***

*[Insert legal name of particular credit rating agency entity providing rating]* is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

***Option 5 - CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation***

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation").

**Option 6 - CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation**

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.]

7. **REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS**

Reasons for the offer: [ ] [See ["Use of Proceeds"] in the Base Prospectus/Give details] [If reasons differ from what is disclosed in the Base Prospectus, give details here.]

Estimated net proceeds: [ ]

8. **BENCHMARK REGULATION**

Relevant Benchmark[s]: [[EURIBOR/SONIA/SOFR/€STR] is provided by [administrator legal name]][repeat as necessary]. As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended, apply such that [administrator] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).]/[Not Applicable]

9. **JAPANESE OFFEREES**

*[In the case where the Japanese offerees are limited to Qualified Institutional Investors only, and therefore the Issuer relies upon the Qualified Institutional Investor private placement exemption (the Issuer must appoint its attorney in Japan):*

[The Notes have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended,

the "FIEA") in reliance upon the exemption from the registration requirements since the offering constitutes the private placement to qualified institutional investors only.

A transferor of the Notes shall not transfer or resell them except where a transferee is a qualified institutional investor under Article 10 of the Cabinet Office Ordinance concerning Definitions provided in Article 2 of the Financial Instruments and Exchange Act of Japan (the Ministry of Finance Ordinance No. 14 of 1993, as amended).]]

*[In the case where the Japanese offerees are fewer than 50, and therefore the Issuer relies upon the small number private placement exemption:*

[The Notes have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement.

A transferor of the Notes shall not transfer or resell the Notes except where the transferor transfers or resells all the Notes en bloc to one transferee.]]

*[Second sentence above can be replaced with the following if preferrable:*

[The Note is not permitted to be divided into any unit less than the minimum denomination.]]

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

### Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

*Payment Business Day :* In the case of a Global Note , shall be : if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Exercise of put option:* In order to exercise the option contained in Condition 8(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 8(c) (*Par redemption at the option of the Issuer*) or Condition 8(d) (*Make-Whole redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

*Notices:* Notwithstanding Condition 17 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such

notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on Euronext Dublin and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*) or published on the website of Euronext Dublin.

## DESCRIPTION OF THE ISSUER

### *General Information*

ACS, Actividades de Construcción y Servicios, S.A. (the "**Issuer**" or "**ACS**") was incorporated in Spain on 13 October 1942 under the name Obras y Construcciones Industriales, S.A. In 1993 it changed its name to OCP Construcciones, S.A. following a merger with Construcciones Padrós, S.A. In 1997, it adopted its current name following a merger with Ginés Navarro Construcciones, S.A. The Issuer is a publicly listed company (*sociedad anónima cotizada*) incorporated under the laws of the Kingdom of Spain and registered in the Mercantile Registry of Madrid in sheet M-30221.

The Issuer's registered office is located at Avenida de Pío XII, 102, 28036, Madrid, Spain, with telephone number +34 91 343 9200.

The Issuer operates under the commercial name ACS.

### **Group Structure**

The Issuer and its consolidated subsidiaries, its affiliates and joint ventures (collectively, the "**Group**") operate as a diversified group, both in terms of its geographic reach and the nature of its activities. As at 31 December 2022, the Group comprised of the Issuer, its 591 subsidiaries and its 281 affiliates and joint ventures. For further information, see "*Organisational Structure*" below.

### **The Group's Business**

#### *General overview*

The Group is a worldwide reference in the industry of infrastructure. A global group with leading positions across its core activities of construction, concessions, public-private partnerships and facility management services.

The Group is one of the largest Spanish corporate groups operating in its field in terms of market capitalisation (source: Bloomberg), with over 25 years of experience. At the date of this Base Prospectus, the Group is active across five continents and in over forty countries.

The Group has been operating through three business units:

- *Construction*: the Construction Unit focuses on the design, construction, and development of civil works, infrastructure projects, as well as residential and non-residential buildings;
- *Concessions*: the Concessions Unit focuses on the development of public-private partnerships and concessions in different sectors such as motorways, railways, car parks, transfer stations, light rail, hospitals, public facilities, etc. The activity of this unit includes both the development of greenfield projects and the maintenance and operation of brownfield projects;
- *Services*: the Services Business Unit focuses on providing facility management services for both public and private entities; and

At the end of 2021, the majority of a business unit focused on industrial services was sold, although some renewable energy and water management assets remained within the Group.

#### *Construction Unit*

In 2022, the Group's Construction Business Unit comprised one of the largest construction groups by revenue in Europe (source: Engineering News Record, August 2022 (The 250 International Contractors)) and engaged in the development of infrastructure projects worldwide.

The principal Group companies operating within the Construction Business Unit are Dragados, S.A. ("**Dragados**"), HOCHTIEF Aktiengesellschaft ("**Hochtief**"), CIMIC Group (Australia) ("**CIMIC**"), Turner Construction Company (America) ("**Turner**"), Flatiron Construction Corporation (America) ("**Flatiron**"), Dragados USA Inc. (America), Dragados Canada Inc. (America) and Schiavone Construction Company (America).

The Construction Business Unit is divided into the following areas of activity:

- **Civil Works:** activities related to the development of infrastructure such as highways, railways, ports and airports; and
- **Building:** Residential buildings, social facilities and installations

### ***Concessions Business Unit***

The Group is one of the leading concession operators and developers in the world (primarily involving the development of transport concessions from project inception). As at 31 December 2022, the Group had a portfolio of 48 concession and PPP projects, with €31.96 billion total investment management and €0.55 billion of committed equity.

The activities of the Concessions Business Unit are focused primarily on Iridium Concesiones de Infraestructuras, S.A. ("**Iridium**"), which is the umbrella company for the active Group subsidiaries in this business sub-unit. Iridium has interests in companies operating under concession contracts, which mostly specialise in marketing concessions for transport infrastructure and public facilities. The Group is also active in the concessions business through the companies Abertis, HOCHTIEF PPP Solutions AG ("**Hochtief PPP**") and PACIFIC Partnerships although the activity figures and results of these companies are not included in this Business Unit.

In addition, the Concessions Business Unit conducts activities such as project identification, bid preparation, contracting with regard to awarded projects, financing and developing the respective concessionaire companies, as well as managing, operating and implementing concessions.

The types of projects in which the Concessions Business Unit is usually involved include:

- *Transport infrastructure:* concessions over motorways, underground and overground railway lines;
- *Public facilities:* hospitals, prisons and other public facilities; and
- *Other activities:* bus and train stations and parking zones.

### ***Services Business Unit***

The Services Business Unit provides facility management services and certain types of personal care.

Clece, S.A. ("**Clece**") is an entity that specialises in staff management and resource optimisation, and has an extensive portfolio of activities which can be divided into three main areas: Social Services, Integrated Services and Environmental Services. Integrated Services activities include services required for the optimum operation of properties for public or private use (maintenance of installations, cleaning and auxiliary services). Environmental Services include services such as gardening, reforestation, environmental recovery, educational activities in this area, environmental disclosure and development of natural heritage sites. Social Services include care services for social groups with a dependent status, airport services and innovative activities such as social restoration and energy efficiency.

### ***Other assets***

The sale of Industrial Services was closed on 30 December 2021: however, a portion of such assets remains part of the Group.

### ***Business Segments***

In accordance with the Group's internal organisational structure and, consequently, its internal reporting structure, the Group carries on its business activities through lines of business, which are the operating reporting segments as indicated in IFRS 8. In 2022, the Group decided to present the Construction and Concessions businesses separately, eliminating the higher Infrastructure segment that included the other two as part of the process of simplifying the Group's structure and businesses. In addition, the concept of a "segment manager" as defined in paragraph 9 of IFRS 8, entails the separation of the businesses as a result of having different segment managers or directors for each of the businesses who are directly accountable to and maintain regular contact with the chief operating decision maker to discuss operating



activities, financial results, forecasts, or plans for each business segment in question. Following the sale of most of the Industrial Services Division to Vinci at the end of last year (its revenue and profit were considered discontinued operations for accounting purposes), this line of business is no longer considered significant within the Group as the remaining assets have a very low sales volume (less than 1%) and have therefore been included under the Corporate business segment.

### ***Historical financial information in respect of the Group***

In order to facilitate the comparison of the periods, the financial information of the Issuer presented in this Base Prospectus has been subject to restatement, adjustment and reclassification. Thiess (CIMIC) was reclassified as operating Equity Method in 2020, eliminating 50% of its contribution after its sale at year-end, and the remaining 50% is consolidated as an equity method in 2021 and 2022.

The following table sets out certain key performance indicators of the Group as at and for the years ending 31 December 2021 and 31 December 2022.

	As at 31 December		Variation 2021 vs. 2022
	2021	2022	
	<i>(in millions of euro except earnings per share and percentages)</i>		
Revenue	27,837	33,615	20.76%
Backlog <sup>1</sup> *	67,262	68,996	2.58%
Months (Backlog/Revenue) x 12*	26	23	
EBITDA <sup>2</sup> *	1,598	1,747	9.32%
EBITDA Margin <sup>3</sup> *	5.7%	5.2%	
EBIT <sup>4</sup> *	1,084	1,106	2.03%
EBIT Margin <sup>5</sup> *	3.9%	3.3%	
Profit attributable to the parent	3,045	668	-78.06%
EPS <sup>6</sup> *	10.74	2.50	
Cash flow from Operating Activities	203	1,743	758.62%
Net Cash flows from Investment Activities and Financials	4,844	-1,774	

<sup>1</sup> Backlog represents the orders and contracts which have already been agreed, but not yet completed.

<sup>2</sup> The EBITDA for any relevant period is the result of Revenue less Changes in inventories of finished goods and work in progress, Capitalised expenses of in-house work on assets, Procurements, Other operating income, personnel expenses, Other operating expenses, losses on impairment and trade-related provisions, variation, allocation of grants relating to non-financial assets and others and Ordinary result of companies accounted using the equity method.

<sup>3</sup> The EBITDA Margin is the division between EBITDA and Revenues.

<sup>4</sup> EBIT for any relevant period is the result of Revenue less Changes in inventories of finished goods and work in progress, Capitalised expenses of in-house work on assets, Procurements, personnel expenses, Other operating income, Other operating expenses, Depreciation and amortisation (excluding any past depreciation charges arising in the current year due to the reclassification of assets from discontinued to continuing operations) and Ordinary result of companies accounted using the equity method.

<sup>5</sup> The EBIT Margin is the division between EBIT and Revenues.

<sup>6</sup> Earnings per share (basic and diluted).

Revenues for the 2022 financial year accounted for €33,615 million, with an increase of 20.8% from the previous year (adjusted by exchange rate, revenues grew by 11.6%). This positive performance was supported by a generalized growth in all markets, particularly in the U.S. and Australia.

Backlog as of 31 December 2022 stood at €68,996 million, 8.3% more than 2021 (an increase of 5.4% adjusted by exchange rate, taking into account the Ventia deconsolidation). This growth is supported by the significant volume of awards recorded in 2022, with a growing weight of new generation infrastructure projects related to the energy transition and new technologies.

The Group's EBITDA amounted to €1,747 million a 9.3% higher than 2021. The variations in operating margins were mainly due to the change in the business mix, with a greater weight of construction management activities in North America (Turner), which has lower margins, a reduction in the contractual risk profile, as well as slight temporary impacts related to the development of the projects.

EBIT reached €1,106 million, increasing by 2%. The margin over sales stood at 3.3%, 0.6% lower than in 2021.

The Group's Net Profit in 2022 amounted to €668 million, up by 66%, eliminating the contribution from Industrial Services generated during 2022. All Construction and Concessions activities contributed to this increase.

### Operating results

The following table sets out certain operating results of the Group as at and for the years ending 31 December 2021 and 2022:

	<u>2021(*)</u>	<u>2022</u>	<u>Variation</u> <u>2021 vs. 2022</u>
	<i>(in millions of euro except percentages)</i>		
EBITDA	1,598	1,747	9.32%
EBITDA Margin <sup>1</sup>	5.7%	5.2%	
Depreciation and amortisation	-479	-561	17.12%
<i>Construction</i>	-422	-467	10.66%
<i>Concessions</i>	-15	-17	13.33%
<i>Services</i>	-41	-46	12.20%
<i>Corporation</i>	-1	-31	3,000.00%
Losses on impairment and trade-related provision variation	-35	-80	128.57%
EBIT	1,084	1,106	2.03%
EBIT Margin <sup>2</sup>	3.9%	3.3%	

<sup>1</sup> The EBITDA Margin is the division between EBITDA and Revenues.

<sup>2</sup> The EBIT Margin is the division between EBIT and Revenues.

(\*) Restated amounts due to the modification of the classification by segment Units. See "Business Segments" above.

### Revenues per geographical zone

Sales during the period accounted for €33,615 million, 20.8% more than last year (11.6% adjusted by exchange rate effects). This good performance reinforced the overall growth trend of the various activities and regions, particularly in North America and Australia.

The following table contains information regarding revenues per geographical zone as at and for the years ended 31 December 2021 and 2022. Sales are allocated to a specific geographical zone based on the criteria of the country in which works and services are delivered, regardless of the company which performs such work or provides such services (revenues are allocated depending on the country of residence of the customer):

	<b>Sales per Country</b>			
	<u>2021</u>	%	<u>2022</u>	%
	<i>(figures in millions of euro except percentages)</i>			
US	14,824	53.25%	18,837	56.04%
Australia	5,190	18.64%	6,350	18.89%
Spain	2,988	10.73%	3,171	9.43%
Canada	1,602	5.75%	1,919	5.71%
Germany	926	3.33%	859	2.56%
Rest of the world	2,307	8.29%	2,479	7.37%
<b>TOTAL</b>	<b>27,837</b>		<b>33,615</b>	
	<b>Sales per Geographical Area</b>			
	<u>2021</u>	%	<u>2022</u>	%
Europe	4,885	17.55%	5,214	15.51%
North America	16,522	59.35%	20,858	62.05%
South America	257	0.92%	257	0.76%
Asia Pacific	6,173	22.18%	7,286	21.68%
<b>TOTAL</b>	<b>27,837</b>	<b>100.00%</b>	<b>33,615</b>	<b>100.00%</b>

Sales Breakdown by geographical areas showed the diversification of the Group's revenue sources, where America represented 63% of total sales, Asia Pacific 22% and Europe 15% (from which Spain represented 9%). America achieved a higher sales volume than in previous years, above pre-pandemic levels. Adjusted for the positive impact of exchange rates, sales in the U.S. grew by 12.9%. Asia Pacific grew by 18.0% in sales driven by the Australian market, 13.8% adjusted by exchange rate. Meanwhile, Europe consolidated

its recovery with a solid growth trend (with an increase of 6.7% compared to December 2021) showing good performance across the main operating markets, especially in the United Kingdom and Poland, as well as Spain.

<b>Backlog by countries</b>				
	<u>Dec-21</u>	%	<u>Dec-22</u>	%
<i>(figures in millions of euro except percentages)</i>				
USA	30,049	44.67%	33,504	48.56%
Australia (*)	20,035	29.79%	17,131	24.83%
Spain	5,388	8.01%	5,972	8.66%
Canada	2,936	4.37%	2,683	3.89%
Germany	2,926	4.35%	2,803	4.06%
RoW	5,928	8.81%	6,903	10.00%
<b>TOTAL</b>	<b>67,262</b>		<b>68,996</b>	

(\*) Taking into account the deconsolidation of Ventia, the figure for 2021 would be €16,506 million

The Group's total backlog as of 31 December 2022 stood at €68,996 million, growing by 8.3% compared to last year showing a good performance in the main regions where the Group operates. Adjusted by exchange rate, backlog grew by 5.4%. The performance of the order intake activity during the period, brought the backlog to record highs, both in terms of volume and diversification. 2022's order intake amounted to €39,104 million, with more than €11,800 million booked in the last quarter of the year. Asia Pacific consolidated the Backlog's good performance with an 8.1% growth (8.6% adjusted by exchange rate) due to the dynamism of the Australian market and the entry of projects with a reduced risk profile. Americas' Backlog maintained a solid position because of more than €22,500 million order intake in the period. Spain's Backlog continued an upward trend, with a 10.8% increase due to the boost in public tenders for civil works.

The operating margins of the activities decreased slightly over the period due to temporary impacts as well as a higher contribution from activities with a lower risk profile. The Group continued to implement specific measures aimed at mitigating the inflationary scenario and materials supply chain disruptions. Operating margins were also affected by a change in the business mix of the construction activities, given the higher growth of Turner's activity, where margins are lower than in the other businesses, in line with its business risk profile. Among other variables impacting on the Group's overall margin were included the reclassification of Ventia as a financial investment as well as the reduction of the energy assets' contribution (with particularly high operating margins).

### *Cash flows*

The following table sets out the net cash flows of the Group for the years ending 31 December 2021 and 2022:

	<b>Net Cash Flow</b>					
	<b>2021</b>			<b>2022</b>		
	TOTAL	HOT	ACS ex HOT	TOTAL	HOT	ACS ex HOT
<i>(in millions of euro except percentages)</i>						
<b>Cash Flow from Operating Activities before Working Capital</b>	<b>1,073</b>	<b>803</b>	<b>270</b>	<b>1,699</b>	<b>1,066</b>	<b>633</b>
Operating working capital variation	-517	-415	-102	44	222	-178
Net CAPEX	-120	-56	-64	-208	-164	-44
<b>Net Operating Cash Flow from continuing activities</b>	<b>436</b>	<b>332</b>	<b>104</b>	<b>1,535</b>	<b>1,124</b>	<b>411</b>
Net Financial Investments/Disposals	4,964	-105	5,069	-1,566	-1,229	-337
Lease liabilities (IFRS 16)	-203	-160	-43	-202	-158	-44
Other Financial Sources	-42	-39	-3	-318	-263	-55
<b>Free Cash Flow</b>	<b>5,155</b>	<b>28</b>	<b>5,127</b>	<b>-551</b>	<b>-526</b>	<b>-25</b>
Dividends paid	-396	-179	-217	-352	-94	-258
Intra group Dividends	-	-140	140	-	-68	68

Treasury stock acquisition	-483	-5	-478	-705	-	-705
Capital increase	-	-	-	61	406	-345
<b>Total Cash Flow generated / (Consumed) Continued operations</b>	<b>4,276</b>	<b>-296</b>	<b>4,572</b>	<b>-1,547</b>	<b>-282</b>	<b>-1,265</b>
<b>Total Cash Flow generated / (Consumed) Discontinued operations</b>						
	-491	-	-491	-	-	-
<b>Total Cash Flow generated / (Consumed)</b>	<b>3,785</b>	<b>-296</b>	<b>4,081</b>	<b>-1,547</b>	<b>-282</b>	<b>-1,265</b>

Cash flow from operating activities before working capital variations amounted to €1,699 million, 58.4% higher than the previous year thanks to the good performance of the operating activities.

As at 31 December 2022, the operating working capital variation net balance amounted to positive €44 million, with a virtually neutral effect adjusted for factoring (vs. negative €192 million in the comparable period).

Net operating investments and operating lease payments amounted to €410 million. The increase in Construction's net operating CAPEX corresponded to the acquisition of machinery for tunneling works in Australia, which began in the second semester of the year.

Shareholder's remuneration paid in cash in 2022 amounted to €352 million of which €256 million corresponded to ACS ordinary and complementary dividends paid in cash. The remainder mainly corresponded to the payment of the ordinary dividend to HOCHTIEF's minority shareholders. Likewise, during the year the Group purchased €705 million of treasury stock, €275 million of which were allocated to the payment in shares of the script dividend. In June 2022, HOCHTIEF carried out a 10% capital increase for a total of €406 million, 85% of which was subscribed by ACS. This transaction implied a net cash inflow of €61 million to ACS Group consolidated financials.

#### *Investments and Disposals*

The Group's total net investments for the year ended 31 December 2022 are summarised in the following tables:

#### **Non Operating Investments breakdown 2022** (in millions of euro)

	Investments	Divestments	Net Project / Financial investments
Construction	-1,303	74	-1,229
Hochtief	-1,303	74	-1,229
Concessions	-2	88	86
Services	-29	-	-29
Corporation and others	-747	353	-394
<b>TOTAL</b>	<b>-2,081</b>	<b>515</b>	<b>-1,566</b>
Investment SH288	-1,064	-	-1,064

The Group total non operating net investment accounted for in 2022, amounted to €1,566 million.

Investments reached €2,081 million, of which €985 million corresponded to the purchase of shares in CIMIC's takeover bid and €604 million to the increase in the stake in HOCHTIEF. The remaining investments corresponded mainly to energy concession assets. Divestments worth €515 million of which €353 million were related to the sale of SCE's energy assets, mainly the sale of 25% of the photovoltaic plants in Spain, 75% of which were sold to Galp in 2020, and the associated pipeline; Iridium's concessional assets divestments amounted to €88 million, among which it is worth highlighting the sale of 75% of its

stake in Windsor Essex Ontario in Canada; and other financial divestments from HOCHTIEF Europe and Joint Ventures in CIMIC.

In the third quarter of 2022, an agreement was reached to purchase 56.76% of the SH 288 toll road in Texas, in which Iridium already held a 21.62% stake. This investment involved a disbursement of €1,064 million in January 2023, the closing date of the transaction.

Other non-recurring cash flows mainly include payments related to the projects of a CCGP plant (ICHTYS) in Australia and a hydroelectric plant (Alto Maipó) in Chile by HOCHTIEF, which had already been provisioned in previous years, totaling €238 million. Likewise, payments for legal costs and financial expenses derived from litigation for the closing of the Seattle project totaling €40 million were recorded in the last quarter.

The following table summarises the Operating Investments by Business Unit

<b>Operating Investments breakdown 2022</b>			
	Investments	Divestments	Net Project / Financial investments
Construction	-229	42	-187
Dragados	-41	19	-23
Hochtief	-188	24	-164
Concessions	-2	-	-2
Services	-26	3	-23
Corporation and others	-29	32	3
<b>TOTAL</b>	<b>-285</b>	<b>77</b>	<b>-208</b>

#### *Net debt*

The following table sets out the Group's net debt by business unit as at 31 December 2022:

<i>Million Euros</i>	<b>Construction</b>	<b>Concessions</b>	<b>Services</b>	<b>Corporation and adjustments</b>	<b>ACS Group</b>
<i>Bank borrowings, debt, and other marketable securities</i>	6,414	226	316	3,054	10,010
<i>Non-current instruments</i>	5,260	217	202	2,886	8,565
<i>Current instruments</i>	1,154	9	114	168	1,445
<i>Other financial liabilities</i>	39	61	-	27	127
<i>Non-current instruments</i>	33	61	-	14	108
<i>Current instruments</i>	6	-	-	13	19
<i>Companies receivables, current financial assets, cash and cash equivalent</i>	-7,305	-477	-164	-2,655	-10,601
<i>Other current financial assets</i>	-873	-63	-1	-244	-1,181
<i>Cash and cash equivalents</i>	-6,432	-414	-163	-2,411	-9,420
<i>Project finance with limited recourse</i>	-	52	-	187	239
<i>Non-current instruments</i>	-	32	-	173	205
<i>Current instruments</i>	-	20	-	14	34
<b>TOTAL NET DEBT + / NET CASH- 2022</b>	<b>-852</b>	<b>-138</b>	<b>152</b>	<b>613</b>	<b>-225</b>

The Group maintained a €225 million net cash position as of 31 December 2022. The net cash position decreased by €1,785 million mainly following the investment in strategic transactions, such as the takeover bid for 21.4% of CIMIC's shares and the acquisition of an additional 15.1% in HOCHTIEF. Considering the €1,064 million from the SH-288 acquisition paid in January 2023, adjusted for the acquisition, the net cash position at 31 December 2022 would be a net debt of €840 million.

#### *Equity*

The following table sets out the Group's equity as at 31 December 2021 and 2022:

	<u>2021</u>	<u>2022</u>	<u>Variation 2021 vs. 2022</u>
	<i>(in millions of euro except for percentages)</i>		
Shareholders' Equity.....	6,505	5,166	-20.58%
Adjustments for changes in value.....	(171)	381	-322.81%
Non-controlling interests.....	694	829	19.45%
<b>Total Equity.....</b>	<b><u>7,028</u></b>	<b><u>6,376</u></b>	<b><u>-9.28%</u></b>

The Group Total Equity amounted to €6,376 million at 31 December 2022, decreasing by 9.3% compared to year-end 2021. The reduction in Shareholders' Equity was mainly due to the €20.5 million treasury stock write-off and the strategic transactions carried out during the period (CIMIC's takeover bid and the 15.1% acquisition of HOCHTIEF). Meanwhile, the effect of these transactions on the minority interests was offset by the incorporation of SH 288 in the Group's consolidated financial statements. On the other hand, adjustments from value changes increased due to exchange rate effects and the impact of hedging financial instruments.

### ***Significant financial events in 2022***

#### *Dividends*

In February, the script dividend was paid in the amount of 0.468 euros per share. 60% of ACS' share capital opted for remuneration in shares.

In addition, the General Shareholders' Meeting held on 6 May 2022 approved the distribution of a dividend of 2 euros per share to be charged to the 2021 fiscal year. In July 2022, the script dividend charged to 2021 was paid in the amount of €1.48 per share. 43.32% of ACS capital opted for remuneration in cash.

The Board of Directors, at its meeting held on 28 July 2022, approved an interim dividend of 0.05 euros per share in cash, which was paid on 4 August 2022.

#### *Mergers, acquisitions, and transmission of shares*

On 19 January 2022, the Issuer, through its subsidiary Iridium S.L., executed the sale agreed on 4 October 2021 to BSPI Spain HoldCo, S.L. (company managed by Brookfield) of the 80% of its stake in Hospital de Toledo company and 100% of the operator of said hospital, for €58 million.

On 22 February 2022, HOCHTIEF, CIMIC's majority shareholder with a 78.58% interest, announced an unconditional and final off-market takeover bid to acquire the remaining shares of CIMIC for A\$22 per share.

On 6 May 2022, CIMIC's shares were suspended from trading on the Australian Stock Exchange after HOCHTIEF reached a 96% shareholding in CIMIC and a minority squeeze-out was initiated. Following this process, HOCHTIEF reached 100% stake in CIMIC on 10 June 2022, integrating it fully into the Group.

On 26 July 2022, Thiess agreed to make an offer to the shareholders of MACA Limited, a mining company in Australia, to acquire all of the issued shares by way of a conditional off-market takeover bid. Thiess offered MACA shareholders a cash consideration of AUD 1.025 per share. The buyout was completed last October.

On 31 August 2022, Iridium, the Issuer's concessions company, through its North American subsidiary ACS Infrastructure Development, Inc. reached an agreement to purchase 44.65% of the North American company Blueridge Transportation Group (BTG), which is the concessionaire of a 17 km segment of the SH-288 highway in Houston, Texas, which includes two toll lanes in each direction in the median. Following this acquisition, on 24 October 2023, an agreement was reached for the purchase of an additional 12.11% of the company. The purchase of the 56.76% was completed on 17 January 2023, increasing the Group's stake in this concession company from 21.62% to 78.38%. The total acquisition price amounted to €1,063.62 million.

On 15 September 2022, the Group purchased shares representing 14.46% of the share capital of the German listed company Hochtief A.G., increasing its ownership interest in the company to 68.01% not excluding treasury shares and 70.29% discounting them. The purchase price was 51.43 euros/share, which implied a disbursement of €577.8 million.

#### *Loans, credits, and other financial operations*

On 3 March 2022, the Issuer agreed to extend the forward contract, communicated as Inside Information on 21 December, 2020 that affects a total of 11,970,088 treasury shares, settled exclusively in cash for differences, to be settled between 7 March 2023 and 2 August 2023, at a rate of 115,095 shares per session.

On 26 April 2022, execution of the agreement of its Board of Directors of 24 February 2022, the Issuer extended its multi-currency promissory note programme, Euro Commercial Paper (ECP), for a further year for a maximum global amount of €750 million, which was registered with Euronext Dublin.

On 29 July 2022, the Issuer agreed to replace the forward contract, communicated as Inside Information on 21 December 2020 and on 28 September 2021 that affects a total of 12 million treasury shares, settled exclusively in cash for differences, expiring between 9 October 2023 and 5 March 2024 at a rate of 115,385 shares per session.

On 21 November 2022, the Issuer, through its subsidiary Dragados, S.A., as successor in title as a result of the merger by absorption of ACS, Servicios, Comunicaciones y Energía, S.A., launched an offer to acquire, up to an aggregate nominal amount of €250 million, the €750,000,000 Green notes at 1.875% coupon rate due April 2026 issued by ACS, Servicios, Comunicaciones y Energía, S.A. Following this offer, on 28 November 2022 the purchase of green bonds was closed for a nominal amount of €162,300,000, which, together with accrued interest at a rate of €1,150.68 per €100,000 bond, was settled on 30 November 2022.

#### *Corporate Governance*

On 24 March 2022, Mr. Agustín Batuecas Torrego and Mr. Joan David Grimá Terré have tendered their resignation, which was accepted by the Board of Directors of the Issuer with gratitude for the services rendered.

On 6 May 2022, the 2022 General Shareholders' Meeting of the Issuer approved, among other items, the appointment of the new Chief Executive Officer (CEO) of the Group, Mr. Juan Santamaría Cases, and the new Independent Director, María José García Beato.

#### *Other*

On 24 January 2022, pursuant to what was agreed by the General Shareholders' Meeting of the Issuer held on 7 May 2021, the Board of Directors agreed to reduce the share capital by means of the amortisation, charged to profits or free reserves, of the Company's own shares for a nominal amount of €5 million by means of the amortisation of 10 million of ACS own shares.

On 12 May 2022, pursuant to what was agreed by the General Shareholders' Meeting held on 6 May 2022, the Board of Directors of the Issuer agreed to reduce the share capital by means of the amortisation, charged to profits or free reserves, of the Company's own shares for a nominal amount of €3 million by means of the amortisation of 6 million of ACS's own shares.

On 8 June 2022, the executive board of HOCHTIEF Aktiengesellschaft agreed with the approval of the Supervisory Board, to increase the Company's share capital by €18,085,358 to €198,940,928 by issuing 7,064,593 new shares against cash contribution. The executive board of the Company decided following an accelerated book building to set the subscription price at €57.50. The subscription price was therefore not significantly lower than the market price of the shares in HOCHTIEF Aktiengesellschaft. The Issuer was allocated 85% of the total number of new shares.

On 10 November 2022, pursuant to what was agreed by the General Shareholders' Meeting, the Board of Directors of the Issuer agreed to reduce the share capital by means of the amortisation, charged to profits or free reserves, of the Company's own shares for a nominal amount of €2,250,000 by means of the amortisation of 4,500,000 million of ACS's own shares.

### ***Shareholding in Abertis***

As at the date of this Base Prospectus, the share capital of Abertis amounts to €2,734,696,113 represented by 911,565,371 shares with a nominal value of €3.00 per share, of which 98.7% is held by Abertis Holdco, S.A. ("**Abertis Holdco**"), which in turn has three shareholders: Atlantia S.p.A. ("**Atlantia**") holds a 50% stake plus one share, ACS holds a 30% stake and its subsidiary Hochtief holds a 20% stake minus one share.

Abertis' contribution to the Group's Net profit amounted to €143 million (€26 million more than the previous period), of which €100 million corresponded to ACS direct stake, and the remaining €43 million to the indirect stake through HOCHTIEF, once minority interests were deducted.

The traffic growth trend was consolidated, exceeding pre-pandemic levels in practically all the countries in which Abertis operates, with an annual increase in average daily intensity of 8.2%. The recovery of traffic levels as well as the contribution of the new concessions acquired raised revenues to €5,102 million (+5.1%) and EBITDA to €3,536 million (+5.5%), largely offsetting the perimeter exit of Acesa, Invicat and Sol. Financial costs were impacted by inflation and rising interest rates, while inflationary tariff increases were not yet reflected in revenues, as they were implemented in January 2023.

### ***Recent Developments***

On 17 January 2023, once the relevant authorizations had been obtained, IRIDIUM, a concessions company of ACS Group, executed through its North American subsidiary ACS Infrastructure Development, Inc. the purchase of a 56.76% stake to reach a total 78.38% stake in the North American company Blueridge Transportation Group (BTG), which is the concessionaire company of a 17Km segment of the SH-288 highway in Houston, Texas (USA) and which includes in the median two toll lanes in each direction. The final price of the acquisition was €1,063.62 million.

On 19 February 2023 ACS agreed to extend the forward contract, communicated as Inside Information on 21 December 2020 (with number 634) and on 4 March 2022 (with number 1351) which affects a total of 11,968,007 own shares, to be settled exclusively in cash between 7 March 2024 and 2 August 2024 at a rate of 115,075 shares per session.

On 23 March 2023 pursuant to what was agreed by the General Shareholders' Meeting held on 6 May 2022 in relation to item 8 of the Agenda, the Board of Directors of ACS agreed to reduce the share capital by means of the amortisation, charged to profits or free reserves, of the Issuer's own shares for a nominal amount of three million euros by means of the amortisation of six million own shares.

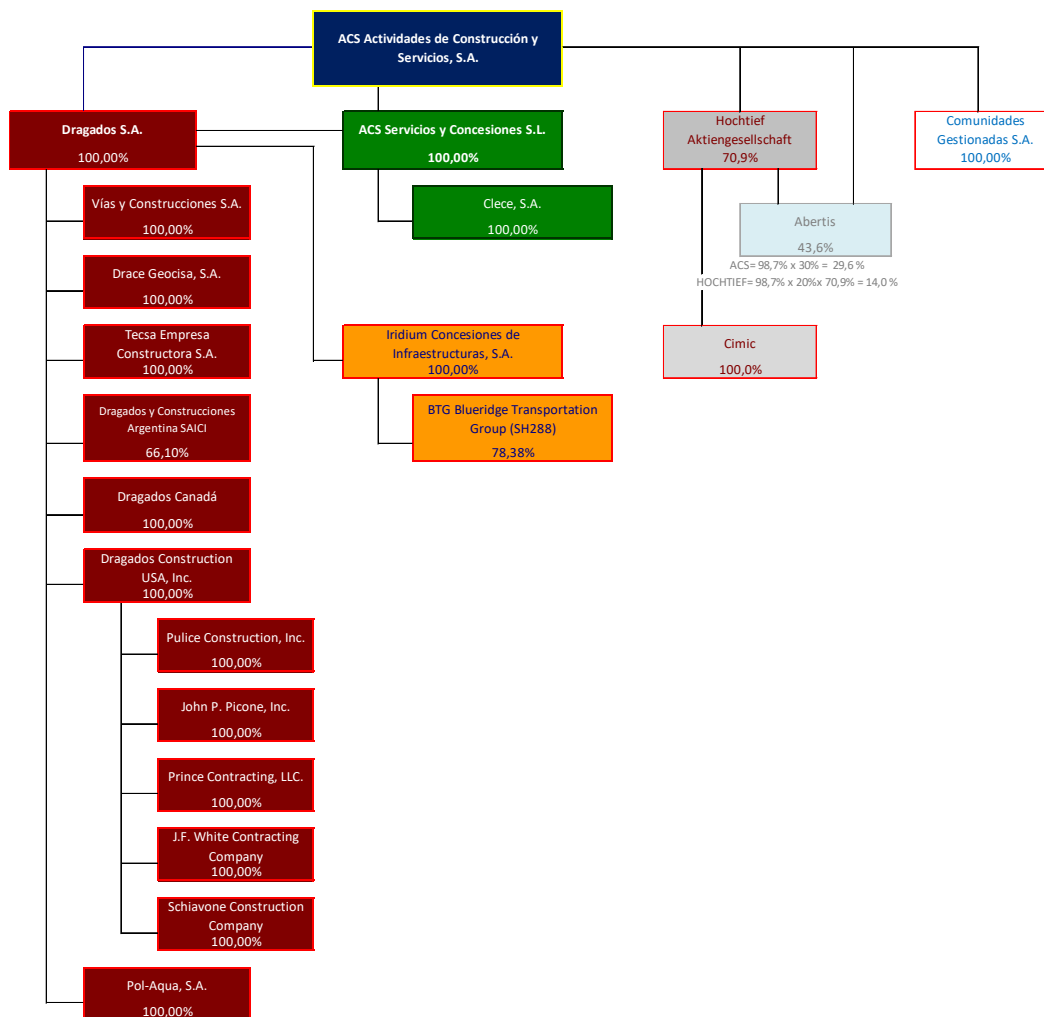
On 1 April 2023 IRIDIUM reached an agreement to purchase the remaining 21.62% of the North American company Blueridge Transportation Group (BTG). Following this acquisition, and once the purchase agreement is completed, the Group's stake in this concession company will increase to 100%. The price of the acquisition is USD 450 million (approximately €391 million). The execution of the purchase and sale is subject to the fulfillment of the usual conditions precedent.

### ***Organisational Structure***

The Issuer is the parent company of the entities of which the Group is comprised, functioning as a holding company for each of the Group's subsidiaries. As at 31 December 2022, the Group comprised 873 companies, including the Issuer, 591 subsidiary companies, 120 associate companies and 161 joint ventures.

The organisational structure of the Group with its holding companies and their significant subsidiaries as at 31 December 2022 is summarised in the following diagram.





### Share Capital and Major Shareholders

As at 31 December 2022, the Issuer's share capital is made up of 284,164,594 ordinary shares of €0.50 nominal value each, represented by book entries and forming a single class. As at 31 March 2023, the Issuer's share capital was of €139,082,297, represented by 278,164,594 shares, each with a nominal value of €0.50. The Issuer's share capital is fully subscribed and paid-up. The Issuer's shares are admitted to listing on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges (the "Spanish Stock Exchanges") and trade through the automated quotation system (*Sistema de Interconexión Bursátil*).

As at 31 December 2022, the following shareholders (excluding members of the Board of Directors) each held, directly or indirectly, 2% or more of the ordinary shares with voting rights of the Issuer:

Name or company name of the shareholder	% of direct voting rights	% of indirect voting rights	% of total voting rights
Mr. Alberto Cortina Alcocer .....	0	2.83	2.83
Mr. Alberto Alcocer Torra .....	0	2.56	2.56
Blackrock, Inc .....		5.16	6,06
Société Générale	6.44	0	6.44

Name or company name of the indirect shareholder	Held through: Name or company name of the direct shareholder	% of voting rights
Mr. Alberto Cortina Alcocer.....	Percacer, S.L.	1.51
Mr. Alberto Cortina Alcocer.....	Corporación Financiera Alcor, S.L.	0.17
Mr. Alberto Cortina Alcocer.....	Imvermelin Patrimonio, S.L.	1.15
Mr. Alberto Alcocer Torra.....	Comercio Y Finanzas, S.L.	1.24

Mr. Alberto Alcocer Torra.....	Corporación Financiera Alcor, S.L.	0.17
Mr. Alberto Alcocer Torra.....	Imvermelin Patrimonio, S.L.	1.15
Blackrock, Inc .....	Blackrock, Inc	6.06

Based on the information available to the Issuer, there is no individual or corporation that, directly or indirectly, through one or more intermediaries, exercises or may exercise any type of control over the Issuer. In addition, various independent directors are appointed to the Board of Directors and the Issuer has processes in place to monitor the purchase of its shares, including a policy in relation to maintaining treasury holdings, which complies with recommendations approved by the CNMV and which is reported on to the Audit Committee at regular intervals by the responsible person.

The table below sets out the number of ordinary shares with voting rights held by members of the Board of Directors of the Issuer as at 31 December 2022:

<u>Name or company name of the Board Member</u>	<u>% of direct voting rights</u>	<u>% of indirect voting rights</u>	<u>% of total voting rights</u>
José Luis Del Valle Pérez.....	0.11	0	0.11%
Javier Echenique Landiribar.....	0.02	0	0.02%
Antonio García Ferrer .....	0.04	0	0.04%
Pedro José López Jiménez.....	0	0.28%	0.28%
Florentino Pérez Rodríguez.....	0	13.86%	13.86%

The following table describes the indirect shareholdings by members of the Board of Directors of the Issuer as at 31 December 2022:

<u>Name or company name of the indirect shareholder</u>	<u>Held through: Name or company name of the direct shareholder</u>	<u>% of voting rights</u>
Pedro José López Jiménez.....	Fapin Mobi, S.L.	0.28%
Florentino Pérez Rodríguez.....	Rosán Inversiones, S.L.	13.86%

#### **Percentage of total voting rights held by the Board of Directors: 13.96%**

In addition, as at 31 December 2022, the following members of the Board of Directors had notified the CNMV of stock options:

<u>Name of Director</u>	<u>Number of Stock Options</u>
<b>Florentino Pérez</b>	<b>500.000</b>
<b>José Luis del Valle Pérez</b>	<b>275.000</b>

As at 31 December 2022, treasury shares held by the Issuer amounted to 25,904,654 (9.12% of total shares), with a face value of €0.50 each. This figure has subsequently been reduced by the sale of treasury shares detailed under "*Recent Developments*" above.

## ***Management***

### *Board of Directors*

As at the date of this Base Prospectus, the Issuer has 15 Directors, the following table describes the composition of the Board of Directors of the Issuer as at the date of this Base Prospectus:

<u>Name or company name of the Board Member</u>	<u>Class of Board Member</u>	<u>Position on the Board</u>	<u>Date of first appointment</u>	<u>Date of last appointment</u>	<u>Appointment procedure</u>	<u>Main activities of the Board Member outside of the Issuer (as of 31 December 2022)</u>
Carmen Fernández Rozado	Independent	Board Member	28/02/2017	07/05/2021	General Shareholders' Meeting Resolution	Director of EDP (Energías de Portugal)
José Eladio Seco Domínguez	Independent	Coordinating Member	22/12/2016	07/05/2021	General Shareholders' Meeting Resolution	

<b>Name or company name of the Board Member</b>	<b>Class of Board Member</b>	<b>Position on the Board</b>	<b>Date of first appointment</b>	<b>Date of last appointment</b>	<b>Appointment procedure</b>	<b>Main activities of the Board Member outside of the Issuer (as of 31 December 2022)</b>
Mariano Hernández Herreros	Proprietary	Board Member	05/05/2016	08/05/2020	General Shareholders' Meeting Resolution	
Antonio Botella García	Independent	Board Member	28/04/2015	10/05/2019	General Shareholders' Meeting Resolution	
Catalina Miñarro Brugarolas	Independent	Board Member	28/04/2015	10/05/2019	General Shareholders' Meeting Resolution	Director (2nd Vice Chair and Lead Director) at MAPFRE, S.A.  Member of the Delegate Committee and Chair of the Appointments and Remuneration Committee at MAPFRE, S.A.  Director and Member of the Management Committee at MAPFRE España, S.A.  Director of MAPFRE Internacional, S.A
Emilio García Gallego	Independent	Board Member	13/11/2014	10/05/2019	General Shareholders' Meeting Resolution	
María Soledad Pérez Rodríguez	Proprietary	Board Member	13/11/2014	10/05/2019	General Shareholders' Meeting Resolution	
María José García Beato	Independent	Board Member	06/05/2022	06/05/2022	General Shareholders' Meeting Resolution	Director of Banco Sabadell  Director of the Iberpapel Group  Director of MdF FAMILY PARTNERS, S.A. Director of Calcinor, S.L.
Javier Echenique Landiribar	Proprietary	Board Member	20/05/2004	08/05/2020	General Shareholders' Meeting Resolution	Vice Chairman of Telefónica, S.A.  Member of Telefónica Audiovisual Digital, S.L.U.'s Board of Directors (Grupo Telefónica, S.A.)
Antonio García Ferrer	Executive	Executive Deputy Chairman	14/10/2003	10/05/2019	General Shareholders' Meeting Resolution	
Miguel Roca Junyent	Other External	Board Member	14/10/2003	10/05/2019	General Shareholders' Meeting Resolution	Director of Aguas de Barcelona  Secretary (non-director) of the Board of Directors at Abertis Infraestructuras  Secretary (non-director) of the Board of Directors at Banco de Sabadell  Secretary (non-director) at TYP Secretary (non-director) at WERFENLIFE
José Luis Del Valle Pérez	Executive	Board Member Secretary	28/06/1989	10/05/2019	General Shareholders' Meeting Resolution	Member of the Supervisory Board at HOCHTIEF  Member of the Board of Directors of CIMIC

<u>Name or company name of the Board Member</u>	<u>Class of Board Member</u>	<u>Position on the Board</u>	<u>Date of first appointment</u>	<u>Date of last appointment</u>	<u>Appointment procedure</u>	<u>Main activities of the Board Member outside of the Issuer (as of 31 December 2022)</u>
						Director and member of the Appointments and Remuneration Committee at Abertis
						Director of Del Valle Inversiones, S.A.
Pedro José López Jiménez	Other External	Board Member	28/06/1989	10/05/2019	General Shareholders' Meeting Resolution	Director of SAGITAL, S.A Chair of the Supervisory Board, Human Resources Committee and the Appointments Committee at HOCHTIEF
						Member of the Board of Directors, Remuneration and Appointments Committee, and Ethics, Compliance and Sustainability Committee at CIMIC
						Director and member of the Audit and Control Committee and of the Appointments and Remuneration Committee at Abertis
						Chairman and CEO of Flagoser, S.L.
						Director Representative of Fidsalser, S.L
						Director Representative of Fapin Mobi, S.L.
						Director Representative of Centro Empresarial Calle Miguel Yuste, S.L.
						Sole Director of LOCYXX DOS, S.L.
						Director Representative of Fidalrent, S.L.
						Director Representative of Fidalrent Sky Park, S.L.
						Director Representative of Fidalrent Residencial, S.L.
						Director Representative of Residencial Tres Cantos, S.L.
Florentino Pérez Rodríguez	Executive	Executive Chairman	28/06/1989	10/05/2019	General Shareholders' Meeting Resolution	Director Representative of MAF Inversiones, S.A Sole Director of Rosan Inversiones, S.L.  Sole Director of INVERPE, S.L.
Juan Santamaría Cases	Executive	CEO	06/05/2022	06/05/2022	General Shareholders' Meeting Resolution	Sole Director of HISPAVESAN, S.L. Chief Executive Officer of HOCHTIEF, A.G.  Executive Chairman of CIMIC

The business address of each of the Members of the Board of Directors of the Issuer is Avenida Pío XII, 102, 28036, Madrid, Spain.

### *Senior Management*

The Board has delegated some of its powers to the following committees:

#### **Executive Committee**

The Executive Committee is made up of the Chairman of the Board of Directors, one or both Vice-Chairmen, Board Members appointed by the Board of Directors for such purpose and the Secretary to the Board of Directors (who is entitled to participate in, but not to vote at, meetings of the Executive Committee).

The Executive Committee meets as often as it is convened by its Chairman, on his or her own initiative or at the request of at least two of its members.

The Executive Committee exercises the same powers as those of the Board of Directors, with the exception of those powers that may not be delegated to the Executive Committee by law or under the Issuer's by-laws.

The following table describes the composition of the Executive Committee at the date of this Base Prospectus:

<b>Name</b>	<b>Position</b>	<b>Type</b>
Florentino Pérez Rodríguez	Chairman	Executive
Juan Santamaría Cases	CEO	Executive
Antonio García Ferrer	Member	Executive
Javier Echenique Landiribar	Member	Proprietary
Pedro José López Jiménez	Vice Chairman	Other External
Carmen Fernández Rozado	Member	Independent

#### **Management Committee**

The Management Committee is a non-statutory internal body, formed by members of the main companies of the Group and their affiliates, with the purpose of giving such executives the opportunity to meet to discuss professional experiences and to find solutions to management issues of the Group generally.

The following table describes the composition of the Management Committee (*Comité de Dirección*) of the Issuer as at the date of this Base Prospectus:

<b>Management Committee Member</b>	<b>Position in the Issuer</b>
Florentino Pérez Rodríguez	Chairman
Juan Santamaría Cases	CEO
Antonio García Ferrer	Executive Vice Chairman
José Luis del Valle Pérez	Secretary General
Ángel García Altozano	Corporate General Manager
Eugenio Llorente Gómez	Industrial Project General Manager

#### **Audit Committee**

The Audit Committee is comprised of a minimum of three and a maximum of five members appointed by the Issuer's Board of Directors from amongst its members.

The following table describes the composition of the Audit Committee of the Issuer as at the date of this Base Prospectus:

<b>Name</b>	<b>Position</b>	<b>Class</b>
José Eladio Seco Domínguez	Chairman	Independent
Carmen Fernández Rozado	Member	Independent
Emilio García Gallego	Member	Independent
Catalina Miñarro Brugarolas	Member	Independent
María Soledad Pérez Rodríguez	Member	Proprietary

According to the new Board of Directors' Regulations the responsibilities of the Audit Committee include:

As pertains to oversight of the financial and non-financial information:

- (a) To inform the General Shareholders' Meeting of matters envisaged in relation to those issues which are the competency of the Committee, and in particular, of the result of the audit, explaining how it contributed to the integrity of the financial information, and the role which the Committee played in that process.
- (b) To supervise and evaluate the preparation and presentation of ACS', and where applicable the Group's, financial and non-financial information, reviewing compliance with regulatory requirements and ensuring the adequacy of the consolidation scope defined and appropriate application of accounting criteria and, in particular, being aware of, understanding and supervising the effectiveness of the internal financial information control system (SCIIF). The Committee may present recommendations or proposals to the Board of Directors, with the aim of safeguarding the integrity of the financial information.
- (c) To provide the Board of Directors with prior notice about the financial information and the management report, which shall include, where appropriate, the mandatory non-financial information that ACS is required to publish periodically.
- (d) To ensure that the financial statements that the Board of Directors presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations and that, in those cases in which the auditor has included a provision in his audit report, the Chairman of the Audit Committee clearly explains to the General Shareholders' Meeting the opinion of the Audit Committee regarding its content and scope, making a summary of this opinion available to the shareholders at the time of publication of the call to the Meeting, together with the rest of the proposals and reports of the Board.

As pertains to the oversight of the internal control and internal audit:

- (e) To oversee the efficiency of ACS' internal control, ensuring that the policies and systems established in the area of internal control are effectively applied in practice, and the internal audit, as well as to discuss with the account auditor any significant weaknesses in the internal control system detected during the audit process, without infringing its independence, drawing conclusions as to the level of trustworthiness and reliability of the system. For these purposes, where necessary, the Audit Committee may present recommendations or proposals to the Board of Directors and indicate the corresponding period of time for follow-up of these recommendations.
- (f) To oversee the independence of the internal audit unit; propose the selection, appointment and removal of the head of the internal audit department; propose the budget for the service; approve the orientation and the annual work plan of the internal audit, ensuring that activities are directed principally toward key risks for ACS (including the reputational ones); receive regular information on internal activities; ensure that senior management takes the conclusions and recommendations of its internal audit reports into consideration; and annually assess the workings of the internal audit unit and the performance of its duties by the person responsible for the unit.
- (g) To establish and oversee a mechanism that allows employees and other persons related to ACS, such as Directors, shareholders, suppliers, contractors or subcontractors, to confidentially report any potentially significant irregularities including financial and accounting irregularities, or irregularities of any other nature, related to ACS that they may identify within ACS or the Group, by receiving regular information on its operation and being able to propose the appropriate actions for its improvement and future risk reduction.

As pertains to the oversight of risk management and control:

- (h) To supervise and evaluate the effectiveness of financial and non-financial risk management systems relating to ACS and the Group, including operational, technological, legal, social, environmental, political and reputational or corruption-related systems.
- (i) At least once a year, to reassess the list of most significant risks, both financial and otherwise, and evaluating their tolerance level, proposing adjustments to the Board of Directors where necessary.

For these purposes, the Committee shall, at least once a year, hold a meeting with the heads of the various business lines, for those managers to explain trends in their line of business, and the associated risks.

- (j) To directly oversee the performance of the internal control and risk management functions carried out by any unit or Department of ACS.

In relation to the external auditor:

- (k) To feed back to the Board of Directors any proposals for the selection, appointment, re-election and replacement of the external auditor, taking responsibility for the selection process, and for the conditions of their engagement, and for this purpose, the Committee must:
  - (i) define the process for selection of the auditor; and
  - (ii) issue a reasoned proposal containing at least two alternatives for auditor selection, except in cases of re-election of the same auditor.
- (l) To regularly gather information from the external auditor regarding the audit plan, its execution and any other issues relating to the account auditing process – in particular, any disagreements which arise between the account auditor and ACS' management, as well as to preserve its independence in the exercise of its functions.
- (m) To establish the appropriate relationships with the external auditor for the purpose of receiving information on any matter which may compromise its independence, for examination by the Committee, and any other matter relating to the process of auditing the accounts and, where necessary, authorization of services other than those which are prohibited, in the conditions set forth in the applicable legislation, as any other 23 communications prescribed by the legislation in account auditing and in the auditing standards.

In any case, ACS must receive an annual declaration from the external auditors regarding their independence vis-à-vis the entities directly or indirectly related to ACS, together with information on additional services of any kind provided and the related fees received from these companies by the external auditor or by persons or entities related thereto, in accordance with the audit legislation in force.

- (n) To issue annually, prior to the issue of the auditors' report, a report in which it gives its opinion on the independence of the auditor. In any case, this report should inform on the provision of the additional service referred to in the previous section, individually and globally considered, other than the legal audit and in relation with the independence system or the audit regulations.

Should the external auditor resign, examine the circumstances leading to such decision.

- (o) Ensure that the remuneration of the external auditor does not compromise its quality or independence, and establish a guideline cap on fees that the auditor can be paid, each year, for services other than auditing.
- (p) Ensure that ACS notifies any change of auditors through the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditors and, if any, of their content.
- (q) Ensure that the external auditor holds an annual meeting with the Board of Directors to inform it of the work performed and of the evolution of ACS' accounting situation and risks.
- (r) Ensure that ACS and the external auditor comply with the applicable laws regarding the provision of services other than auditing services, restrictions on the concentration of the external auditor's business, and, in general, with other laws stipulated to safeguard the independence of auditors.
- (s) To perform a final assessment regarding the auditor's performance, and how they have contributed to the quality of the audit and the integrity of the financial information.

Other roles:

- (t) Report on Related-Party Transactions to be approved by the General Meeting or the Board of Directors and supervise the internal procedure established by the Company for those whose approval has been delegated by the Board in accordance with the applicable regulations.
- (u) To report to the Board of Directors on all matters where so required by law, the By-laws and the Board Regulations, in particular with regard to:
  - (i) the economic conditions and the impact on accounting matters and, where applicable, on the proposed exchange ratio, of structural and corporate modifications which ACS plans to carry out; and
  - (ii) the creation or acquisition of investments in special purpose vehicles registered in countries or territories listed as tax havens.

The stipulations of paragraphs k), l), m) and n) above apply without prejudice to prevailing legislation governing auditing.

In addition to the above responsibilities, the Audit Committee is also responsible for the compliance with corporate governance and sustainability in environmental and social matters, with the following duties corresponding thereto:

- (v) Supervising compliance with the rules of corporate governance and the internal codes of conduct of ACS, as well as ensuring that the corporate culture is aligned with its purpose and values.
- (w) Supervising the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisors and other interest groups. The way in which ACS communicates and engages with small and medium sized shareholders will also be monitored.
- (x) The evaluation and periodic review of the ACS' system of corporate governance and its environmental and social policy, in order to ensure that it fulfils its mission of furthering the corporate interest and takes into account, as appropriate, the legitimate interests of other stakeholders.
- (y) Ensuring that ACS' environmental and social practices are in line with the defined strategy and policy.
- (z) Supervising and assessment of the relationship processes with the different groups of interest.

### **Appointment Committee**

The Appointment Committee is made up of a Chairman and a minimum of two members appointed by the Board of Directors from among its members. At least two of the members, as well as the Chairman of this Committee, must be independent Board members. The Appointment Committee must meet at least twice a year.

The following table describes the composition of the Appointment Committee of the Issuer as at the date of this Base Prospectus:

<b>Name</b>	<b>Position</b>	<b>Class</b>
Catalina Miñarro Brugarolas	Chairman	Independent
Mariano Hernández Herreros	Member	Proprietary
Javier Echenique Landiribar	Member	Proprietary
Carmen Fernández Rozado	Member	Independent
Pedro José López Jiménez	Member	Other External
María José García Beato	Member	Independent

According to the new Board of Directors Regulations, the responsibilities of the Appointment Committee include:

Regarding the members of the Board of Directors:



- (a) To evaluate the capabilities, expertise and experience required by the Board of Directors. For these purposes, the Appointments and Remuneration Committee shall define the necessary skills and abilities of the candidates to cover any vacancy and shall evaluate the time and dedication required to discharge the related duties effectively, ensuring that non-executive Directors have sufficient time available to perform their duties properly.

For these purposes, the Committee shall prepare and periodically update a matrix with the necessary competences of the Board that defines the skills and knowledge of the candidates for Directors, especially those of executives and independent Directors.

- (b) To make proposals to the Board of Directors for the appointment of independent Directors by co-option or by approval at the Shareholders' General Meeting, as well as proposals for the re-election or removal of such Board Members by the Shareholders' General Meeting.
- (c) Verify the category of Directors on an annual basis.

Regarding the selection of Directors and Senior Management:

- (d) To make proposals for the appointment of other Board Members by co-option or by approval at the Shareholders' General Meeting, as well as proposals for the re-election or removal of such Board Members by the General Shareholders' Meeting.
- (e) To make proposals for the appointment of the remaining Directors for their appointment by co-option or for their submission to the decision of the General Shareholders' Meeting, as well as proposals for their re-election or separation by the General Meeting.
- (f) To make proposals for appointing and separating Senior Management, especially those who will form part of the Group Management Committee and to propose the basic terms and conditions of their contracts, in coordination, if necessary, with the Remuneration Committee.
- (g) Periodically checking the criteria for selecting Directors.

Regarding the positions of the Board:

- (h) Reporting the proposals for the appointment of the Chairman and, where appropriate, Vice-chairman of the Board.
- (i) Reporting the proposals for appointing the Secretary and, if applicable, the Deputy Secretaries of the Board of Directors.
- (j) Proposing, if applicable, the appointment of the coordinating Director.
- (k) Examining and organizing the succession of the Chairman of the Board of Directors and the first ACS executive and, if applicable, making proposals to the Board of Directors for said succession to take place in an orderly and planner manner, making a succession plan to this end.

Other functions:

- (l) Lead, in coordination with the Chairman of the Board and with the collaboration, where appropriate, of the coordinating Director, the annual assessment of the Board regarding the operation and composition of the same, its Committees and the Directors of ACS.
- (m) Periodically design and organise knowledge update programmes for Directors, in coordination, if necessary, with the Remuneration Committee.
- (n) To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the Committee.

### **Remuneration Committee**

The Remuneration Committee is made up of a Chairman and a minimum of two members appointed by the Board of Directors from amongst its members. At least two of the members, as well as the Chairman of this

Committee, must be independent Board members. The Remuneration Committee must meet at least twice a year.

The following table describes the composition of the Remuneration Committee of the Issuer as at the date of this Base Prospectus:

<u>Name</u>	<u>Position</u>	<u>Class</u>
Antonio Botella García	Chairman	Independent
Emilio García Gallego	Member	Independent
María Soledad Pérez Rodríguez	Member	Proprietary
Miguel Roca Junyent	Member	Other External
José Eladio Seco Domínguez	Member	Independent

According to the new Board of Directors Regulations the responsibilities of the Remuneration Committee include:

- (a) To report to the Board of Directors on the individual determination of the remuneration of each Director in his capacity as such within the framework of the Articles of Association and the remuneration policy, as well as on the individual determination of the remuneration of each Director for the performance of the executive functions attributed to him within the framework of the remuneration policy in accordance with the provisions of his contract.
- (b) To make proposals on the distribution of the overall remuneration agreed upon by the shareholders at the General Meeting, between the members of the Board of Directors.
- (c) To make proposals on individual remuneration and other contractual conditions for members of the Executive Board, as well as to propose the basic terms and conditions of the contracts of the Senior Management on remuneration, on coordination, as necessary, with the Appointments Committee, checking that they are consistent with the applicable remuneration policies.
- (d) To propose long-term plans that may be established in accordance with share value, such as stock option plans.
- (e) Periodically review the remuneration policy applied to Board Members and Senior Management, 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 Management of ACS.
- (f) To verify information on the remuneration of Board Members and Senior Management contained in the different corporate documents, including the Annual Report on Board Members' Remuneration.
- (g) To ensure that potential conflicts of interest do not adversely affect the independence of external advice provided to the Committee.

Insofar as may be necessary, and with any necessary adaptations, the functioning of the Appointments and Remuneration Committees is governed by the provisions of the rules regulating the functioning of the Board of Directors.

### ***Employees***

As at 31 December 2022, the Group employed a total of 128,721 people. The following table sets out a breakdown, by business unit, of the Group's employees as at 31 December 2020, 2021 and 2022:

	31/12/2020	31/12/2020 (restated)	31/12/2021	31/12/2022
Construction	57,324	57,684	44,351	47,400
Concessions	273	273	409	415
Services	76,462	76,462	77,492	80,705
Corporation and others*	45,480	222	250	201
Total	179,539	134,641	122,502	128,721

\* Includes employees of ACS Actividades de Construcción y Servicios, S.A. and those managing real estate, energy and water assets.

## **Conflicts of Interest**

There exist no conflicts of interest between the administrative, management and supervisory bodies of the Issuer and there exist no potential conflicts of interest between any duties to the issuing entity of any members of such administrative, management or supervisory bodies and their private interests and/or other duties.

## **Transactions with Related Parties**

All related-party transactions executed in the financial year ended 31 December 2022 and up to the date of this Base Prospectus were undertaken in the ordinary course of business of the Issuer and were performed on an arm's-length basis.

## **Litigation**

In the course of its business activities, the Group is subject to contingent liabilities of various types arising from litigation or administrative or contentious proceedings, which the Directors consider it is reasonable to consider will not have a material effect on the Group's economic and financial position or solvency, and provisions have been made for such liabilities insofar as they may have a material adverse effect.

Although there are a number of outstanding lawsuits, the Issuer believes that such lawsuits, except those outlined in this section, are for non-material amounts when considered individually based on the size of the Group.

Periodic changes to these provisions are made based on an analysis of the lawsuits or claims in progress, according to the reports prepared by the legal advisers of the Group. As in the case of provisions for taxes, these amounts are not updated to the extent that the time at which the risk arises or disappears depends on circumstances linked to judgments or arbitration, meaning it is impossible to determine the date on which they will be resolved. Additionally, these provisions are not derecognised until the judgments handed down are final and payment is made, or until there is no doubt as to the disappearance of the associated risk.

### Metro de Lima

In connection with the concession contract for the Lima Metro Line 2 Project in Peru, the concession company Metro de Lima Línea 2, S.A. (in which Iridium Concesiones de Infraestructuras, S.A. holds 25% of the shares) filed the following requests for arbitration:

ICSID Arbitration 1: On 16 January 2017, a request for arbitration against the Republic of Peru (Ministry of Transport and Communications) before the International Centre for Settlement of Investment Disputes between States and Nationals of other States ("**ICSID**") for serious breach by the Republic of Peru of the concession agreement mainly consisting of: (i) the failure by the Concession Area to make delivery under the terms and conditions established in the concession agreement, and (ii) the lack of approval and delayed approval of the Detailed Engineering Studies ("**ICSID 1**"). In 2018, several briefs were filed requesting an extension of the term of execution of the Project works and compensation for damages in excess of USD 700 million, which include damages incurred by different participants in the Project (concession operator, construction group, rolling stock supplier, etc.). The Republic of Peru dismissed the claims made and included a counterclaim against the concession operator, claiming an amount in excess of USD 700 million for socio-economic and environmental damage. Both the claim brought by the concession operator against Peru and the counterclaim by Peru against the concession operator have been consolidated into a single arbitration process with the ICSID. The process has followed its normal course: in the first half of May 2019, the evidentiary hearing was held in Washington, where various witnesses gave their testimony, two rounds of briefs were presented during June and July 2019 in relation to issues raised during the evidentiary hearing, and final pleadings were presented by both the concession operator and the State of Peru on 20 September 2019. On 6 July 2021, the Court issued a partial award through the "Decision on Jurisdiction and Liability", which dismissed the counterclaim of the Republic of Peru and upheld virtually all of the claims of the concession operator, with the final award yet to be handed down on the amount of damages and costs of the proceedings. In particular, the Decision declares that (1) the Republic of Peru has breached its obligation to deliver most of the Areas of Stage 1A and all of the Areas of Stages 1B and 2 within the periods agreed, and (2) the Republic of Peru has breached its contractual obligations regarding the procedure for overseeing and approving the Detailed Engineering Studies, and that the Republic of Peru has failed to properly exercise its contractual supervisory role. As regards damages due to delays, the claim

for damages due to delays in relation to Stages 2 and 1B is fully upheld and partially upheld for Stage 1. On 11 August 2021, the Court issued Procedural Order No. 8 instructing the experts of the concession operator and of Peru to perform additional calculations based on the findings set forth in the Decision. On 11 October 2021, following the Court's procedural order, based on the delays determined by the Court in the Decision, the concession operator reduced its claim from USD 109 million to USD 84.7 million and the other members of the consortium other than the concession operator also made an adjustment to the damages initially claimed. On 30 December 2021, the concession grantor submitted to the Court its response to the concession operator's adjusted damage calculations, rejecting most of these damages and submitting much lower alternative calculations. On 31 January 2022, the Parties submitted a joint WACC Calculator to the Arbitral Tribunal and, subsequently, each party has submitted its own "instructions" for using the Calculator. The award for damages is expected to be issued in the second quarter of 2023.

ICSID Arbitration 2: On 2 August 2021, the concession operator filed a new request for arbitration against Peru with the ICSID Secretariat, following the expiration of the 6-month period for direct negotiations as required by the concession agreement. As in the case of ICSID 1, this claim is mainly for serious breach by the Republic of Peru of the Concession Agreement for (i) the failure by the Concession Area to make delivery, and (ii) the lack of approval and delayed approval of the Detailed Engineering Studies under the terms and conditions established in Addendum 2 to the Concession Agreement, and the updated cost overruns, and harm and loss incurred after the cut-off dates considered in ICSID 1 ("**ICSID 2**"). The concession operator finished appointing its experts and on 16 May 2022 the Secretary-General of the ICSID reported that the three arbitrators had accepted their corresponding appointments and that, therefore, the Arbitral Tribunal was duly constituted and the procedure initiated. The first session of the Tribunal was held on 17 June 2022 and an agreement was reached for Procedural Order no. 1, which regulates, among other matters, the procedural timetable. On 16 December 2022, the concession operator filed a Statement of Claim with the ICSID. ICSID Arbitration 3: On 15 November 2021, the concession operator filed a new request for arbitration against Peru with the ICSID Secretariat, following the expiration of the 6-month period for direct negotiations as required by the concession agreement. The claim filed against Peru is regarding the dispute over (i) the lack of approval of the Polynomial Formulas for the adjustment to the Work Progress and Provision Progress, (ii) the delay in the certification and payment of the adjustments arising from the application of these Polynomial Formulas, and (iii) the economic and financial loss due to the delay in payment of the adjustments ("**ICSID 3**"). The expert has prepared the draft preliminary expert report, which is currently being reviewed by the working group. Likewise, the President has yet to be appointed for the definitive formation of the Arbitral Tribunal.

#### Radial Highways III and V

In relation to the Group's investment in Alazor (highways R3 and R5), the relevant financial institutions filed a declaratory action, which was notified to the shareholders in October 2013. After abandoning the appeal they had filed against the dismissal of the appeal in September 2018, the funds acquiring the receivables filed a new declaratory action, which was notified to ACS and Desarrollo de Concesiones Viarias Uno, S.L. ("**DCVU**") in January 2019. In this new declaratory action, they invoked Clause 2 of the Shareholders' Support Agreement to claim payment of €757 million from the shareholders of Alazor and their respective guarantors (€179 million would correspond to the Group). The Madrid Court of First Instance no. 13 dismissed the claim in full through the judgment dated 7 November 2022, absolving the shareholders and guarantors of all claims made against them, without ordering the claimants to pay costs. The funds filed an appeal on 13 December 2022, and a ruling will be handed down by the Madrid Provincial Appellate Court.

The enforcement action notified in February 2014 was dismissed and the €278.37 million deposited in the Court's account was returned (of which €87.85 million corresponded to the Group). The shareholders successively claimed €31.71 million in compensation for damages (€11.32 million corresponded to the Group). In light of the opposition of the investment funds, Madrid Court of First Instance no. 51 has agreed to appoint an *ex officio* expert to rule on this issue. On 10 March 2021, an oral hearing was held on this litigation, and the procedural incident was scheduled for resolution. By order dated 11 March 2021, an indemnity payment had been recognised, for a total of €26.19 million (€11.3 million corresponding to the Group) and it has ordered that the funds pay the costs. This order was ratified by the Madrid Provincial Appellate Court by order dated 7 July 2022.

In May 2019, ACS, Actividades de Construcción y Servicios, S.A. and Desarrollo de Concesiones Viarias Uno, S.L. were notified of a second claim based on Clause 4 (viii) of the Support Agreement, although this time it was a claim for declaratory judgment. In this claim Haitong Bank S.A. Sucursal en España, acting

as agent of the financial syndicate, claimed payment of €562.5 million. This claim was upheld by the Madrid Court of First Instance No. 26 by means of a judgment dated 2 November 2021 (notified on 4 November 2021), in which Alazor's shareholders and their respective guarantors are ordered to pay Haitong Bank, for subsequent distribution among the creditors, the following: (i) an amount of €450 million (resulting from subtracting from the total amount claimed of €112.5 million corresponding to Bankia, with which the claimants entered into an out-of-court agreement); (ii) the interest applied to procedural delays accrued since 21 December 2018; (iii) the procedural default interest from the date of the judgment; and (iv) the costs. This judgment distributes the amount claimed among each defendant, indicating that the shareholder Desarrollo de Concesiones Viarias Uno, S.L. and its guarantor ACS, Actividades de Construcción y Servicios, S.A. must pay €132.9 million plus interest, and one fourth of the costs. A remedy of appeal was filed against this judgment on 20 December 2021, and a ruling will be handed down by the Madrid Provincial Appellate Court. It should be noted that, once the Court of First Instance considers this appeal to have been filed, Haitong Bank may request provisional enforcement of the judgment and, if it is granted leave to proceed by the Court, it will issue an enforcement order indicating that each of the entities is ordered to deposit or designate assets for an amount equivalent to the portion of the principal corresponding to them and recognise a provision for interest and costs, which is usually calculated at 30% of the principal (in the case of the Group this figure would be approximately €173 million). In this case, the disputed parties will try to request stay of the order, or, failing that, they will propose the contribution of a guarantee or another surety instrument as a provisional alternative until a final judgment is obtained.

An analysis is underway on the impact that the following events related to the Public Administration's Liability ("PAL") under the concession arrangement corresponding to the R3 and R5 highways could have on the risk associated with the Group's investment in Alazor:

On 21 December 2021, the Ministry of Finance published on its website that the Council of Ministers has authorized the modification of the spending limits charged to future years and the extension of credit corresponding to 2021 to enable the General Directorate of Roads to meet the financial effects arising from the termination of several concession arrangements. This communication stated that, with respect to the R3 and R5 highways, the General Directorate of Roads has proposed an amount of €131,773,447 for 2021 and €304,004,675 for 2022.

On 15 January 2022, the Council of Ministers Resolution dated December 28, 2021 was published in the Official Gazette of the Spanish State (BOE), approving the execution of the first provisional settlement of the contract and the PAL corresponding to the R3 and R5 highways, with a prepayment of €119,150,069 plus interest accruing from the date on which the order was signed that opened the liquidation phase of the concession operator's insolvency proceedings until the date of effective payment.

On 15 February 2022, the bankruptcy managers for Accesos de Madrid, the concession operator of the R3 and R5 highways, acknowledges that it received the €131,773,447 as the first prepayment of the PAL and, after recalling that the financial creditors of Alazor are named in the bankruptcy of Accesos de Madrid as having a pledge in rem on the PAL, request the Judge of the insolvency proceedings to pay the amount received individually to the creditors of Accesos and Alazor, making payment in the account held by each of them as indicated by Haitong Bank.

On 14 March 2022, the Presiding Judge of Madrid Commercial Court no. 6 gave authorization for the amounts received by the party to the insolvency proceedings as a prepayment of the PAL to be paid individually to each senior creditor into the current account as provided by each of them.

In addition, it should be noted that the Third Chamber of the Supreme Court partially upheld, in a judgment dated 28 January 2022, the appeal for judicial review filed by the shareholders and guarantors of the R3 and R5 highways against the Council of Ministers Resolution on 26 April 2019, which interpreted that the highway concession arrangements had been terminated as result of the insolvency proceedings, with respect to the method used to calculate the PAL. This judgment means that the granting authorities must review the first ruling on the liquidation of the PAL already handed down, and take into account the corrections made by the Supreme Court to the calculation method in the second ruling and in the final ruling. All of the above is expected to lead to a substantial increase in the amounts estimated by the authorities for payment of the PAL.

Lastly, in March 2023 certain conditions arose that did not exist at the end of the year, which led to a solution to positively and definitively resolve this potential impact.

## Radial Highway II

In relation to the Group's investment in Irasa (R2 toll road), it should be noted that in September 2019 ACS and Desarrollo de Concesiones Viarias Uno, S.L. were notified of the filing by the creditor funds of a declaratory action in which, invoking Clause 2 of the Shareholders' Undertakings Agreement, they claimed from the shareholders of Irasa and their respective guarantors, the filing by the creditor funds of a declaratory action in which, invoking Clause 2 of the Shareholders' Undertakings Agreement, they claimed from the shareholders of Irasa and their respective guarantors the payment of a total of €551.50 million (€193 million corresponding to the Group) to cover construction cost overruns and expropriations. This claim has been dismissed by the Madrid Court of First Instance no. 37 on 14 July 2022, absolving the shareholders of all claims made against them and ordering the claimants to pay costs. On 8 September 2022, the funds filed an appeal against this ruling, which has been granted leave to proceed by the Madrid Provincial Appellate Court.

With regard to the insolvency proceedings, it should be noted that the insolvency proceedings of Henarsa, Irasa, Accesos de Madrid and Alazor were all declared fortuitous. The insolvency administrations of Henarsa and Accesos de Madrid handed over the operation of the R2, R3 and R5 motorways to the State by deeds dated 28 February and 9 May 2018, respectively, and management is carried out by the Ministry of Public Works through SEITTSA, by virtue of an agreement signed in August 2017 which has been extended until 2022, and was once again extended until 2023.

## CNMC Resolutions

In December 2015, the CNMC issued a resolution on the matter involving several companies, including Dragados, for alleged anti-competitive practices in relation to the modular construction business. The decision, which amounts to €8.6 million, was appealed in 2016. On 12 November 2021, the National Appellate Court handed down a judgment dismissing the appeal and confirming the liquidated damages. On 17 January 2022, it was announced that an appeal would be filed with the Supreme Court against the judgment, but it was not granted leave to proceed on 15 June 2022. The liquidated damages were paid on 5 September 2022.

On 1 October 2018, proceedings were opened against Dragados and other companies for possible infringements of Article 1 of the Law on the Defence of Competition and Article 101 of the Treaty on the Functioning of the European Union, consisting of agreements and exchanges of information between these companies in the area of tenders called by the different Public Administrations in Spain, for the construction and refurbishment of infrastructures and buildings. On 16 July 2020, the aforementioned case was declared to have lapsed, although on 6 August 2020, notification was given of the initiation of a new case for the same facts as the lapsed case. On 16 September 2020, Dragados filed a contentious-administrative appeal against the resolution decreeing the lapsing, which was admitted on 9 October 2020 and the claim was formalised on 16 December 2020. On 6 July 2021, the Directorate of Competition of the CNMC issued a new preliminary ruling for the new accusation with proposed liquidated damages of €58 million, indicating that the company could also be banned from entering into contracts with public authorities. The corresponding pleadings have been submitted against this preliminary ruling. On 15 July 2022, the CNMC notified that a ruling had been handed down a fine of €57.1 million on Dragados. This fine was appealed before the National Appellate Court and on 19 January 2023 the Court handed down its decision to suspend payment of the fine in exchange for the provision of a guarantee, which must be provided within the period indicated by the Court. Dragados and its external advisers consider that the action that was subject to this fine is not unlawful and did not restrict competition, and consider the fine to be disproportionate and lacking in justification. The Group's management considers that the final ruling on this matter is unlikely to have a significant effect on the company.

There are other litigation proceedings in which the subsidiary HOCHTIEF is involved, including:

### ***Rastatt Tunnel Project***

A joint venture, formed by Ed. Züblin AG and HOCHTIEF Solutions AG with equal participation, is constructing the Rastatt tunnel on behalf of DB Netz AG as part of the expansion and new construction of the rail route Karlsruhe – Basel. On 12 August 2017, the eastern tunnel, which had already been partly built in the area underneath the existing and operating Rheintalbahn railway, suffered an accident which caused a subsidence on the surface of the construction site and required closure of the Rheintalbahn railway. The

site was secured, the damaged railway lines were restored and the Rheintalbahn railway was reopened on 1 October 2017.

The accident caused physical damage to the tunnel structure as well as financial damage due to the Rheintalbahn railway closure. Both the amount for the physical damage and the amount of financial damage are still disputed between the involved parties as well as the relevant insurance companies (e.g., construction insurer, liability insurers). To clarify the cause of the accident and the responsibility for its occurrence, the joint venture and DB Netz AG have agreed to an extrajudicial dispute resolution process, which is ongoing.

#### ***Antitrust administrative offence proceedings against HOCHTIEF Solutions AG***

In a fining decision dated 25 May 2022, the German Federal Cartel Office ("FCO") imposed a fine against HOCHTIEF Solutions AG and its client Aktien-Gesellschaft der Dillinger Hüttenwerke for concluding illegal agreements within the context of award procedures. Following the FCO's allegations, HOCHTIEF Solutions AG initiated a comprehensive internal investigation. Further, HOCHTIEF Solutions AG filed an application under the FCO's Leniency Program to cooperate with the FCO throughout the proceedings. The cooperation with the FCO led to a significant reduction of the fine in the initially issued fining decision. However, during the settlement negotiations with the FCO, HOCHTIEF Solutions AG did not agree to a settlement based on its legal assessment of the facts.

After receiving the fining decision, HOCHTIEF Solutions AG immediately filed an appeal against the fining decision and the findings on which it was based. The fining decision is therefore not legally binding and the Düsseldorf higher regional court will review and decide on the case.

HOCHTIEF Solutions AG has taken the investigations as an opportunity to fundamentally review its antitrust compliance programme and has taken further precautions to ensure that employees conduct themselves in every respect in accordance with German and European antitrust law. This was recognised by the FCO and considered as part of the overall assessment to reduce the fine.

#### ***Baltic 2 Foundations Steel Supplier (Lot 1 and Lot 3)***

There were two parallel arbitrations ongoing in connection with the construction of an offshore wind park in the Baltic Sea. Both arbitrations commenced in 2016 and were directed against the Baltic 2 joint venture (HTI participation: 50 percent). The first arbitration was initiated by Bladt Industries A/S ("**BI**"), the steel supplier for Lot 1, and the second arbitration by the steel supplier for Lot 3, a consortium comprising Bladt Industries A/S and EEW GmbH ("**BI Consortium**"). The first arbitration primarily related to delays in BI's delivery of jackets for wind turbines. The total amount claimed in this arbitration (comprising claims and counterclaims) was €102 million. On 18 November 2021 (effective date), the parties entered into a comprehensive settlement agreement for the first arbitration. The second arbitration primarily relates to delays caused by the late delivery of monopiles for wind turbines. The total amount claimed in the second arbitration (comprising claims and counterclaims) is €78.3 million. The final evidentiary hearing in the Lot 3 proceedings took place in February 2021. On 9 November 2022, the arbitral tribunal rendered its final award in the Lot 3 proceedings. On the basis of the final award, the Baltic 2 joint venture paid €4 million to the BI Consortium in February 2022.

#### ***Los Angeles Worldwide Airports Midfield Satellite Concourse North***

In 2022, Turner-PCL, a joint venture, ("**TPJV**") terminated the Midfield Satellite Concourse North project with its owner, Los Angeles World Airports. A small number of subcontractors submitted claims to TPJV, which remain outstanding. One set of claims relates to impacts associated with piling issues that occurred early in the project. TPJV is pursuing recovery of the losses from potentially responsible parties and available insurance policies through arbitration and mediation proceedings. The other claim was submitted to TPJV by the electrical subcontractor. This claim is currently being arbitrated by the parties.

#### ***Nastasi & Associates***

Nastasi & Associates ("**Nastasi**") filed a civil action in the United States District Court for the Southern District of New York ("**SDNY**") on or about 2 January 2019. The Complaint filed by Nastasi attempts to draw an indirect link between the failure of Nastasi's business and the actions of indicted former employees of Turner and Bloomberg. Turner (and the other civil defendants) filed motions to dismiss the complaint on various grounds. This action (The "**First Action**") was dismissed by SDNY twice. Whilst an appeal of

the first grant of Turner's and other defendants' motions to dismiss the First Action was pending, Nastasi initiated a second action in the same court by filing a complaint against the same defendants alleging the same operative facts and law (the "**Second Action**"). Nastasi has abandoned the First Action in favour of proceeding with the Second Action. Turner and the other defendants filed motions to dismiss the Second Action. SDNY ruled that the Second Action should proceed, and as at the date of this Base Prospectus the case is in the discovery phase.

### ***C470 Colorado***

In the HOCHTIEF Americas division, risk relating to design issues significantly impacted the C470 project in Colorado, USA. The Flatiron project entailed adding tolled express lanes in each direction and replacing/widening bridges along a 20-kilometer-long segment of the C470, and reconstructing the interchange with the I-25. The joint venture claims the reimbursement of incurred cost increases. A final determination on the merits of this claim is not expected before 2024.

### ***New Champlain Bridge***

Together with partners, Flatiron achieved substantial completion of the New Champlain Bridge corridor project in Montreal, Canada. The joint venture was responsible for the construction of a new bridge over the St. Lawrence River. Construction was affected by a crane operator strike in 2018 and several design issues. As it was not possible to reach agreement with the client on the claims involved, the joint venture has been pursuing its claims against the client in court since October 2021. Separately, the joint venture is in settlement discussions with the designer regarding the design issues.

### ***Harbor Bridge***

Flatiron is a partner to a joint venture to construct a replacement of the Harbor Bridge in Corpus Christi, Texas, United States, via a design-build project. The project was impacted by directed changes and disagreements regarding certain design parameters. On 16 August 2022, the Texas Department of Transportation ("**TxDOT**") issued a notice of default alleging certain work did not conform with the contract requirements. The joint venture and TxDOT reached an agreement aimed at resolving the TxDOT's concerns related to alleged non-conformances. The joint venture worked with TxDOT to address the concerns, work is progressing and negotiations are ongoing.

### ***Alto Maipo***

On 15 November 2021 the arbitral tribunal rendered its partial award in the Alto Maipo arbitration between Alto Maipo SpA and the construction joint venture CNM (70% HOCHTIEF participation) in connection with the Alto Maipo hydropower project in Chile. The partial award obliges CNM to pay damages of USD 106.7 million to Alto Maipo SpA. The decisions on interest and costs were reserved for the final award, which needs to be rendered by the arbitral tribunal by the end of 2022. The arbitration ruling resulted in an extraordinary one-off effect of minus €195 million which was recorded for the fiscal year ending 31 December 2021. On 11 July 2022, a comprehensive settlement agreement was concluded between HOCHTIEF Solutions AG and Alto Maipo SpA and on 13 July 2022 a final payment was made to Alto Maipo SpA.

### ***Regulatory Investigations***

In February 2012, CIMIC announced to the ASX that it had reported to the Australian Federal Police ("**AFP**") a possible breach by employees within the Leighton International business of its Code of Ethics. The AFP is investigating the Group's international operations. In March 2014, the Australian Securities and Investments Commission ("**ASIC**") commenced a formal investigation relating to the abovementioned AFP investigations. In March 2017, ASIC advised CIMIC that its investigation has concluded and it will take no further action. Further, CIMIC has become aware that the UK Serious Fraud Office ("**SFO**") and the U.S. Department of Justice ("**DOJ**") are inquiring into related matters. The SFO has announced it has charged individuals, neither of whom are employees of CIMIC, and a company, which is not a member of the CIMIC Group, with offences. On 19 July 2019 the SFO announced that one individual had pleaded guilty to charges. Following trials in 2020 and 2021 the individuals were convicted on some charges. However, some of those convictions have been overturned on appeal. None of the juries' guilty findings relate to charges involving the CIMIC Group company contracts. In March 2019, CIMIC entered into an investigation agreement with the DOJ. In October 2019, the DOJ announced that in March 2019, three



individuals not employed by CIMIC pleaded guilty to a charge of conspiracy to violate the Foreign Corrupt Practices Act. The DOJ has announced that another individual (not employed by CIMIC) has entered into a non-prosecution agreement with the DOJ.

On 18 November 2020 the AFP advised CIMIC that it had charged an ex-employee with alleged offences relating to foreign bribery and related matters and on 23 February 2021 the AFP announced it had brought an additional charge in relation to foreign bribery. On 11 January 2021 the AFP informed CIMIC that it had charged a second ex-employee with related offences. The AFP has also indicated it may charge a further ex-employee and that its investigations continue. CIMIC does not know when the charges will be heard or the outcome of any investigation. No CIMIC Group company has been charged. CIMIC continues to cooperate with all official investigations.

#### ***Shareholder class action suit***

In August 2020, CIMIC announced to the ASX, that it has been served with a class action proceeding filed in the Victorian register of the Federal Court. The claim is brought on behalf of some shareholders who purchased shares in the period between 7 February 2018 and 22 January 2020 and relates to disclosures about CIMIC's non-controlling 45 per cent. investment in the Middle East as well as the reporting of CIMIC's cash flows on the context of factoring arrangements. CIMIC denies that there is a proper basis for such claim and will defend the proceedings.

#### ***CCPP Contract***

UGL, a wholly owned subsidiary of CIMIC, together with its consortium partners CH2M Hill Companies Limited (CH2M) and General Electric Company, were contracted by JKC Australia LNG Pty Ltd (JKC) to carry out works relating to the construction of a combined cycle power plant for the Ichthys LNG Project in the Northern Territory.

In January 2017, the UGL-CH2M JV Consortium terminated their contract with JKC for the design, construction and commissioning of the combined cycle power plant (CCPP Contract).

On 11 April 2022, CIMIC entered into a conditional, confidential commercial agreement with its consortium partners and JKC resulting in a full and final settlement of all matters in connection with the CCPP Contract.

In accordance with the agreement, CIMIC paid an amount of AUD 192.5 million in April 2022, and will pay an additional amount of AUD 300 million in March 2023, as its contribution to the settlement amounts.

#### **Intellectual and industrial property**

The trademarks of the Issuer and the Group are protected on a domestic, European Union and international level in a broad range of classes in international patent registers. As at the date of this Base Prospectus, there were no proceedings or other litigation in connection with the Issuer's or the Group's trademarks.

#### **Credit Rating**

On 14 April 2023, the Issuer has been assigned a short-term credit rating of A-3 (stable outlook) and a long-term credit rating of BBB- (stable outlook) by S&P.

## TAXATION

The following is a general description of certain EU and Spanish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

### *Taxation in Spain*

*The following is a general description of certain Spanish tax considerations. The information provided below does not purport to be a complete summary of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect.*

### **Introduction**

This information has been prepared in accordance with the following Spanish tax legislation in force at the date of this Base Prospectus:

If:

- (a) of general application, Additional Provision One of Law 10/2014, of 26 June on the management, supervision and solvency of credit institutions ("**Law 10/2014**"), as well as Royal Decree 1065/2007 ("**Royal Decree 1065/ 2007**"), of 27 July establishing information obligations in relation to preferential holdings and other debt instruments and certain income obtained by individuals resident in the European Union and other tax rules as amended by Royal Decree 1145/2011 of 29 July;
- (b) for individuals with tax residency in Spain who are personal income tax ("**Personal Income Tax**") tax payers, Law 35/2006, of 28 November on Personal Income Tax and on the partial amendment of the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law as amended (the "**Personal Income Tax Law**"), and Royal Decree 439/2007, of 30 March promulgating the Personal Income Tax Regulations as amended, along with Law 19/1991, of 6 June on Wealth Tax as amended and Law 29/1987, of 18 December on Inheritance and Gift Tax as amended and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes.
- (c) for legal entities resident for tax purposes in Spain which are corporate income tax ("**Corporate Income Tax**") taxpayers, Law 27/2014, of 27 November of the Corporate Income Tax Law, and Royal Decree 634/2015, of 10 July promulgating the Corporate Income Tax Regulations (the "**Corporate Income Tax Regulations**"); and
- (d) for individuals and legal entities who are not resident for tax purposes in Spain and are non-resident income tax ("**Non-Resident Income Tax**") taxpayers, Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the Non-Resident Income Tax Law as amended (the "**NRIT Law**"), and Royal Decree 1776/2004, of 30 July promulgating the Non-Resident Income Tax Regulations as amended ("**Non-Resident Income Tax Law**"), along with Law 19/1991, of 6 June on Wealth Tax as amended and Law 29/1987, of 18 December on Inheritance and Gift Tax as amended and Law 38/2022, for the establishment of temporary levies on energy and on financial credit institutions and introducing a temporary solidarity tax on large fortunes.

Whatever the nature and residence of the holder of a beneficial interest in the Notes (each, a "**Beneficial Owner**"), the acquisition and transfer of the Notes will be exempt from indirect taxes in Spain, for example exempt from transfer tax and stamp duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from value added tax, in accordance with Law 37/1992, of 28 December regulating such tax.

## 1. **Individuals with Tax Residency in Spain**

### 1.1 ***Individual Income Tax (Impuesto sobre la Renta de las Personas Físicas)***

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes would constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and should be included in each investor's taxable savings and taxed at the tax rate applicable from time to time, currently 19 per cent. for taxable income up to €6,000.00, 21 per cent. for taxable income between €6,000.01 and €50,000.00, 23 per cent. for taxable income between €50,000.01 and €200,000.00, 27 per cent. for taxable income between EUR 200,001 and EUR 300,000 and 28 per cent. for taxable income exceeding €300,000.00. As a general rule, both types of income are subject to a withholding tax on account at the current rate of 19 per cent.

According to Section 44.5 of Royal Decree 1065/2007, of 27 July, the Issuer will make interest payments to individual holders who are resident for tax purposes in Spain without withholding provided that the relevant information about the Notes set out in Annex I is submitted by the Fiscal Agent in a timely manner. In addition, income obtained upon transfer, redemption or exchange of the Notes may also be paid without withholding.

Notwithstanding the above, withholding tax at the current applicable rate of 19 per cent. may have to be deducted by other entities (such as depositaries, institutions or financial entities) provided that such entities are resident for tax purposes in Spain or have a permanent establishment in Spanish territory.

In any event, individual holders may credit the withholding against their Personal Income Tax liability for the relevant fiscal year.

### 1.2 ***Wealth Tax (Impuesto sobre el Patrimonio)***

Individuals with tax residency in Spain will be subject to Wealth Tax to the extent that their net worth exceeds €700,000 (subject to any exceptions provided under relevant legislation in an autonomous region (*Comunidad Autónoma*)). Therefore, they should take into account the value of the Notes which they hold as at 31 December in each year, the applicable rates ranging between 0.2 per cent. and 3.5 per cent.

Notwithstanding the above, the so-called “solidarity tax” was approved in December 2022, which is a two-year direct wealth tax that, in general terms, applies, under certain conditions, to those residents in an autonomous region where the Wealth Tax is partial or fully exempt.

The rates of the “solidarity tax” are (i) 1.7% on a net worth between €3 million and €5 million, (ii) 2.1% on a net worth between €5 million and €10 million and (iii) 3.5% on a net worth of more than €10 million. Note that the regulation lays down a minimum exempt amount of €700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, are greater than €3.7 million.

### 1.3 ***Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Individuals with tax residency in Spain who acquire ownership or other rights over any Notes by inheritance, gift or legacy will be subject to inheritance and gift tax in accordance with the applicable Spanish regional or federal rules. As at the date of this Base Prospectus, the applicable tax rates currently range between 7.65 per cent. and 34 per cent. Relevant factors applied (such as previous net wealth or family relationship among transferor and transferee) determine the final effective tax rate that range, as of the date of this Base Prospectus, between 0 per cent. and 81.6 per cent.

## 2. **Legal Entities with Tax Residency in Spain**

### 2.1 ***Corporate Income Tax (Impuesto sobre Sociedades)***

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes constitute a return on investments for tax purposes obtained from the transfer to third parties of own capital and would have to be included in profit and taxable income of legal entities with tax residency in Spain for Corporate Income Tax ("CIT") purposes in accordance with the rules for Corporate Income Tax. In accordance with Section 44.5 of Royal Decree 1065/2007, of 27 July, there is no obligation to withhold on income payable to Spanish CIT taxpayers (which for the sake of clarity, include Spanish tax resident investment funds and Spanish tax resident pension funds). Consequently, the Issuer will not withhold on interest payments to Spanish CIT taxpayers *provided that* the relevant information about the Notes set out in Annex I is submitted by the Fiscal Agent in a timely manner. The current general tax rate according to CIT Law is 25 per cent.

However, in the case of Notes held by Spanish resident entity and deposited with a Spanish resident entity acting as depositary or custodian, payments of interest under the Notes may be subject to withholding tax at the current rate of 19 per cent., withholding that will be made by the depositary or custodian, if the Notes do not comply with the exemption requirements specified in the ruling issued by the Spanish Tax Authorities (*Dirección General de Tributos*) dated 27 July 2004 and require a withholding to be made.

Notwithstanding the above, amounts withheld, if any, may be credited by the relevant investors against its final CIT liability.

### 2.2 ***Wealth Tax (Impuesto sobre el Patrimonio)***

Spanish resident legal entities are not subject to Wealth Tax.

### 2.3 ***Inheritance and Gift Tax (Impuesto sobre Sucesiones y Donaciones)***

Legal entities tax resident in Spain which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax and must include the market value of the Notes in their taxable income for Spanish Corporate Income Tax purposes.

## 3. **Individuals and Legal Entities with no Tax Residency in Spain**

### 3.1 ***Non-Resident Income Tax (Impuesto sobre la Renta de No Residentes)***

#### (b) *Non-Spanish resident investors acting through a permanent establishment in Spain*

Ownership of the Notes by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Notes form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Notes are the same as those for Spanish Corporate Income Tax taxpayers.

#### (c) *Non-Spanish resident investors not acting through a permanent establishment in Spain*

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Notes, obtained by individuals or entities who have no tax residency in Spain, and which are Non-Resident Income Tax taxpayers with no permanent establishment in Spain, are exempt from such Non-Resident Income Tax. In order for such exemption to apply it is necessary to comply with the information procedures, in the manner detailed under "-Information about the Notes in Connection with Payments-" as set out in article 44 of Royal Decree 1065/2007.

### 3.2 **Wealth Tax (*Impuesto sobre el Patrimonio*)**

Non-Spanish resident individuals whose properties and rights located in Spain, or that can be exercised within the Spanish territory exceed €700,000 would be subject to Wealth Tax, the applicable rates ranging between 0.2 per cent. and 3.5 per cent.

Individuals resident in a country with which Spain has entered into a double tax treaty in relation to the Wealth Tax would generally not be subject to such tax.

Individuals that are not resident in Spain for tax purposes may apply the rules approved by the autonomous region where the assets and rights with more value (i) are located, (ii) can be exercised or (iii) must be fulfilled.

Notwithstanding the above, the so-called “solidarity tax” was approved in December 2022, which is a two-year direct wealth tax that, in general terms, applies, under certain conditions, to those residents in an autonomous region where the Wealth Tax is partial or fully exempt.

The rates of the “solidarity tax” are (i) 1.7% on a net worth between €3 million and €5 million, (ii) 2.1% on a net worth between €5 million and €10 million and (iii) 3.5% on a net worth of more than €10 million. Note that the regulation lays down a minimum exempt amount of €700,000.00 which means that its effective impact, in general, will occur when the net wealth, not tax exempt, are greater than €3.7 million.

Non-Spanish resident legal entities are not subject to Wealth Tax.

### 3.3 **Inheritance and Gift Tax (*Impuesto sobre Sucesiones y Donaciones*)**

Individuals not tax resident in Spain who acquire ownership or other rights over the Notes by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to inheritance and gift tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to inheritance and gift tax in accordance with Spanish legislation.

However, if the deceased, heir or the donee are resident outside of Spain, depending on the specific situation, the applicable rules will be those corresponding to the relevant autonomous regions according to the law.

Non-Spanish resident legal entities which acquire ownership or other rights over the Notes by inheritance, gift or legacy are not subject to inheritance and gift tax. They will be subject to Non-Resident Income Tax. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

## 4. **Information about the Notes in Connection with Payments**

As at the date of this Base Prospectus, the Issuer is currently required by Spanish law to report on certain information relating to the Notes. In accordance with Section 44 of Royal Decree 1065/2007, for that purpose, certain information with respect to the Notes must be submitted to the Issuer before the close of business on the Business Day (as defined in the Terms and Conditions of the Notes) immediately preceding the date on which any payment of interest, principal or of any amounts in respect of the early redemption of the Notes (each, a “**Payment Date**”) is due.

Such information would be the following:

- (a) identification of the Notes (as applicable) in respect of which the relevant payment is made;
- (b) date on which relevant redemption is made;
- (c) the total amount of the relevant redemption; and

- (d) the amount of the relevant payment and to each entity that manages a clearing and settlement system for securities situated outside Spain.

In particular, the Fiscal Agent must certify the information above about the Notes by means of a certificate the form of which is attached as Annex I of this Base Prospectus.

In light of the above, the Issuer and the Fiscal Agent have arranged certain procedures to facilitate the collection of information concerning the Notes by the close of business on the Business Day immediately preceding each relevant Payment Date. If, despite these procedures, the relevant information is not received by the Issuer on each Payment Date, the Issuer will withhold tax at the then-applicable rate (as at the date of this Base Prospectus, 19 per cent.) from any payment in respect of the relevant Notes as to which the required information has not been provided. The Issuer will not pay any additional amounts with respect to any such withholding.

#### 5. **The Spanish Financial Transactions Tax (the "Spanish FTT")**

The Spanish Parliament has approved Law 5/2020 of 15 October, on the financial transactions tax (*Ley del Impuesto sobre las Transacciones Financieras*) which entered into force on 16 January 2021. The Spanish FTT applies on the acquisition of shares (including transfer or conversion) of Spanish companies with a market capitalization of more than €1 billion, at a tax rate of 0.2%. In principle, the Spanish FTT does not affect transactions involving bonds or similar instruments.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the Spanish FTT.

#### 6. **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Spain) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

Set out below is Annex I. Sections in English have been translated from the original Spanish and such translations constitute direct and accurate translations of the Spanish language text. In the event of any discrepancy between the Spanish language version of the certificate contained in Annex I and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.

#### ANNEX I

**Anexo al Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos, aprobado por Real Decreto 1065/2007**

**Modelo de declaración a que se refieren los apartados 3, 4 y 5 del artículo 44 del Reglamento General de las actuaciones y los procedimientos de gestión e inspección tributaria y de desarrollo de las normas comunes de los procedimientos de aplicación de los tributos**

Annex to Royal Decree 1065/2007, of 27 July, approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

Declaration form referred to in paragraphs 3, 4 and 5 of Article 44 of the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes

**Don (nombre), con número de identificación fiscal ( )<sup>(1)</sup>, en nombre y representación de (entidad declarante), con número de identificación fiscal ( )<sup>(1)</sup> y domicilio en ( ) en calidad de (marcar la letra que proceda):**

Mr. (name), with tax identification number ( )<sup>(1)</sup>, in the name and on behalf of (entity), with tax identification number ( )<sup>(1)</sup> and address in ( ) as (function – mark as applicable):

- (a) **Entidad Gestora del Mercado de Deuda Pública en Anotaciones.**  
(a) Management Entity of the Public Debt Market in book entry form.
- (b) **Entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero.**  
(b) Entity that manages the clearing and settlement system of securities resident in a foreign country.
- (c) **Otras entidades que mantienen valores por cuenta de terceros en entidades de compensación y liquidación de valores domiciliadas en territorio español.**  
(c) Other entities that hold securities on behalf of third parties within clearing and settlement systems domiciled in the Spanish territory.
- (d) **Agente de pagos designado por el emisor.**  
(d) Issuing and Paying Agent appointed by the issuer.

**Formula la siguiente declaración, de acuerdo con lo que consta en sus propios registros:**

Makes the following statement, according to its own records:

- 1. **En relación con los apartados 3 y 4 del artículo 44:**
  - 1. In relation to paragraphs 3 and 4 of Article 44:
    - 1.1 **Identificación de los valores.....**  
1.1 Identification of the securities .....
    - 1.2 **Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados)**  
1.2 Income payment date (or refund if the securities are issued at discount or are segregated)

- 1.3 Importe total de los rendimientos (o importe total a reembolsar, en todo caso, si son valores emitidos al descuento o segregados) .....**
- 1.3 Total amount of income (or total amount to be refunded, in any case, if the securities are issued at discount or are segregated)
- 1.4 Importe de los rendimientos correspondiente a contribuyentes del Impuesto sobre la Renta de las Personas Físicas, excepto cupones segregados y principales segregados en cuyo reembolso intervenga una Entidad Gestora .....**
- 1.4 Amount of income corresponding to Personal Income Tax taxpayers, except segregated coupons and segregated principals for which reimbursement an intermediary entity is involved .....
- 1.5 Importe de los rendimientos que conforme al apartado 2 del artículo 44 debe abonarse por su importe íntegro (o importe total a reembolsar si son valores emitidos al descuento o segregados).**
- 1.5 Amount of income which according to paragraph 2 of Article 44 must be paid gross (or total amount to be refunded if the securities are issued at discount or are segregated).
- 2. En relación con el apartado 5 del artículo 44.**
2. In relation to paragraph 5 of Article 44.
- 2.1 Identificación de los valores .....**
- 2.1 Identification of the securities.....
- 2.2 Fecha de pago de los rendimientos (o de reembolso si son valores emitidos al descuento o segregados) .....**
- 2.2 Income payment date (or refund if the securities are issued at discount or are segregated) .....
- 2.3 Importe total de los rendimientos (o importe total a reembolsar si son valores emitidos al descuento o segregados).....**
- 2.3 Total amount of income (or total amount to be refunded if the securities are issued at discount or are segregated)
- 2.4 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero A.**
- 2.4 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country A.
- 2.5 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero B.**
- 2.5 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country B.
- 2.6 Importe correspondiente a la entidad que gestiona el sistema de compensación y liquidación de valores con sede en el extranjero C.**
- 2.6 Amount corresponding to the entity that manages the clearing and settlement system of securities resident in a foreign country C.

**Lo que declaro en.....a ... de.....de ...**

I declare the above in ..... on the ... of ..... of ...



- (1) **En caso de personas, físicas o jurídicas, no residentes sin establecimiento permanente se hará constar el número o código de identificación que corresponda de conformidad con su país de residencia.**
- (1) In case of non-residents (individuals or corporations) without permanent establishment in Spain it shall be included the number or identification code which corresponds according to their country of residence.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Bayerische Landesbank, BNP Paribas, BofA Securities Europe SA, CaixaBank, S.A., Citigroup Global Markets Europe AG, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, Goldman Sachs Bank Europe SE, HSBC Continental Europe, ING Bank N.V., Intesa Sanpaolo S.p.A., J.P. Morgan SE, Mediobanca – Banca di Credito Finanziario S.p.A., Natixis, NatWest Markets N.V., Société Générale and UniCredit Bank AG (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in an amended and restated Dealer Agreement dated 9 May 2023 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and sold, and will not offer and sell, Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant tranche within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling commission, fee or other remuneration that purchases Notes from it a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this section have the meanings given to them by Regulation S.

### **Prohibition of Sales to EEA Retail Investors**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **United Kingdom**

#### *Prohibition of Sales to UK Retail Investors*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law of the United Kingdom by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

#### *Selling Restrictions Addressing Additional United Kingdom Securities Laws*

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue

or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

### **Kingdom of Spain**

Each Dealer and the Issuer has represented and agreed that the offers of the Notes in Spain will be directed specifically at or made to professional clients (*clientes profesionales*) as this term is defined in Article 194 of the Spanish Law 6/2023, of 17 March, on the Securities Markets and the Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*) (as amended or replaced from time to time, the "**Spanish Securities Markets and Investment Services Law**"), and Article 58 of Royal Decree 217/2008, of 15 February (as amended or replaced from time to time), and eligible counterparties (*contrapartes elegibles*) as defined in Article 196 of the Spanish Securities Markets and Investment Services Law. The Base Prospectus shall not be registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore the Base Prospectus is not intended for any public offer of the Notes in Spain which is not exempted from the prospectus requirements.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer has represented and agreed that has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### **Republic of Italy**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy, and that sales of the Notes in the Republic of Italy shall be effected in accordance with the Prospectus Regulation and all Italian securities, tax and exchange control and other applicable laws and regulations.

Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

- (a) to "qualified investors" (*investitori qualificati*), as defined in the Prospectus Regulation and any applicable provision of Legislative Decree no. 58 of 24 February 1998 ("**Decree No. 58**") and Italian CONSOB regulations, all as amended from time to time; or
- (b) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under the Prospectus Regulation, Decree No. 58 or CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and any other applicable Italian laws and regulation.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;

- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and on 2 November 2020); and
- (c) in compliance with any other applicable laws and regulations, including any requirement or limitation which may be imposed by CONSOB or the Bank of Italy or other competent Italian authority.

## **Ireland**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree to the Issuer, that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Notes, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of:

- (i) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended), and any codes of conduct or rules issued in connection therewith and any conditions, requirements or enactments, imposed or approved by the Central Bank of Ireland, and the provisions of the Investor Compensation Act 1998 (as amended);
- (ii) the Irish Central Bank Acts 1942 to 2018 (as amended) and any codes of practice made under Section 117(1) of the Irish Central Bank Act 1989 (as amended) or any regulations made pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended);
- (iii) Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market or any delegated or implementing acts relating thereto, the European Union (Prospectus) Regulations 2019 of Ireland, the Companies Act 2014 (as amended) and any rules issued under Section 1363 of the Companies Act 2014 (as amended) by the Central Bank of Ireland;
- (iv) the European Union (Market Abuse) Regulations 2016 (as amended), Regulation (EU) No 596/2014 of the European Parliament of the Council of 16 April 2014 on market abuse (as amended) and any rules issued under Section 1370 of the Companies Act 2014 (as amended) by the Central Bank of Ireland; and
- (v) it will ensure that no Notes will be offered or sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Central Bank of Ireland.

## **Singapore**

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (t) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (u) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

### **Switzerland**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that,

- (i) the Notes may not be publicly offered, sold, advertised or marketed, directly or indirectly, in or into Switzerland within the meaning of the Swiss Financial Services Act dated 15 June 2018, as amended ("**FinSA**"), except to any investor that qualifies as a professional client within the meaning of the FinSA;
- (ii) neither this Base Prospectus nor any other offering or marketing material relating to the Issuer or the Notes (y) constitutes a prospectus or a key information document (or an equivalent document) as such term is understood pursuant to the FinSA or (z) has been or will be filed with or approved by a Swiss review body pursuant to article 51 of the FinSA; and
- (iii) neither this Base Prospectus nor any other offering or marketing material relating to the Issuer or the Notes may be distributed or otherwise made available in Switzerland, except to any investor that qualifies as a professional client within the meaning of the FinSA.

### **General**

Each Dealer has represented, warranted and agreed with the Issuer that it has, to the best of its knowledge complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

## GENERAL INFORMATION

### Authorisation

1. The establishment of the Programme was duly authorised by a resolution of Shareholders' meeting held on 29 May 2014 and by the Board of Directors of the Issuer on 29 May 2014 and the update of the Programme has been duly authorised by the Board of Directors of the Issuer on 27 February 2023. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### Validity of prospectus and prospectus supplements

2. The Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Regulation and will be valid for 12 months since the date of its approval. The Central Bank only approves this Base Prospectus as meeting the requirements imposed by the Prospectus Regulation. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of MiFID II, as amended and/or which are to be offered to the public in any member state of the European Economic Area. Application has been made to Euronext Dublin for the Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list and trading on its regulated market.

However, Notes may be issued pursuant to the Programme which will not be listed on Euronext Dublin but which will be listed on such other stock exchanges as the Issuer and the Relevant Dealer(s) may agree.

3. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its twelve-month validity period.

### Legal and Arbitration Proceedings

4. Save as disclosed in the section Litigation on pages 109 to 115 of this Base Prospectus, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries.

### Significant/Material Change

5. Save as disclosed in "Recent Developments", since 31 December 2022, there has been no material adverse change in the prospects of the Issuer or the Issuer and its Subsidiaries. Since 31 December 2022, there has been no significant change in the financial performance or position of the Issuer or the Issuer and its Subsidiaries.

### Auditors

6. The Spanish language consolidated annual accounts of the Issuer for the years ended 31 December 2021 and 31 December 2022 have been audited and the respective report has been issued, without qualification, by KPMG Auditores, S.L. of Paseo de la Castellana, 259 C 28046 Madrid, registered with the Madrid Commercial Register under volume 11,961 and sheet M-188007, and registered with the Official Registry of Accounting Auditors (ROAC) under number S0702 (*Registro Oficial de Auditores de Cuentas*). KPMG Auditores, S.L. is a member of the *Instituto de Censores Jurados de Cuentas de España*.

### Documents on Display

7. Physical copies of the following documents (together with English translations thereof where applicable) may be inspected during normal business hours at the offices of the Fiscal Agent for 12 months from the date of this Base Prospectus:
  - (a) the constitutive documents of the Issuer;



- (b) the audited consolidated annual accounts of the Issuer for the year ended 31 December 2022;
- (c) the audited consolidated annual accounts of the Issuer for the year ended 31 December 2021;
- (d) the 2022 conditions;
- (e) the 2021 conditions;
- (f) the 2020 conditions;
- (g) the 2019 conditions;
- (h) the 2018 conditions;
- (i) the 2017 conditions;
- (j) the 2016 conditions;
- (k) the 2015 conditions;
- (l) the 2014 conditions;
- (m) the Agency Agreement;
- (n) the Deed of Covenant; and
- (o) the Programme Manual (which contains the forms of the Notes in global and definitive form).

The documents referred to at (a), (b), (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n) and (o) above may be viewed on the website of the Issuer at [www.grupoacs.com](http://www.grupoacs.com).

#### **Clearing of the Notes**

9. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

#### **Issue Price and Yield**

10. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

11. The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions.
12. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

### **Material Contracts**

13. There are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.

### **Third Party Information**

14. Where information in this Base Prospectus has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

### **Conflicts of Interest**

15. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in financing, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and/or the Issuer's affiliates in the ordinary course of business and for which such Dealers have received or may receive customary fees, commissions, reimbursement of expenses and indemnification. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. They have received, or may in the future receive, customary fees and commissions for these transactions. In particular, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or any of its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers routinely hedge their credit exposure to the Issuers consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. For the purpose of this paragraph, the term "affiliates" also includes parent companies.

### **Legal Entity Identifier**

16. The Legal Entity Identifier of the Issuer is 95980020140005558665.

**REGISTERED OFFICE OF THE ISSUER**

**ACS, Actividades de Construcción y Servicios, S.A.**

Avenida Pío XII, 102  
28036 Madrid  
Spain

**ARRANGER**

**Société Générale**

29, boulevard Haussmann  
75009 Paris  
France

**DEALERS**

**Banco Bilbao Vizcaya Argentaria, S.A.**

Ciudad BBVA  
Calle Saucedo 28,  
Edificio Asia 1st Floor  
Madrid 28050  
Spain

**Bayerische Landesbank**

Brienner Strasse 18  
80333 Munich  
Germany

**BofA Securities Europe SA**

51 rue La Boétie  
75008 Paris  
France

**Citigroup Global Markets Europe AG**

Reuterweg 16  
60323 Frankfurt am Main  
Germany

**Deutsche Bank Aktiengesellschaft**

Mainzer Landstr. 11-17  
60329 Frankfurt am Main  
Germany

**HSBC Continental Europe**

38, avenue Kléber  
75116 Paris  
France

**Intesa Sanpaolo S.p.A.**

Divisione IMI Corporate & Investment Banking  
Via Manzoni 4  
20121 Milan  
Italy

**Banco Santander, S.A.**

Ciudad Grupo Santander  
Edificio Encinar,  
Avenida de Cantabria s/n  
28660, Boadilla del Monte Madrid  
Spain

**BNP Paribas**

16, boulevard des Italiens  
75009 Paris  
France

**CaixaBank, S.A.**

Pintor Sorolla 2-4,  
46002 Valencia  
Spain

**Crédit Agricole Corporate and Investment  
Bank**

12, Place des Etats-Unis  
CS 70052  
92547 MONTROUGE CEDEX  
France

**Goldman Sachs Bank Europe SE**

Marienturm,  
Taunusanlage 9-10  
D-60329 Frankfurt am Main  
Germany

**ING Bank N.V.**

Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

**J.P. Morgan SE**

Taunustor 1 (TaunusTurm)  
60310 Frankfurt am Main  
Germany

**Mediobanca – Banca di Credito Finanziario S.p.A.**

Piazzetta Cuccia, 1  
20121 Milan  
Italy

**Natixis**

7, promenade Germaine Sablon  
Tour EST  
BP4  
75060 Paris Cedex 02  
France

**NatWest Markets N.V.**

Claude Debussylaan 94  
Amsterdam 1082 MD  
The Netherlands

**Société Générale**

29, boulevard Haussmann  
75009 Paris  
France

**UniCredit Bank AG**

Arabellastr. 12  
81925 Munich  
Germany

**FISCAL AGENT**

**SOCIÉTÉ GÉNÉRALE LUXEMBOURG**

11, avenue Emile Reuter  
L-2420 Luxembourg

**LEGAL ADVISERS**

*To the Dealers and the Arrangers  
as to English and Spanish law:*

**Clifford Chance, S.L.P.**

Paseo de la Castellana, 110  
28046 Madrid  
Spain

**AUDITORS TO THE ISSUER**

**KPMG Auditores, S.L.**

Paseo de la Castellana, 259C  
28046 Madrid  
Spain

**IRISH LISTING AGENT**

**The Bank of New York Mellon SA/NV, Dublin Branch**

Riverside II, Sir John Rogerson's Quay  
Grand Canal Dock,  
Dublin 2, Ireland